THE PROVINCE OF BUENOS AIRES
(*A Province of Argentina*)

USD 250,000,000 5.750% Notes Due 2019

USD 500,000,000 7.875% Notes Due 2027

The Province of Buenos Aires (the "Province") made an offer of USD 250,000,000 aggregate principal amount of its 5.750% Notes due 2019 (the "New 2019 Notes"). The Province also made an offer of USD 500,000,000 aggregate principal amount of its 7.875% Notes due 2027 (the "New 2027 Notes" and, together with the New 2019 Notes, the "New Notes"). The New Notes were offered as additional debt securities under an indenture dated June 9, 2015, pursuant to which, on June 15, 2016, the Province previously issued USD 500,000,000 aggregate principal amount of its 5.750% Notes due 2019 (the "Initial 2019 Notes," and together with the New 2019 Notes, the "2019 Notes") and USD 500,000,000 aggregate principal amount of its 7.875% Notes due 2027 (the "Initial 2027 Notes," and together with the New 2027 Notes, the "2027 Notes"). The Initial 2019 Notes and Initial 2027 Notes are referred to as the "Initial Notes," and collectively with the New Notes, the "Notes." The New 2019 Notes and New 2027 Notes have the respective identical terms and conditions as the Initial 2019 Notes and Initial 2027 Notes, except for the issue date and issue price, and will be respectively fungible with the Initial 2019 Notes and Initial 2027 Notes and constitute a single series and vote as a single class of debt securities under the indenture, respectively, following expiration of the 40-day restricted period under Regulation S under the Securities Act (as defined below). The Initial Notes and the New Notes of each respective series will have the same ISIN and Common Code numbers, except that the New Notes offered and sold in compliance with Regulation S shall be issued and maintained under temporary ISIN and Common Code numbers during a 40-day distribution compliance period commencing on the date of issuance of the New Notes. The New Notes were issued and deposited with Euroclear Bank S.A/N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream") on October 20, 2016.

After giving effect to the offering, an aggregate of USD 750,000,000 of 2019 Notes and an aggregate of USD 1,000,000,000 of 2027 Notes are outstanding.

The Province will pay interest on the Notes on June 15 and December 15 of each year, beginning on December 15, 2016. The 2019 Notes will mature on June 15, 2019 and the 2027 Notes will mature on June 15, 2027. The Province will pay the principal of (i) the 2019 Notes on June 15, 2019 and (ii) the 2027 Notes in three installments: 33.33% on June 15, 2025, 33.33% on June 15, 2026 and 33.34% on June 15, 2027.

The Notes are direct, general, unconditional and unsubordinated Public External Indebtedness (as defined below) of the Province, ranking without any preference among themselves and equally with all other 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.

Application has been made to list the New Notes on the official list of Luxembourg Stock Exchange, and to have the New Notes admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, and the Province has applied to list the New Notes on the *Mercado de Valores de Buenos Aires S.A.*("MERVAL") and the Argentine *Mercado Abierto Electrónico S.A*. ("MAE").

Investing in the New Notes involves risks that are described in the "Risk Factors" section beginning on page 9 of this Luxembourg Listing Prospectus.

The New Notes contain provisions, commonly known as "collective action clauses." Under these provisions, which differ from the terms of our public external indebtedness issued prior to June 9, 2015, 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 New Notes—Meetings, Amendments and Waivers."

Price to investors for the New 2019 Notes: 103.086% plus accrued interest from June 15, 2016 to October 20, 2016, and accrued interest from October 20, 2016 to the settlement date, if settlement occurs after that date.

Price to investors for the New 2027 Notes: 103.389% plus accrued interest from June 15, 2016 to October 20, 2016, and accrued interest from October 20, 2016 to the settlement date, if settlement occurs after that date.

The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction. Unless they are registered, the New 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 New Notes were offered only to Qualified Institutional Buyers ("QIBs") pursuant to Rule 144A under the Securities Act and persons outside 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 New 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 New Notes were registered in global form in the name of a nominee of a common depositary for Euroclear and Clearstream. See "Description of the New Notes—Registration and Book-Entry System."

Joint Bookrunners

BBVA **BofA Merrill Lynch** **HSBC**

Local Co-Manager

Banco de la Provincia de Buenos Aires

The date of this Luxembourg Listing Prospectus is November 9, 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.

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 will be required to bear the financial risks of your investment for an indefinite period of time.

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.

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. It may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Luxembourg Listing Prospectus, you agree to these restrictions. See "Notice to Investors."

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 this information 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 inquires, 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 the offering or for additional information to verify the information contained in this Luxembourg Listing Prospectus.

None of the United States 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 the offering or the adequacy or accuracy of this Luxembourg Listing Prospectus. Any representation to the contrary is a criminal offense.

This Luxembourg Listing Prospectus has been prepared on the basis that any offer of New Notes in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of New Notes. The expression Prospectus Directive means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Member State concerned.

In connection with the issue of the New Notes, the initial purchasers (or persons acting on behalf of the initial purchasers) may over-allot New Notes or effect transactions with a view to supporting the market price of the New Notes at a level higher than that which might otherwise prevail. However, stabilization action may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant New Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which we received the proceeds of the issue, or no later than 60 days after the date of allotment of the relevant New Notes, whichever is the earlier. Any stabilization action or over allotment must be conducted by the relevant initial purchasers (or persons acting on their behalf) in accordance with all applicable laws and rules and will be undertaken at the offices of the initial purchasers (or persons acting on their behalf).

This Luxembourg Listing Prospectus constitutes a prospectus for purposes of Part IV of the Luxembourg law dated July 10, 2005 on prospectuses for securities, as amended.

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 New 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 Argentine Civil and Commercial Code or directly provides an essential public service.

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 Buenos Aires, the issuer;

"Banco Provincia" are to *Banco de la Provincia de Buenos Aires*, the Bank of the Province of Buenos Aires;

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

"INDEC" are to the *Instituto Nacional de Estadística y Censos*, the National Institute of Statistics and Censuses;

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

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

"Argentina" are to the Republic of Argentina; and

The "federal government" are to the non-financial sector of the central government of Argentina, excluding the Central Bank.

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

"BADLAR" is the weighted average interest rate paid by private banks in Argentina for deposits in Argentine 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 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.

The "*Conurbano Bonaerense*" is an industrialized and heavily populated urban area surrounding the City of Buenos Aires. The scope and coverage of this area are defined by federal government agencies to represent a diverse demographic sample of Argentina's urban population based upon various socio-economic variables, which are used in the development and implementation of national public policies. The area consists of several municipalities of the Province that surround the City of Buenos Aires and does not include the City of Buenos Aires. Approximately 63.5% of the Province's population resides within the *Conurbano Bonaerense*.

"Eurobonds" are bonds issued by the Province in the international capital markets since 1995, including securities issued under the Province's USD 3.2 billion Euro Medium-Term Note program (EMTN Program) established in 1998.

"Exchange Bonds" are the three series of bonds—Step-Up Long Term Par Bonds due 2035, Step-Up Medium Term Par Bonds due 2020, and Discount Bonds due 2017—issued by the Province pursuant to the restructuring exchange offer launched in November 2005 to holders of its then outstanding Eurobonds. Approximately 93.7% of the principal amount of the then outstanding Eurobonds were tendered and cancelled pursuant to the exchange offer, which expired in December 2005. The exchange offer closed in January 2006. Subsequently, the Province issued additional amounts of Step-Up Long Term Par Bonds in order to cancel a portion of the remaining outstanding Eurobonds, increasing the percentage of then-outstanding Eurobonds cancelled to 97.6%.

"Exports" are calculated based upon statistics reported to Argentina's customs agency upon departure of goods originated in the Province on a free-on-board (FOB) basis.

The "Greater Buenos Aires" is a regional area within the Province, which includes the *Conurbano Bonaerense* and seven municipalities that surround the *Conurbano Bonaerense*. This definition is used for statistical purposes to refer to the largest urban area of the Province.

"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. The CPI in Argentina is calculated by INDEC. However, as a result of widespread concerns regarding the credibility of INDEC's calculations during at least part of the period under analysis, we will present information on alternative measures of CPI inflation, using the CPI calculated by the INDEC, the CPI calculated by the government of the City of Buenos Aires and the CPI calculated by the Province of San Luis, the last two based on a weighted basket of consumer goods and services that reflects the pattern of consumption of households that reside in those jurisdictions. All references in this Luxembourg Listing Prospectus to CPI are to the INDEC CPI, the City of Buenos Aires CPI or the Province of San Luis CPI, as indicated therein.

"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.

The "underemployment rate" represents the percentage of the Province's labor force that has worked fewer than 35 hours during the week preceding the date of measurement and seeks to work more than that amount. The "labor force" refers to the sum of the population of the five main urban areas of the Province (Greater Buenos Aires, Bahía Blanca-Cerri, Greater La Plata, Mar del Plata-Batán and San Nicolás-Villa Constitución) that has worked a minimum of one hour with compensation or 15 hours without compensation during the week preceding the date of measurement plus the population that is unemployed but actively seeking employment.

The "unemployment rate" represents the percentage of the Province's labor force that has not worked a minimum of one hour with compensation or 15 hours without compensation during the week preceding the date of measurement and is actively seeking employment.

Currency of Presentation and Exchange Rates

Unless otherwise specified, references in this Luxembourg Listing Prospectus to "dollars," "U.S. dollars," "USD" and "U.S.$" are to the currency of the United States of America, references to "euros" and "EUR" are to the currency of the European Union, references to "CHF" are to Swiss francs and references to "pesos" and "ARS" are to Argentine pesos.

The Province publishes most of its economic indicators and other statistics in pesos. Since February 2002, the peso floats 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.

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 fall of approximately 23% 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 current federal administration. Within the context of a very high inflation rate and increased indebtedness with elevated fiscal deficits during those years, the economy faced increasing capital flight and declining international reserves. The response from the previous federal administration was to impose severe capital and currency controls aimed at constraining the demand for U.S. dollars. As a consequence, an active unofficial U.S. dollar trading market developed, which reflected a peso/U.S. dollar exchange rate substantially different from the official peso/U.S. dollar exchange rate, but international reserves still did not increase.

The current federal administration has implemented a broad program of economic reforms directed at stabilizing the economy and eliminating certain distortions. In that regard, on December 17, 2015, the current federal administration lifted the capital and currency controls to let the peso float freely. As a result, the peso depreciated 36% against the U.S. dollar, although it did not reach the levels indicated by the unofficial exchange rate market. 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. Since such devaluation, the peso/U.S. dollar exchange rate has remained stable within the parameters of a normalized exchange rate market. During the following months of 2016, the new government eliminated most of the remaining foreign exchange restrictions, including certain currency controls. See "Exchange Controls" and "Risk Factors—Risks Relating to the Province—Presidential and legislative elections in Argentina may create uncertainties that could impact the Argentine and provincial economies and the securities market."

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.

	Exchange rates(1)			
	High	Low	Average(2)	Period end
Year ended December 31,				
2010	3.986	3.794	3.913	3.976
2011	4.304	3.972	4.130	4.303
2012	4.917	4.305	4.551	4.917
2013	6.518	4.923	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	14.410	14.258
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
August	15.099	14.653	14.850	14.901
September	15.402	14.884	15.101	15.263

(1) Central Bank reference exchange rates (Communication A 3500 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.

As of October 11, 2016 the peso-dollar reference exchange rate was ARS 15.19 to USD 1.00 (Communication A 3500 of Central Bank).

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. Some of the restrictions adopted by the Central Bank were eliminated whereas additional foreign exchange regulations were imposed between 2012 and 2015.

Since the current federal administration led by Mauricio Macri took office 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. Further restrictions were also lifted or relaxed pursuant to Communication "A" 6037 (as amended), issued by the Central Bank on August 8, 2016, effective as of August 9, 2016. See "Risk Factors—Risks Related to the Province—The Presidential and legislative elections in Argentina may create uncertainties that could impact the Argentine and provincial economies and the securities market."

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"); (ii) the possibility of Argentine residents to make capital contributions and purchase equity in companies constituted abroad through the MULC without an amount limit, to the extent of said investment (a) is directly or indirectly linked to the development of productive activities and non-financial services; and (b) can be deemed a foreign "direct investment," as per Communication "A" 4237, as amended, and other requirements set forth in Communication "A" 6037 are met; (iii) pursuant to Communication "A" 6037, as amended, the mandatory minimum stay period of 120 consecutive days applies only if the foreign indebtedness proceeds entered Argentina; (iv) 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; (v) the ability to purchase foreign currency without specific allocation (*atesoramiento*) 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 has been restored; (vi) 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; (vii) the elimination of the requirement of a minimum holding period (72 business hours) related to the purchase and sale of securities authorized to be listed or negotiated in different local and international stock exchange markets; (viii) 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 contemplate discretionary federal government approval of payments for the import of products through the MULC; and (ix) access to the MULC for payment of principal, debt service, services, profits, dividends and non-financial non-produced assets is granted upon fulfillment of Central Bank's reporting regime set forth by Communication "A" 3602 and Communication "A" 4237, as applicable.

Communication "A" 6037 (as amended) 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.

For further information in relation to all exchange restrictions and controls investors should seek advice from their legal advisors and analyze the regulations of the Central Bank, Decree No. 616/2005, Resolution of the Ministry of Treasury and Public Finances No. 365/2005 and the Foreign Exchange Criminal Regime (Law No. 19,359, as amended), as further supplemented and amended.

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. Totals in some tables in this Luxembourg Listing Prospectus may differ from the sum of the individual items in those tables due to rounding.

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

Certain statistical information included in this Luxembourg Listing Prospectus is preliminary in nature and reflects the most reliable data readily available to the Province as of October 14, 2016.

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.

FORWARD-LOOKING STATEMENTS

This Luxembourg Listing Prospectus and any related supplement (including any documents incorporated by reference) 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 and external factors, such as increases in inflation, high domestic interest rates and exchange rate volatility, political or climatic events, adverse external factors, such as a decline in foreign investment, international or domestic hostilities, changes in international prices (including commodity prices) for goods produced within the Province, changes in international interest rates, recession or low economic growth in Argentina’s trading partners, any of which could lead to lower economic growth in the Province, and, indirectly, reduce tax revenues and other public sector revenues and adversely affect the Province’s fiscal accounts and its ability to service its debts.

Projections with respect to 2016 included throughout this Luxembourg Listing Prospectus are as set forth in the 2017 budget documents established for the provincial government’s budget planning purposes and are based on assumptions made at the time of such budget planning. There can be no assurance that such estimates as projected will actually be realized. Therefore you should not place undue reliance on them.

SUMMARY

This summary highlights selected economic and financial information 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 New Notes.

Selected Economic Information
(in billions of Pesos unless otherwise indicated)

	2011	2012	2013	2014	2015
PROVINCIAL ECONOMY					
Real GDP (in billions of 1993 pesos)	168.99	174.85	180.91	181.59	183.54
Rate of change in Real GDP from prior year	10.1%	3.5%	3.5%	0.4%	1.1%
Provincial GDP as a % of Federal GDP	36.8%	37.4%	------	------	------
Inflation (as measured by INDEC CPI)	9.5%	10.8%	10.9%	23.9%	------
Inflation (as measured by San Luis CPI)	23.3%	23.0%	31.9%	39.0%	31.6%
Inflation (as measured by the City of Buenos Aires CPI)	------	------	26.6%	38.0%	26.9%
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)	710.78	703.49	720.41	702.31	719.58
Rate of change from prior year (2004 pesos)	6.0%	(1.0%)	2.4%	(2.5%)	2.5%
Unemployment rate (1)	6.7%	6.9%	6.4%	6.9%	------
PROVINCIAL PUBLIC SECTOR FINANCES					
Total Revenues	90.29	111.43	150.05	202.98	274.31
Total Expenditures	98.43	120.29	151.08	202.18	295.78
Primary Fiscal Balance(2)	(5.60)	(5.3)	3.32	7.52	(11.6)
Financial Balance (3)	(8.14)	(8.86)	(1.03)	0.80	(21.47)
PROVINCIAL PUBLIC SECTOR DEBT					
Peso-denominated debt (4)	33.67	40.27	39.89	38.33	51.42
Foreign-currency-denominated debt (5)	27.17	32.24	41.99	51.98	70.66
Total debt (5)	60.84	72.51	81.88	90.31	122.09
Total debt (in billions of USD)(5)	14.14	14.74	12.56	10.56	9.36
Debt as a % of nominal GDP (5)	7.8%	7.5%	6.8%	5.5%	5.8%
Debt as a % of total revenues(5)	67.4%	65.1%	54.6%	44.5%	44.5%

(1) Based on the *Encuesta Permanente de Hogares* (Permanent Household Survey or "EPH") conducted in 28 major cities. According to INDEC, the current methodology to conduct the EPH is applied to every major city except Rawson - Trelew, San Nicolás -Villa Constitución and Viedma - Carmen de Patagones, where the EPH is still being conducted pursuant to the old methodology because of resource constraints in cities in the interior of Argentina.
(2) Excluding interest payments.
(3) Represents the primary fiscal balance minus interest payments.
(4) Includes debt denominated in CER-adjusted pesos.
(5) Excluding past due interest payments.

Source: Provincial Office of Statistics; Ministry of Economy of the Province; Federal Ministry of Treasury and Public Finances and INDEC.

The Province

General

The Province is the largest in terms of geographic size and population of the 23 provinces of Argentina, with an area of 304,907 square kilometers and a population of approximately 16.6 million inhabitants. It is located in the central-eastern part of the country, in a region known as the "Pampas." The capital of the Province is the city of La Plata.

The executive branch consists of a Governor and a Vice Governor, who are elected by popular vote for a period of four years, and a number of ministries, secretariats and other provincial governmental agencies.

The legislative branch consists of the Senate and the House of Deputies. The judicial branch consists of trial courts, courts of appeals and the Provincial Supreme Court, which have jurisdiction over civil, commercial, administrative, labor, family and criminal matters within the Province. In addition, the provincial constitution provides for the existence of certain provincial agencies that do not fall under any of the three branches of government.

Each of the Province's 135 municipalities has its own government, responsible for providing basic local services. Pursuant to provincial law, the Province's municipalities are entitled to receive a percentage of the taxes collected by the Province and the federal government. In addition, several municipalities are entitled to collect certain provincial taxes.

The current President of Argentina, Mauricio Macri, and the Governor of the Province, María Eugenia Vidal, took office in December 2015. Both of them belong to the *Cambiemos* ("Let's Change") political coalition. The triumph of Mauricio Macri in the Presidential election and María Eugenia Vidal in the provincial election implies a significant political shift in Argentina. For the first time in 28 years the Province of Buenos Aires is not under a *Partido Justicialista* (Justicialist Party, or "PJ") administration. Regarding the federal government, the triumph of Mauricio Macri ends 14 years of PJ administrations.

Mauricio Macri, the leader of *Cambiemos*, was the Mayor of the City of Buenos Aires from 2007 to December 2015. María Eugenia Vidal was Vice Mayor of the City of Buenos Aires from 2011 to December 2015 and a cabinet member from 2007 to 2011.

Since assuming office, Mauricio Macri's administration has implemented several significant economic and policy reforms, including (i) reforming INDEC to reestablish its credibility, (ii) changes to foreign exchange regulations, (iii) changes to foreign trade regulation that aims to foster exports through the reduction of export duties on agricultural products, (iv) reduction in subsidies to residential energy users (excluding low income households) and to transport, aimed at reducing the fiscal deficit, and (v) the declaration of an energy infrastructure state of emergency. See "Risk Factors—Risks Relating to the Province—The Presidential and legislative elections in Argentina may create uncertainties that could impact the Argentine and provincial economies and the securities market." In addition, in April 2016 the Macri administration settled claims with certain holdout creditors that did not participate in the Argentine 2005 and 2010 debt restructurings. As of October 14, 2016, although the vast majority of claims in litigation have been settled, litigation initiated by some holdout creditors continues in several jurisdictions. For more information, see "Risk Factors—Risks Relating to the Province—Argentina's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth."

The next elections for President of Argentina and for Governor of the Province are scheduled to take place in 2019, while the next legislative elections will take place in 2017.

Province's issuer rating

On February 5, 2016, Standard and Poor's upgraded the issuer rating of the Province of Buenos Aires on its foreign currency global scale from CCC- to B- (3 notches), with a stable outlook. Additionally, on April 21, 2016, Moody's upgraded the issuer rating of the Province of Buenos Aires on its foreign currency global scale from Caa2 to B3 (2 notches), with a stable outlook. These ratings do not necessarily represent the rating of the Notes, which may differ from the Province's issuer rating.

The Provincial Economy

The provincial economy accounts for approximately 36.0% of the Argentine economy and its economic cycle is closely tied to that of Argentina.

In 2015, the Province's real GDP showed moderate growth of 1.1%, as compared with the previous year, due to a 2.4% increase in the services sectors, partially offset by a decline of 1.3% in the goods sectors.

In 2016, the quarterly economic activity indicators developed by the Province, which track quarterly variations in economic activity to anticipate changes in the annual GDP at constant prices, showed a 1.3% and a 1.7% decline during the first and second quarters of 2016, respectively, as compared to the same quarters in 2015.

The Province has a well-diversified economy. The Province's most significant economic sectors are (i) manufacturing, (ii) real estate and business activities, (iii) retail and wholesale commerce, (iv) transport, storage and communications, (v) education, social and health services, (vi) construction, and (vii) agriculture, livestock, hunting and forestry. Historically, the Province's manufacturing sector has been the single largest contributor to provincial GDP.

Public Sector Finances

In 2015, the primary balance recorded a deficit of ARS 11.60 billion, compared to a surplus of ARS 7.52 billion in 2014. In 2015, a financial deficit of ARS 21.47 billion was recorded, as compared to a financial surplus of ARS 0.8 billion in 2014.

Main Sources of Revenues

From 2011 through 2015, 71.4% of provincial revenues were derived from taxes, either federal or provincial, on average. During this period, provincial tax collections represented 42.6% of total revenues, while federal tax transfers represented 28.8% of total revenues, on average.

Federal Tax Transfers. Under the federal tax co-participation regime, the federal government is required to transfer to a federal tax co-participation fund, 64% of income tax revenues, 89% of value added tax revenues, 100% of presumptive minimum income tax revenues and 30% of financial transaction tax revenues, among others.

Out of these revenues, ARS 549.6 million is allocated to the *Fondo de Desequilibrios Fiscales Provinciales* (Provincial Tax Imbalance Fund). After this allocation, 15.0% of all remaining funds are allocated to the federal social security system. The remaining 85.0% is distributed among the federal government, the City of Buenos Aires and the provinces, with approximately 42.3% of the balance being allocated to the federal government, the Province of Tierra del Fuego and the City of Buenos Aires; 1.0% being allocated to an emergency fund; and approximately 56.7% being allocated to the provinces to be shared among them according to percentages set forth in the federal tax co-participation law. The Province is currently entitled to 21.7% of funds allocated to the provinces under the co-participation regime. The Province is required to transfer a portion of these funds to the municipalities and is entitled to manage the remaining funds in its sole discretion. On May 18, 2016, the federal government, the governors of most provinces, including the Province of Buenos Aires, and the Vice-Mayor of the City of Buenos Aires signed an agreement to gradually reduce the 15.0% deduction of the co-participable revenues at an annual rate of 3% from 2016 to 2020. See "Public Sector Finances—Main Sources of Revenues—Federal Tax Co-Participation Regime."

Provincial Revenues. The main source of provincial revenues is the collection of provincial taxes. In 2015, 60.3% of total tax revenues were provincial tax revenues. The main taxes are gross revenue tax, real estate tax, automobile tax, stamp tax and energy tax.

The Province also derives non-tax revenues from various provincial sources, including transfers of net profits or surpluses from provincial entities such as the Institute of Lotteries and Casinos and the Loan Recovery Committee, fees collected by the provincial judicial system, interest on loans granted to municipalities or other provincial agencies and enterprises, and proceeds from the lease of provincial land.

Composition of Expenditures

The Province's expenditures are allocated mainly to education, health programs, social programs, municipalities, investments in public infrastructure and services, police, courts, prisons and general provincial administration. Combined spending on education, health programs, social programs, investments in public infrastructure and services, police, courts and prisons and general provincial administration accounts for approximately 70.0% of the Province's total expenditures (excluding debt interest).

Provincial spending can be broken down in capital and current expenditures. Current expenditures consist of costs of personnel, goods and services and current transfers, which include transfers to municipalities under the provincial tax co-participation regime and to unconsolidated provincial agencies and enterprises. Capital expenditures include capital investment, loans and capital contributions to provincial enterprises and loans and transfers to municipalities for public works. The Province's total expenditures for 2015 increased by 46.3%, to ARS 295.77 billion from ARS 202.18 billion during 2014, mainly due to a 50.5% increase in personnel expenditures, to ARS 147.83 billion in 2015 from ARS 98.24 billion in 2014, principally reflecting the cumulative effect of salary increases granted in 2014 and 2015.

Proposed 2017 Budget Bill

Pursuant to the constitution of the Province, the executive branch must submit a draft budget law for each upcoming year during the prior year. The budget represents an estimate of future revenues and also constitutes an authorization of, and a limit on, expenditures and indebtedness by the Province for the budgeted period. The provincial legislature has broad powers to amend or reject the draft budget law submitted by the executive branch.

On October 12, 2016 the executive branch submitted to the provincial legislature the proposed budget for the fiscal year ended December 31, 2017, which is awaiting approval.

The 2017 budget bill establishes a primary balance deficit of ARS 12.12 billion, as compared to a projected primary balance deficit of ARS 15.16 billion for 2016, and a financial deficit of ARS 34.77 billion in 2017 as compared to a projected financial deficit of ARS 29.61 billion for 2016. The budget allows the Province to borrow up to ARS 63.9 billion during 2017 to fund social, infrastructure and other public investment projects currently under way or that are planned to be carried out, as well as to improve the debt maturity profile of the Province and make debt service payments.

Public Sector Debt

The Province satisfies its financing needs from a wide 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 14.74 billion, USD 12.56 billion, USD 10.56 billion and USD 9.36 billion as of December 31, 2012, December 31, 2013, December 31, 2014 and December 31, 2015, respectively.

As of June 30, 2016, the Province's total indebtedness was USD 11.46 billion.

As of June 30, 2016, the federal government held 24.8% of the Province's total indebtedness, while 67.8% was held by local and international bondholders, 6.1% corresponded to multilateral credit organizations and the remaining 1.2% was held by bilateral credit agencies and other creditors. As of June 30, 2016, 33.4% of the Province's total indebtedness was denominated in pesos, with the remaining 54.0%, 11.7%, 0.6% and 0.3% denominated in U.S. dollars, euros, other currencies and CER adjusted pesos, respectively. Also, as of June 30, 2016, 98.3% of the Province's debt stock was medium-term and long-term and 65.7% was at fixed rate.

The increase in the Province's indebtedness during the six-month period ended June 30, 2016 was mainly due to:

- the issuance of three series of bonds in the international capital markets for an aggregate principal amount of USD 2.25 billion. The first issuance was in March 2016 for USD 1.25 billion of 9.125% bonds due 2024. In June 2016, two additional series of bonds were issued, including USD 500 million of 5.750% bonds due 2019 and USD 500 million of 7.875% bonds due 2027;

- the issuances of several peso denominated bonds in the local capital market during the first half of 2016, including Debt Cancelation Bonds of the Province ("Supplier's Bond") for ARS 7.95 billion, Treasury Bills (as defined below) for ARS 16.0 million, bonds issued under Bond Law No. 14,315 (the "Law 14,315") for ARS 4.5 million and other bond issuances totaling ARS 10.3 million;

- the impact of the exchange rate devaluation;

- capitalized interest of ARS 1.35 billion resulting from the grace period relating to indebtedness with the federal government and new disbursements from the federal government; and

- multilateral credit agencies' disbursements totaling ARS 48.2 million, which accounted for less than 0.1% of the total increase during the first half of 2016.

These increases were partially offset by the following decreases:

- amortization payments of debt issued in the local capital market, which amounted to ARS 1.98 billion. This amount includes (i) ARS 1.36 billion in Treasury Bills amortizations, (ii) ARS 373.3 million in repayments of bonds issued under Law 14,315, (iii) ARS 185.7 million to amortize Supplier's Bonds due 2016 and (iv) ARS 69.6 million in repayments of other debts;

- debt repayments to the federal government for ARS 1.13 billion, mainly comprised of the partial amortization payment of the 2015 Financial Assistance Agreement for ARS 1.0 billion;

- amortization payments under multilateral credit lines for ARS 753.2 million; and

- amortizations of debt issued in the international capital markets which amounted to ARS 707 million.

Banco Provincia

Banco Provincia is the second largest bank in Argentina in terms of total deposits and assets, with deposits of ARS 168.34 billion and total assets of ARS 192.71 billion as of June 30, 2016. The Province is the sole owner of Banco Provincia.

Banco Provincia is an *entidad autárquica* (self-administered public institution) governed by a board of directors appointed by the Governor of the Province with the approval of the provincial Senate. Banco Provincia acts as the financial agent of the Province and collects provincial taxes and duties on the Province's behalf. The Province guarantees all deposits and other liabilities of Banco Provincia. However, creditors of Banco Provincia that seek to enforce the guarantee must exhaust all legal remedies against Banco Provincia before requesting payment from the Province under the guarantee.

Although Banco Provincia is exempt from compliance with Argentine financial and banking regulations, it voluntarily adheres to the regulatory framework of the Argentine financial sector and therefore complies with the banking regulations and rules adopted by the Central Bank, including minimum capital, solvency and liquidity requirements and the supervisory powers of the Central Bank. Because of its special status as a provincial self-administered public institution, Banco Provincia is not subject to any federal income or other tax liability.

As of June 30, 2016, Banco Provincia's exposure to the public sector totaled approximately ARS 26.23 billion, accounting for approximately 13.6% of its total assets at that date.

The Offering

The following is a brief summary of some of the terms of the offering. For a more complete description of the terms of the Notes, see "Description of the New Notes" in this Luxembourg Listing Prospectus.

Issuer	The Province of Buenos Aires.
Notes Offered	USD 250,000,000 aggregate principal amount of 5.750% Notes due 2019. USD 500,000,000 aggregate principal amount 7.875% Notes due 2027. The New Notes were offered as additional debt securities under an indenture dated June 9, 2015, pursuant to which, on June 15, 2016, the Province previously issued USD 500,000,000 aggregate principal amount of its 5.750% Notes due 2019 and USD 500,000,000 aggregate principal amount of its 7.875% Notes due 2027. The New 2019 Notes and New 2027 Notes will have the respective identical terms and conditions as the Initial 2019 Notes and Initial 2027 Notes, except for the issue date and issue price, and will be respectively fungible with the Initial 2019 Notes and Initial 2027 Notes and constitute a single series and vote as a single class of debt securities under the indenture, respectively, following expiration of the 40-day restricted period under Regulation S under the Securities Act. The Initial Notes and the New Notes of each respective series will have the same ISIN and Common Code numbers, except that the New Notes offered and sold in compliance with Regulation S shall be issued and maintained under temporary ISIN and Common Code numbers during a 40-day distribution compliance period commencing on the date of issuance of the New Notes. After giving effect to the offering, an aggregate of USD 750,000,000 of 2019 Notes and an aggregate of USD 1,000,000,000 of 2027 Notes are outstanding.
Issuance Date of the New Notes	October 20, 2016.
Final Maturity	June 15, 2019 with respect to the 2019 Notes and June 15, 2027 with respect to the 2027 Notes.
Interest Payment Dates	June 15 and December 15, beginning on December 15, 2016.
Payment of Principal	The Province will pay the principal of the 2019 Notes on June 15, 2019. The Province will pay the principal of the 2027 Notes in three installments: 33.33% on June 15, 2025, 33.33% on June 15, 2026 and 33.34% on June 15, 2027. The Notes will represent a claim to their full principal due on each amortization date (plus accrued and unpaid interest) or upon earlier acceleration in accordance with their terms.
Status	The Notes are direct, general, unconditional and unsubordinated Public External Indebtedness of the Province. The Notes rank and will rank without any preference among themselves and equally with all other

	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 New Notes—Status."
Covenants	The indenture governing the Notes contains covenants that, among other things, limit the Province's ability to issue or assume any 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 New 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 774,660,000 (excluding accrued interest). The Province intends to use the net proceeds to fund social, infrastructure and other public investment projects currently under way or that are planned to be carried out, as well as to improve the debt maturity profile of the Province and make debt service payments. In addition, 11.66% of the proceeds will be directed to the *Fondo para Infraestructura Municipal* (Municipal Infrastructure Fund), in accordance with articles 33 and 35 of the Law No. 14,807 (the "2016 Budget Law").
Further Issuances	The Province may from time to time, without the consent of the holders of the 2019 Notes or 2027 Notes, create and issue additional notes having terms and conditions which are the same as those of the 2019 Notes or 2027 Notes (as applicable) in all respects, except for the issue date, issue price and first payment date of interest on the 2019 Notes or 2027 Notes (as applicable); provided, however, that any such additional Notes subsequently issued that are not fungible with the previously outstanding 2019 Notes or 2027 Notes (as applicable) for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from such previously outstanding Notes. Additional 2019 Notes or 2027 Notes (as applicable) 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 2019 Notes or 2027 Notes (as applicable).
Form and Settlement	The Province issued the New 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 New Notes were registered in global form in the name of a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of Euroclear and Clearstream. See "Description of the New Notes—Registration and Book-Entry System."
ISIN and Common Codes	The New Notes offered hereby and sold pursuant to Rule

	144A and Regulation S under the Securities Act have the ISIN and Common Code numbers indicated herein below.

2019 New Notes	ISIN Number	Common Code
Rule 144A..........	XS1433314157	143331415
Regulation S (during 40-day distribution compliance period)................	XS1508330278	150833027
Regulation S (after 40-day distribution compliance period)................	XS1433314231	143331423

2027 New Notes	ISIN Number	Common Code
Rule 144A..........	XS1433314587	143331458
Regulation S (during 40-day distribution compliance period)................	XS1508332308	150833230
Regulation S (after 40-day distribution compliance period)................	XS1433314314	143331431

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 New Notes involves a significant degree of risk. Before deciding to purchase the New Notes, you should read carefully all of the information contained in this Luxembourg Listing Prospectus, including, in particular, the following risk factors.

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 middle-income country and an emerging market economy. Investing in emerging market 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 developing 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 of inflation;
- changes in currency values;
- high interest rates;
- price controls;
- exchange rate and capital controls; and
- political and social tensions.

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. Among other consequences, the crisis caused a large currency devaluation and the Argentine government to default on its external debt. The government imposed numerous emergency measures which affected public companies and other sectors of the economy. In this environment, the Province also defaulted on its external debt.

The Argentine economy has recovered significantly after the 2001-2002 crisis, although it has been suffering from high inflation and has stagnated in the last four years. This was mainly due to certain monetary and fiscal policies, which generated macroeconomic distortions and increased capital flight which, in turn, reduced international reserves. As a result, the prior administration imposed severe capital and currency controls aimed at constraining the demand for U.S. dollars, but which were unsuccessful in reducing the demand for U.S. dollars and stopping the decline of international reserves. Consequently, such foreign exchange controls disincetivized exports and investments and gave rise to the development of an active unofficial U.S. dollar trading market.

After assuming office on December 10, 2015, the Macri administration introduced significant economic and policy reforms aimed at stabilizing the economy, reducing macroeconomic imbalances, eliminating market distortions and fostering economic growth. See "—The Presidential and legislative elections in Argentina may create uncertainties that could impact the Argentine and provincial economies and the securities market" below. In addition, in April 2016 the Macri administration settled claims with certain holdout creditors that did not participate in the Argentine 2005 and 2010 debt restructurings. As of October 14, 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, current revenues and ability to service 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 it does not 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 and by decisions and measures adopted by the federal government, including those related to inflation, monetary policy and federal 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.

Although a significant part of the national population resides in the Province's territory and the Province's economy represents a significant part of the national economy, the interests of the Province 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.

Presidential and legislative elections in Argentina may create uncertainties that could impact the Argentine and provincial economies and the securities market.

Presidential elections take place in Argentina every four years. The last election 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 *Cambiemos* coalition) being elected President of Argentina. The current federal administration assumed office on December 10, 2015.

Since assuming office, the current federal administration has announced and executed 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 current federal administration declared a state of administrative emergency for the national statistical system and INDEC until December 31, 2016. As of the date of this Luxembourg Listing Prospectus, INDEC has begun publishing certain revised data, including foreign trade and balance of payment statistics. On June 15, INDEC began publishing inflation rates, reporting an increase of 4.2% for May 2016 and of 3.1% for June 2016, 2.0% for July 2016, 0.2% for August 2016, and 1.1% for September 2016 using its new methodology for calculating the CPI. On June 29, 2016, the INDEC published a revised calculation of the 2004 GDP, which forms the basis of Argentina's real GDP calculation for every year thereafter (the "2016 Revised INDEC Report"). The adjustments made by the INDEC resulted in a determination of real GDP growth for the period 2004-2015 of 48.6%, as opposed to a 63% growth in real terms for the same period resulting from the information used prior to June 29, 2016. Such revised data from the 2016 Revised INDEC Report is included herein. See "—Some national and international economic agents have expressed their concerns about the accuracy of the INDEC's CPI and other economic data published by INDEC in the past."

- *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 October 14, 2016, include: (i) the elimination, through Communication "A" 6037 of the Central Bank, 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 MULC; (ii) the possibility of Argentine residents to make capital contributions and purchase equity in companies incorporated abroad through the MULC without any amount cap, to the extent of said investment (a) is directly or indirectly linked to the development of productive activities and non-financial services; (b) can be deemed a foreign "direct investment," as per Communication "A" 4237, as amended, and (c) other requirements set forth in Communication "A" 6037 are met; (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 without specific allocation (*atesoramiento)* 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 has been restored; (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 and (vi) the elimination of the requirement of a minimum holding period (72 business hours) related to the purchase and sale of securities authorized to be listed or negotiated in different local and international stock exchange markets; and (vii) access to the MULC for payment of principal, debt services, services, profits, dividends and non-financial non-produced assets is granted upon the fulfillment of the Central Bank's reporting regime set forth by Communications "A" 3602 and 4237, as applicable. 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 from August 9, 2016. See "Exchange Controls."

- *Foreign trade reforms*. The Argentine government eliminated export duties on several agricultural and mining 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 restrictions on access to the MULC for any transactions originated before December 17, 2015, which have been fully eliminated as of April 22, 2016. Regarding new transactions executed after December 17, 2015, no quantitative limitations remain in effect. In addition, the regulation of imports was modified by 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 contemplate discretionary federal government approval of payments for the import of products through the MULC.

- *Correction of monetary imbalances*. The Macri administration announced the adoption of an inflation targeting regime in parallel with a floating exchange rate regime and set inflation targets for the next four years. The target for 2019 is an annual inflation rate of 5%. The Central Bank has increased stabilization efforts to offset inflationary pressure caused by previous excess monetary imbalances and to correct relative prices (including exchange rates and public tariffs). Since the second quarter of 2016, the Central Bank has used the interest rate as the key tool to implement monetary policies and has raised peso interest rates to rein in inflation.

- *Infrastructure state of emergency and reforms*. The Argentine government also issued Decree No. 134/2015, effective until December 31, 2017, which declared a state of emergency with respect to the national electricity system. 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 certain 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 eliminating the federal government's role as an active market participant, the current federal administration aims to correct distortions in the energy sector and stimulate investment. Notwithstanding the intentions of the federal government, some initiatives have been challenged in the Argentine courts and resulted in judicial injunctions or rulings against the federal government's policies. Following the tariff increases, several injunctions requested by customers were granted that led to the suspension of increases in electricity and gas tariffs ordered by the federal government. The judicial injunctions established (i) that the tariff increases applicable as from February 1, 2016, be suspended retroactively to that date; (ii) that no further billing of the increased tariff rates be allowed until a final ruling; and (iii) the reimbursement to customers of funds collected as a result of the tariff having been increased. See "Restrictions on the supply of energy could negatively affect Argentina's economic growth and negatively impact the Province's economy and financial condition."

- *Retiree Program*. On June 29, 2016, the federal Congress passed Law No. 27,260 establishing the "Historical Reparations Program for Retirees and Pensioners" (the "Retiree Program"). The main terms of this program include (i) payments to more than two million retirees and the retroactive compensation of more than 300,000 retirees, and (ii) the creation of a universal pension system for the elderly, which guarantees an income for all individuals over 65 years of age who are otherwise ineligible for retirement. The Retiree Program will be funded with (i) funds from a tax amnesty program aimed at promoting the voluntary declaration of assets by Argentine residents; (ii) funds from the *Fondo de Garantía de Sustentabilidad de ANSeS*; and (iii) with the proceeds obtained from the liquidation of assets of ANSeS, if funds obtained from (i) and (ii) are not sufficient. The federal amnesty program established pursuant to Law No. 27,260 (the "Federal Amnesty Program"), included in the Retiree Program, 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 a certain cut-off date (currently set at December 31, 2015), and (ii) keep the declared property outside Argentina, and not repatriate such property to Argentina. The Retiree Program for retirees and pensioners will afford retroactive compensation to retirees in an aggregate amount of more than ARS 47.0 billion.

In addition, in June 2016, the federal Congress enacted 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 who receive minimum pensions as well as by the beneficiaries of social programs.

The impact of each of these measures, or any future measures that may be taken by the Macri administration, on the national economy cannot be predicted and the Macri administration's ability to implement all announced measures as currently contemplated cannot be assured. Measures that require Congress to pass new legislation will require support from opposition parties. A lack of political support that prevents the Macri administration from fully implementing its agenda may adversely affect the Argentine economy and financial condition and, as a consequence, the economy and financial condition of the Province.

Provincial elections may create uncertainties that could impact the economy and financial condition of the Province.

Elections for Governors take place every four years. In the recent elections for Governor, María Eugenia Vidal from the political coalition *Cambiemos* was elected. However, political parties opposed to the Vidal administration retained a majority of the seats in the provincial legislature, requiring the Vidal administration to seek political support from the opposition for its economic proposals. This creates uncertainty about the ability of the Vidal administration to pass any measures, including the proposed 2017 budget, or that the proposed 2017 budget will be approved as submitted by the provincial executive branch to the provincial legislature. The Province can offer no assurance that the fiscal targets and economic assumptions set forth in the proposed 2017 budget will be achieved, as they depend on a variety of factors, including overall economic conditions. The inability of the Vidal administration to properly implement measures as a result of lack of political support may adversely affect the economy and financial condition of the Province.

The Province is a defendant in various lawsuits related to its 2002 default on its public external indebtedness.

There are currently 15 final and non-appealable judgments and two lawsuits pending against the Province related to the Province's 2002 default on its bonds. These judgments and lawsuits are under three different jurisdictions: the United States of America, Germany and Switzerland.

In the United States of America, there are six final and non-appealable judgments outstanding against the Province for a total principal amount of USD 424,000 and EUR 201,000 (excluding interest, costs and attorney's fees), and one lawsuit that remains pending for a total principal amount of USD 85,000 (excluding interest, costs and attorney's fees). In Germany, there are six final and non-appealable judgments outstanding against the Province for a total principal amount of EUR 2,505,000 (excluding interest, costs and attorney's fees), and one pending lawsuit for a total principal amount of EUR 10,000 (excluding interest, costs and attorney's fees). In Switzerland, there are three final and non-appealable judgments outstanding against the Province for a total principal amount of CHF 600,000 (excluding interest, costs and attorney's fees).

The Province can give no assurance that further litigation will not result in even more substantial judgments against the Province. Present or future litigation could result in the attachment or injunction of assets of the Province that it intends for other uses, including payments due under the Notes, and could have a material adverse effect on the Province's public finances.

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

The Province's number of public employees authorized to be hired for each fiscal year by the respective budget law increased significantly during recent years. Personnel expenditures represent the largest expenditure of the Province and during 2015 it reached 51.9% of total current expenditures.

The public sector employees of the Province are represented by 35 separate unions, including five teachers unions and one union for judicial employees.

Wage negotiations usually begin every December for the following year, although for 2016, they began in February of the same year. Public employees demanded higher wages to keep pace with inflation. In February 2016, an agreement was reached with the teachers' union, which includes a 3% wage increase effective as of February 1, 2016, an aggregate 16% increase effective as of March 1, 2016, and an aggregate 25% increase effective as of July 1, 2016. Furthermore, the federal government agreed to increase its contributions to the Federal Teacher's Incentive Fund by ARS 400 per teacher position effective as of February 1, 2016 and to an aggregate contribution of ARS 700 per teacher position by July 1, 2016. In addition, the Province reached agreements with all the remaining provincial public sector employees. These agreements include (i) with respect to the unions that agreed to wage increases for the first nine months of 2016, a cumulative wage increase of 31.7% to be granted in three stages and (ii) with respect to the unions that agreed to annual wage increases subject to monitoring clauses, cumulative wage increases ranging from 28% to 32.5% to be granted in three to four stages. In October 2016, the Province will restart wage negotiations with unions who agreed to wage increases for the first three quarters and with those unions who agreed to wage increases with monitoring clauses. See "Public Sector Finances—Composition of Expenditures—Current Expenditures—Personnel." 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 October 14, 2016, the Federal Council of Fiscal Responsibility had 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).

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. Although the Province obtained international capital markets financing to cover part of the Province's deficit in recent years, including this year, 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, such as through domestic capital markets or assistance from the federal government, 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.

An increase in 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 and April 2016, monthly inflation was 4.1%, 4.0%, 3.3% and 6.5%, respectively; whereas according to the Province of San Luis CPI, monthly inflation was 4.2%, 2.7%, 3.0% and 3.4%, respectively. On June 15, 2016, the INDEC published the inflation rate for May 2016 of 4.2%, using its new methodology for calculating the CPI. Further, the INDEC has published a CPI of 3.1%, 2.0%, 0.2% and 1.1% for June, July, August and September, respectively.

High inflation rates could negatively affect the Province's economic growth and its ability to service its debt obligations, including the Notes. The current federal administration has implemented several measures aimed at controlling the inflation rate, including its plan to reduce the primary fiscal deficit as a percentage of GDP over time and also reduce the federal government's reliance on Central Bank financing. However, the Province cannot assure you that inflation rates will decline or remain stable in the future as the key factors that contribute to inflation are under the control of the federal government and, therefore, are not under the control of the Province.

In addition, a small portion of the provincial outstanding debt (less than 1%) and 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 and provincial outstanding debt and, consequently, have an adverse effect on Argentina's and the Province's financial conditions, respectively.

Exchange controls and restrictions on capital inflows and outflows imposed by the Central Bank may 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, during this time 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 did not reduce the demand for U.S. dollars and instead 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 October 14, 2016, most of the aforementioned exchange controls implemented during the Fernández de Kirchner administration had been eliminated or relaxed by the Macri administration.

Notwithstanding the measures recently adopted by the Macri administration, if in the future the Central Bank and the federal government re-introduce exchange controls and impose restrictions on capital transfers abroad, such measures may negatively affect Argentina's international competitiveness, discourage foreign investments and lending by foreign investors or increase foreign capital outflows, which could 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 current federal administration has committed to address fiscal solvency and, thus, it has undertaken steps to curb the fiscal deficit by reducing, gas and transport subsides. 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 current federal administration could increase these negative effects. Furthermore the federal government's primary fiscal balance could be negatively affected if public expenditures increase faster than revenues in the future. Moreover, weaker fiscal results of Argentina than those envisaged 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 others, production, import and export restrictions, exchange rate and capital controls, price controls, higher tax rates and changes in the tax laws. In addition, in November 2008, the federal government enacted Law No. 26,425, which declared the nationalization of the *Administradoras de Fondos de Jubilaciones y Pensiones* (Pensions and Retirement Fund Administrators).

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 found are solved. 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. 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 the Spanish company. This agreement, which sets a compensation payable by Argentina of approximately USD 5 billion through dollar-denominated sovereign bonds, was approved by the Argentine 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.

The current federal administration has implemented measures to foster the role of the private sector in the economy, relaxing certain policies of direct intervention in the economy that were established by the prior administration. However, 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.

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 an agreement in principle to settle with certain holders of defaulted debt and put forward a proposal to other 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: first, the repealing of all legislative obstacles to settlement with holders of defaulted debt securities issued under the FAA, and second, 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 ordered the vacatur of all *pari passu* injunctions upon confirmation of such payments.

As of October 14, 2016, litigation initiated by bondholders that have not accepted Argentina's settlement offer continued in several jurisdictions, although the size of the claims involved had 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 sources.

In response to the emergency measures implemented by the 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 September 23, 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 845.51 million. There are six ongoing cases against Argentina before ICSID with claims totaling USD 1.79 billion (including two cases with claims for amounts that are currently undetermined), and in three of these cases (with aggregate claims for USD 1.72 billion) the ICSID tribunal has already ruled that it has jurisdiction. There are eight additional cases with claims totaling USD 4.55 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 September 23, 2016, there was one final outstanding UNCITRAL award against Argentina for a total of USD 7.39 million and Argentina is seeking the annulment of two additional awards for an aggregate amount of USD 21.05 million. As of such date, there were three ongoing cases against Argentina before UNCITRAL and ICC tribunals with claims totaling USD 625.43 million, including one case with a USD 508.70 million claim in which the tribunal had already ruled that it has jurisdiction. There was one additional case with a claim of USD 168.69 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 104.00 million and USD 189.46 million, respectively.

The Province is not a party to any of these proceedings 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 the Provincial Office of Statistics or any other 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, economic and other 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 by the Provincial Office of Statistics or any other provincial entities that review the Province's official financial and economic data and statistics. 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.

Some national and international economic agents have expressed their concerns about the accuracy of the INDEC's CPI and other economic data published by INDEC in the past.

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 currently implementing certain methodological reforms and adjusting 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. As a result of the emergency declaration, INDEC suspended the release of statistical data pending reorganization of its technical and administrative structure to recover its ability to produce reliable statistical information. During the first six months of this reorganization period, INDEC published official CPI figures produced by the City of Buenos Aires and the Province of San Luis for reference. On June 15, 2016, the INDEC started publishing the inflation rate using its new methodology for calculating the CPI. According to INDEC, inflation for May and June 2016, was 4.2% and 3.1%, respectively. On June 29, 2016, the INDEC published the 2016 Revised INDEC Report. Among other adjustments, in calculating GDP for 2004 the INDEC made changes to the composition of GDP that resulted in a downward adjustment of approximately 12% for that year. In calculating real GDP for subsequent years based on the revised 2004 GDP, the INDEC used deflators that are consistent with its revised methodology to calculate inflation. By understating inflation in the past, the INDEC had overstated growth in real terms. The adjustments made by the INDEC resulted in a determination of real GDP growth for the period 2004-2015 of 48.6%, as opposed to a 62.9% growth in real terms for the same period resulting from the information used prior to June 29, 2016. Such revised data from the 2016 Revised INDEC Report is included herein.

The federal government announced reforms seeking to produce official data that meets international standards. In order to be effective, such reforms require, however, that data be collected on a timely basis and other implementation steps that the federal and the provincial governments do not control. If these reforms cannot be successfully implemented, such failure may adversely affect the Argentine economy, in particular by undermining expectations that its performance will improve. INDEC's past or future data may be materially revised to reveal a different economic or financial situation in Argentina, which could affect your investment decision with respect to the Notes and your evaluation of the Notes' market value. Despite the expected reforms and the revised official data that has already been released, the extent to which INDEC will regain its credibility and the impact that these reforms may have on the Argentine economy remains uncertain.

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 a cumulative average growth of 9.0% during that period. However, volatile economic activity declined by 3.3% in 2009, mainly due to the global financial crisis. The Province's economy has recovered since then, although 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 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. To address energy shortages starting in 2011, the federal government increased imports of energy, with adverse implications for the trade balance and the international reserves of the Central Bank.

In response to the growing energy crisis, 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 subsidies to natural gas 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. In some cases, courts hearing the cases have favored claimants' demands and ordered public services providers to suspend the application of the new tariffs.

With respect to gas tariff increases, on August 18, 2016, the Supreme Court of Argentina in "*Centro de Estudios para la Promoción de la Igualdad y la Solidaridad v/ Ministerio de Energía y Minería*", confirmed lower court injunctions suspending end-user gas tariff increases sanctioned as of February 1, 2016 and instructed the Ministry of Energy and Mining to conduct a non-binding public hearing prior to sanctioning any such increases. On September 16, 2016 the Ministry of Energy and Mining conducted a public hearing and informed that a new end-user gas tariff scheme will be announced during October 2016. In addition, on September 27, 2016 a new injunction was issued by a federal court from the City of Cordoba which suspended increases on gas tariffs for small and medium-sized enterprises ordering the application of the gas scheme tariff in force prior to March 31, 2016. The federal government filed an appeal which suspended the effects of the lower court's decision. The case was sent to the federal court of appeals. On October 7, 2016, the Ministry of Energy and Mining announced new gas tariff scheme for end-users and commercial users, as well as for medium-sized enterprises, effective as of such date.

Moreover, the Macri administration announced a substantial increase in electricity rates. Following the tariff increases, preliminary injunctions were requested by customers, politicians and non-governmental organizations that defend customers' rights, which preliminary injunctions were granted by Argentine courts. Among the different rulings in this respect, two recent rulings issued by the Second Division of the Federal Court of Appeals for the City of La Plata and a federal judge from the San Martín district court led to the suspension of end-users tariff increases of electricity in the Province of Buenos Aires and in the whole territory of Argentina, respectively. Pursuant to these injunctions, (i) the end-user tariff increases granted as of February 1, 2016 were suspended retroactively to that date, (ii) end-user bills sent to customers were not to include the increase, and (iii) the amounts already collected from end-users as a consequence of consumption recorded before these rulings had to be reimbursed. However, on September 6, 2016, the Supreme Court overturned these injunctions that suspended end-users electricity tariff increases, holding that there were formal objections and procedural defects and therefore, as of October 14, 2016, increases to the electricity end-users tariffs stand. The non-binding public hearing for increases in electricity tariffs has been scheduled for October 28, 2016.

Although the state of emergency is expected to allow the federal government to take measures to guarantee the supply of electricity, the Province cannot guarantee that the restrictions on the supply of energy will not continue.

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, 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 current federal 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 Argentina's major regional 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 Argentina's major trading partners, such as Brazil, could adversely affect Argentina's and the Province's economy. Although the Province's exports reach more than 100 countries, Brazil is the Province's largest export market. The Brazilian economy contracted by 4.1% during 2015, mainly due to a 8.3% decrease in industrial production. In addition, as of December 31, 2015, the Brazilian currency (the "Real") exchange rate was approximately 4 Reals per USD 1.00, reflecting a 48.3% devaluation in 2015, as compared to a 13.0% devaluation in 2014. Furthermore, Brazilian inflation for 2015 reached 10.7%, despite the Brazilian government having established a 4.5% inflation target for that year.

During 2015, Brazilian demand for provincial exports decreased 27.7%, or USD 2.49 billion, as compared to 2014. The Province cannot assure you that the Brazilian demand for provincial exports will not continue to decrease. A further decline in Brazilian demand for imports could have a material adverse effect on the Province's economic growth. The economy of Brazil is currently experiencing heightened negative pressure due in part to the uncertainties stemming from the ongoing political crisis, including the impeachment of the Brazilian President Dilma Rousseff, which resulted in the Senate of Brazil removing her from office for the remainder of her term, which will be completed by the current Brazilian President Michel Temer.

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 Argentina or have influence over world economic cycles. For example, if interest rates increase significantly in developed economies, including the United States and Europe. Argentina and its emerging markets trading partners, such as Brazil, could find it more difficult and expensive to borrow capital and refinance existing debt, which could adversely affect economic growth in those countries. The United Kingdom voted in favor of leaving the European Union on June 23, 2016 (the "Brexit"). In order to effect the Brexit, a process of negotiation will determine the future terms of the United Kingdom's relationship with the European Union. Depending on the terms of Brexit, if any, the United Kingdom could lose access to the single EU market and to the global trade deals negotiated by the European Union on behalf of its members. The effects of the Brexit vote and the perceptions as to the impact of the withdrawal of the United Kingdom from the European Union may adversely affect business activity and economic and market conditions in the United Kingdom, the Eurozone and globally, and could contribute to instability in global financial and foreign exchange markets. In addition, Brexit could lead to additional political, legal and economic instability in the European Union.

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, mostly soy, which in turn have rendered the Argentine economy more vulnerable to commodity prices 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 from 35% to 30% export taxes on soy. The Province cannot assure you that the federal government may 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.

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.

A nominal depreciation of the peso would increase the cost of servicing the Province's public debt, while a real appreciation in the value of the peso could make exports from the Province less competitive with goods from other countries and lead to a decrease in exports from the Province. Because the Province's exports represent a material portion of the Province's GDP, decreased export earnings could have a material adverse effect on the Province's economic growth and its ability to service its debt obligations, including the Notes. During the last eight years, the peso has depreciated significantly against the U.S. dollar. 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.

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 the recent years, the Central Bank has regularly intervened in the foreign exchange market in order to manage the currency and prevent sharp shifts 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. As of October 5, 2016, the international reserves amounted to USD 32.5 billion. 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 adopted a floating exchange rate scheme and reduced significantly its interventions in the foreign exchange market, although the Province cannot assure you that further interventions will not take place in the future. In addition, the Province cannot assure you the extent to which the Central Bank will effectively maintain an adequate level of international reserves and what effects a decline in international reserves may have on the provincial economy.

The Province cannot assure you either 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 with goods from other sources. 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.

In the event of another economic crisis, the federal government could impose exchange controls and transfer restrictions, which could have a material adverse effect on provincial private and public sector economic activity.

From 1985 to 1991 and again following the 2001 economic crisis, the Central Bank imposed exchange controls and transfer restrictions. Recently, the current federal administration lifted most such controls and restrictions. However, there can be no assurance that the federal government will not impose exchange controls and/or transfer restrictions in the future, which could have a material adverse effect on the Province's private and public sector activity.

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

Banco Provincia has historically been one of the largest financial institutions in Argentina and a major source of financing for consumers and businesses in the Province. During Argentina's 2001 economic crisis, Banco Provincia'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, as well as the increase in its portfolio of non-performing loans. In addition, following the crisis, Banco Provincia's asset portfolio reflected a substantial exposure to debt instruments of the federal and provincial government, which has gradually declined over time. As of October 14, 2016, such assets were within the limits provided by the Central Bank. Many of these assets are recorded at their technical value, which is calculated according to regulations of the Central Bank. If these assets were carried at their market value, Banco Provincia would have recorded a decrease in its net assets at December 31, 2015. Although Banco Provincia's liquidity has improved since 2005 due to Argentina's economic recovery, if Banco Provincia 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.

In addition, pursuant to provincial legislation, the Province is the guarantor of all liabilities of Banco Provincia, including deposits and indebtedness. While Banco Provincia's deposits are also guaranteed by the federal deposit insurance system, Banco Provincia's indebtedness does not benefit from any other guarantee, and, as result, the Province could be required to make payments to Banco Provincia's creditors if Banco Provincia fails to meet its payment obligations to these creditors. In the past, the Province has made contributions and provided support to, and entered into transactions with Banco Provincia to ensure the solvency of, Banco Provincia. The Province cannot assure you that it will not be required to provide further financial or other support to Banco Provincia, which could lead to substantial unbudgeted expenditures and liabilities, undermine the Province's public finances and adversely affect its ability to service its debt obligations, including the Notes.

Risks Relating to the New Notes

The New Notes are subject to restrictions on resales and transfers.

The New 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 New Notes may be offered and sold only (a) to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act) 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 New Notes may not be downgraded, suspended or cancelled by the rating agencies.

Any credit rating granted to the New Notes 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 New 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's 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 New Notes.

There is no assurance that a trading market for the New Notes will be maintained, and the price at which the New Notes will trade in the secondary market is uncertain. In addition, a listing of the New Notes on a securities exchange cannot be guaranteed.

The Province cannot promise that an active trading market for the New Notes will develop or if one does develop, that it will continue to exist. If a market for the New Notes were to develop, prevailing interest rates and general market conditions could affect the price of the New Notes. This could cause the New 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 New Notes in the Luxembourg Stock Exchange, the MERVAL and the MAE and to trading on the Euro MTF Market, the New Notes issued may not be traded. Moreover, even if a tranche of Notes is 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. See "Enforcement of Civil Liabilities."

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 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. The Province cannot assure you that you will be able to obtain or enforce judgments against the Province, including with respect to the Notes.

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 our sale of the Notes were USD 774,660,000 (excluding accrued interest), before deducting commissions and estimated offering expenses payable by us. The Province intends to use the net proceeds to fund social, infrastructure and other public investment projects currently under way or that are planned to be carried out, as well as to improve the debt maturity profile of the Province and make debt service payments. In addition, 11.66% of the proceeds will be directed to the *Fondo para Infraestructura Municipal* (Municipal Infrastructure Fund), in accordance with articles 33 and 35 of the 2016 Budget Law.

THE PROVINCE OF BUENOS AIRES

General

The Province is the largest of the 23 provinces of Argentina with an area of 304,907 square kilometers. It is located in the central-eastern part of the country. It has a coastline of approximately 1,800 kilometers, including its shoreline on the *Río de la Plata* (River Plate), and encompasses mild-climate, fertile agricultural areas suitable for raising cattle and a wide variety of agricultural activities. In addition, the Province is the most industrialized area of Argentina. The capital of the Province is the city of La Plata.

With approximately 15.6 million inhabitants according to the results from the National Census of Households and Population conducted in October 2010, the Province's population represents approximately 38.9% of the total population of Argentina. Approximately 63.5% of the Province's population is concentrated in the *Conurbano Bonaerense*. The City of Buenos Aires is not part of the Province.

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
- the borrowing of money on its own credit, subject to a federal approval and control mechanism.

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 trade and transport,
- the issuance of currency,
- the regulation of banks and banking activities,
- national defense and foreign affairs, and
- customs and the regulation of shipping and ports.

The federal government does not guarantee, nor is it responsible for, the financial obligations of any province.

Under the Argentine federal system, each province retains significant responsibility for the rendering of 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 transfers of a portion of the related tax revenues. This coordinated taxation 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 Sources of Revenues—Federal Tax Co-Participation Regime."

Political Parties

Historically, the main traditional political parties were the *Partido Justicialista* (Justicialist Party, or "PJ") and the *Unión Cívica Radical* (Radical Civic Union, or "UCR"). Recently, in order to run for the past elections which were held in 2015, several new coalitions were created, among which is *Cambiemos* led by Mauricio Macri, the current president of Argentina. The *Cambiemos* coalition's main party is Propuesta Republicana (Republican Proposal or "PRO") which was founded in 2005 as an alliance for the national legislative elections of that year, following an electoral agreement among several political parties including, among others, the UCR, the *Coalición Cívica* party and *Argentinos por una República de Iguales*("ARI") party. Other nationally significant political parties include:

- *Frente para la Victoria* (Front for Victory) ("FPV"), founded in 2003 by former President Néstor Kirchner with the support of a group of governors and members of the PJ. FPV sought to attract voters from other political parties that had historically been disinclined to support the PJ. The FPV governed Argentina from May 25, 2003 until December 9, 2015.

- *Generación para un Encuentro Nacional* (Generation for a National Encounter, or "GEN"), founded in 2007 and currently led by Margarita Stolbizer.

- *Frente Amplio Progresista* (Progressive Front, or "FAP"), a coalition formed by a series of small political parties. Hermes Binner ran for President, whereas Margarita Stolbizer ran for Governor of the Province of Buenos Aires in the elections of 2011.

- *Frente Renovador* (Renewal Front, or"FR"), founded in 2013 by Sergio Massa as a split-off from the PJ, in the Province of Buenos Aires, together with a number of other mayors, to participate in the obligatory, simultaneous and open primary elections held in August 2013 and in the mid-term elections held in October 2013. For the 2015 presidential elections, the FR and the former governor of the province of Córdoba, Juan Manuel de la Sota, formed the Unidos por una Nueva Alternativa ("UNA") coalition.

On October 25, 2015, presidential and congressional elections took place in Argentina. Daniel Scioli (FPV) obtained 37.08% of the votes, Mauricio Macri (Cambiemos coalition) obtained 34.15% of the votes and Sergio Massa (FR) obtained 21.39% of the votes. Based on these results, a presidential run-off between Daniel Scioli and Mauricio Macri was held on November 22, 2015, electing Macri, with 51.34% of the votes, as the successor to former President Cristina Fernández de Kirchner.

Provincial Government

Executive Branch

The executive branch consists of a Governor and a Vice Governor, who are elected together for a maximum of two consecutive four-year terms, and a number of ministries and secretariats. The Governor has the power to appoint and remove ministers. The Governor also appoints, subject to confirmation by the provincial senate (the "Senate"), the General Provincial Attorney, the President of the Audit Tribunal and the president of Banco Provincia, among others. The Governor also presents the state of public accounts of the previous fiscal year and budget bills before the provincial legislative branch.

On August 9, 2015, the open, simultaneous and mandatory primary elections (the "PASO") were held to nominate candidates within each of the political parties that participated in the general elections for Governor held on October 25, 2015. The FPV obtained 40.34% of the total vote, followed by Cambiemos and UNA, with 29.43% and 19.55%, respectively. Aníbal Fernández, representing the FPV, obtained 52.47% of the votes registered for this party and was therefore nominated to run for Governor of the Province. María Eugenia Vidal, representing Cambiemos, and Felipe Solá, representing UNA, were the only candidates for their respective coalitions.

The general presidential and provincial elections were held on October 25, 2015. María Eugenia Vidal was elected governor with 39.49% of the total vote, defeating the FPV's candidate, Aníbal Fernández, who obtained 35,18% of the total vote. María Eugenia Vidal, has been in office since December 2015 and her current term ends in 2019. The Vice Governor is Daniel Salvador, also a member of the *Cambiemos* coalition, who has been in office since December 2015 and whose current term also ends in 2019. The next elections for governor will take place in 2019.

The executive branch carries out its duties with the assistance of ministers, whose powers are provided by Law No. 14,803, which was approved in December 10, 2016. The Province's organizational structure is comprised of the following ministries: Ministry of Coordination and Public Administration, Ministry of Economy, Ministry of Government, Ministry of Justice, Ministry of Security, Ministry of Production, Science and Technology, Ministry of Agricultural Affairs, Ministry of Health, Ministry of Infrastructure and Public Services, Ministry of Social Development and Ministry of Labor.

Legislative Branch

The legislative branch is composed of two bodies: the Senate, composed of 46 members, and the House of Deputies, composed of 92 members. The Vice Governor serves as President of the Senate. The members of both bodies are elected to four-year terms by popular vote. Half of the members of each of these bodies face election every two years.

The tables below show, by political party, the current composition of the provincial legislature after the most recent elections in 2015:

Composition of the House of Deputies

Parties	Number of Seats	%
FPV	36	39.1%
Cambiemos Buenos Aires	28	30.4%
Unidos por una Nueva Alternativa	20	21.7%
Frente Amplio Progresista	4	4.3%
Justicialismo Bonaerense	2	2.2%
Frente de Izquierda y Trabajador	1	1.1%
Unidad Popular	1	1.1%
Total	**92**	**100.0%**

Source: Legislature of the Province.

Composition of the Senate

Parties	Number of Seats	%
Cambiemos	16	34.8%
FPV	8	17.4%
Frente Renovador	9	19.6%
Partido Justicialista	9	19.6%
Justicialismo Bonaerense	2	4.4%
GEN	1	2.2%
PJ Néstor Kirchner	1	2.2%
Total	**46**	**100.0%**

Source: Legislature of the Province.

Judicial Branch

The judicial branch of the Province consists of trial courts, courts of appeals and the provincial Supreme Court, which have jurisdiction over civil, commercial, administrative, labor, family and criminal matters within the Province. The Supreme Court justices are appointed by the Governor and confirmed by the Senate. The Governor appoints other judges from a list of candidates proposed by the *Consejo de la Magistratura* (Counsel of Magistrates), with the Senate's approval. Judges serve for life, and can be removed only by impeachment proceedings. Argentina also has a federal judiciary that has jurisdiction over federal matters within the territory of the Province.

Other Agencies

The provincial constitution provides for the existence of four provincial agencies that are not part of any of the three branches of government: the *Contaduría General de la Provincia* (General Accounting Office), the *Tribunal de Cuentas* (Audit Tribunal), the *Tesorería General de la Provincia* (General Treasury) and the *Fiscalía de Estado* (Attorney General's office). All of the agencies, except the General Treasury, are part of the control system of the provincial administration set forth in Law No. 13,767 (the "Financial Administration Law").

The Province's General Accounting Office keeps books and records of the Province's operations and administers the 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 prepares the annual financial statements that are submitted to the legislative and executive branches and to the Audit Tribunal. The General Accounting Office also internally controls the financial and economic administration of the provincial public sector.

The Audit Tribunal examines the investment and collection accounts on public revenues, both provincial and municipal, approving or rejecting them, and also holds public servants accountable when appropriate.

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 unconstitutional. The Attorney General is appointed for life by the Governor and confirmed by the Senate, and may be removed from office only through impeachment. Hernán Rodolfo Gomez is the current Attorney General.

The Province's General Treasury makes payment orders that have been previously authorized by the General Accounting Office and manages the Province's bank accounts, all of which are held at Banco Provincia in accordance with the Financial Administration Law.

Municipalities

The Province is divided into 135 municipalities, several of which are more populous than some Argentine provinces. 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 in charge of providing basic local services such as water, sewerage, street lighting 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 and security.

Pursuant to provincial co-participation law, the municipalities receive, in the aggregate, 16.14% of provincial taxes collected by the Province such as non-decentralized gross revenue tax, urban real estate tax, non-decentralized automobile tax, stamp tax and federal co-participation transfers. 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.

In 2003, pursuant to the collection and tax administrative decentralization law, the Province transferred to its municipalities the administration of a number of taxes, such as rural real estate taxes, certain gross revenue taxes and certain automobile taxes. A portion of the revenues from these taxes is allocated to the Province based on criteria that vary for each tax. Another portion of such revenues is allocated to the municipalities as compensation for their tax collection and administration services. The remaining revenues are allocated to social programs and environmental sanitation, as well as to the maintenance of roads and schools.

THE PROVINCIAL ECONOMY

Introduction

Historically, the economy of the Province has represented a significant part of the overall Argentine economy, tracking Argentina's growth and recessionary cycles.

After the Argentine crisis of 2001-2002, the Province experienced a period of economic growth until 2008, which was reflected in both provincial GDP growth and level of economic activity indicators. Provincial GDP increased on average 9.9% over the 2003-2008 period. The recovery brought about higher employment rates and increased wages. The unemployment rate and the poverty rate in Greater Buenos Aires fell between 2005 and 2008 from 12.1% to 8.5% and from 36.9% to 17.8%, respectively, in accordance with INDEC.

In 2009, economic activity in the Province fell by 3.3% in real terms, as a result of the impact caused by the international economic downturn. The Province experienced a 26.4% contraction in international trade in 2009 compared to the previous year, which had a significant impact on growth. In addition, a severe drought affected the Province that same year. At the provincial level, labor indicators reflected the impact of this situation on the job market, showing an increase in unemployment to 10.1% in 2009.

In 2010 and 2011, the provincial GDP grew, in real terms, by 13.6% and 10.8%, respectively. Part of the growth in 2010 was due to the performance of the agricultural sector, which grew by approximately 54.0%, and the manufacturing sector, which grew by 17.2%. The manufacturing sector accounts for slightly more than a quarter of provincial GDP. The performance of the Province's exports was also positive, growing at approximately 25.0% in each of 2010 and 2011. This increase was partially due to the growth of Brazil, a major trading partner of the Province. In 2012 and 2013, provincial GDP growth slowed to 2.9% and 3.5%, respectively, against the backdrop of a deepening economic slowdown in the region and slower growth of the major economies of the world.

In 2014, the provincial GDP grew, in real terms, by 0.4%. This slight growth acceleration was mainly driven by the service and manufacturing sectors, particularly the communications and transport sector (3.2%) and financial intermediation (7.4%).

In 2015, real provincial GDP showed a moderate growth of 1.1%, as compared to 2014, due to a 2.4% increase in the services sectors, partially offset by a decline of 1.3% in the goods sectors.

In 2016, the quarterly economic activity indicators developed by the Province, which track quarterly variations in economic activity to anticipate changes in annual GDP at constant prices, showed a 1.3% and a 1.7% decline during the first and second quarters of 2016, respectively, in each case as compared to the same quarters in 2015.

Federal Gross Domestic Product 2013-2015

In 2013, INDEC modified its methodology and base year to calculate federal GDP at constant 2004 prices. INDEC released new federal GDP data since 2004 using the new base year. In addition, on June 29, 2016, the INDEC published a revised calculation of 2004 GDP, which forms the basis of Argentina's real GDP calculation for every year thereafter and, accordingly, released preliminary data for 2015 and the first quarter of 2016.

Provincial GDP for the period 2013-2015 was calculated based on 1993 prices. Therefore, it is not comparable to the 2013, 2014 and 2015 federal GDP. For 2016 and the following years, the Province expects it will use a new methodology and base year to calculate the provincial GDP that can be comparable to the methodology used by INDEC to calculate the federal GDP.

In 2014, federal GDP decreased by 2.5% mainly due to the decrease in the manufacturing sector, which fell by 5.1% in real terms during 2014 as compared to 2013.

In 2015, federal GDP increased by 2.5% primarily due to the increase in the agriculture, livestock, hunting and forestry sector, which grew by 7.5% in real terms during 2015 as compared to 2014.

The table below sets forth the breakdown of the federal GDP for the years indicated below.

Federal GDP by Sector 2013-2015 (1)
(in billions of pesos, at constant 2004 prices)

	For the year ended December 31,				
	2013	**2014**	**Variation % (2013 vs 2014**	**2015(2)**	**Variation % 2014 vs 2015**
Primary Production:					
Agriculture, livestock, hunting and forestry	47.6	49.1	3.2%	52.8	7.5%
Fisheries and other related services	2.2	2.2	1.2%	2.2	2.5%
Mining, oil and gas	22.4	22.8	1.6%	23.4	2.8%
Total Primary Production	**72.1**	**74.0**	**2.6%**	78.4	**5.9%**
Secondary Production:					
Manufacturing industry	130.9	124.3	(5.1%)	124.7	0.3%
Electricity, gas and water	11.7	11.9	2.0%	12.4	3.4%
Construction	22.3	21.9	(2.0%)	22.5	3.0%
Total Secondary Production	**165.0**	**158.2**	**(4.1%)**	**159.6**	**0.9%**
Services:					
Real estate and business activities	71.3	71.0	(0.5%)	72.0	2.2%
Transport, storage and communications	53.8	54.2	0.8%	55.2	1.9%
Retail and wholesale commerce	98.3	91.6	(6.8%)	94.2	2.8%
Education, social and health services	64.5	65.2	1.1%	67.0	2.8%
Public Administration, defense and social security	30.1	31.1	3.1%	32.1	3.5%
Financial Intermediation	27.6	26.8	(2.7%)	27.3	1.5%
Hotel and restaurant services	11.0	10.8	(1.2%)	10.9	0.7%
Other services	4.2	4.3	0.3%	4.3	0.6%
Total services	**360.9**	**354.9**	**(1.6%)**	**363.5**	**2.4%**
Total GDP	**598.0**	**587.1**	**(1.8%)**	**601.5**	**2.5%**

(1) In terms of producer's prices, excluding value added taxes and import taxes.
(2) Preliminary data.
Source: INDEC.

Provincial Gross Domestic Product 2010-2014

The Provincial Office of Statistics elaborates and releases the Province's Gross Domestic Product, which shows the results of the activities of the various productive and service sectors of the Province, during a given period.

The table below shows the evolution of the Province's real GDP from 2011 through 2015.

Provincial Gross Domestic Product (2011-2015)

	As of and For the year ended December 31,				
	2011	**2012**	**2013**	**2014[(1)]**	**2015[(1)]**
GDP (in millions of constant 1993 pesos)[(2)]	168,989	174,850	180,912	181,586	183,537
Real GDP growth	10.1%	3.5%	3.5%	0.4%	1.1%
National real GDP growth	8.9%	1.9%	-----	-----	-----
Provincial real GDP / National real GDP	36.77%	37.34%	-----	-----	-----
Population (inhabitants)[(3)]	15,909,607	16,100,618	16,289,599	16,476,149	16,659,931
Real GDP per capita (constant 1993 pesos)	10,622	10,860	11,106	11,021	11,017

(1) Preliminary data.
(2) Market prices, including value added tax and specific taxes.
(3) Based on the report "Provincial Population Projections by sex and age group: 2001-2015" and "Provincial Population Projections by sex and age group: 2010-2040" as published by INDEC.
Source: Provincial Office of Statistics; Ministry of Economy of the Province; INDEC.

Principal Sectors of the Economy

Historically, the economy of the Province has represented a significant portion of the Argentine economy, accounting for approximately 35.8% of Argentina's GDP from 2009 through 2012.

The Province's most significant economic production sectors in 2015 (as a percentage of the Province's total real GDP) were the following:

- Manufacturing (25.8%);
- Transport, storage and communications (18.1%);
- Real estate and business activities (13.2%);
- Retail and wholesale commerce (12.8%);
- Construction (5.4%);
- Education, social and health services, (5.2%); and
- Agriculture, livestock, hunting and forestry (4.3%).

The table below shows the evolution of the Province's real GDP by sector from 2011 through 2015.

Provincial Gross Domestic Product by Sector 2011-2015(1)
(in millions of Pesos, at constant 1993 prices)

	For the year ended December 31,									
	2011		**2012**		**2013**		**2014(2)**		**2015(2)**	
Primary Production:										
Agriculture, livestock, hunting and foresty	6,800	*4.5%*	6,565	*4.2%*	6,858	*4.2%*	6,913	*4.2%*	7,077	*4.3%*
Fisheries and other related services	121	*0.1%*	116	*0.1%*	139	*0.1%*	130	*0.1%*	134	*0.1%*
Mining, oil and gas	124	*0.1%*	130	*0.1%*	140	*0.1%*	135	*0.1%*	140	*0.1%*
Total Primary Production	**7,045**	***4.7%***	**6,811**	***4.3%***	**7,137**	***4.4%***	**7,178**	***4.4%***	**7,351**	***4.5%***
Secondary Production:										
Manufacturing industry	41,227	*27.3%*	43,820	*27.9%*	44,811	*27.5%*	43,834	*26.9%*	42,447	*25.8%*
Construction	8,828	*5.8%*	8,857	*5.6%*	8,823	*5.4%*	8,526	*5.2%*	8,828	*5.4%*
Electricity, gas and water	2,999	*2.0%*	3,086	*2.0%*	3,163	*1.9%*	3,146	*1.9%*	3,253	*2.0%*
Total Secondary Production	**53,054**	***35.1%***	**55,763**	***35.5%***	**56,796**	***34.8%***	**55,506**	***34.0%***	**54,528**	***33.1%***
Services:										
Real estate and business activities	19,247	*12.7%*	19,872	*12.6%*	20,833	*12.8%*	21,231	*13.0%*	21,719	*13.2%*
Transport, storage and communications	26,355	*17.4%*	27,436	*17.4%*	28,324	*17.4%*	29,230	*17.9%*	29,811	*18.1%*
Retail and wholesale commerce	18,822	*12.4%*	19,726	*12.5%*	21,489	*13.2%*	20,637	*12.6%*	21,130	*12.8%*
Educations, social and health services	7,771	*5.1%*	7,873	*5.0%*	8,222	*5.0%*	8,406	*5.2%*	8,611	*5.2%*
Public Administration, defense and social security	4,710	*3.1%*	4,755	*3.0%*	4,816	*3.0%*	4,932	*3.0%*	5,070	*3.1%*
Financial Intermediation	3,243	*2.1%*	3,562	*2.3%*	3,810	*2.3%*	4,093	*2.5%*	4,233	*2.6%*
Hotel and restaurant services	3,021	*2.0%*	3,177	*2.0%*	3,210	*2.0%*	3,346	*2.1%*	3,458	*2.1%*
Other services	7,922	*5.2%*	8,322	*5.3%*	8,448	*5.2%*	8,624	*5.3%*	8,870	*5.4%*
Total services	**91,093**	***60.2%***	**94,722**	***60.2%***	**99,154**	***60.8%***	**100,500**	***61.6%***	**102,902**	***62.4%***
Total GDP	**151,192**	***100.0%***	**157,296**	***100.0%***	**163,087**	***100.0%***	**163,185**	***100.0%***	**164,780**	***100.0%***

(1) In terms of producers' prices, excluding value added taxes and import taxes.
(2) Preliminary data.
(3) Since 2013, INDEC modified the methodology and base year to calculate the federal GDP at constant 2004 prices. Provincial GDP for 2013, 2014 and 2015 is calculated based at 1993 prices, thus, it is not comparable to 2013, 2014 and 2015 federal GDP.

Source: Provincial Office of Statistics; Ministry of Economy of the Province.

The following table shows the evolution of the share of the Province's GDP in the federal GDP by economic sector from 2010 through 2013, in constant 1993 prices:

Share of Provincial GDP in Federal GDP by Sector 2010-2013(1)
(in millions of pesos, at constant 1993 prices)

	For the year ended December 31,									
	2010(2)			2011(2)			2012(2)			2013(2)
Sector	Provincial GDP	Federal GDP	Provincial GDP / Federal GDP	Provincial GDP	Federal GDP	Provincial GDP / Federal GDP	Provincial GDP	Federal GDP	Provincial GDP / Federal GDP	Provincial GDP (3)
Primary Production:										
Agriculture, livestock, hunting and forestry	6,676	20,046	33.3%	6,800	19,557	34.8%	6,565	17,342	37.9%	6,858
Fisheries and other related services	138	472	29.2%	121	511	23.6%	116	502	23.0%	139
Mining, oil and gas	112	5,113	2.2%	124	4,933	2.5%	130	4,980	2.6%	141
Total Primary Production	**6,926**	**25,632**	**27.0%**	**7,045**	**25,002**	**28.2%**	**6,811**	**22,825**	**29.8%**	**7,137**
Secondary Production:										
Manufacturing industry	36,340	67,547	53.8%	41,227	74,962	55.0%	43,820	74,660	58.7%	44,864
Construction	8,069	23,915	33.7%	8,828	26,085	33.8%	8,857	25,396	34.9%	8,823
Electricity, gas and water	2,845	10,567	26.9%	2,999	11,049	27.1%	3,086	11,583	26.6%	3,150
Total Secondary Production	**47,254**	**102,029**	**46.3%**	**53,054**	**112,096**	**47.3%**	**55,763**	**111,638**	**49.9%**	**56,836**
Services:										
Real estate and business activities	18,268	52,982	34.5%	19,247	55,661	34.6%	19,769	55,860	35.4%	20,422
Transport, storage and communications	23,829	49,605	48.0%	26,355	54,231	48.6%	27,436	56,918	48.2%	28,324
Retail and wholesale commerce	16,493	56,245	29.3%	18,822	64,486	29.2%	19,726	65,739	30.0%	21,488
Educations, social and health services	7,549	30,778	24.5%	7,771	32,216	24.1%	7,873	33,540	23.5%	8,000
Public Administration, defense and social security	4,470	18,486	24.2%	4,710	19,220	24.5%	4,755	20,008	23.8%	4,816
Financial Intermediation	3,137	17,966	17.5%	3,402	21,441	15.9%	3,834	25,285	15.2%	4,063
Hotel and restaurant services	2,673	10,180	26.3%	3,021	10,964	27.6%	3,177	11,137	28.5%	3,210
Other services	7,445	22,735	32.7%	7,922	23,560	33.6%	8,322	23,864	34.9%	8,448
Total services	**83,865**	**258,976**	**32.4%**	**91,251**	**281,779**	**32.4%**	**94,891**	**292,350**	**32.5%**	**98,773**
Total GDP	**138,045**	**386,637**	**35.7%**	**151,350**	**418,877**	**36.1%**	**157,465**	**426,813**	**36.9%**	**162,746**

(1) In terms of producer's prices, excluding value added taxes and import taxes.
(2) Preliminary data.
(3) INDEC modified the methodology and base year to calculate the 2013 GDP for federal GDP at constant 2004 prices. Provincial GDP for 2013 is calculated based at 1993 prices, thus, it is not comparable to 2013 federal GDP, which is not included in the table herein.

Source: Provincial Office of Statistics; Ministry of Economy of the Province.

Manufacturing

The Province's manufacturing sector, which is highly diversified, has historically been the single largest contributor to provincial GDP. Manufactured products include refined petroleum products, cereals and food products, steel, chemicals, electrical machinery, aluminum, piping, automobiles and automobile spare parts, oil drilling tools and equipment, computer printers, cement, pharmaceuticals and textiles.

From 2011 through 2014, the output of the manufacturing sector grew by 6.3%, whereas in 2015 it declined by 3.2% as compared to 2014. This sector, on average, accounted for 27.4% of the total provincial GDP during the 2011-2014 period.

In 2011, the increase in industrial activity was primarily due to an increase in clothing (26.5%); machinery and equipment (24.0%); motor vehicles, trailers and semi-trailers (23.7%); food and beverages (18.7%); basic metals (14.0%); and chemicals and chemical products (8.8%). In that year the sector, as a whole, grew by 13.4%.

In 2012, the manufacturing sector recorded a 6.3% increase in activity levels, with strong growth in the manufacture of machinery and equipment (21.4%), furniture and mattresses (14.4%), products of petroleum refining (14.0%) and food and beverages (12.7%).

In 2013, the manufacturing sector grew by 2.3%, mainly due to the increases in rubber and plastics (18.5%), clothing (15.3%), metal products (13.0%), textiles (9.5%) and cars (1.7%).

In 2014, the manufacturing sector recorded a 2.2% decrease in activity levels, mainly due to decreases in food and beverages (2.8%), motor vehicles, trailers and semi-trailers (10.6%), clothing (9.4%) and non-metallic minerals (8.0%).

In 2015, the manufacturing sector recorded a 3.2% decrease in activity levels as compared to 2014. The decrease was mainly due to decreases in basic metals (11.7%), food and beverages (2.5%), and car manufacture (9.2%). In addition, machinery and electric materials decreased by 8.1%.

Real Estate and Business Activities

The real estate and business activities sector has historically been the second-most important sector 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 without operating personnel, computer services, research and development and other business and professional services. Real estate transactions, which include both, sales and rentals, account for the vast majority of the Province's total production in this sector.

From 2011 through 2015, the output of the real estate and business activities sector increased by 12.8% and represented, on average, 12.9% of total provincial GDP during this same period.

During 2011, real estate services and real estate leases increased due to higher stock of housing, and the resulting greater number of leasing and property sale opportunities in the market.

The sector recorded a moderate growth rate of 3.3%, 4.8%, 1,9% and 2.3% in 2012, 2013, 2014 and 2015 as compared to the previous year.

Transport, Storage and Communications

This sector includes land, air and water transportation of passengers and cargo, and postal and telecommunications services. It also includes other services rendered in connection with transportation, such as terminal and parking services, handling and storage of cargo, operation of toll road concessions and other infrastructure, and other related services. Telecommunications and freight land transportation together typically account for a vast majority of the Province's production within this sector.

From 2011 through 2015, the output of the transport, storage and communications sector increased by 13.1%. The average annual growth was 3.1%.

In 2011, the sector grew by 10.6% mainly due to an increase of transportation services of light and heavy trucks by 6.2% and 4.4%, respectively, as well as an increase in passengers transported by buses in suburban lines by 6.0%. The sector increase was also due to a higher number of wire line local calls, which rose by 7.8%, and interurban calls, which rose by 10.7%. In turn, calls from mobile phones increased by 25.1%.

In 2012, the sector grew by 4.1%. Freight services increased by 1.2% and passengers carried on suburban lines increased by 6.3%. In turn, the number of local calls from mobile phones increased by 18.5%, while the number of subscribers to cable TV service increased by 5.8%.

In 2013, the sector increased by 3.2%. The cargo transport services decreased by 1.7%, while passengers carried on suburban lines fell to 5.8%. Relatedly communications, the number of local calls on mobile phones rose by 12.2%, while the number of subscribers to cable television services increased by 4.7%.

In 2014, the sector increased by 3.2%.

In 2015, the sector grew by 2.0%, mainly due to an increase of transportation and storage services by 1.8% and communications by 2.5%.

Retail and Wholesale Commerce

Half of this sector's total production is typically derived from retail sales of food, beverages and tobacco. The retail and wholesale commerce sector has traditionally represented more than one-tenth of provincial GDP.

From 2011 through 2015, the output of the retail and wholesale commerce sector increased by 12.3%, and had an average annual growth of 3.0%.

In 2011, the sector grew by 14.1%, mainly due to the growth of retail and wholesale sales of food, beverages and household items. New car sales exceeded 280,000 and second-hand cars reached 720,000, representing an increase of 29.4% and 21.2%, respectively.

In 2012, the sector grew at a rate of 4.8%, mainly due to a general increase in both wholesale and retail sale of food, beverages and household items. However, sales of new and second-hand cars fell 5.0% and 0.7%, respectively.

In 2013, this sector grew by 8.9%, mainly due to growth in both wholesale by 8.6% and retail sales by 9.5%. Brand new car sales exceeded 320,000 and used cars, 711,000, representing an increase of 14.2% and 3.8%, respectively.

In 2014, this sector fell by 4.0% due to a 3.8% and 1.6% decrease in wholesale sales and retail sales, respectively. New car sales accounted for 220,000 vehicles and used cars accounted 622,000 vehicles, which represents a 32.9% and 12.5% fall, respectively. Motorcycles sales were 128,000 units, a 36.3% decrease when compared to the prior year.

In 2015, this sector grew by 2.4% mainly due to a 1.3% and 2.6% increase in wholesale and retail sales, respectively. New car sales accounted for 209,000 units and used car sales accounted for 680,000 units, which represented a 4.7% and 9.3% decline as compared to 2014, respectively. Motorcycles sales accounted for more than 132,000 units, which represented a 3% increase as compared to 2014.

Construction

Housing construction typically accounts for approximately 50.0% of the Province's total production in this sector. The construction sector has traditionally represented around 5.0% of the Province's real GDP.

Construction permits increased by 13.1% in 2011, renewing the boost in this sector, which in turn grew by 9.4% as compared to the previous year.

In 2012, the sector grew by only 0.3% due to a 3.0% decrease in unregistered construction and a 6.3% decrease in public construction. These losses were offset by an 8.2% increase in private construction.

In 2013, construction fell by 0.4% due to a 7.3% decline in private construction and a 3.2% decline in public construction. Unregistered construction increased by 4.0%.

In 2014, construction fell by 3.4% due to a 5.3% contraction in private construction, which was partially offset by a 24.9% increase in public construction. In addition, within private construction, registered construction and unregistered construction fell by 15.1% and 0.4%, respectively. As a result, cement demand fell by 4.8% and registered employment fell by 3.1%.

In 2015, the sector grew by 3.5% mainly due to a 3.3% increase in the private construction and a 6.0% increase public construction, in each case, as compared to 2014. The registered employment sector grew by 4.3%.

Education, Social and Health Services

The Province records together two activities: the provision of educational services, which typically represents slightly more than one half of total production of this sector, and healthcare and social services. The Province's share of total Argentine GDP in this sector is relatively lower than the Province's share of total Argentine population due to different cost levels among the provinces and between the provinces and the federal government. The disparity between health and social services costs is primarily attributable to greater economies of scale available to the Province for the provision of these services, leading to a lower cost per inhabitant.

From 2011 through 2015, the output of the education, social and health services sector increased by 10.8%, registering an average annual variation of 2.6%. The sector's share of total provincial GDP averaged 5.1% on an annual basis.

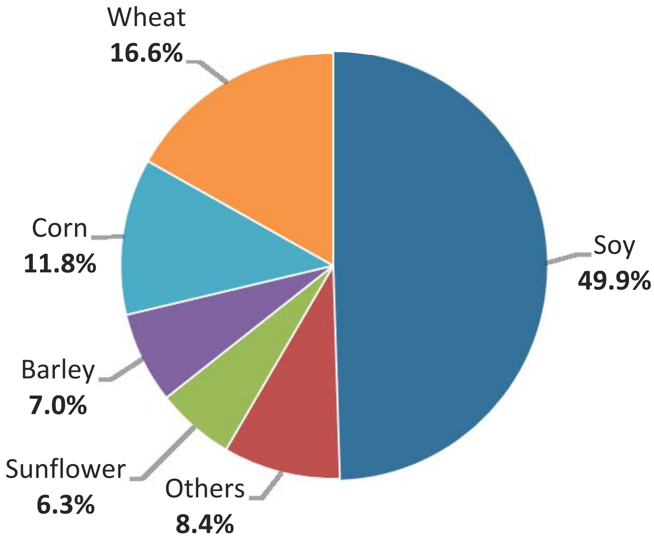
Due to the nature of these services, and unlike in most sectors, annual variations were generally constant. In 2010, the sector recorded one of the highest growths due to increases in educational services, which was a direct result of the Province's inclusion policies and the Universal Allowance per Child program, both of which in turn increased the number of students.

In 2015, the education sector recorded annual growth of 2.6% as compared to 2014, primarily due to an increase in the number of students that enrolled in public schools (3%) and in private schools (1.6%). Health and social services grew by 2.2% in 2015 as compared to 2014, mainly driven by a 2.8% increase in contributions from the private health services, while the public sector contributions increased by at 2.0%, in each case, as compared to 2014.

Agriculture, Livestock, Hunting and Forestry

Agriculture and livestock typically account for the vast majority of the Province's total production within this sector. The Province's main agricultural products include oil-producing crops, vegetables, soybeans and fodder. Livestock includes meat, dairy, wool and hide production. The main activities that compose this sector are cereals and oil-producing crops, which, together with livestock and dairy products, typically account for most of the Province's production within this sector. Corn, soybeans, wheat and sunflower are the most widely produced crops. Argentina is the worldwide leader in the production of crop-derived oils and the Province is Argentina's main producer of crop-derived oils. For the 2014/15 season, the Province's sunflower and soybeans productions accounted for 62.3% and 31.9% of the country's production, respectively. In addition, the Province is Argentina's largest producer of wheat and one of Argentina's main producers of corn. For the 2014/15 season, the Province's wheat and corn productions accounted for the 46.4% and 26.3% of the country's production, respectively. Further, the Province's barley production for the 2014/15 season accounted for 88.6% of the country's production.

Provincial Sown Area Structure for the 2014/2015 season



Source: Ministry of Agroindustry of Argentina

From 2011 through 2015, the output of the agriculture, livestock, hunting and forestry sector increased by 4.1%, with an average annual growth rate of 1.0%. On average, this sector represented 4.3% of the provincial GDP on an annual basis.

In 2011, the sector grew by a moderate 1.9% due to increases in the production of wheat, sunflower, sorghum and corn. These increases were offset by a 9.0% decrease in soybean production.

In 2012, the sector performed poorly and decreased by 3.5%, mainly due to a 19.0%, 10.4% and 7.5% decrease in the production of sunflower, corn and wheat, respectively.

In 2013, the sector grew by 4.5%, mainly due to an increase in malting barley production by 20.3%, soybeans by 15.7% and corn by 10.4%; offset by decreases in the production of wheat by 57.1% and sunflower by 13.9%. Livestock fell by 5.1%.

In 2014, the sector grew by 0.8%, mainly due to a 53.3% increase in wheat production and a 0.7% increase in livestock, which was partially offset by a 3.8% and 26.5% decrease in soybean and corn productions, respectively.

In 2015, the sector grew by 2.4%, mainly due to a 23.7% increase in corn production and a 14.3% increase in soybean production, which was partially offset by a 42.8% decrease in barley production. Cattle stock grew by 3.2%.

Exports Originating in the Province

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. Since 1995, export data has also been collected in connection with the export of goods that require no such permits, such as energy. 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 built completely in the Province, including those made entirely from raw materials produced outside of the Province and transformed within the Province into a different product (as classified under the Mercosur rules).

From 2011 through 2015, exports decreased by 33.0%, with significant differences in the year-on-year variations. As of December 31, 2015, exports decreased by 18.9%, as compared to 2014. In addition, the Province's share in the total national exports during the 2011-2015 period amounted to an annual average of 33.7%. Brazil has historically been the Province's main trading partner, representing more than, on average, 37.0% of its total exports for the 2011-2015 period and 34.6% of its total exports as of December 31, 2015. As of June 30, 2016, total provincial exports amounted to USD 8.83 billion.

Classification of Main Exported Items

The following table sets forth the breakdown of the Province's exports by product category from 2011 through the first half of 2016.

Exports by Product Category for the periods specified below
(in millions of U.S. dollars and percentages)

	For the year ended December 31,										For the six months ended June 30,			
	2011		2012		2013 (1)		2014 (1)		2015 (1)		2015(1)		2016(1)	
Live animals	19	0.1%	23	0.1%	15	0.1%	20	0.1%	17	0.1%	12	0.1%	18	0.2%
Fish and seafood	226	0.8%	192	0.7%	241	0.9%	205	0.9%	146	0.8%	71	0.7%	72	0.8%
Honey	107	0.4%	103	0.4%	102	0.4%	98	0.4%	79	0.4%	46	0.5%	43	0.5%
Vegetables	69	0.2%	62	0.2%	84	0.3%	41	0.2%	36	0.2%	28	0.3%	37	0.4%
Fruit	19	0.1%	15	0.1%	13	0.1%	14	0.1%	14	0.1%	0	0.0%	0	0.0%
Cereals	3,584	12.8%	4,394	16.1%	3,073	11.9%	1,765	7.6%	1,654	8.8%	1,049	10.9%	1,421	16.1%
Seeds and oilseeds	1,761	6.3%	1,319	4.8%	1,597	6.3%	1,333	5.7%	1,465	7.8%	790	8.2%	663	7.5%
Others	17	0.1%	26	0.1%	22	0.1%	29	0.1%	23	0.1%	12	0.1%	8	0.1%
Total Primary Products	**5,804**	**20.7%**	**6,135**	**22.5%**	**5,121**	**20.1%**	**3,506**	**15.1%**	**3,434**	**18.2%**	**2,008**	**20.9%**	**2,261**	**25.6%**
Meat	1,054	3.8%	997	3.7%	962	3.8%	906	3.9%	674	3.6%	358	3.7%	338	3.8%
Processed fish and seafood	306	1.1%	232	0.9%	222	0.9%	215	0.9%	157	0.8%	88	0.9%	75	0.8%
Eggs and dairy products	220	0.8%	192	0.7%	207	0.8%	139	0.6%	105	0.6%	56	0.6%	46	0.5%
Other products of animal origin	31	0.1%	33	0.1%	28	0.1%	29	0.1%	23	0.1%	12	0.1%	6	0.1%
Dried and frozen fruit	6	0.0%	5	0.0%	6	0.0%	5	0.0%	4	0.0%	2	0.0%	2	0.0%
Coffee, tea, herbs and spices	9	0.0%	9	0.0%	10	0.0%	9	0.0%	10	0.1%	6	0.1%	4	0.0%
Mill products	496	1.8%	741	2.7%	600	2.4%	655	2.8%	596	3.2%	278	2.9%	252	2.9%
Oils and fats	1,399	5.0%	1,164	4.3%	812	3.2%	943	4.1%	1,048	5.6%	520	5.4%	546	6.2%
Sugar and candy products	35	0.1%	123	0.5%	95	0.4%	94	0.4%	94	0.5%	42	0.4%	33	0.4%
Prepared vegetables	188	0.7%	169	0.6%	232	0.9%	197	0.8%	173	0.9%	75	0.8%	97	1.1%
Beverages, alcohol and vinegars	73	0.3%	72	0.3%	66	0.3%	61	0.3%	70	0.4%	29	0.3%	37	0.4%
Food industry residue and waste	882	3.1%	996	3.7%	1,027	4.0%	1,739	7.5%	1,517	8.1%	601	6.3%	748	8.5%
Hides and skins	470	1.7%	494	1.8%	526	2.1%	601	2.6%	482	2.6%	250	2.6%	202	2.3%
Processed wood	52	0.2%	34	0.1%	35	0.1%	38	0.2%	34	0.2%	16	0.2%	19	0.2%
Others	589	2.1%	318	1.2%	294	1.2%	293	1.3%	278	1.5%	141	1.5%	120	1.4%
Total Manufactured Goods of Agricultural Origin	**5,811**	**20.7%**	**5,578**	**20.5%**	**5,121**	**20.1%**	**5,924**	**25.5%**	**5,266**	**28.0%**	**2,474**	**25.8%**	**2,525**	**28.6%**
Chemical products	2,670	9.5%	2,755	10.1%	2,745	10.8%	2,665	11.5%	2,507	13.3%	1,153	12.0%	1,084	12.3%
Plastics	1,270	4.5%	1,144	4.2%	1,060	4.2%	1,051	4.5%	766	4.1%	434	4.5%	349	4.0%
Rubber	295	1.1%	264	1.0%	258	1.0%	251	1.1%	172	0.9%	90	0.9%	94	1.1%
Leather goods	33	0.1%	34	0.1%	27	0.1%	22	0.1%	18	0.1%	9	0.1%	8	0.1%
Paper, cardboard, printing and publications	204	0.7%	162	0.6%	132	0.5%	110	0.5%	89	0.5%	46	0.5%	37	0.4%
Textile	321	1.1%	267	1.0%	230	0.9%	211	0.9%	155	0.8%	79	0.8%	54	0.6%
Footwear and related materials	21	0.1%	23	0.1%	22	0.1%	19	0.1%	9	0.0%	5	0.1%	3	0.0%
Stone and plaster products	143	0.5%	123	0.5%	107	0.4%	91	0.4%	79	0.4%	43	0.4%	31	0.4%
Precious stones and metals	9	0.0%	4	0.0%	7	0.0%	3	0.0%	6	0.0%	1	0.0%	1	0.0%
Metals	1,773	6.3%	1,636	6.0%	1,390	5.4%	1,305	5.6%	590	3.1%	338	3.5%	158	1.8%
Machinery and electric materials	1,076	3.8%	960	3.5%	872	3.4%	736	3.2%	521	2.8%	265	2.8%	220	2.5%
Transportation materials	6,621	23.6%	6,608	24.2%	7,119	27.9%	6,163	26.5%	4,492	23.8%	2,269	23.6%	1,710	19.4%
Navigation	21	0.1%	11	0.0%	6	0.0%	9	0.0%	6	0.0%	4	0.0%	5	0.1%
Others	258	0.9%	282	1.0%	237	0.9%	187	0.8%	161	0.9%	76	0.8%	63	0.7%
Total Manufactured Goods of Industrial Origin	**14,714**	**52.5%**	**14,272**	**52.4%**	**14,212**	**55.7%**	**12,823**	**55.2%**	**9,573**	**50.8%**	**4,814**	**50.1%**	**3,817**	**43.2%**
Fuel	838	3.0%	719	2.6%	492	1.9%	445	1.9%	260	1.4%	136	1.4%	96	1.1%
Grease and oil lubricants	116	0.4%	101	0.4%	58	0.2%	44	0.2%	39	0.2%	19	0.2%	14	0.2%
Petroleum gas and others	592	2.1%	455	1.7%	412	1.6%	424	1.8%	215	1.1%	122	1.3%	91	1.0%
Electrical energy	3	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other	139	0.5%	-	0.0%	94	0.4%	72	0.3%	51	0.3%	27	0.3%	23	0.3%
Total Fuel and Energy	**1,688**	**6.0%**	**1,275**	**4.7%**	**1,056**	**4.1%**	**986**	**4.2%**	**565**	**3.0%**	**304**	**3.2%**	**224**	**2.5%**
Total	**28,018**	**100.0%**	**27,260**	**100.0%**	**25,511**	**100.0%**	**23,238**	**100.0%**	**18,838**	**100.0%**	**9,599**	**100.0%**	**8,827**	**100.0%**

(1) Preliminary data.
Source: Provincial Office of Statistics; Ministry of Economy of the Province on the basis of information provided by INDEC.

Primary Products.

Exports of primary products include animals and animal products (including unprocessed seafood and fish, but not meat), honey, fruits, vegetables, cereals and seeds and oilseeds. From 2011 through 2015, these products represented an annual average of 19.3% of total provincial exports and 28.2% of total national exports in this sector. Exports of primary products decreased 40.8% from 2011 to 2015, with a very uneven year-over-year variation. In 2015, these products recorded a 2.0% decrease due to a 6.3% decrease in exports of cereals. Exports of cereals, seeds and oilseeds traditionally have accounted for the majority of provincial exports of primary products, accounting on average for 58.3% and 32.7%, respectively, of total exports of primary products from 2011 through 2015. The provincial exports of primary goods for the year ended December 31, 2015, amounted to USD 3.43 billion and represented 18.2% of the total provincial exports. As of June 30, 2016, provincial exports of this sector amounted to USD 2.26 billion and represented 25.6% of the total provincial exports.

Manufactured Goods of Agricultural Origin.

Exports of manufactured goods of agricultural origin include meat, processed fish and seafood and other products of animal origin, processed food and vegetables, mill products, oil and fats, beverages, alcohol and vinegars, food industry residue and waste, dyes and extracts, hides and skins, processed wool and other agricultural products that have undergone some sort of processing. From 2011 through 2015, these products represented an annual average of 22.9% of total provincial exports and 21.2% of total national exports in this sector. Exports of manufactured goods of agricultural origin decreased by 9.4% from 2011 to 2015. In 2015, these exports recorded a 11.1% decrease due to a 12.8% decrease in food industry residue and waste exports and 25.6% decrease in meat exports. The most representative products of this group are food and industry residue and waste, which, on average, represents a 22.2% of exports of this sector and meats that, on average, account for 16.6% of exports of this sector. The provincial exports of manufactured goods of agricultural origin for the year ended December 31, 2015, amounted to USD 5.27 billion and represented 28.0% of the total provincial exports. As of June 30, 2016, provincial exports of this sector amounted to USD 2.52 billion and represented 28.6% of the total provincial exports.

Manufactured Goods of Industrial Origin.

Manufactured goods of industrial origin include chemicals, plastics, rubbers, leather, paper, textiles, footwear, stone, precious stone, metals, machinery and transportation materials, navigation and other industrial goods. Manufactured goods of industrial origin are the most important provincial exports. From 2011 through 2015, these products represented an annual average of 53.3% of total provincial exports and 53.7% of total national exports in this sector. From 2011 through 2015 exports of these products decreased by 34.9%. In 2015 these exports decreased by 25.3%. The products with the highest share in this segment are land transport materials, with an average weight on total exports of 47.3%. In 2015, this share was 46.9%. Chemicals and related products come second in order of importance, with an average share of 20.7%. The provincial exports of manufactured goods of industrial origin for the year ended December 31, 2015, amounted to USD 9.57 billion and represented 50.8% of the total provincial exports. As of June 30, 2016, provincial exports of this sector amounted to USD 3.82 billion and represented 43.2% of the total provincial exports.

Fuel and Energy.

Fuel and energy exports consist of exports of fuel, grease and lubricants, petroleum gas, electrical energy and other fuel and energy products. From 2011 through 2015, these products represented an annual average of 4.4% of the total provincial exports and 21.5% of total national exports in this sector. Exports of these products have decreased by 66.5% from 2011 to 2015. In 2015, exports of fuel and energy recorded a decrease of 42.7%. Fuel has traditionally been the most significant export item in this category with an average annual share of 48.8%, although its share was 46.0% in 2015. The provincial exports of fuel and energy for the year ended December 31, 2015, amounted to USD 0.56 billion and represented 3.0% of the total provincial exports. As of June 30, 2016, provincial exports of this sector amounted to USD 0.22 billion and represented 2.5% of the total provincial exports.

Destination of Exports

The following table sets forth the breakdown of the Province's exports by geographic destination from 2011through the first half of 2016.

Geographic Distribution of Exports for the periods specified below
(in millions of U.S. dollars and percentages)

Country	For the year ended December 31,										For the six months ended June 30,			
	2011		2012		2013 (1)		2014 (1)		2015 (1)		2015 (1)		2016 (1)	
Brazil	10,224	36.5%	10,115	37.0%	9,795	38.4%	8,988	38.7%	6,509	34.6%	3,445	35.9%	2,639	29.9%
Chile	1,638	5.8%	1,709	6.2%	1,528	6.0%	1,280	5.5%	1,149	6.1%	600	6.3%	514	5.8%
United States	1,049	3.7%	985	3.6%	1,052	4.1%	978	4.2%	697	3.7%	370	3.9%	362	4.1%
China	1,789	6.4%	1,510	5.5%	1,645	6.4%	1,465	6.3%	1,569	8.3%	892	9.3%	682	7.7%
Uruguay	1,131	4.0%	995	3.6%	984	3.9%	866	3.7%	725	3.8%	363	3.8%	302	3.4%
Mexico	532	1.9%	449	1.6%	516	2.0%	564	2.4%	522	2.8%	250	2.6%	179	2.0%
Venezuela	678	2.4%	797	2.9%	712	2.8%	484	2.1%	435	2.3%	149	1.6%	199	2.3%
Paraguay	687	2.5%	681	2.5%	721	2.8%	718	3.1%	640	3.4%	326	3.4%	262	3.0%
Colombia	651	2.3%	856	3.1%	625	2.4%	476	2.0%	261	1.4%	147	1.5%	123	1.4%
Germany	1,047	3.7%	704	2.6%	435	1.7%	417	1.8%	400	2.1%	195	2.0%	193	2.2%
Peru	490	1.7%	615	2.2%	416	1.6%	313	1.3%	246	1.3%	116	1.2%	96	1.1%
Bolivia	432	1.5%	451	1.6%	378	1.5%	375	1.6%	397	2.1%	198	2.1%	153	1.7%
Italy	273	1.0%	189	0.7%	208	0.8%	154	0.7%	115	0.6%	63	0.7%	96	1.1%
Netherlands	413	1.5%	336	1.2%	278	1.1%	352	1.5%	274	1.5%	148	1.5%	189	2.1%
Egypt	543	1.9%	388	1.4%	352	1.4%	292	1.3%	199	1.1%	82	0.9%	213	2.4%
Russia	171	0.6%	192	0.7%	166	0.7%	197	0.8%	94	0.5%	50	0.5%	36	0.4%
Ecuador	267	1.0%	260	1.0%	150	0.6%	212	0.9%	110	0.6%	58	0.6%	35	0.4%
Spain	325	1.2%	227	0.8%	188	0.7%	160	0.7%	151	0.8%	45	0.5%	93	1.1%
South Africa	477	1.7%	482	1.8%	213	0.8%	158	0.7%	231	1.2%	112	1.2%	113	1.3%
Subtotal	**22,817**	**81.4%**	**21,940**	**80.2%**	**20,360**	**79.8%**	**18,448**	**79.4%**	**14,723**	**78.2%**	**7,610**	**79.3%**	**6,480**	**73.4%**
Others	5,201	18.6%	5,427	19.8	5,151	20.8%	4,790	20.6%	4,115	21.8%	1,990	20.7%	2,348	26.6%
Total	**28,108**	**100.0%**	**27,368**	**100.0%**	**25,511**	**100.0%**	**23,238**	**100.0%**	**18,838**	**100.0%**	**9,599**	**100.0%**	**8,827**	**100.0%**

(1) Preliminary data.
Source: Provincial Office of Statistics; Ministry of Economy of the Province on the basis of information provided by INDEC.

Historically, the main destinations for exports from the Province have been the Mercosur, the United States, China and Chile. Exports to Brazil constitute the vast majority of exports to the Mercosur, accounting for more than 80.1% of these exports in each of the last five years. Exports to Brazil, in particular, accounted for 34.6% of total exports originated within the Province in 2015, a 27.6% decrease when compared to 2014.

Economically Active Population and Employment

INDEC prepares a series of indexes used 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 in the five main urban areas within the territory of the Province, the largest of which is the Greater Buenos Aires area, which includes the *Conurbano Bonaerense*.

The five main urban areas located within the territory of the Province are:

- Greater Buenos Aires, which contains approximately 67.0% of the Province's population;
- Greater La Plata, which contains approximately 5.0% of the Province's population;
- Mar del Plata – Batán, which contains approximately 4.0% of the Province's population;
- Bahía Blanca – Cerri, which contains approximately 2.0% of the Province's population; and
- San Nicolás –Villa Constitución, which contains approximately 1.0% of the Province's population. Villa Constitución, which is included in this urban area, is located in the Province of Santa Fe.

The publication of the indexes prepared by INDEC was suspended in 2016 in the context of the emergency declared in the area of federal statistics. See "Emergency Declaration" below and "Risk Factors—Some national and international economic agents have expressed their concerns about the accuracy of the INDEC's CPI and other economic data published by INDEC in the past." Gradually, INDEC has been releasing indicators and statistics. On August 23, 2016, INDEC released economic activity and unemployment indicators for the second quarter of 2016.

The following tables set forth employment figures for the main urban areas of the Province for the periods specified.

Labor Share Rate of the Main Urban Areas of the Province(1)
(as a percentage of total population)

	4Q2011	4Q2012	4Q2013	4Q2014	3Q2015	2Q2016
Areas of Greater Buenos Aires	46.9	47.4	45.8	44.7	44.2	45.6
Bahía Blanca - Cerri	46.3	46.6	48.0	44.7	45.7	45.2
Greater La Plata	45.4	43.7	47.3	46.3	43.7	45.8
Mar del Plata - Batán	48.0	45.0	47.4	44.6	44.9	45.6
San Nicolás - Villa Constitución	40.3	40.2	38.1	40.8	39.6	39.9

(1) Calculated by dividing the portion of the population employed or actively seeking employment ("economically active population") by the total population.
Source: INDEC.

Unemployment Rate of the Main Urban Areas of the Province (1)
(as a percentage of economically active population)(2)

	4Q2011	4Q2012	4Q2013	4Q2014	3Q2015	2Q2016
Areas of Greater Buenos Aires	8.3	7.9	7.2	7.9	6.7	11.2
Bahía Blanca - Cerri	7.8	6.6	8.7	7.5	5.7	7.7
Greater La Plata	5.6	4.9	5.2	5.5	4.2	6.9
Mar del Plata - Batán	7.7	9.5	11.7	10.9	11.8	11.6
San Nicolás - Villa Constitución	8.8	6.1	5.7	5.1	5.5	8.4

(1) Calculated by dividing the unemployed population seeking employment by the economically active population.
(2) Population employed or actively seeking employment.
Source: INDEC.

Underemployment Rates of the Main Urban Areas of the Province (1)
(as a percentage of economically active population) (2)

	4Q2011	4Q2012	4Q2013	4Q2014	3Q2015	2Q2016
Areas of Greater Buenos Aires	7.1	7.9	5.7	7.0	6.7	8.7
Bahía Blanca - Cerri	4.0	2.9	1.9	2.7	2.9	4.8
Greater La Plata	6.4	6.8	8.2	6.9	7.6	10.5
Mar del Plata - Batán	9.2	9.2	6.4	7.9	8.6	10.3
San Nicolás - Villa Constitución	5.0	4.3	2.7	2.4	2.8	2.8

(1) Calculated by dividing the portion of the population working 35 hours or less per week and with the intent to work more by the economically active population.
(2) Population employed or actively seeking employment.
Source: INDEC.

In 2008, the Province created the *Plan de Promoción, Preservación y Regularización del Empleo* (Plan for the Promotion, Preservation and Regularization of Employment), which is aimed at incorporating vulnerable groups of the population, which are often involved in distressed situations, into the labor market and foster the creation of jobs in strategic economic sectors and geographic regions. This program is divided into the following four sub-programs:

- *Inclusión Laboral* (Employment Opportunity)
- *Regularización del Empleo no Registrado* (Unregistered Employee Regularization)
- *Asistencia a la Promoción Industrial* (Industrial Promotion)
- *Preservación de Puestos de Trabajo en Situación de Crisis* (Preservation of Labor Force in Distressed Situations)

Under each of these sub-programs, companies that hire or retain qualifying employees receive a fixed monthly sum of up to ARS 3,780 per employee for a period of between 6 to 24 months, depending on each sub-program.

In addition, the *Programa Barrios Bonaerenses* (Buenos Aires Neighborhood Program), which has been in place since 2000 and was developed with the goal of improving the income of poor households by providing public service employment to heads of households over 18 years of age, is also available for qualifying unemployed individuals in the Province.

The Greater Buenos Aires unemployment rate was 10.1% in 2009 due to the economic slowdown in that year. The rebound during the following periods, mainly due to the increase of industrial activity in the Province, brought unemployment in Greater Buenos Aires down to 7.9% in 2014.

Poverty

The Province's only source of data relating to poverty consists of statistics compiled by INDEC as part of the EPH. Poverty 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 estimates of poverty 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 current federal administration has declared a statistical emergency to rectify this problem. See "Emergency Declaration" below.

Following a three-year period without official statistics, in September 2016, the federal government released data on poverty indicators. The figures for the second quarter of the year revealed that 32.2% of Argentina's population is poor, including 6.3% who are indigent. In Greater Buenos Aires, poverty accounts for 30.9% of the population, of which 6.2% live in extreme poverty.

Environment

In 1973, Argentina was one of the first Latin American countries to create an environmental protection agency, and in 1995, the Province created the *Organismo Provincial para el Desarollo Sostenible* (Provincial Organization for Sustainable Development, or "OPDS"), which is in charge of overseeing environmental issues in the Province. The OPDS conducts environmental inspections, maintains a database of licensed environmental service providers, receives citizen complaints about pollution and is involved in a wide range of environmental projects, from bio-fuel promotion, clean-up and forestry to energy efficiency.

Although the Province confronts many environmental issues, including soil and air quality, the major environmental challenge facing the Province is water quality. Three water basins with significant pollution are located within the Province: the Matanza-Riachuelo River Basin, the Reconquista River Basin and the Luján River Basin.

Matanza-Riachuelo River Basin

This basin has suffered significant degradation as a result of many years of unplanned urban development. In addition, approximately 10,000 manufacturing facilities dump industrial waste in drainages or directly into several local rivers. Moreover, the evolution and growth of the industrial sector has not been accompanied by the necessary clean-up infrastructure investment that these activities demand. This situation has made it necessary to adopt public policies aimed at reversing the damage on the environment caused over the years.

The new *Autoridad de la Cuenca Riachuelo-Matanza* (Authority of the Matanza-Riachuelo Basin, or "ACUMAR") was created in December 2006 to address and monitor the environmental aspects related to the Matanza-Riachuelo River Basin. This entity is empowered to inspect, sanction and close down the companies polluting the area. The ACUMAR replaced several governmental authorities and has the power and the necessary means to coordinate the large scale environmental clean-up and rational use of natural resources.

In 2004, a case was brought before federal court by Beatriz Silvia Mendoza and a number of other neighbors, requesting the environmental clean-up of the basin and the creation of a special fund to finance such clean-up. In this case, the federal government, the Province and the City of Buenos Aires together with 44 other companies are charged with environmental pollution. The complaint was later extended to include 14 municipalities of the Province.

In 2008, the Supreme Court of Argentina issued a ruling on the case, requiring ACUMAR to comply with a clean-up program and making the federal government, the Province and the City of Buenos Aires jointly responsible for its execution. The Supreme Court of Argentina also indicated that the governments are responsible for preventing further damage and repairing the existing damage to the basin. Accordingly, the Supreme Court of Argentina set a 90-day period for the governments involved to implement an active health plan for the areas affected by the basin pollution, and established fines for public officials who did not comply with the law. In addition, follow up and control mechanisms have been implemented to comply with the established goals, such as public hearings before the federal courts and the issuance of reports on the clean-up of the Matanza-Riachuelo River Basin.

In order to comply with the Supreme Court of Argentina's judgment, the Province; together with certain other defendants; developed the *Plan Integral de Saneamiento Ambiental* (Comprehensive Plan for Environmental Sanitation or "PISA"), which is a comprehensive environmental clean-up plan. The PISA was last updated in March 2010.

In order to provide relevant information about the basin, as well as the progress of actions under the PISA framework, a system of indicators has been developed. Its last publication compiles the results for 2012. ACUMAR publishes on its webpage (http://www.acumar.gov.ar/indicadores/lista-completa) the updated results on each of such indicators.

Reconquista River Basin

The Reconquista River Basin is the second most contaminated river basin in Argentina, following the Matanza-Riachuelo River Basin. The number of urban settlements and manufacturing facilities in the nearby area has been increasing over the years without any plan or consideration of the environmental characteristics of the region. This significant concentration of people and factories has polluted the surface and underground water resources with domestic and industrial waste.

In 2001, the Province created the *Comité de la Cuenca del Río Reconquista* (Reconquista River Basin Committee, or "COMIREC") to oversee the work of the *Unidad de Coordinación de Obras Saneamiento Ambiental y Control de las Inundaciones* (Coordinating Unit for Environmental Clean-up and Flood Control Works, or "UNIREC"), which was created in 1994. In 2003 the provincial government decided to dissolve UNIREC due to lack of resources for project expenses.

In November 2006, the provincial government approved a new environmental clean-up program for the Reconquista River Basin, and entrusted COMIREC with the control and monitoring of domestic and industrial pollution. In December 2014, the Province signed a loan with the IDB for USD 230 million for the integral clean-up of the Reconquista River Basin. The draft loan agreement was approved by Decree No. 965/14.

Luján River Basin

The Luján River Basin is the least contaminated of the three major river basins in the Province. In 2001 and 2008 the Regional Committee A, and the Regional Committee B, respectively, were created with the participation of the pertinent municipalities to oversee environmental issues affecting the Luján River Basin. The Regional Committee A maintains periodic meetings and the Regional Committee B is not yet fully operational.

Floods in the Province

In August 2015, heavy rains in several districts in the north, northeast and center of the Province adversely affected several reservoirs and caused major damages to homes, businesses and public buildings, among others. As a result, Provincial Decree No. 618/15 extended the state of emergency declared by Decree No. 769/14 relating to several districts and declared a state of emergency in additional affected districts until February 2016.

In addition, on August 26, 2015 the provincial legislature passed Law No. 14,760 which authorized the Province to obtain a financing for up to ARS 4,500 million in order to perform the necessary infrastructure works in the Lujan River Basin. This law also provides for tax benefits to the residents of the affected areas, such as exemptions to property, automobile, gross revenues and stamp taxes.

On September 30, 2015, the provincial legislature passed Law No. 14,778 which authorized the Province to obtain financing for up to ARS 1,185 million to fund the second phase of the reconstruction of certain infrastructure located in the central region of the Province that was affected by the floods that took place in 2013 and fund any other measures deemed necessary to mitigate future damage resulting from heavy rainfall.

On September 7, 2015, pursuant to a floods emergency assistance program between the Province and the Inter-American Development Bank ("IDB"), the Province made a USD 200,000 non-reimbursable financing solicitation. The proceeds will be used to repair and construct floods-safeguarding barriers and clean up the drains, among other flood-related public works.

Emergency Declaration

Provincial Law No. 14,806 sets forth an emergency in the areas of public security and penitentiary policy and health, which will be in force until January 2017, in order to protect the physical integrity and property of the Province's inhabitants.

Further, Provincial Law No. 14,815 declared an administrative and technological emergency in the Province, aimed at strengthening and modernizing provincial public entities. The emergency declaration is expected to last one year, with the option of a single extension for another year. Among other matters, Provincial Law No. 14,815 expedites the procedures for contracting goods and services.

In addition, the federal executive branch declared an emergency of the federal electrical system until December 31, 2017 pursuant to Decree No. 134/15. The purpose of this emergency declaration is to implement a program aimed at improving the quality and safety of the supply of electricity and to guarantee the rendering of the electricity public service. See "Risk Factors—Risks relating to the Province—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."

Also, pursuant to Decree No. 55/16 the federal executive branch declared a state of emergency in the area of federal statistics, with the goal of providing INDEC's new authorities with the necessary tools to address this situation. In January 2016, the INDEC started to publish as an alternative CPI, the calculations elaborated by the *Dirección General de Estadística y Censos de la Ciudad Autónoma de Buenos Aires* (General Directorate of Statistics and Censuses of the City of Buenos Aires) and *Dirección Provincial de Estadística y Censos de San Luis*

(Provincial Directorate of Statistics and Censuses of the Province of San Luis). See "Risk Factors—Risks relating to the Province—Some national and international economic agents have expressed their concerns about the accuracy of the INDEC's CPI and other economic data published by INDEC in the past." In June 2016, INDEC started to release its own CPI. See "Risk Factors— Presidential and legislative elections in Argentina may create uncertainties that could impact the Argentine and provincial economies and the securities market" and "—Some national and international economic agents have expressed their concerns about the accuracy of the INDEC's CPI and other economic data published by INDEC in the past."

Litigation

Concession Dispute

In May 1999, the Province awarded a concession to Azurix Buenos Aires ("Azurix"), an indirect subsidiary of Enron, for the provision of water and wastewater services in 48 of the Province's municipalities. In January 2001, Azurix alleged that the Province had failed to comply with certain provisions of the concession. Following several months of unsuccessful negotiations, in October 2001 Azurix gave notice of termination of the concession to the Province and subsequently brought a claim against the Province before the provincial Supreme Court. In 2002, the Province assumed the provision of water and wastewater services in these municipalities through the newly created *Aguas Bonaerenses S.A.* ("Aguas Bonaerenses"), which is jointly owned by the Province (90.0%) and its employees (10.0%).

The parent company of Azurix, Azurix Corp., filed a request for arbitration against the federal government with the International Centre for Settlement of Investment Disputes ("ICSID") on the grounds that Argentina had violated the 1991 Treaty Concerning the Reciprocal Encouragement and Protection of Investment between the Republic of Argentina and the United States of America, seeking approximately USD 555 million. In 2006, an ICSID tribunal rendered a decision in the arbitration proceedings in favor of Azurix Corp. and ordered the federal government to pay USD 165 million in damages. Argentina filed an application for annulment and requested that the court suspend execution of the award pending resolution of the annulment proceedings. ICSID rejected Argentina's annulment request and affirmed its prior decision. In October 2013, the federal government settled the Azurix Corp. ICSID award. The settlement of the Azurix Corp. ICSID award was part of a larger settlement, which included four other ICSID awards against Argentina. The settlement amount was paid in sovereign bonds of Argentina (BODEN 2015 and BONAR 2017). The Province may be asked by the federal government to reimburse amounts paid by it in respect of the settlement of the Azurix Corp. ICISID award, on terms to be negotiated and mutually agreed to by the Province and the federal government. As of October 14, 2016, the federal government had not requested the reimbursement of this award.

Bondholder Claims

There are currently 15 final and non-appealable judgments and two lawsuits pending against the Province related to the Province's 2002 default on its bonds. These judgments and lawsuits are under three different jurisdictions: the United States of America, Germany and Switzerland.

In the United States of America, there are six final and non-appealable judgments outstanding against the Province for a total principal amount of USD 424,000 and EUR 201,000 (excluding interest, costs and attorney's fees), and one lawsuit that remains pending for a total principal amount of USD 85,000 (excluding interest, costs and attorney's fees).

In Germany, there are six final and non-appealable judgments outstanding against the Province for a total principal amount of EUR 2,505,000 (excluding interest, costs and attorney's fees) and one pending lawsuit for a total principal amount of EUR 10,000 (excluding interest, costs and attorney's fees).

In Switzerland, there are three final and non-appealable judgments outstanding against the Province for a total principal amount of CHF 600,000 (excluding interest, costs and attorney's fees).

As of October 14, 2016, no creditors who have brought legal action against the Province have succeeded in collecting on judgments entered in their favor.

Provincial Enterprises

The Province owns part or all of a number of different enterprises. Some of these enterprises provide traditional public services to people who live in the Province, such as Aguas Bonaerenses, which provides water services, Buenos Aires Gas S.A. ("Buenos Aires Gas"), which provides gas services, and CEAMSE, which provides garbage collection and disposal services. In addition, the Province owns 100% of Banco Provincia, which is a self-administered public bank that provides general, commercial and retail banking services in Argentina. See "Banco Provincia." 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.

Aguas Bonaerenses

Aguas Bonaerenses is a corporation 90% owned by the Province and 10% owned by its employees, which in 2002 assumed a water concession to guarantee and improve water rendering and sewer services across a large portion of the Province. Aguas Bonaerenses currently provides services in 91 areas across 62 regions of the Province in an area of approximately 150,000 square kilometers. Aguas Bonaerenses carries out a wide range of activities, including the purification, transportation and distribution of drinking water as well as the collection, treatment and disposal of waste water.

Aguas Bonaerenses' activities are overseen and monitored by the *Organismo de Control de Aguas de Buenos Aires* (Water Control Entity of Buenos Aires or "OCABA"), a self-regulated regulatory authority that oversees compliance with the rules and regulations set forth in the water regulatory framework.

Buenos Aires Gas

Buenos Aires Gas is a corporation 51.0% owned by the Province with the remaining 39.0% and 10.0% owned by cooperatives and the municipalities, respectively. Buenos Aires Gas has as its main purpose the distribution of low, medium and high pressure natural gas; natural compressed gas; and liquefied natural gas. BAGSA also participates in the distribution and commercialization of liquefied petroleum gas. Buenos Aires Gas performs a wide range of activities such as planning, managing and implementing infrastructure works in areas that lack infrastructure or are not adequately served. In addition, Buenos Aires Gas works closely with the Province's municipalities and cooperatives to implement projects, control engineering aspects of gas services, execute bidding processes and secure its own financing resources.

Instituto Provincial de Lotería y Casinos

The Provincial Institute of Lotteries and Casinos is an independent, decentralized and self-governed entity dedicated to gaming activities in the Province. Since November 2006, this entity has been implementing a new program to renew licenses granted to bingo and slot machine operators which had already expired or were scheduled to expire by 2015. As consideration for renewing licenses, operators are generally required to pay fixed sums to the Province. The Province has collected ARS 0.14 billion in 2011 and ARS 1.19 billion in 2012. The latter includes ARS 1 billion as a result of the renewal of some bingo halls' licenses which are set to expire between 2013 and 2015. In 2013, 2014 and 2015, the Province collected ARS 0.26 billion, ARS 0.35 billion and ARS 0.29 billion, respectively. The Province has budgeted to collect ARS 0.20 billion for 2016. During the six-month period ended June 30, 2016, the Province collected ARS 0.09 billion.

Fideicomiso de Recuperación Crediticia

In 2001, pursuant to a provincial law enacted to improve Banco Provincia's balance sheet, Banco Provincia transferred approximately ARS 1,900 million in non-performing loans to the Province in exchange for a bond issued by the Province to Banco Provincia in a principal amount equal to the face value of the loans, less approximately ARS 600 million in allowances for loan losses. Banco Provincia subsequently exchanged the ARS 1.30 billion bond for *Bogar* in the provincial debt exchange. See "Public Sector Debt—Debt Denominated in CER-adjusted Pesos—Provincial Debt Exchange (*Bogar*)."

In order to recover the transferred loans, the Province created, by provincial law, the *Fideicomiso de Recuperación Crediticia* (the Loan Recovery Committee), a provincial self-administered public entity whose members are appointed by the Governor. The Loan Recovery Committee was required to transfer all of its profits (calculated as amounts recovered on the transferred loans less the entity's expenses) to the Province for purposes of funding a portion of the payments due by the Province to the federal government in respect of *Bogar*.

Pursuant to Law No. 13,929 the Loan Recovery Committee was permitted to act as trustee in trust agreements with financial and other private or public institutions providing credit recovery services. In furtherance of its duty as trustee, the Committee was authorized by Law No. 14,062 (the "2010 Budget Law"), to purchase loan portfolios. The 2010 Budget Law also abolished the duty described above; to apply all profits to fund payments due under the *Bogar* bonds as such debt has been consolidated with other provincial debts under the Federal Debt Refinancing Program.

As of June 30, 2016, the Province had received ARS 1.9 billion from the Loan Recovery Committee.

Astillero Río Santiago

In June 1994, the federal government transferred the *Astillero Río Santiago* (Rio Santiago shipyard, or the "Shipyard") to the Province in anticipation of its privatization. Despite the loss-generating nature of the Shipyard, the Province accepted the transfer and has been subsidizing its operations in order to preserve an important source of employment for the city of Ensenada. This subsidy amounted to approximately ARS 0.62 billion in 2011 and ARS 0.63 billion in 2012. In 2013, the Province granted to the Shipyard a subsidy of ARS 0.81 billion and transferred ARS 1.15 billion and ARS 1.73 billion in 2014 and 2015, respectively. The Province has budgeted ARS 1.90 billion to be transferred to the Shipyard in 2016. During the six-month period ended June 30, 2016, the Province transferred ARS 0.88 billion to the Shipyard. The Province does not have any current plans to privatize the Shipyard.

Centrales de la Costa Atlántica S.A.

Centrales de la Costa Atlántica S.A. ("Centrales de la Costa Atlántica"), is a corporation 99% owned by the Province and 1% owned by Banco Provincia, which produces and commercializes power generated through its four power plants located in the Atlantic coast of the Province. As a power generator agent, Centrales de la Costa Atlántica is part of the *Mercado Eléctrico Mayorista* (Wholesale Electrical Market or "MEM"), and its operations are integrated to the National Interconnected System. Centrales de la Costa Atlántica has an installed capacity of 510 MW.

In the last years, power consumption has grown dramatically across the country and between 2002 and 2006, Centrales de la Costa Atlántica's generation has increased by more than 400%. Centrales de la Costa Atlántica has provided satisfactory responses in the context of increased energy demand by improving the availability and operation of its power plants through adequate preventive maintenance, remodeling and other works. In addition, with the purpose of meeting the growing demand for power supply, the Modernization Project of Centrales de la Costa Atlántica established the incorporation of a new generation unit (Central Eléctrica Villa Gesell), which is already providing 80 MW in simple cycle operation.

Secretariat of Planning and Public Services Control

In December 2013, pursuant to Decree No. 1081/13, the Province created the *Secretaría de Planificación y Control de los Servicios Públicos* (Secretariat of Planning and Public Services Control), which among other functions supervises and controls Aguas Bonaerenses, Buenos Aires Gas, Centrales de la Costa Atlántica, the Provincial Transportation Agency, the Provincial Rail Program and the Buenos Aires Highway Program.

PUBLIC SECTOR FINANCES

Scope and Methodology

The public sector of the Province consists of the central administration of the Province, decentralized provincial institutions, provincial enterprises, trust funds formed (in whole or in part) with provincial funds, and the social security system.

The provincial budget and public accounts reflect the consolidated results of the institutions and agencies that comprise the central administration of the Province, decentralized institutions and social security system (which operates on a pay-as-you-go basis). The Province does not consolidate the results of 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 maintains its books and records in pesos and prepares its budget and financial statements in accordance with accounting principles set forth in the Financial Administration Law. These principles differ materially from generally accepted accounting principles, or GAAP, in Argentina and in other jurisdictions, including the United States, but are generally in line with the accounting principles followed by other Argentine provinces. 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.

The financial records and statements of the Province are prepared and examined by the *Contaduría General de la Provincia* (General Accounting Office of the Province) and approved by the provincial *Tribunal de Cuentas* (Audit Tribunal). Pursuant to the Financial Administration Law, the General Accounting Office has until April 15 of each year to publish the financial statements of the previous fiscal year.

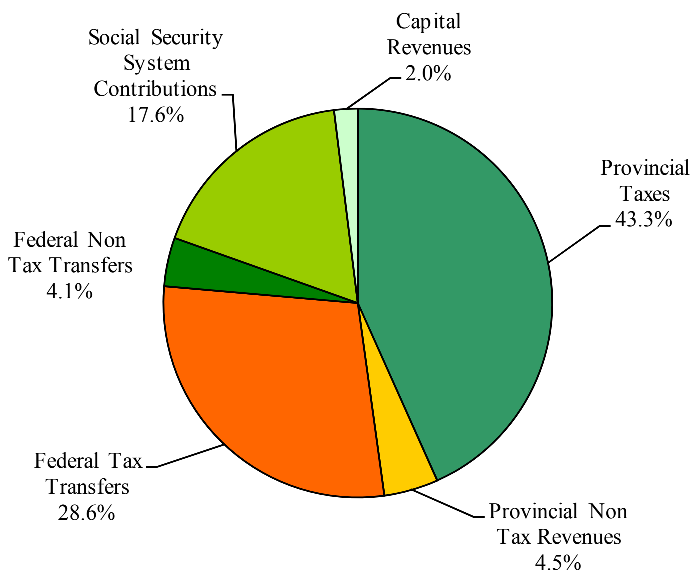
In August 2004, the federal Congress adopted Law No. 25,917, the Fiscal Responsibility Law, which became effective on January 1, 2005. This law establishes a fiscal regime for the federal government and the provinces relating to transparency in public administration, expenditures, fiscal balances and indebtedness and, in particular, requires balanced budgets. On January 13, 2005, the Province adopted into provincial law the operative provisions of the Fiscal Responsibility Law. Certain provisions of the Fiscal Responsibility Law have been frequently suspended (see "Risk Factors—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").

Main Sources of Revenues

From 2011 through 2015, approximately 71.4% of the Province's revenues were derived from taxes, either federal or provincial. On average, during this period, provincial taxes represented 42.6% of total revenues, while federal tax transfers represented 28.8% of such revenues.

The following chart shows the sources of the Province's revenues for the year ended December 31, 2015.

Total Revenues by Source for the Year Ended December 31, 2015
(Total = ARS 274.31 billion)



Source: Ministry of Economy 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 (also called "tax co-participation") 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 *Ley de Coparticipación Federal de Recursos Fiscales* (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 tax co-participation system. This scheme was memorialized in the 1994 amendments to the federal constitution, which granted constitutional recognition to the tax co-participation scheme. 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 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 tax co-participation system, 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.

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% of these funds 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, which was established following negotiations among the federal government and the provinces. Under this law, the Province is entitled to 21.7% of the funds allocated to the provinces, subject to certain deductions or special allocations. The Province is required to transfer a proportion 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.

In addition, 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 412 million.

In 2006, the *Ley de Financiamiento Educativo* (Education Financing Law) was enacted by the federal Congress, with the goal of increasing financing to education, science and technology to 6.0% of the federal GDP, taking into account 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-participable tax transfers that the Province is entitled to under the tax co-participation system. In 2009 and 2010, the Province received ARS 2.11 billion and ARS 3.36 billion, respectively, in financing under the Education Financing Law. The Education Financing Law expired in 2010 and was not renewed for 2011. However, since 2012, the National budget laws reestablished this special allocation of funds. In 2013, the Province received ARS 6.99 billion, in 2014, it received ARS 8.96 billion and in 2015, the Province received ARS 21.6 billion in financing under the Education Financing Law. The Province has budgeted to receive ARS 28.36 billion in 2016 to go to the financing of education. In the three month period ended March 31, 2016, the Province received ARS 6.86 billion in financing under the Education Financing Law.

In 2009, the federal government created the *Fondo Federal Solidario* (Federal Solidarity Fund) using 30.0% of the amount collected by the federal government from soybean export duties. The amounts from this fund are distributed to the provinces under the percentages established in the tax co-participation system for use on infrastructure projects. In turn, the provinces are required to transfer 30.0% of their share of these revenues to their respective municipal governments.

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

On several occasions, the Province has requested that the percentage of revenues allocated to the provinces under the federal tax co-participation regime be increased to ensure that the Province is able to continue providing basic public services. In addition, the Province has requested that, as required by the 1994 amendments to the federal constitution, the distribution of revenues among provinces be carried out following objective criteria, such as the number of inhabitants in, and the amount of federal taxes collected by, each province. According to data extracted from the 2010 Permanent Household Survey and published by the INDEC, 38.9% of the total Argentine population resides in the Province, and according to information published by the Ministry of Economy of the Province, approximately 37.0% of the federal taxes are collected within the Province. Notwithstanding the foregoing, under the federal tax co-participation system, only 21.7% of the total revenues from the tax co-participation system, after allocating all specially allocated tax co-participation revenues, is distributed to the Province. However, when taking into consideration the total annual co-participable revenues and all other federal transfers made pursuant to special regimes of co-participation (including, for example, the Conurbano Fund, as described below), the Province has received a lower effective co-participation coefficient amounting to 19.5% in 2011, 19.3% in 2012, 19.1% in 2013, 18.9% in 2014 and 18.7% in 2015.

Moreover, although the Province is entitled to receive specified amounts of federal transfers pursuant to special laws intended to address its greater needs, these transfers are funded with designated sources of revenues and are capped or subject to limits. These caps or limits have been reached over time and the remainder of these designated revenues is distributed among all the provinces in accordance with the Federal Tax Co-Participation Law. These and other situations have led to a further dilution in the Province's share of total federal tax transfers (including tax co-participation transfers). For example, the federal government is required to transfer up to 10.0% of the revenues from the federal income tax 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 as provided by Law No. 24,621. The Province uses these funds to finance hospitals, schools, roads and other infrastructure projects and various social welfare programs in the Conurbano Bonaerense. However, the amount that is equal to 10.0% of federal income taxes has consistently exceeded the established cap and, as a result, the Province has received only ARS 650 million annually, while the remaining revenues have been transferred to the other provinces. In 2014 and 2015, the amount transferred to the *Fondo del Conurbano* was ARS 650 million and represented approximately 0.24% and 0.17%, respectively, of the federal income tax collection for each of those years. The amounts transferred were thus significantly lower than the 10.0% originally established. This cap, as well as other caps and limits have decreased the Province's share of total federal tax transfers. In this context the Province has filed in August 2016, a lawsuit with the Supreme Court of Argentina alleging that the ARS 650 million annual cap is unconstitutional and should be modified, and requesting to receive retroactive payments that were not received by the Province because of the referred annual cap.

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 July 29, 2016, the Province filed a lawsuit with the Supreme Court of Argentina against the deduction of co-participation payments assessed to fund ANSeS and AFIP, and requesting the return of the deducted funds to the Province.

On May 18, 2016, the federal government, the governors of most provinces, including the Province of Buenos Aires, and the Vice-Mayor of the City of Buenos Aires signed an agreement (the "Co-Participation Framework Agreement") to gradually reduce the 15% deduction of the 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 to the provinces in 2016 for an amount equivalent to 6% out of 15% of the co-participable revenues to which the provinces and the City of Buenos Aires had 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 the BADLAR rate, minus the necessary subsidy from the federal Treasury, so that the net rate is 15% for 2016 and 2017 disbursements, and 12% for 2018 and 2019 disbursements. The loan will be guaranteed by co-participable revenues. The federal government entered into the Co-Participation Framework Agreement subject to ratification by the federal Congress whereas the provinces and the City of Buenos Aires also entered into the agreement subject to the ratification by the provincial and the City of Buenos Aires legislatures. The Co-Participation Framework Agreement was ratified by the federal Congress pursuant to Law No. 27,260 and the Provincial Legislature pursuant to Law No. 14,829. The terms of the agreement are effective as from January 1, 2016.

According to estimates of the *Ministerio Del Interior, Obras Públicas Y Vivienda Del Gobierno Nacional* (Federal Ministry of Internal Affairs, Public Works and Housing), the Province of Buenos Aires would receive approximately ARS 3.1 billion in 2016, ARS 7.1 billion in 2017, ARS 11.7 billion in 2018 and ARS 16.4 billion in 2019, and it will be granted loans for ARS 6.2 billion in 2016, ARS 3.6 billion in 2017, ARS 3.9 billion in 2018 and ARS 4.1 billion in 2019.

On August 2, 2016, the Province and the federal government executed two additional agreements under the framework of the Co-Participation Framework Agreement, to further reduce the co-participation deduction and the corresponding loan to be granted to the Province in 2016. With respect to the co-participation funds, as from August 1, 2016, the federal government will reduce withholdings by 3%. The amount to be reimbursed to the Province for the first seven months of 2016 amounts to ARS 1.75 billion. It will be reimbursed in five equal and consecutive installments starting in August 2016. The additional agreements set forth that the loan corresponding to the Province for 2016 amounts to ARS 6.2 billion, which has already been disbursed as of the date of this Luxembourg Listing Prospectus.

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, 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 3.5% 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 sets forth the Province's share of total federal automatic transfers to the Argentine provinces (other than pursuant to the Federal Solidarity Fund) compared to that of other provinces with a similar level of per capita GDP from 2011 through 2015.

Provincial Share of Total Federal Automatic Tax Transfers
(in percentages)

	2011	2012	2013	2014	2015
Province of Buenos Aires	19.5%	19.3%	19.1%	18.9%	18.7%
Province of Santa Fe	8.9%	8.9%	8.9%	8.9%	9.0%
Province of Córdoba	8.8%	8.8%	8.8%	8.8%	8.9%
Province of Mendoza	4.1%	4.1%	4.2%	4.2%	4.2%

Source: Ministry of Economy of the Province.

The following table sets forth the Province's federal tax co-participation revenues per capita (based on the 2001 and 2010 Permanent Household Survey) compared to that of other provinces with a similar level of relative development from 2011-2015.

Provincial Per Capita Tax Co-Participation Revenues
(in ARS)

	2011	2012	2013	2014	2015
Province of Buenos Aires	ARS 1,634.1	ARS 2,033.0	ARS 2,598.7	ARS 3,480.7	ARS 4,655.2
Province of Santa Fe	3,619.4	4,552.9	5,895.1	8,037.9	11,021.2
Province of Córdoba	3,432.3	4,313.9	5,569.3	7,578.3	10,341.4
Province of Mendoza	3,079.2	3,866.4	4,986.5	6,789.4	9,157.5
Average of all Provinces	3,238.9	4,065.9	5,239.9	7,111.2	9,620.3

Source: Ministry of Economy of the Province.

Other Federal Tax Transfers

The federal government also distributes to the Province other tax revenues that are not included in the tax co-participation regime described above. The principal tax transfers include the following:

- *Housing Fund.* The federal government is required to transfer 33.2% of revenues from the federal tax on fuels to the *Fondo Nacional de la Vivienda* (National Housing Fund, or "FONAVI"), for purposes of funding the construction of low-income housing around the country. Under current federal law, the Province is entitled to 14.5% of the funds transferred to FONAVI. The Province received from the National Housing Fund ARS 0.38 billion in 2011, ARS 0.53 billion in 2012 and ARS 0.73 billion in 2013. In 2014, the Province received ARS 0.99 billion and ARS 1.22 billion in 2015. According to the 2016 Budget, the Province expects to receive ARS 1.71 billion in 2016. During the six-month period ended June 30, 2016, the Province received ARS 0.31 billion 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 0.22 billion in 2011, ARS 0.26 billion in 2012 and ARS 0.44 billion in 2013. In 2014, the Province received ARS 0.59 billion. During 2015, the Province received ARS 0.78 billion from this fund. According to the 2016 Budget, the Province expects to receive ARS 1.07 billion in 2016. During the six-month period ended June 30, 2016, the Province received ARS 0.44 billion from this fund; and

- *Federal Teachers' Incentive Fund.* The *Fondo Nacional de Incentivo Docente* (Federal Teachers' Incentive Fund), was created in 1999 and is intended to improve state and state-subsidized private school teacher's wages in the provinces and the City of Buenos Aires. The annual federal budget allocates general federal revenues to this fund**.** The allocation of this fund to the provinces is based on criteria corresponding to the number of teachers and class hours in every province. The Province received from the Federal Teacher's Incentive Fund ARS 1.13 billion in 2011, ARS 1.31 billion in 2012 and ARS 1.32 billion in 2013. In 2014, the Province received ARS 1.33 billion. During 2015, the Province received ARS 1.92 billion from this fund. According to the 2016 Budget, the Province expects to receive ARS 2.83 billion in 2016. During the six-month period ended June 30, 2016, the Province received ARS 2.32 billion from this fund

Federal Contributions

The Province records other non-refundable payments or transfers from the federal government as federal contributions. These contributions consist primarily of discretionary transfers to the provinces, known as *Aportes del Tesoro Nacional* (National Treasury Contribution Fund), to meet special or emergency needs or to finance certain expenditures of national interest.

In addition, pursuant to a 1999 agreement among the federal government and the provinces, the federal government offered to assume responsibility for provincial pension obligations within the national pension system and agreed to fund deficits in any provincial pension systems that were not transferred to it. Because the Province elected not to transfer its pension system to the federal government, it is entitled to receive transfers from the federal government from time to time to finance projected deficits in the provincial pension system. In exchange, the Province committed to harmonize its social security system with the federal social security system. As of October 14, 2016, the federal government has transferred approximately ARS 9.08 billion as compensation for the deficits recorded by the provincial pension system.

Further, under the Education Financing Law, the federal government created the Teacher's Salary Compensation Federal Program to compensate for any inequities in teachers' salaries among the provinces. In 2009, the federal government transferred ARS 0.22 billion to the Province pursuant to this program. Since 2010, the federal government has not made any transfers to the Province under this program.

Provincial Tax Revenues

Historically, the largest source of the Province's revenues has been the collection of provincial taxes. In 2014, 60.7% of total tax revenues (total federal and provincial tax revenues, but excluding other federal and provincial sources of income) were provincial tax revenues.

As of October 14, 2016, the following were the main provincial taxes:

- *Gross revenue tax*. The gross revenue tax is the single largest source of provincial tax revenue. Gross revenues of most industrial, commercial and business activities, carried out within the jurisdiction of the Province, are taxed at rates ranging from 1.0% to 12.0%. The applicable rate depends on a variety of factors, including the nature of the taxpayer, the type of activity and the size of its business or activity. Exempted activities include work in an employer-employee relationship, holding public office and export of goods and services. In addition, all of the activities performed by the federal, provincial and the City of Buenos Aires governments, stock exchanges and other capital markets, privately owned schools and religious institutions are also exempt. Gross revenue tax on alcoholic beverages, gambling and other activities which the Province considers detrimental to a person's health are normally taxed at higher rates. At present, 43.3% of the gross revenue tax is kept by the Province to fund social plans and expenses related to municipalities; 25.0% is transferred to the *Fondo Provincial Compensador de Mantenimiento de Establecimientos Educativos* (Provincial Compensation Fund for the Maintenance of Educational Institutions), a special purpose fund which compensates municipalities for the maintenance of schools; 4.25% is transferred to ARBA to fund its expenditures; and 5.0% is distributed among municipalities, based on population, to fund waste disposal. The remaining 22.5% is transferred to the municipalities as compensation for their tax collection and administration services.

- *Real Estate Tax*. The real estate tax is determined by applying a tax assessment on the appraised fiscal value of urban and rural real estate located in the Province. Both the applicable tax rate and the applicable tax base depend on a variety of factors, including the location (urban or rural), the condition (vacant, built, improved) and on whether the title holder has other real estate property. Also, all real estate owned by federal, provincial and municipal governments, religious temples, non-profit organizations, universities, public libraries, health care organizations and free social assistance, and firefighting services, among others, or which are historical monuments, are exempt from the real estate tax. The Province also grants a 100% real estate tax discount for properties located in areas with unsatisfied basic needs, valued at less than ARS 25,000 and owned by retirees or pensioners, either individually or as undivided estate. The Province has decentralized to its municipalities the administration and collection of real estate taxes in rural areas to increase efficiency. Proceeds from such taxes are kept by the Province, except for: 12.0% of such proceeds, which are allocated to road construction and maintenance; 3.0% of such proceeds, which are allocated to a welfare fund; and 20.0% of such proceeds, which are distributed to the municipalities as compensation for their tax collection and administration services.

- *Automobile Tax*. The Province charges a tax on automobiles registered in the Province. The tax rate, which ranges from 3.0% to 5.51% for most motor vehicles, is determined by taking into consideration the model, year, type, category and appraised value of the vehicle, and is fixed annually in a provincial tax law. The appraised value of each vehicle is calculated as a percentage of the valuation determined by the Federal Automobile Register and by recorded liens on the vehicle. Certain vehicles used for productive activities are classified as capital assets and are subject to a lower tax rate than vehicles deemed to be final consumer goods. At present, the collection of the automobile tax for vehicles manufactured between 1990 and 2004 has been decentralized to municipalities, and automobile taxes collected by each municipality are kept by such municipality.

- *Stamp Tax.* The Province levies a stamp tax on all acts, agreements and transactions, for good and valuable consideration, entered into within the territory of, or that have effects in, the Province, and that are documented in private or public instruments. The tax rate ranges from 0.2% to 12.0% (or, in the case of lottery tickets, 24.0%) of the value of the underlying agreement or transaction depending on the subject of the transaction. All parties to the activity subject to this tax are jointly and severally liable for its payment.

- *Energy Tax*. The Province levies a tax on companies that distribute electricity within its territory by means of a concession of either the federal or the provincial government. The tax rate is 0.6% on the gross revenues attributable to the sale of electricity to final consumers. Companies that are subject to the energy tax are exempt from the gross revenue tax, the stamp tax, the automobile tax and the real estate tax. In addition, the Province levies a tax on electricity consumption by all electricity users at a rate of 10.0% for households and 20.0% for businesses. This tax is levied on the total amount invoiced by the service provider, who acts as withholding agent. Revenues generated by this tax were historically allocated to a special fund for electrical works. However, pursuant to Law No. 13,863, since January 1, 2008, all revenues from the energy tax are allocated to fund current expenditures of the Province.

- *Tax on Gratuitous Transfers of Property.* This tax was created pursuant to Law No. 14,044 (the "2010 Tax Law") and has been in effect since January 1, 2011. The tax is levied on any increase in assets that results from a gratuitous title transfer, including inheritances, legacies and gifts. The amount to be taxed, which includes a fixed component and a variable component that is based on differential rates (which range from 4.0% to 21.9%), varies according to the property value being transferred and the degree of kinship of the parties involved. 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. In addition, donations to the government, religious and cultural institutions, and transfers of community property in case of death, among others, are exempt from this tax. Under the tax on gratuitous transfers of property, 80.0% of revenues collected are allocated to the *Fondo Provincial de Educación* (Provincial Educational Fund), 10.0% are allocated to the *Fondo para el Fortalecimiento de Recursos Municipales* (Municipal Resources Strengthening Fund), and 10.0% to the *Fondo Municipal de Inclusión Social* (Municipal Fund for Social Inclusion).

- *Tax Amnesty and Incentive Plans.* The Province has established several tax amnesty and incentive plans, including plans currently in force, for the collection of overdue taxes, which, along with other efforts of the Province to strengthen tax enforcement, have provided significant additional funds to the Province in recent periods. Among other benefits, incentive plans allow taxpayers, to pay overdue taxes in several installments. The Province charges interest on the overdue obligations. Implementation of these plans and other programs designed to increase the efficiency of tax collection has led to a decrease in unpaid taxes. The Province expects the decrease in unpaid taxes to result in diminishing tax collection under these plans.

Creation of the Tax Collection Agency of the Province of Buenos Aires (ARBA)

In December 2007, pursuant to Law No. 13,766, the Province created the *Agencia de Recaudación de la Provincia de Buenos Aires* (Tax Collection Agency of the Province of Buenos Aires, or "ARBA"). ARBA is an autonomous public institution that took over the tax collection and administration functions and duties from the Public Revenues Secretariat of the Ministry of Economy. ARBA implements the Province's tax policies and carries out the determination, supervision and collection of taxes. ARBA has its own budget, funded in part by a percentage of provincial tax revenues, which is determined on an annual basis by the relevant budget law. This percentage was initially, in 2008, set at 3.5%, but was later reduced to 2.75%. In addition, ARBA has an incentive account to which up to 0.75% of the revenues generated by the Province's tax collection efforts are credited. The funds in this incentive account are distributed among ARBA's personnel depending on the performance and the efficiency at each level and of each agent, based on objective standards approved by the Ministry of Economy on an annual basis. For a discussion of the evolution of tax revenues since the creation of ARBA, see "—Fiscal Result of 2011 Compared to Fiscal Result of 2010", "—Fiscal Result of 2012 Compared to Fiscal Result of 2011", "—Fiscal Result of 2013 Compared to Fiscal Result of 2012", "—Fiscal Result of 2014 Compared to Fiscal Result of 2013" and "—Fiscal Results for the Nine-Month Period Ended September 30, 2015 Compared to Fiscal Results for the Nine-Month Period Ended September 30, 2014" in "Public Sector Finances—Evolution of Fiscal Results: 2010—the third quarter of 2015."

Tax Reform

In July 2008, the provincial legislature enacted Law No. 13,850 (the "Tax Reform Law"), which implemented the first of a series of comprehensive changes in the provincial tax system with the main goal of increasing provincial tax revenues. The Tax Reform Law provided for the application of the gross revenue tax to primary sectors and industrial activities, which were previously exempt, and established a 1.0% tax rate on companies invoicing over ARS 60 million per year in these sectors.

The Tax Reform Law also established a 4.5% gross revenue tax rate on companies invoicing over ARS 30 million per year in the retail and wholesale commerce sector. The Province estimates that this reform generated a revenue increase of approximately ARS 900 million in 2008.

In addition, the Tax Reform Law created the *Fondo para el Fortalecimiento de Recursos Municipales* (Municipal Revenue Strengthening Fund) to which 2.0% of gross revenue tax collection is allocated. In addition, in September 2008, the Province created the *Fondo Municipal de Inclusión Social* (Municipal Fund for Social Inclusion) to which 1.5% of gross revenue tax collection is transferred. Both funds are distributed to municipalities that have abolished certain municipal taxes such as inspection, advertisement and abattoir taxes.

2010 Tax Changes

On October 2009, the provincial legislature approved the 2010 Tax Law, which introduced the following main modifications with the goal of increasing provincial tax revenues:

- *Gross revenue tax*. Increased the tax rate for service businesses that invoiced more than ARS 30 million on an annual basis from 3.5% to 4.5%, with retroactive effect in respect of the 2009 fiscal year.

- *Real Estate Tax*. Increased the urban real estate tax for properties valued at more than ARS 100,000.

- *Stamp Tax*. Increased the tax rate for purchases of automobiles through individuals and other entities that are not agencies or dealerships that pay gross revenue taxes, with retroactive effect in respect of the 2009 fiscal year.

- *Gratuitous Transfer of Property Tax*. Although this tax was created by the 2010 Tax Law, it began to be collected in 2011.

2011 Tax Changes

In December 2010, the provincial legislature approved Law No. 14,200 (the "2011 Tax Law"). Among other modifications, the 2011 Tax Law raised the urban real estate tax base from 80% to 90% of the fiscal value of the property. In addition, the 2011 Tax Law eliminated tax increase caps to make this tax more progressive, thus applying higher taxes to higher-valued properties. Finally, the 2011 Tax Law increased rural real estate taxes to an average rate of 15%.

2012 Tax Changes

Law No. 14,333 (the "2012 Tax Law"), which was approved by the legislature in November 2011 and amended on May 31, 2012, introduced the following main modifications, which were also principally directed at increasing provincial tax revenues:

- *Real Estate Tax*. Updated the urban real estate tax valuation in order to account for the increases in market prices in the last few years. However, the tax base for improved properties was only increased by 65% of the increase in valuation to ease the impact of this increase on the taxpayers. For vacant lots, the tax base was increased by the same amount as the increase in valuation to combat speculation. Also, the 2012 Tax Law established a new tax base for the rural real estate tax equal to 50% of the fiscal valuation of real estate not subject to improvements and equal to 65% of the fiscal valuation of the developed and/or improved real estate. The tax rate for the rural real estate tax was also increased.

- *Automobile Tax*. Tax brackets and rates were restructured to be more progressive by adding two levels, thereby capturing more value in the automobile fleet. The rate for automobiles valued over ARS 150,000 was increased from 3.0% to 5.51% and an additional annual fixed installment of ARS 6,308 was established.

- *Gross revenue tax*. Increased the tax rate for commercial businesses that invoiced between ARS 1 million and ARS 40 million on an annual basis from 3.0% to 3.5%. In addition, the rates applied to alcoholic drinks, gambling and other activities determined by the Province to be detrimental to a person's health were raised from 4.5% to 5% in the case of alcoholic beverages, and from 6% to 8% in the cases of gambling and other activities detrimental to a person's health. The rate applicable to the sale of fertilizers and chemicals was raised from 1% to 2% to make it similar to the treatment provided by neighboring provinces and the City of Buenos Aires.

- *Stamp tax*. The stamp tax exception for the purchase of new cars was eliminated and replaced with a 1% rate.

The 2012 Tax Law also strengthened municipal revenues through a series of measures, including gross revenue tax and automobile tax decentralization, and by transferring to the municipalities the responsibility of administering and collecting gross revenue taxes from taxpayers whose annual revenues are ARS 450,000 or less.

2013 Tax Changes

In November 2012, the provincial legislature approved Law No. 14,394 (the 2013 Tax Law), which introduced the following main modifications; also with the goal of increasing provincial tax revenues:

- *Real Estate Tax*: A marginal rate system with a fixed rate and a variable rate, similar to the rate system applicable to rural and vacant lots, was established for urban real estate taxes. This structure replaced the previous fixed rate system, increasing the effective burden applicable to the highest items on the scale. In addition, the tax base for built real estate increased from 65% to 85% of the updated fiscal value. Moreover, as set forth in the 2012 Tax Law, on January 1, 2013, tax reassessments on country clubs, gated communities, stud farms or similar projects became effective. Also, a complementary real estate tax was created levying each set of properties with a same use (built, urban, vacant or rural) and owned by a same person. The complementary real estate tax is equal to (i) the amount that would result from applying the corresponding real estate tax rate to the aggregate value of the set of properties owned by a same person and which have the same use, *minus* (ii) the sum of the basic real estate tax that effectively applies to each property of that set. In addition, holders of real estate exceeding ARS 350,000 in fiscal value were required to pay, for the fiscal year 2012, a one-time only extraordinary additional installment of the developed urban real estate tax.

- *Automobile Tax:* A special 10% contribution calculated on the fiscal value of automobiles was created to fund road expansions and general road infrastructure maintenance. In addition, owners of automobiles and sporting vessels exceeding ARS 110,000 in fiscal value were required to pay, for the fiscal year 2012, a one-time only extraordinary additional installment of the automobile tax.

- *Gross revenue tax:* Tax rates applicable to certain productive sectors of the provincial economy were increased. The tax rate for large agricultural and industrial companies invoicing more than ARS 60 million on an annual basis was increased from 1.0% to 1.75%. In turn, the tax rate applicable to the construction and financial services sectors was increased from 3.5% to 4.0% and from 7% to 8.0%, respectively. In addition, a 2% additional extraordinary installment was created for large farmers that work leased lands. Moreover, the tax rate for gaming activities was increased from 8.0% to 12.0%.

2014 Tax Law

In November 2013, the provincial legislature approved Law No. 14,553 (the "2014 Tax Law"), which did not include any material modifications to the provincial tax framework.

2015 Tax Law

In November 2014, the provincial legislature approved Law No. 14,653 (the "2015 Tax Law"), which included the following changes:

- *Real Estate Tax*: rates on urban constructions real estate tax were increased, from a range of 0.4% - 2.453% to a range of 0.52% - 3.189%. The rates on rural land real estate tax were also increased from 2.21% to 2.87%. In addition, the fixed installments of both taxes were increased.

- *Gross Revenues*: the rate on aircraft service and aircraft rentals with pilots was raised, from 1.5% to 3.5%, as the users of these services show high payment capacity. The exemption on revenues from the sale of fuel for ships and aircrafts engaged in international cargo or passenger transport was eliminated so that international cargo and transport will be treated the same as domestic cargo and transport.

- *Stamp Tax*: a 1.8% rate was levied on agreements transferring professional sportsmen's rights.

2016 Tax Law

In January 2016, the provincial legislature approved Law No. 14,808 (the "2016 Tax Law"), which included the following changes:

- *Real Estate Tax*: rates on urban constructions real estate tax were increased, from a range of 0.52% - 3.189% to a range of 0.633% - 4.156%. The ranges on rural land real estate tax were also increased from 0.46% - 2.87% to a range of 0.556% - 3.706%. In addition, the fixed installments of both taxes were increased.

- *Gross Revenues*: the invoiced amount allowable to access to reduced rates was increased to benefit certain economic sectors that generate employment.

- *Gratuitous Transfer of Property Tax*: the provincial legislature increased the property value exempt from this tax to ARS 78.000 or ARS 325.000 in the case of transfers among parents, sons, daughters and spouses.

2017 Tax Bill

In October 2016, the executive branch presented the 2017 tax bill, which included the following changes:

- *Real Estate Tax*: taxes on urban and rural areas would increase 36% on average. The bill aims to diminish the impact on lower-value properties, maintaining the policy of protecting sectors with fewer resources. With the introduced changes, approximately 75% of houses in the Province would pay less than ARS 1,400 in 2017.

- *Gross Revenues Tax*: tax rates on meat-related companies (such as slaughterhouses and refrigeration storage plants) would decrease from 1.75% to 0.5%. In addition, tax rates for the retail sector would decrease from 3% to 2.5% for approximately 120,000 taxpayers with revenues of less than ARS 1.3 million.

- *Stamp Tax*: consolidation of tax rates among contracts registered in different locations, and an increase of the tax rate from 0.75% to 1.05%. Established a tax rate on brand new automobile acquisition at 3%.

- *Automobile Tax*: adjustment to the valuation tranches and tax rates, aiming to establish a more progressive automobile tax.

Provincial Tax Amnesty Law - Subscription to the Federal Amnesty Program

Pursuant to Provincial Law No. 14,840 (the "Provincial Tax Amnesty Law"), the Province approved and subscribed to the Federal Amnesty Program. See "Risk Factors—Risks Relating to the Province—Presidential and legislative elections in Argentina may create uncertainties that could impact the Argentine and provincial economies and the securities market—Retiree Program" and "Taxation—Argentina Tax Consequences—Personal Assets Tax."

Provincial taxpayers required to pay gross income tax and the tax on gratuitous transfer of assets who have declared their property located in Argentina or abroad in accordance with the Federal Amnesty Program established pursuant to Federal Law No. 27,260, will be waived from:

- the payment of unpaid provincial taxes owed with respect to such undeclared property;
- the payment of any interests, charges and penalties due to non-compliance with their fiscal obligations; and
- facing prosecution for tax evasion or any felonies under the tax penal code.

Although the Federal Amnesty Program waives taxes generated in previous fiscal years, it may represent a future source of revenues. However, given the recent introduction of this regime, as of the date of this Luxembourg Listing Prospectus it is uncertain which fiscal impact this measure will have on the national tax revenues and what effects it may have on the provincial economy.

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 the Provincial Institute of Lotteries and Casinos (see "The Provincial Economy—Provincial Enterprises");
- 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.

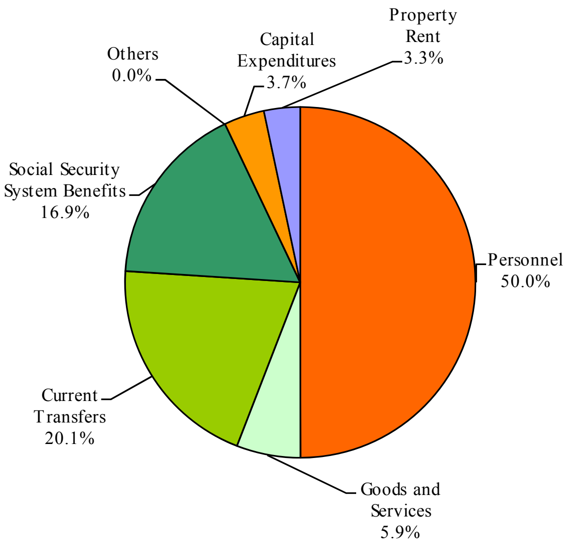
The Province also records revenues from recoveries on loans transferred as a result of the efforts of the Loan Recovery Committee. See "The Provincial Economy—Provincial Enterprises—Loan Recovery Committee."

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. Such services account for more than 70.0% of provincial expenditures (excluding debt service payments).

The Province's expenditures are classified as current and capital expenditures. Current expenditures consist of costs of personnel, goods and services and current transfers, which include net transfers to municipalities in accordance with the provincial tax co-participation regime and to unconsolidated provincial agencies and enterprises. Capital expenditures include real direct investment, loans and capital contributions to provincial enterprises and loans and transfers to municipalities for public works. The following chart shows the Province's expenditures for the year ended December 31, 2015.

Total Expenditures for the Year Ended December 31, 2015
(Total = ARS 295.77 billion)



***Source*:** Ministry of Economy of the Province.

Current Expenditures

Personnel. Personnel expenditures, which consist mainly of wages and other benefits paid to employees of the public provincial administration, are the largest component of the Province's total expenditures, representing approximately 48.6% of total expenditures.

The following table shows the number of public employees authorized to be hired by the Province by sector in accordance with the respective budget law from 2011 through 2016.

Provincial Employees 2011-2016(1)
(number of employees)

	For the Year Ended December 31,											
	2011		**2012**		**2013**		**2014**		**2015**		**2016**	
Education ...	296,629	59.4%	301,443	59.2%	311,795	59.5%	311,803	59.5%	314,163	58.4%	325,908	55.6%
Health and Social Aid	48,785	9.8%	51,984	10.2%	50,133	9.6%	50,472	9.6%	53,845	10.0%	64,792	11.0%
Security Services......	86,225	17.3%	86,213	16.9%	84,614	16.1%	85,624	16.3%	92,849	17.3%	120,745	20.6%
Judicial System........	27,753	5.6%	28,403	5.6%	29,198	5.6%	29,198	5.6%	29,643	5.5%	31,863	5.4%
Others.........	39,635	7.9%	40,824	8.0%	48,643	9.3%	47,274	9.0%	47,393	8.8%	43,161	7.4%
Total	**499,026**	**100.0%**	**508,866**	**100.0%**	**524,382**	**100.0%**	**524,370**	**100.0%**	**537,893**	**100.0%**	**586,468**	**100.0%**

(1) Figures reflect employees authorized to be hired for each fiscal year by the respective budget law (items "*Resumen del Número de Cargos*" and "*Resumen Horas Cátedra*"), regardless of effectiveness of personnel hiring.

***Source*:** Ministry of Economy of the Province.

In 2012, provincial employment increased by 2.0% as compared to 2011, due to an increase in personnel in the health and social assistance sector. Law No. 14,393 (the "2013 Budget Law") contemplated an increase of 3.1% in personnel due to an increase in personnel in the education and judicial sectors, among others. There were no significant changes in the Province´s number of employees for 2014. The 2015 Budget Law registered a 2.6% increase in personnel, mainly due to an increase in personnel in the security sector. In 2016, the Budget law authorized an increase in personnel of 9.0% to strengthen the security and health sectors.

The public sector employees of the Province are represented by 35 separate unions, including five teachers unions and one union for judicial employees.

During 2013, the provincial government reached certain wage agreements with different unions. These agreements provided wage increases to be granted in three stages. The first stage involved an approximate 12.5% increase, effective as of April 2013. The second stage involved an additional increase of approximately 8.2% (21.8% in the aggregate), effective as of October 2013. Finally, the last stage involved a further increase of 1.07% (23.1% in the aggregate), payable as of January 2014. In 2013, the estimated impact of the wage agreements described above was of ARS 8.890 million, which represented a 14.4% increase in personnel expenditures compared to 2012. Additionally, in December 2013 the Province granted a new wage increase to the public security forces (police and prison services), which became effective as of January 1, 2014, representing a 2% increase in aggregate personnel expenditures for 2014.

In May 2014, all public employees of the Province's workforce completed negotiations and reached wage agreements. These agreements provided wage increases to be granted in two stages. The first stage involved an 18.4% increase, payable as of March 2014; while the second stage involved an additional increase of 8.9% (28.8% in the aggregate), payable as of August 2014.

Wage negotiations for 2015 began in December 2014. The first stage of the negotiations was agreed upon in January 2015. This first stage included an average 7.0% wage increase for January and February 2015, and an additional 2.98% wage increase to resolve wage quality issues such as transfer of sums into the basic salary, pension, welfare contributions or the administrative career and hierarchical scale staff recategorization. The second stage involved an additional wage increase of 12% (23.2% in the aggregate), effective as of March 1, 2015. The third stage, effective as of August 1, 2015, involves a further increase of approximately 9.8% (35.3% in the aggregate). The wage agreements described above are estimated to represent a 26% increase in personnel expenditures for 2015, as compared to 2014.

Wage negotiations for 2016 began in February 2016. Later that same month, an agreement was reached with the teachers' union, which includes a 3% wage increase effective as of February 1, 2016, an aggregate 16% increase effective as of March 1, 2016 and an aggregate 25% increase effective as of July 1, 2016. Furthermore, the federal government agreed to increase its contributions to the Federal Teacher's Incentive Fund by ARS 400 per teacher position effective as of February 1, 2016 and to an aggregate contribution of ARS 700 per teacher position by July 1, 2016. In addition, the Province reached agreements with all the remaining provincial public sector employees. These agreements include (i) with respect to the unions that agreed to wage increases for the first nine months of 2016, a cumulative wage increase of 31.7% to be granted in three stages and (ii) with respect to the unions that agreed to annual wage increases subject to monitoring clauses, cumulative wage increases ranging from 28% to 32.5% to be granted in three to four stages. In October 2016, the Province will restart wage negotiations with unions who agreed to wage increases for the first three quarters and with those unions who agreed to wage increases with monitoring clauses.

Goods and Services. The Province purchases a wide variety of goods and services from the private sector in connection with the provision of education, health, security and other public services, and the administration and general maintenance of the provincial government.

Current Transfers. Pursuant to provincial law, the Province is required to transfer to its municipalities 16.1% of the funds received by the Province under the federal tax co-participation regime and of provincial tax revenues collected by the Province (excluding certain taxes such as the energy tax). In addition, the Province has delegated to some municipalities the collection of certain tranches of the gross revenue tax, rural real estate tax and automobile tax on older vehicles, in exchange for which the municipality retains a portion of the tax collected. Furthermore, pursuant to provincial law, the Province is entitled to allocate a portion of amounts to be transferred to the municipalities to capitalize a special fund for social programs and for provincial public works. Transfers to municipalities account, on average, for slightly more than 55.0% of the total current transfers during the period

2011-2015. The balance of current transfers include those allocated to finance several social programs, grant subsidies to private schools and pay medical residents' salaries, among others.

Capital Expenditures

Capital Investment. Capital investments have historically constituted an important component of total capital expenditures. Most capital investments reflect the funding of public works, such as hydraulic and waterworks, housing, roads and construction of public buildings, among other investments. Other capital investments include the purchase of new capital goods such as hospital equipment, automobiles and computers.

Loans and Capital Contributions. This category comprises loans to municipalities, principally for municipal public works and low-cost housing, as well as capital contributions to provincial enterprises.

Transfers for Public Works. Under the *Programa para el Fortalecimiento de los Municipios* (Program for the Strengthening of Municipalities, or "PFM"), the Province allocates loan proceeds received through the federal government from multilateral organizations, such as the World Bank, to municipalities for purposes of public works. Recipient municipalities must reimburse the PFM for the amount of such transfers and the PFM, in turn, repays borrowed amounts to the multilateral lenders through the federal government.

Evolution of Fiscal Results: 2011 – June 30, 2016

The following table shows the Province's fiscal results in nominal pesos from 2011 through June 30, 2016.

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

	For the year ended December 31,						For the six months ended June 30,		
	2011	2012	2013	2014	2015	2015 (USD)[1]	2015	2016	2016 (USD)[1]
Current Revenues	**86,932**	**108,261**	**146,619**	**198,002**	**268,936**	**29,017**	**124,428**	**161,234**	**11,230**
Total Tax Revenues	**61,277**	**78,981**	**110,381**	**147,397**	**197,116**	**21,268**	**93,590**	**124,272**	**8,655**
Provincial Taxes	35,193	46,128	67,632	89,532	118,778	12,816	56,600	77,099	5,370
Federal Tax Transfers	26,083	32,853	42,749	57,865	78,338	8,452	36,991	47,173	3,285
						0			
Social Security System Contributions	**14,955**	**20,308**	**25,930**	**32,787**	**48,286**	**5,210**	**20,368**	**28,332**	**1,973**
						0			
Non Tax revenues	**10,701**	**8,972**	**10,308**	**17,817**	**23,534**	**2,539**	**10,470**	**8,629**	**601**
Other non-Tax Revenues	2,085	2,961	4,042	5,425	6,636	716	1,838	3,141	219
Current Transfers	8,616	6,011	6,265	12,393	16,898	1,823	8,632	5,489	382
Provincial Transfers	2,663	4,093	3,731	4,565	5,541	598	1,968	2,126	148
Federal Transfers	5,766	1,790	2,534	7,613	11,139	1,202	6,516	3,199	223
Other Transfers	187	127	0	215	219	24	147	164	11
						0			
Current Expenditures	**92,732**	**116,165**	**146,387**	**194,649**	**284,756**	**30,724**	**129,902**	**170,450**	**11,871**
Personnel	46,727	59,030	72,908	98,236	147,830	15,950	68,426	90,264	6,287
Good and Services	6,224	6,821	7,031	10,372	17,472	1,885	6,512	6,137	427
Property Rent	2,544	3,545	4,347	6,721	9,874	1,065	3,355	4,628	322
Social Security System Benefits	15,437	22,089	28,776	35,171	50,006	5,395	22,909	32,190	2,242
Current Transfers	21,789	24,668	33,187	44,146	59,569	6,427	28,700	37,232	2,593
Miscellaneous	12	12	137	3	6	1	0	0	0
Current Account Balance	**(5,800)**	**(7,903)**	**232**	**3,353**	**(15,820)**	**(1,707)**	**(5,474)**	**(9,216)**	**(642)**
Capital Revenues	**3,359**	**3,171**	**3,434**	**4,981**	**5,369**	**579**	**3,115**	**4,296**	**299**
									0
Capital Expenditures	**5,703**	**4,125**	**4,694**	**7,534**	**11,019**	**1,189**	**4,290**	**5,995**	**418**
Capital Investments	2,431	1,624	2,002	3,870	5,240	565	2,583	1,476	103
Transfers for Public Works	2,248	1,572	1,729	2,587	3,028	327	1,116	2,906	202
Loans and Capital Contributions	1,025	930	964	1,078	2,750	297	592	1,613	112

						0			
Total Revenues	90,292	111,433	150,052	202,983	274,305	29,597	127,543	165,530	11,529
Total Expenditures	98,435	120,290	151,081	202,183	295,775	31,913	134,192	176,445	12,289
Primary Balance	**(5,600)**	**(5,313)**	**3,319**	**7,521**	**(11,596)**	**(1,251)**	**(3,294)**	**(6,288)**	**(438)**
Financial Balance	**(8,144)**	**(8,858)**	**(1,029)**	**800**	**(21,470)**	**(2,317)**	**(6,648)**	**(10,915)**	**(760)**

(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 9.268 per USD 1.00, which was the average rate published by the Central Bank in 2015. Peso amounts for the six-month period ended June 30, 2016 have been converted into USD solely for the convenience of the reader at an exchange rate of ARS 14.358 per USD 1.00, which was the average rate published by the Central Bank for that period. 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.

Source: Ministry of Economy of the Province.

The following tables set forth the composition of the Province's tax revenues (including federal transfers) from 2011 through the six-month period ended June 30, 2016.

Composition of Tax Revenues
(in millions of nominal pesos)

	For the year ended December 31,					For the six months ended June 30,	
	2011	**2012**	**2013**	**2014**	**2015**	**2015**	**2016**
Federal Tax Transfers							
Federal Tax Co-Participation	22,554	22,941	30,292	42,009	48,476	21.614	28,114
Education Financing	0	5,690	6,986	8,961	21,610	10.615	14,064
Conurbano Fund	650	650	650	650	650	650	650
FONAVI	382	535	734	992	1,223	299	306
Highway Fund	221	262	440	588	777	384	445
Others	2,276	2,775	3,647	4,665	5,602	3,428	3,594
Total Federal Transfers	**26,083**	**32,853**	**42,749**	**57,865**	**78,338**	**36,991**	**47,173**
Provincial Taxes							
Gross Revenues Tax	26,172	33,357	49,525	67,023	87,372	40,144	54,140
Real State Tax	2,241	3,774	5,447	5,612	6,972	4,092	5,557
Automobile Tax	2,125	2,973	4,473	5,693	9,067	5,255	7,358
Stamp Tax	2,955	3,987	5,323	6,397	9,330	4,074	5,664
Tax Amnesty Plans	1,102	1,267	1,784	3,470	4,146	2,244	3,202
Gratuitous Transfers of Property	26	71	134	181	427	125	159
Others	573	699	947	1,157	1,465	666	1,019
Total Provincial Taxes	**35,193**	**46,128**	**67,632**	**89,532**	**118,778**	**56,600**	**77,099**

Source: Ministry of Economy of the Province.

Fiscal Result of 2012 Compared to Fiscal Result of 2011

Total Revenues. In 2012, total revenues increased by 23.4%, to ARS 111.43 billion from ARS 90.29 billion in 2011. This increase reflects the following:

- 28.9% increase in total tax revenues, to ARS 78.98 billion in 2012 from ARS 61.28 billion in 2011, due to a 25.9% increase in federal tax transfer, to ARS 32.85 billion in 2012 from ARS 26.08 billion in 2011, and a 31.1% increase in provincial tax revenues, to ARS 46.13 billion in 2012 from ARS 35.19 billion in 2011, mainly due to:
    - 34.9% increase in stamp tax collections, to ARS 3.99 billion in 2012 from ARS 2.95 billion in 2011;

- 27.5% increase in gross revenue tax collections, to ARS 33.36 billion in 2012 from ARS 26.17 billion in 2011; and
- 68.4% increase in real estate tax collections, to ARS 3.77 billion in 2012 from ARS 2.24 billion in 2011.

- 16.2% decrease in non-tax revenues, to ARS 8.97 billion in 2012 from ARS 10.70 billion in 2011,
- 35.8% increase in Social Security, to ARS 20.31 billion in 2012 from ARS 14.96 billion in 2011.

Total Expenditures. In 2012, the Province's total expenditures increased by 22.2%, to ARS 120.29 billion from ARS 98.44 billion in 2011. This increase is due to:

- 26.3% increase in personnel expenditures, to ARS 59.03 billion in 2012 from ARS 46.73 billion in 2011, reflecting the cumulative impact of salary increases granted in 2011. In 2012, the Province granted salary increases of approximately 21.0% (including an increase, as of March 1, 2012, to the primary school teacher monthly minimum wage from ARS 2,400 to ARS 2,900);
- 13.2% increase in current transfers, to ARS 24.67 in 2012 from ARS 21.79 billion in 2011, mainly due to an increase in transfers to municipalities resulting from an increase in federal tax transfers and provincial tax revenues;
- 9.6% increase in goods and services expenditures, to ARS 6.82 in 2012 from ARS 6.22 billion in 2011, primarily due to an increase in the cost of goods;
- 43.1% increase in social security benefits, to ARS 22.09 in 2012 from ARS 15.44 billion in 2011, attributable to the salary adjustment mechanism; and
- 27.7% decrease in capital expenditures, to ARS 4.13 in 2012 from ARS 5.70 billion in 2011.

Primary Balance. In 2012, the Province's primary balance deficit declined by 5.1%, to a deficit of ARS 5.31 billion from a deficit of ARS 5.60 billion in 2011.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 8.86 billion, compared to a deficit of ARS 8.14 billion in 2011. This increase in the deficit was mainly due to a 39.3% increase in debt interest services, to ARS 3.55 billion in 2012 from ARS 2.54 billion in 2011.

Fiscal Result of 2013 Compared to Fiscal Result of 2012

Total Revenues. In 2013, total revenues increased by 34.7%, to ARS 150.05 billion from ARS 111.43 billion in 2012. This increase reflects the following:

- 39.8% increase in total tax revenues, to ARS 110.38 billion in 2013 from ARS 78.98 billion in 2012, due to a 30.1% increase in federal tax transfers, to ARS 42.75 billion in 2013 from ARS 32.85 billion in 2012, and a 46.6% increase in provincial tax revenues, to ARS 67.63 billion in 2013 from ARS 46.13 billion in 2012, mainly due to:
  - 48.5% increase in gross revenue tax collections, to ARS 49.53 billion in 2013 from ARS 33.36 billion in 2012;
  - 44.3% increase in real estate tax collections, to ARS 5.45 billion in 2013 from ARS 3.77 billion in 2012; and
  - 50.4% increase in automobile tax collections, to ARS 4.47 billion in 2013 from ARS 2.97 billion in 2012.

Total Expenditures. In 2013, the Province's total expenditures increased by 25.6%, to ARS 151.08 billion from ARS 120.29 billion in 2012. This increase reflects primarily the following:

- 23.5% increase in personnel expenditures, to ARS 72.91 billion in 2013 from ARS 59.03 billion in 2012, principally reflecting the cumulative effect of salary increases granted in 2012 and 2013;

- 34.5% increase in current transfers, to ARS 33.19 billion in 2013 from ARS 24.67 billion in 2012, mainly due to increased transfers to municipalities resulting from the increase in overall tax collections and co-participation transfers;

- 30.3% increase in social security benefits, to ARS 28.78 billion from ARS 22.09 billion in 2012, attributable to the salary adjustment mechanism; and

- 13.8% increase in capital expenditures, to ARS 4.69 billion from ARS 4.12 billion in 2012, due to increased spending on public works.

Primary Balance. In 2013, the Province's primary balance increased from a deficit of ARS 5.31 billion in 2012 to a surplus of ARS 3.32 billion in 2013, due to a 34.7% increase in total revenues compared to a 25.6% increase in total expenditures.

Financial Results. In 2013, the Province recorded a financial deficit of ARS 1.03 billion, compared to a total deficit of ARS 8.86 billion in 2012 (an 88.4% improvement), attributable to the increase in the primary balance.

Fiscal Result of 2014 Compared to Fiscal Result of 2013

Total Revenues. In 2014, total revenues increased by 35.3%, to ARS 202.98 billion from ARS 150.05 billion in 2013. This increase reflects the following:

- 33.5% increase in total tax revenues, to ARS 147.40 billion in 2014 from ARS 110.38 billion in 2013, due to a 35.4% increase in federal tax transfers, to ARS 57.86 billion in 2014 from ARS 42.75 billion in 2013 and a 32.4% increase in provincial tax revenues, to ARS 89.53 billion in 2014 from ARS 67.63 billion in 2013, mainly due to:

  - 35.3% increase in gross revenue tax collections, to ARS 67.02 billion in 2014 from ARS 49.52 billion in 2013;

  - 27.3% increase in automobile tax collections, to ARS 5.69 billion in 2014 from ARS 4.47 billion in 2013; and

  - 20.2% increase in stamp tax revenues, to ARS 6.40 billion in 2014 from ARS 5.32 billion in 2013.

- 26.4% increase in social security benefits, to ARS 32.79 billion in 2014 from ARS 25.93 billion in 2013.

Total Expenditures. In 2014, the Province's total expenditures increased by 33.8%, to ARS 202.18 billion from ARS 151.08 billion in 2013. This increase reflects primarily the following:

- 34.7% increase in personnel expenditures, to ARS 98.24 billion in 2014 from ARS 72.91 billion in 2013, principally reflecting the cumulative impact of the salary increases granted in mid-year 2013 and further increases granted in 2014;

- 33.0% increase in current transfers, to ARS 44.15 billion in 2014 from ARS 33.19 billion in 2013, reflecting increased transfers to municipalities due to an increase in overall tax collections and co-participation transfers;

- 22.2% increase in social security benefits, to ARS 35.17 billion in 2014 from ARS 28.78 billion in 2013, attributable to the salary increase adjustment mechanism;

- 47.5% increase in goods and services expenditures, to ARS 10.37 billion in 2014 from ARS 7.03 billion in 2013, primarily due to an increase in the cost of goods; and

- 60.5% increase in capital expenditures, to ARS 7.53 billion in 2014 from ARS 4.69 billion in 2013, due to increased spending on public works.

Primary Balance. In 2014, the Province's primary surplus increased by 126.6%, from a surplus of ARS 3.32 billion in 2013 to a surplus of ARS 7.52 billion in 2014. This increase was primarily due to a 35.3% increase in total revenues, which was partially offset by a 33.8% increase in total expenditures.

Financial Result. In 2014, the Province recorded a financial surplus of ARS 0.80 billion, compared to a financial deficit of ARS 1.03 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 35.1%, to ARS 274.3 billion from ARS 203.0 billion in 2014. This increase reflects the following:

- 33.7% increase in total tax revenues, to ARS 197.1 billion in 2015 from ARS 147.4 billion in 2014, due to a 35.4% increase in federal tax transfers, to ARS 78.34 billion in 2015 from ARS 57.87 billion in 2014, and a 32.7% increase in provincial tax revenues, to ARS 118.78 billion in 2015 from ARS 89.53 billion in 2014, mainly due to:

    - 30.4% increase in gross revenue tax collections, to ARS 87.37 billion in 2015 from ARS 67.02 billion in 2014;

    - 24.2% increase in real estate tax collections, to ARS 6.97 billion in 2015 from ARS 5.61 billion in 2014; and

    - 59.2% increase in automobile tax collections, to ARS 9.07 billion in 2015 from ARS 5.70 billion in 2014.

Total Expenditures. In 2015, the Province's total expenditures increased by 46.3%, to ARS 295.77 billion from ARS 202.18 billion in 2014. This increase reflects primarily the following:

- 50.5% increase in personnel expenditures, to ARS 147.83 billion in 2015 from ARS 98.24 billion in 2014, principally reflecting the cumulative effect of salary increases granted in 2014 and 2015;

- 34.9% increase in current transfers, to ARS 59.57 billion in 2015 from ARS 44.15 billion in 2014, mainly due to increased transfers to municipalities resulting from the increase in overall tax collections and co-participation transfers;

- 42.2% increase in social security benefits, to ARS 50.01 billion from ARS 35.17 billion in 2014, attributable to the salary adjustment mechanism; and

- 46.2% increase in capital expenditures, to ARS 11.02 billion from ARS 7.53 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 7.52 billion in 2014 to a deficit of ARS 11.60 billion in 2015, due to a 46.3% increase in total expenditures compared to a 35.1% increase in total revenues.

Financial Results. In 2015, the Province recorded a financial deficit of ARS 21.47 billion, compared to a total surplus of ARS 0.8 billion in 2014, attributable to the decrease in the primary balance.

Fiscal Results for the Six-Month Period Ended June 30, 2016 Compared to Fiscal Results for the Six-Month Period Ended June 30, 2015

Total Revenues. Total revenues for the six-month period ended June 30, 2016 increased by 29.8%, to ARS 165.53 billion from ARS 127.54 billion in the same period in 2015. This increase reflects:

- 32.8% increase in total tax revenues, to ARS 124.27 billion for the six-month period ended June 30, 2016 from ARS 93.59 billion during the same period in 2015, due to a 27.5% increase in federal tax transfers, to ARS 47.17 billion for the six-month period ended June 30, 2016 from ARS 36.99 billion during the same period in 2015 and a 36.2% increase in provincial tax revenues, to ARS 77.10 billion for the six-month period ended June 30, 2016 from ARS 56.60 billion during the same period in 2015, mainly due to:
    - 34.9% increase in gross revenue tax collections;
    - 40.0% increase in automobile tax collections;
    - 35.8% increase in real estate tax collections; and
    - 39.0% increase in stamp tax revenues.
- 39.1% increase in social security system contributions, to ARS 28.33 billion for the six-month period ended June 30, 2016 from ARS 20.37 billion during the same period in 2015.

Total Expenditures. The Province's total expenditures for the six-month period ended June 30, 2016 increased by 31.5%, to ARS 176.45 billion from ARS 134.19 billion during the same period in 2015. This increase in the total expenditures is principally due to:

- 31.9% increase in personnel expenditures, to ARS 90.26 billion for the six-month period ended June 30, 2016 from ARS 68.43 billion during the same period in 2015, reflecting the cumulative impact of the salary increases granted in 2015 and 2016;
- 29.7% increase in current transfers, to ARS 37.23 billion for the six-month period ended June 30, 2016 from ARS 28.70 billion during the same period in 2015, mainly due to increased transfers to municipalities resulting from the increased federal co-participation and provincial tax revenues; and
- 40.5% increase in social security benefits, to ARS 32.19 billion for the six-month period ended June 30, 2016 from ARS 22.91 billion during the same period in 2015, attributable to the salary adjustment mechanism.

Primary Balance. The Province's primary balance deficit for the six-month period ended June 30, 2016 amounted to ARS 6.29 billion compared to a deficit of ARS 3.29 billion in the same period in 2015. Such increase in the deficit was due to a 31.5% increase in total expenditures compared to a 29.8% increase in total revenues.

Financial Results. In the six-month period ended June 30, 2016, the Province's financial deficit was ARS 10.91 billion compared to a deficit of ARS 6.65 billion in the same period in 2015, mainly due to an increase in the primary deficit.

Proposed 2017 Budget

Overview of the Provincial Budget Process

Under the provincial Constitution, the Governor is required to submit a budget bill to the legislature before August 31 for the following year. 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.

Proposed 2017 Budget Bill

On October 12, 2016 the executive branch submitted to the provincial legislature the proposed budget for the fiscal year ended December 31, 2017, which is awaiting approval. The proposed 2017 budget bill represents the Province executive branch's forecast with respect to economic activity in Argentina and the Province in 2017. In preparing the proposed 2017 budget, the executive branch of the Province followed certain of the assumptions made in the Federal Government's proposed 2017 budget, namely a projected real national GDP growth of 3.5%, a 17% annual inflation rate and an average peso-U.S. dollar exchange rate of Ps. 17.92 per U.S.$ 1.00.

The following table shows the proposed 2017 budget, as compared to projected fiscal results for 2016:

Projected 2016 Fiscal Results vs. Proposed 2017 Budget
(in millions of nominal Pesos)

	Projected 2016	Proposed 2017 Budget	Variation
Current Revenues	**376,510**	**478,671**	**27.1%**
Total Tax Revenues	**257,566**	**332,481**	**29.1%**
Provincial Taxes	155,263	200,433	29.1%
Federal Tax Transfers	102,304	132,048	29.1%
Social Security System Contributions	**65,824**	**79,182**	**20.3%**
Non Tax revenues	**53,120**	**67,008**	**26.1%**
Other non Tax Revenues	8,697	10,224	17.6%
Current Transfers	44,423	56,785	27.8%
Provincial Transfers	6,498	8,973	38.1%
Federal Transfers	37,925	47,811	26.1%
Current Expenditures	**387,442**	**478,764**	**23.6%**
Personnel	195,638	243,753	24.6%
Good and Services	20,840	25,679	23.2%
Property Rent	14,446	22,648	56.8%
Social Security System Benefits	68,486	82,207	20.0%
Current Transfers	88,031	104,478	18.7%
Current Account Balance	**(10,931)**	**(93)**	**(99.1)%**
Capital Revenues	**7,258**	**9,159**	**26.2%**
Capital Expenditures	**25,937**	**43,838**	**69.0%**
Capital Investments	11,615	26,816	130.9%
Transfers for Public Works	10,802	13,424	24.3%
Loans and Capital Contributions	3,520	3,598	2.2%
Total Revenues	**383,768**	**487,830**	**27.1%**
Total Expenditures	**413,379**	**522,602**	**26.4%**
Primary Balance	**(15,164)**	**(12,125)**	**(20.0)%**
Financial Balance	**(29,610)**	**(34,773)**	**17.4%**

Source: Ministry of Economy of the Province.

Total Revenues. In 2017, the Province estimates an increase in total provincial revenues of 27.1% to ARS 487.83 billion, as compared with 2016 projected revenues of ARS 383.77 billion. This increase is mainly due to a budgeted 29.1% increase in total tax revenues to ARS 332.48 billion proposed for 2017, from ARS 257.57 billion projected in 2016.

The increase in provincial tax revenues includes:

- 27.0% increase in gross revenue tax collections;
- 48.3% increase in automobile tax collections;
- 38.4% increase in real estate tax collections; and

- 50.9% increase in stamp tax collections.

In addition, capital revenues are budgeted to increase by 26.2%, to ARS 9.16 billion in 2017 from ARS 7.26 billion projected in 2016.

Total Expenditures. In 2017, total provincial expenditures are budgeted to increase by 26.4%, to ARS 522.60 billion from ARS 413.38 billion projected in 2016, mainly due to:

- 24.6% increase in personnel expenditures, to ARS 243.75 billion budgeted for 2017 from ARS 195.64 billion projected in 2016;

- 23.2% increase in goods and services expenditures, to ARS 25.68 billion budgeted for 2017 from ARS 20.84 billion projected in 2016, mainly due to the strengthening of social, health and education programs;

- 18.7% increase in current transfers and other expenditures, to ARS 104.48 billion budgeted for 2017 from ARS 88.03 billion projected in 2016, mainly due to increased federal co-participation tax revenues, which will result in an increase in transfers to municipalities; and

- 69.0% increase in capital expenditures, to ARS 43.84 billion budgeted for 2017 from ARS 25.94 billion projected in 2016, mainly due to an increase in public works.

Primary Balance. In 2017, the Province budgeted the primary deficit to decrease to ARS 12.12 billion from ARS 15.16 billion projected in 2016.

Financial Result. In 2017, the Province budgeted to record a financial deficit of ARS 34.77 billion, compared to a financial deficit of ARS 29.61 billion projected in 2016.

PUBLIC SECTOR DEBT

General

The Province satisfies its financing needs with a wide variety of sources depending on the provincial and federal economies and the domestic and international financing markets.

The Province's total indebtedness amounted to USD 14.14 billion, USD 14.74 billion, USD 12.56 billion, USD 10.56 billion, USD 9.36 billion, and USD 11.46 billion as of December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015 and June 30, 2016, respectively.

As of June 30, 2016, the federal government held 24.8% of the Province's total indebtedness, while 67.8% was held by local and international bondholders, 6.1% corresponded to multilateral credit organizations and the remaining 1.2% was held by bilateral credit agencies and other creditors. As of June 30, 2016, 33.4% of the Province's total indebtedness was denominated in pesos, with the remaining 54.0%, 11.7%, 0.6% and 0.3% denominated in U.S. dollars, euros, other currencies and CER adjusted pesos, respectively. Also, as of June 30, 2016, 98.3% of the Province's debt stock was medium-term and long-term and 65.7% was at fixed rate.

Evolution of Debt: 2011 to June 30, 2016

The following tables describe the evolution of the Province's total outstanding indebtedness from 2011 to June 30, 2016, by creditor, currency, interest rate and term:

Total Gross Debt by Creditor (1)
(in millions of U.S. dollars)

	As of December 31,										As of June 30,			
CREDITOR	**2011**		**2012**		**2013**		**2014**		**2015**		**2015**		**2016**	
Federal Government	7,241	*51.8%*	6,987	*47.9%*	5,410	*43.5%*	3,962	*37.5%*	3,234	*34.5%*	3,321	*32.7%*	2,840	*24.8%*
Domestic Bondholders	651	*4.6%*	1,472	*10.0%*	921	*7.3%*	728	*6.9%*	710	*7.6%*	656	*6.5%*	1,019	*8.9%*
International Bondholders	5,209	*36.8%*	5,264	*35.7%*	5,220	*41.6%*	4,916	*46.5%*	4,529	*48.4%*	5,265	*51.8%*	6,754	*58.9%*
Multilateral Credit Agencies	874	*6.2%*	867	*5.9%*	861	*6.9%*	819	*7.8%*	753	*8.0%*	788	*7.8%*	705	*6.1%*
Bilateral Credit Agencies	157	*1.1%*	151	*1.0%*	141	*1.1%*	135	*1.3%*	133	*1.4%*	131	*1.3%*	140	*1.2%*
Others	3	*0.0%*	3	*0.0%*	2	*0.0%*	3	*0.0%*	3	*0.0%*	2	*0.0%*	3	*0.0%*
Total	**14,135**	*100.0%*	**14,744**	*100.0%*	**12,556**	*100.0%*	**10,561**	*100.0%*	**9,362**	*100.0%*	**10,163**	*100.0%*	**11,461**	*100.0%*
Exchange Rates,														
ARS/USD (2)	4.304		4.918		6.521		8.551		13.040		9.088		15.040	
CER (3)	2.881		3.185		3.520		4.377		5.036		4.672		6.095	

(1) Excluding past and due interest.
(2) Last exchange rate recorded for each period.
(3) CER accumulated from February 4, 2002 until the end of each period.
Source: Ministry of Economy of the Province.

Total Gross Debt by Currency (1)
(in millions of U.S. dollars)

CURRENCY	As of December 31,										As of June 30,			
	2011		2012		2013		2014		2015		2015		2016	
Pesos	7,755	*54.9%*	8,130	*55.1%*	6,071	*48.4%*	4,442	*42.1%*	3,913	*41.8%*	3,932	*38.7%*	3,831	*33.4%*
CER adjusted pesos	67	*0.5%*	60	*0.4%*	45	*0.4%*	41	*0.4%*	30	*0.3%*	41	*0.4%*	31	*0.3%*
USD	4,529	*32.0%*	4,747	*32.2%*	4,611	*36.7%*	4,500	*42.6%*	4,022	*43.0%*	4,756	*46.8%*	6,187	*54.0%*
Euros(2)	1,700	*12.0%*	1,730	*11.7%*	1,760	*14.0%*	1,519	*14.4%*	1,338	*14.3%*	1,377	*13.5%*	1,346	*11.7%*
others(3)	84	*0.6%*	77	*0.5%*	68	*0.5%*	60	*0.6%*	59	*0.6%*	57	*0.6%*	66	*0.6%*
Total	**14,135**	*100.0%*	**14,744**	*100.0%*	**12,556**	*100.0%*	**10,561**	*100.0%*	**9,362**	*100.0%*	**10,163**	*100.0%*	**11,461**	*100.0%*
Exchange Rates,														
ARS/USD (4)	4.304		4.918		6.521		8.551		13.040		9.088		15.040	
CER (5)	2.881		3.185		3.520		4.377		5.036		4.672		6.095	

(1) Excluding past and due interest.
(2) Following the introduction of the euro in 1999, debts owed in a variety of European currencies were converted into euros.
(3) Figures include Swiss francs and Japanese yen.
(4) Last exchange rate recorded for each period.
(5) CER accumulated from February 4, 2002 until the end of each period.
Source: Ministry of Economy of the Province.

Total Gross Debt by Type of Interest Rate (1)
(in millions of U.S. dollars)

BY INTEREST TYPE	As of December 31,										As of June 30,			
	2011		2012		2013		2014		2015		2015		2016	
Fixed rate (2)	10,620	*75.1%*	10,550	*71.6%*	8,805	*70.1%*	7,187	*68.1%*	5,637	*60.2%*	6,775	*66.7%*	7,533	*65.7%*
Fixed rate + CER adjustment (3)	67	*0.5%*	60	*0.4%*	45	*0.4%*	41	*0.4%*	30	*0.3%*	41	*0.4%*	31	*0.3%*
Fixed Step-up rate	1,953	*13.8%*	2,055	*13.9%*	2,107	*16.8%*	1,926	*18.2%*	1,801	*19.2%*	1,810	*17.8%*	1,823	*15.9%*
Variable rate	1,495	*10.6%*	2,079	*14.1%*	1,599	*12.7%*	1,408	*13.3%*	1,895	*20.2%*	1,536	*15.1%*	2,074	*18.1%*
IADB -WB (4)	331	*2.3%*	275	*1.9%*	250	*2.0%*	163	*1.5%*	124	*1.3%*	137	*1.4%*	112	*1.0%*
LIBOR	586	*4.1%*	592	*4.0%*	611	*4.9%*	656	*6.2%*	629	*6.7%*	651	*6.4%*	592	*5.2%*
Tasa BADLAR(5)	504	*3.6%*	1,137	*7.7%*	662	*5.3%*	519	*4.9%*	1,077	*11.5%*	682	*6.7%*	1,304	*11.4%*
Others	73	*0.5%*	75	*0.5%*	76	*0.6%*	69	*0.7%*	64	*0.7%*	66	*0.7%*	66	*0.6%*
Total	**14,135**	***100.0%***	**14,744**	***100.0%***	**12,556**	***100.0%***	**10,561**	***100.0%***	**9,362**	***100.0%***	**10,163**	***100.0%***	**11,461**	***100.0%***
Exchange Rates,														
ARS/USD (6)	4.304		4.918		6.521		8.551		13.040		9.088		15.040	
CER (7)	2.881		3.185		3.520		4.377		5.036		4.672		6.095	

(1) Excluding past and due interest.
(2) Consists primarily of Eurobonds and the Federal Debt Refinancing Program.
(3) Consists primarily of domestic notes.
(4) Includes multilateral debt.
(5) Rate determined by the Central Bank based on a survey of the rate paid on savings accounts and time deposits in pesos and in dollars by banks in the City of Buenos Aires and in Greater Buenos Aires.
(6) Last exchange rate recorded for each period.
(7) CER accumulated from February 4, 2002 until the end of each period.
Source: Ministry of Economy of the Province.

Total Gross Debt by Term (1)
(in millions of U.S. dollars)

TERM	As of December 31, 2011		2012		2013		2014		2015		As of June 30, 2015		2016	
Short-term (2)	386	*2.7%*	888	*6.0%*	435	*3.5%*	219	*2.1%*	327	*3.5%*	74	*0.7%*	194	*1.7%*
Medium-term and long term (3)	13,749	*97.3%*	13,857	*94.0%*	12,121	*96.5%*	10,342	*97.9%*	9,036	*96.5%*	10,088	*99.3%*	11,267	*98.3%*
Total	**14,135**	***100.0%***	**14,744**	***100.0%***	**12,556**	***100.0%***	**10,561**	***100.0%***	**9,362**	***100.0%***	**10,163**	***100.0%***	**11,461**	***100.0%***
Exchange Rates,														
ARS/USD (4)	4.304		4.918		6.521		8.551		13.040		9.088		15.040	
CER (5)	2.881		3.185		3.520		4.377		5.036		4.672		6.095	

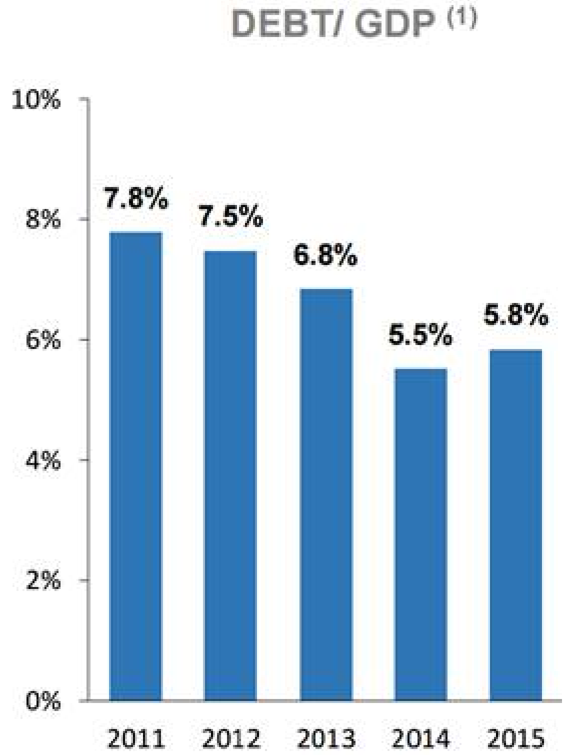
(1) Excluding past and due interest.
(2) Debt with original maturity of one year or less.
(3) Debt with original maturity of more than one year.
(4) Last exchange rate recorded for each period.
(5) CER accumulated from February 4, 2002 until the end of each period.
Source: Ministry of Economy of the Province.

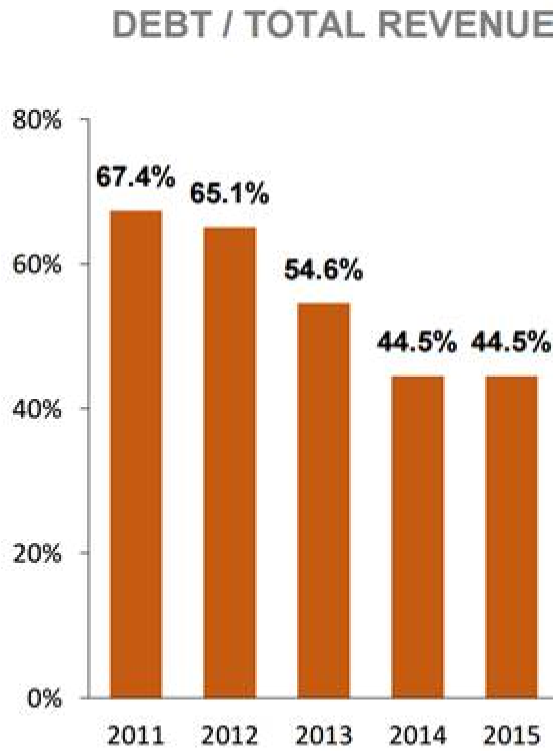
Between 2011 and June 30, 2016, the federal government's share of the Province's public debt has fluctuated between 51.8% and 24.8%. The Province received significant financial assistance from the federal government in 2011, 2012, 2014 and 2015 through transfers of funds under a series of agreements known as *Programas de Asistencia Financiera* (Financial Assistance Programs, or "PAFs"). These agreements helped fund, among others, the Province's debt service obligations. Moreover, the Province entered into additional agreements with the federal government to offset debt and to suspend and refinance the debt service owed by the Province to the federal government and other creditors. Additionally, the Province has entered into agreements with the Trust Fund for Provincial Development to invest in capital assets. On May 31, 2010, all outstanding indebtedness then owed to the federal government under the above-mentioned agreements was refinanced under the Federal Debt Refinancing Program and further debt refinancing agreements. See "—Debt Denominated in Pesos—Argentine Provincial Indebtedness Federal Refinancing Program" and "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

Another important milestone in the history of provincial indebtedness was the 2006 provincial restructuring of Eurobonds, which have been in default since December 2001. See "—Debt Denominated in Foreign Currencies—Exchange Bonds" This debt restructuring helped the Province return to the international capital markets in October 2006.

Since 2005, the favorable conditions of the financing agreements with the federal government as well as the provincial debt restructuring process have helped the Province improve its debt maturity profile and debt sustainability indicators.

The following charts show debt divided by total revenues and debt divided by provincial GDP from 2011 through 2015.





(1) GDP 2011-2012: the GDP is calculated taking into account the (i) share of the provincial GDP in the federal GDP, when calculated at 1993 prices, for 2011 and 2012 (equal to 35.9% and 36.8%, respectively) and (ii) the federal GDP for 2011 and 2012 published by the INDEC, when calculated at constant 2004 prices.
GDP for 2013-2015: the GDP is calculated taking into account the (i) average share of the provincial GDP in the federal GDP, when calculated at 1993 prices, during the 2009-2012 period (equal to approximately 35.8%), and (ii) the federal GDP for the 2013-2015 period published by the INDEC, when calculated at constant 2004 prices.
Source: Ministry of Economy of the Province.

The following table sets forth the Province's total outstanding indebtedness from 2014 to June 30, 2016.

Total Outstanding Indebtedness

	As of December 31, 2014		As of December 31, 2015		As of June 30, 2016		Variation June 30, 2016 vs. December 31, 2015	
	USD	**ARS**	**USD**	**ARS**	**USD**	**ARS**	**ARS**	**%**
Debt in Pesos - adjusted by CER-								
PYMES Bond (Law Nº12,421)	41	349	30	391	31	466	75	19.3%
Total Debt in Pesos - adjusted by CER	**41**	**349**	**30**	**391**	**31**	**466**	**75**	**19.3%**
Debt in Pesos								
Federal Refinancing Program	3,033	25,932	1,800	23,470	1,605	24,144	674	2.9%
2010 Financial Assistance Refinancing	424	3,623	251	3,279	224	3,373	94	2.9%
2011 Financial Assistance	54	459	32	415	28	427	12	2.9%
2012 Financial Assistance	161	1,378	96	1,247	85	1,283	36	2.9%
2014 Financial Assistance	140	1,200	83	1,086	74	1,117	31	2.9%
2015 Financial Assistance (ARS5.900 M)	–	–	455	5,934	406	6,106	172	2.9%
2015 Financial Assistance (ARS700 M)	–	–	54	703	48	724	20	2.9%
2015 Financial Assistance (ARS4.159 M)	–	–	322	4,204	234	3,516	(688)	(16.4%)
2010 FFDP Loan	15	124.55	5	62	2	31	(31)	(50.5%)
2011 FFDP Loan	67	571.71	35	457	27	400	(57)	(12.5%)
Flood Relief Loan	41	352	80	1,037	85	1,284	247	23.8%
Consolidation Bonds (Law Nº12,836)	1	6	0	1	–	–	(1)	(100.0%)
Bonds Law Nº 10,328	0	0	0	0	0	0	0	(8.2%)
Housing Trust Fund	36	311	23	296	19	288	(8)	(2.7%)
Treasury Bills	219	1,876	327	4,259	194	2,919	(1,340)	(31.5%)
Debt Cancellation Bonds due 2016 (Suppliers' Bond) - SERIE A	58	500	8	100	–	–	(100)	(100.0%)
Debt Cancellation Bonds due 2016 (Suppliers' Bond) - SERIE B	32	271	8	100	1	14	(85)	(85.6%)
Law N° 14,315-Serie A	9	73	–	–	–	–	–	–
Law N° 14,315-Serie B	26	220	3	44	–	–	(44)	(100.0%)
Law N° 14,315-Serie C	46	396	17	220	9	132	(88)	(40.0%)
Law N° 14,315-Serie D	41	352	38	490	23	350	(140)	(28.6%)
Law N° 14,315-Serie E	–	–	35	453	24	357	(97)	(21.4%)
Suppliers Bond	–	–	–	–	529	7,954	7,954	100.0%
2015 Local Program Series I class I	–	–	60	788	52	788	–	–
2015 Local Program Series I class II	–	–	8	105	7	105	–	–
2015 Local Program Series II class I	–	–	57	738	49	738	–	–
2015 Local Program Series II class II	–	–	13	169	11	169	–	–
2015 Local Program Series III	–	–	76	995	66	995	–	–
Others	39	337	29	375	27	410	35	9.3%
Total Debt in pesos	**4,442**	**37,981**	**3,913**	**51,028**	**3,831**	**57,623**	**6,595**	**12.9%**
Debt in Foreign Currency								
Eurobonds	**4,916**	**42,034**	**4,529**	**59,062**	**6,754**	**101,583**	**42,521**	**72.0%**
Dollar - denominated Long Term Par Bond	476	4,071	488	6,360	488	7,335	975	15.3%
Euro - denominated Long Term Par Bond	690	5,902	628	8,188	639	9,609	1,421	17.4%
Dollar - denominated Medium Term Par Bond	64	545	64	831	64	958	127	15.3%
Euro - denominated Medium Term Par Bond	696	5,949	622	8,106	632	9,512	1,407	17.4%
Dollar - denominated Discount Bond	167	1,428	100	1,306	67	1,004	(302)	(23.1%)
Euro - denominated Discount Bond	84	720	45	589	31	461	(128)	(21.8%)
Eurobonds (Untendered Holdings) (1)	64	546	59	764	60	896	132	17.2%
USD 475 M – 9.375% bonds due 2018-	475	4,062	475	6,194	475	7,144	950	15.3%
USD 400 M – 9.625% bonds due 2028-	400	3,420	400	5,216	400	6,016	800	15.3%
USD 1,050 M – 11.75% bonds due 2015-	1,050	8,979	–	–	–	–	–	–
USD 750 M – 10.875% bonds due 2021-	750	6,413	750	9,780	750	11,280	1,500	15.3%
USD 899 M – 9.95% bonds due 2021-	–	–	899	11,729	899	13,528	1,799	15.3%
USD 1,250 M – 9.125% bonds due 2024-	–	–	–	–	1,250	18,800	18,800	100.0%

USD 500 M – 5.75% bonds due 2019-	–	–	–	–	500	7,520	7,520	100.0%
USD 500 M – 7.875% bonds due 2027-	–	–	–	–	500	7,520	7,520	100.0%
Multilateral Loans (IADB-World Bank)	**819**	**7,002**	**753**	**9,825**	**705**	**10,598**	772	7.9%
Bilateral Loans (1)	**135**	**1,150**	**133**	**1,736**	140	2,102	366	21.1%
USD	84	717	84	1,094	84	1,262	168	15.3%
Yen	40	338	39	512	46	688	176	34.3%
Liras	11	95	10	129	10	152	22	17.4%
Bond of the Province of Buenos Aires due 2016	10	84	3	43	–	–	(43)	(100.0%)
Provincial Bond due 2016	200	1,710	–	–	–	–	–	–
Total Debt in Foreign Currencies	**6,079**	**51,981**	**5,419**	**70,665**	**7,599**	**114,282**	**43,617**	**61.7%**
Total Indebtedness	**10,561**	**90,311**	**9,362**	**122,085**	**11,461**	**172,372**	**50,287**	**41.2%**

(1) Excluding past and due interest as of December 2001

	As of December 31,		**As of June 30,**
Exchange rates	**2014**	**2015**	**2016**
ARS/USD	8.551	13.040	15.040
ARS/JPY	0.072	0.108	0.146
ARS/CHF	8.646	13.040	15.361
ARS/EUR	10.396	14.164	16.622
ARS/ITL	0.005	0.007	0.009
USD/ITL	0.001	0.001	0.001
USD/JPY	0.008	0.008	0.010
Accumulated CER	4.377	5.036	6.095

Source: Ministry of Economy of the Province.

Causes of debt stock variation between June 30, 2016 and December 31, 2015

For the six-month period ended June 30, 2016, the Province's indebtedness increased by ARS 50.29 billion, or 41.2%, as compared to December 31, 2015.

The following table describes the increases and decreases in the Province's outstanding indebtedness that led to the net increase in the provincial debt stock from December 31, 2015 to June 30, 2016.

Causes of Debt Stock variation, June 30, 2016 vs. December 31, 2015
(in millions of nominal pesos)

	Variation
Debt Increases	**$54,858.9**
Debt issues in international capital markets	$31,893.4
Exchange rate effect [(1)]	$13,182.3
Debt Issues in domestic capital markets	$7,984.6
Interest capitalization	$1,354.0
Disbursements of Federal Government's loans	$261.8
Inflation effect	$134.6
Disbursements of multilateral loans	$48.2
Debt Reduction	**($4,571.5)**
Amortization in domestic capital markets	($1,984.2)
Amortization of Federal Government's loans	($1,127.1)
Amortization of multilateral loans	($753.2)
Amortization in international capital markets	($707.0)
Debt Stock Variation	**$50,287.4**

(1) Includes the devaluation of the peso against the U.S. Dollar, Euro, Japanese Yen and Swiss Franc.
Source: Ministry of Economy of the Province

For the six-month period ended June 30, 2016, the increase in the Province's indebtedness was mainly due to:

- the issuance of three series of bonds in the international capital markets for an aggregate principal amount of USD 2.25 billion. The first issuance was in March 2016 for USD 1.25 billion of 9.125% bonds due 2024. In June 2016, the Initial Notes were issued, including USD 500 million of 5.750% bonds due 2019 and USD 500 million of 7.875% bonds due 2027. These issuances of bonds represented the highest public debt increase and accounted for 58.1% of the total gross increase during the first half of 2016;

- the exchange rate depreciation for ARS 13.2 billion accounted for 24.0% of the total gross increase, as a result of the ARS depreciation against the USD, EUR, JPY and CHF;

- the issuances of several peso denominated bonds in the local capital market during the first half of 2016 accounted for 14.6% of the total gross increase. These issuances included Supplier's Bonds for ARS 7.95 billion, Treasury Bills for ARS 16.0 million, bonds issued under Law 14,315 for ARS 4.5 million and other bond issuances totaling ARS 10.3 million;

- capitalized interest of ARS 1.4 billion resulting from the grace period relating to indebtedness with the federal government, which accounted for 2.5% of the total gross increase;

- new disbursements from the federal government for ARS 261.8 million, which accounted for 0.5% of the total gross increase;

- the impact of inflation on the debt denominated in ARS and adjusted by CER, which accounted for a debt stock increase of ARS 134.6 million (0.2% of the total gross increase); and

- multilateral credit agencies disbursements totaling ARS 48.2 million, which accounted for less than 0.1% of the total increase. This amount includes (i) disbursements by FONPLATA for ARS 36.9 million, (ii) disbursements by IDB under the Provincial Agricultural Services Program III for ARS 6.4 million, (iii) disbursements from IDB under the Program for Improvement of Municipal Management for ARS 4.6 million and (iv) disbursements by IDB under the Program for Water and Sanitation for Small Communities for ARS 0.3 million.

The increase was partially offset by the following decreases:

- amortization payments of debt issued in the local capital market, which amounted to ARS 1.98 billion (43.4%). This amount includes (i) ARS 1.36 billion in Treasury Bills amortizations, (ii) ARS 373.3 million in repayments of bonds issued under Law 14,315, (iii) ARS 185.7 million to amortize Supplier's Bonds due 2016 and (iv) ARS 69.6 million in repayments of other debts;

- debt repayments to the federal government for ARS 1.13 billion (24.7%), mainly comprised of the partial amortization payment of the 2015 Financial Assistance Agreement for ARS 1.0 billion;

- amortization payments under multilateral credit lines for ARS 753.2 million (16.5%); and

- amortizations of debt issued in the international capital markets which amounted to ARS 707 million (15.5%).

Estimated Debt Service

The following table shows projected debt service by creditor and year based on the Province's outstanding indebtedness as of June 30, 2016.

Estimated Debt Service by Creditor (1) (2)
(in millions of U.S. dollars)

	Outstanding							
	As of June 30,	As of December 31,						
Creditor	2016	2016[3]	2017	2018	2019	2020	2021	2022-2038
Federal Government	**2,840**							
Amortization		241	210	233	203	176	176	1,601
Interest		34	163	144	122	110	99	430
Bondholders	**7,774**							
Amortization		373	674	845	984	856	777	3,205
Interest		594	636	516	424	351	274	851
USD	**5,398**							
Amortization		33	44	496	771	727	732	2,589
Interest		232	459	458	384	320	246	683
EUR	**1,346**							
Amortization		15	121	211	211	127	43	575
Interest		24	45	45	36	28	24	161
ARS	**969**							
Amortization		323	508	136	1	1	0	0
Interest		336	128	9	0	0	0	0
ARS + CER	**31**							
Amortization		0				0	0	30
Interest								
CHF	**10**							
Amortization								
Interest								
Fideicomiso_ANSES	**19**							
Amortization		0	1	1	2	2	2	11
Interest		2	4	4	4	3	3	7
Multilateral	**705**							
Amortization		57	110	86	83	74	61	233
Interest		6	12	10	9	8	7	32
Bilateral	**140**							
Amortization								
Interest								
Others	**3**							
Amortization		3						
Interest								
TOTAL	**11,461**							
Amortization		**674**	**994**	**1,163**	**1,270**	**1,107**	**1,014**	**5,039**
Interest		**634**	**812**	**669**	**555**	**468**	**379**	**1,312**

(1) Calculated based on the stock of debt, exchange rate and interest rates as of June 30, 2016. Data does not include any adjustment for inflation with respect to the debt denominated in CER adjusted, ICC adjusted pesos (Pesos adjusted pursuant to the *Índice de Costos de la Construcción* (Construction Costs Index)) or any other debt. Amortization payments include amortization of capitalized interest.
(2) Does not reflect amortization or interest payments on debt issued or refinanced after June 30, 2016.

(3) Corresponds to estimated debt service by creditor from July 1, 2016 to December 31, 2016.

Source: Ministry of Economy of the Province.

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 June 30, 2016
(in millions of pesos)

	For the year ended December 31,					For the six months ended June 30,	
	2011	**2012**	**2013**	**2014**	**2015**	**2015**	**2016**
Federal Tax Co-Participation	25,887	32,559	41,724	56,587	76,640	36,157	46,560
Withholdings							
Federal Government [(1)]	56	224	493	328	2,438	191	1,343
Other Debt [(2)]	4	18	14	98	239	221	17
Total	**60**	**242**	**507**	**426**	**2,676**	**412**	**1,359**
Percentage Withheld	0.2%	0.7%	1.2%	0.8%	3.5%	1.1%	2.9%

(1) These secured debts consisted primarily of financing provided pursuant to the Federal Refinancing Program whose grace period was extended until December 31, 2016 and the Trust Fund for Provincial Development.
(2) Consists mainly of withholdings to make debt service payments to multilateral creditors.
Source: Ministry of Economy of the Province and Banco de la Nación Argentina.

Debt Denominated in CER-adjusted Pesos

PyMEs Bond

In May 2000, the Province implemented a financial support program for small and medium size businesses ("PyMEs") in financial distress with outstanding bank loans from Banco Provincia. Through this program, an eligible PyME could refinance debt by extending the term of its loans to 15, 20 or 25 years and purchasing zero-coupon dollar-denominated provincial bonds issued by the Province ("PyMEs Bonds") and depositing these bonds at Banco Provincia as collateral for its loans. At maturity, the Province would redeem PyMEs Bonds collateralizing the principal amount of the loans, which would be cancelled. Participating PyMEs may be excluded from this program if they default on their loans, in which case the PyMEs Bonds that serve as collateral for the defaulted loans will be redeemed by the Province at their then-current value.

As of June 30, 2016, the aggregate nominal amount of outstanding PyMEs Bonds was ARS 0.47 billion, which, if all participating PyMEs had been excluded and all PyMEs Bonds had been redeemed, the Province would have been required to pay approximately ARS 0.15 billion to Banco Provincia.

Malvinas Islands Veterans' Debt Cancellation Bond Law No. 13,763

In January 2008, the Province enacted Law No. 13,763, pursuant to which the Province acknowledged an outstanding debt with the Malvinas Islands war veterans as a result of failing to calculate certain items in the pension provided by the Province. Law No. 13,763 established how those pension items would be calculated and provided for the mechanism to repay this debt. Law No. 13,763 also established that 10.0% of the debt would be paid in cash and the remaining 90.0% in securities (the "Malvinas Bonds"). The Malvinas Bonds were issued on September 15, 2007 and matured on March 15, 2014. The Malvinas Bonds were denominated in CER-adjusted pesos and were amortized in 72 consecutive monthly installments, consisting of 70 installments of 1.3% and two installments of

2.7%, of the principal amount plus capitalized interest through March 15, 2008. The first installment was due on April 15, 2008. Interest on the Malvinas Bonds accrued at 2.0% per annum and was capitalized on a monthly basis until March 15, 2008.

On March 15, 2014, the Province repaid in full all amounts due under the Malvinas Bonds.

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* (Argentine Provincial Indebtedness Federal Refinancing Program, or the "Federal Debt Refinancing Program"). The Federal Debt Refinancing Program:

- reduces 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

- allows 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 Monetary Unification Program (PUM), the Financial Assistance Program (PAF), Interest Suspension Agreements, *Bogar*, and *Boden*.

On May 12, 2010, the Province indicated to the federal government that it would participate in this program. The Province and the federal government signed a bilateral agreement memorializing the Province's participation in the Federal Debt Refinancing Program on June 23, 2010, which was approved by Provincial Decree No. 903/10 dated June 24, 2010. This agreement provided that the refinanced indebtedness would be denominated in pesos and have a grace period until December 31, 2011, after which the principal had to be repaid in 227 consecutive monthly installments of 0.439% of the principal and a final installment of 0.374% of the principal. 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. 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 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 Debt Exchange (BOGAR)	13,928.7	3,545.1
Monetary Unification Program (BODEN 2011)	599.4	152.6
Financial Assistance 2005	702.0	178.7
Financial Assistance 2006	1,352.3	344.2
Financial Assistance 2007(1)	2,469.8	628.6
Financial Assistance 2008(1)	3,105.2	790.3
Financial Assistance 2009(1)	3,551.7	904.0
FFDP Loan 2008	426.3	108.5
FFDP Loan 2009	1,671.3	425.4
Outstanding principal	**27,806.9**	**7,077.3**
National Treasury Funds to be applied (2)	**(4,134.2)**	**(1,052.2)**
Outstanding principal net of National Treasury Funds	**23,672.7**	**6,025.1**
Exchange rate ARS /USD		**3.929**

(1) Includes debt from the Interest Suspension Agreements in 2007, 2008 and 2009.

(2) Includes an additional ARS 40.8 million to the original ARS 4,093.4 million held in the National Treasury Contribution Fund 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.

Source: Ministry of Economy of the Province.

The debt included in this program had been incurred as follows: Following the economic crisis that began in 2001, certain debt obligations of the Province were restructured during 2002-2004 by exchanging them for BOGAR (an obligation of the federal government) and the Province became obligated to pay the federal government for the debt service on the associated BOGAR. Similarly, in 2003, under the Monetary Unification Program ("PUM"), the federal government issued BODENs in exchange for Patacones, a quasi-currency treasury bond that had been issued by the Province beginning in 2001 to pay current expenditures. From 2005 through 2009, the Province received funding from the federal government under the Financial Assistance Programs ("PAF") (described below) in order to make debt amortization payments that were due during those years. In 2008 and 2009, the Province received loans for infrastructure through the federal Trust Fund for Provincial Development ("FFDP"). Finally, interest on PFO, PAF and PUM for 2007-2009, which had been capitalized pursuant to the federal Interest Suspension Agreements was also included.

During 2002-2004, the Province also signed bi-lateral agreements with the federal government under the Orderly Financing Program ("PFO") which provided loans to reduce provincial fiscal deficits and whereby the federal government repaid multilateral lenders on behalf of the Province. Amounts due to the federal government under these programs were settled through a 2004 debt-offsetting agreement with the federal government and refinancing agreements which have now been fully repaid.

In June 2010, the federal government withheld ARS 0.33 billion of federal co-participable tax revenues to cover interest and principal payments owed on refinanced debt prior to June 23, 2010. These amounts were used to reduce amounts owed to the federal government under the Federal Debt Refinancing Program.

In December 2011, pursuant to Resolution No. 33/11, 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 203 consecutive and monthly installments equivalent to 0.49% of the principal each, and one last installment equivalent to 0.53% of the principal. All outstanding amounts would continue to bear interest at an annual fixed rate of 6.0% and interest would be capitalized until December 31, 2013. The grace period was extended to December 31, 2013 and the first installment would be paid in January 2014. Certain terms of the Federal Debt Refinancing Program were subsequently amended in 2013, 2014 and 2015 through the execution of several Debt Refinancing Agreements. See "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

Financial Assistance Programs (PAFs)

In August 2004, the federal government created the *Régimen 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 2.82 billion. Like the previous agreements, the PAF 2008 was entered into for purposes of making debt amortization payments due in 2008. The PAF 2008 financed approximately 96.5% of the 2008 budgeted provincial debt amortizations.

In February 2009, the federal government and the Province entered into the 2009 Financial Assistance Program ("PAF 2009") for ARS 2.93 billion. The PAF 2009 was entered into for the purpose of making debt amortization payments due in 2009, which were estimated to be ARS 2.95 billion. In this manner, the PAF 2009 financed approximately 99.3% of the 2009 budgeted provincial debt amortizations.

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 5.06 billion 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 1.71 billion in January 2011, with funds from the National Treasury Contribution Fund to partially cancel the debt originated by the PAF 2010. On December 28, 2011, 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." This loan was later incorporated into further debt restructuring agreements with the national government. See "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

On December 23, 2011 the federal government and the Province entered into the 2011 Financial Assistance Program ("PAF 2011"), pursuant to which the federal government granted the Province a ARS 3.0 billion loan for purposes of addressing fiscal imbalances, treasury payment delays and making debt service payments. The PAF 2011 had to be repaid in 84 monthly and consecutive installments, with a one-year grace period, beginning in January 2013. Outstanding amounts bore interest at an annual fixed rate of 6.0%. All payments under this loan were secured by federal tax co-participation funds which the Province would be entitled to receive. The PAF 2011 also established that the federal government would transfer ARS 2.42 billion from the National Treasury Contribution Fund to the Province to partially cancel the debt originated by the PAF 2011, thus reducing the amount owed. This loan was later incorporated into further debt refinancing agreements with the national government. See "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

On December 27, 2012, the federal government and the Province entered into the 2012 Financial Assistance Program ("PAF 2012"), pursuant to which the federal government granted the Province a ARS 1.5 billion loan for purposes of meeting fiscal imbalances and making debt service payments. This loan had to be repaid in 84 monthly and consecutive installments, with a one-year grace period, beginning in January 2014. Outstanding amounts bore interest at an annual fixed rate of 6%. All payments under this loan were secured by federal tax co-participation funds which the Province would be entitled to receive. This loan was later incorporated into further debt refinancing agreements with the national government. See "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

On December 18, 2014, the federal government and the Province entered into the 2014 Financial Assistance Program ("PAF 2014"), pursuant to which the federal government granted the Province a ARS 1.2billion loan. This loan is scheduled to amortize in 84 consecutive monthly installments, commencing in January2016. Interest on principal would accrue at a rate of 6% per annum. All payments under this loan were secured by revenues from the federal tax co-participation regime. This loan was later incorporated into further debt refinancing agreements with the national government. See "—Debt Denominated in Pesos—Debt Refinancing Agreements with the Federal Government."

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 a ARS 5.9 billion 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.

On December 2, 2015, in addition to the PAF 2015, the federal government and the Province entered into a ARS 700 million loan, with the same conditions as the loan granted under the PAF 2015.

In addition, on December 18, 2015, the federal government and the Province signed a Financial Assistance Agreement for ARS 4.2 billion, which will be repaid in nine monthly installments following a principal and interest grace period, which will expire on March 31, 2016. Interest will be calculated at the rate of the Internal Bills of the Central Bank of Argentina (Lebac).

In January 2016, pursuant to Decree No. 124/16, the federal government advanced ARS 3.5 billion to the Province on account of future tax co-participation revenues, to allow the Province to pay urgent budgeted expenditures and service its debt. The advanced revenues must be repaid within the current fiscal year. The federal government may retain certain of the co-participation revenues due to the Province in order to repay the advance and accrued interests.

Debt Refinancing Agreements with the Federal Government

2013 Refinancing Agreement

On December 27, 2013, the federal government and the Province entered into the *Convenio entre la Provincia de Buenos Aires y el Gobierno Nacional* (2013 Debt Refinancing Agreement with the federal government, or the "2013 Debt Refinancing Agreement") to refinance the entire outstanding amount due under the Federal Debt Refinancing Program and the PAF 2010, PAF 2011 and PAF 2012, which was approved by Provincial Decree No. 1096/13. The total refinanced amount of the Province's debt that was refinanced under this agreement was ARS 34,179.4 million. This agreement also established that in January 2014 the federal government would transfer to the Province funds generated by the National Treasury Contribution Fund for ARS 4.56 billion, which were used to partially cancel the refinanced debt, resulting in a net amount of ARS 29.62 billion. Pursuant to the terms of the agreement, the principal would be amortized in 201 monthly installments with a grace period on both principal and interest until March 31, 2014. All outstanding amounts bear interest at an annual fixed rate of 6.0%, and interest was capitalized until March 31, 2014. In addition, the agreement provided that the grace period for principal and capitalization of interest may be extended during 2014 if the Province provided certain information to the federal government, which the Province did. The Province is required to secure amounts owed under this agreement by pledging federal tax co-participable funds that it is entitled to receive.

2014 Refinancing Agreement

On April 28, 2014, the federal government and the Province entered into a new *Convenio entre la Provincia de Buenos Aires y el Gobierno Nacional* (the "2014 Debt Refinancing Agreement"), which was approved by Provincial Decree No. 303/14. Pursuant to the terms of this agreement, the grace period on both principal and interest payments under the 2013 Debt Refinancing Agreement was extended to June 30, 2014. Principal would be amortized in 198 monthly installments, with the maturity date remaining the same.

On July 31, 2014, the federal government and the Province modified the grace period of the 2014 Debt Refinancing Agreement (the "First Amendment"). Pursuant to the terms of this First Amendment, the grace period on both principal and interest payments was extended to December 31, 2014. Principal would amortize in 195 monthly installments, with the maturity date remaining the same.

In addition, on September 30, 2014, the Province and the federal government agreed on an additional quarter to the grace period of the 2014 Debt Refinancing Agreement as amended by the First Amendment (the "Second Amendment"). As a result, the grace period on principal and interest payments was extended to December 31, 2014. The principal had to be repaid in 192 monthly installments, with the same maturity date as that of the original agreement.

2015 Refinancing Agreement

On January 30, 2015, the Province and the federal government entered into a new *Convenio entre la Provincia de Buenos Aires y el Gobierno Nacional* (the "January 2015 Debt Refinancing Agreement"), to refinance the total debt outstanding under the previous debt refinancing agreements and the PAF 2014, which was approved by Provincial Decree No. 95/15. The total refinanced amount was ARS 32.59 billion. In addition, due to the implementation of the National Treasury Contributions for ARS 4.75 billion, which were used to partially cancel the refinanced debt, the net debt was ARS 27.84 billion as of December 31, 2014. Pursuant to the terms of the January 2015 Debt Refinancing Agreement, principal would be amortized in 189 installments following a 3-month grace period on both principal and interest. Interest was capitalized during such grace period, at a fixed annual rate of 6.0%. In addition, the agreement provides that the grace period may be extended during 2015 if the Province provides certain information to the federal government. Debt services are secured by the revenues of the Province from the federal tax co-participation regime.

Debt Refinancing Agreement with the Federal Government

	Dated	As of Jun 30, 2016 (In millions) ARS	USD
Argentine Provincial Indebtedness Federal Refinancing Program (PFD)	May 31, 2010	23,672.7	1,574.0
Federal government withhold of co-participation tax revenues	Jun 30, 2010	(330.8)	(22.0)
Capitalized Interest PDF	Dec 31, 2011	0.0	0.0
Financial Assistance 2010	Dec 31, 2011	5,061.8	336.6
2011 National Treasury Funds to be applied	2011	(1,706.0)	(113.4)
Capitalized Interest AF 2010	Dec 31, 2011	207.9	13.8
2011 Debt Restructuring Agreement with Federal Government	Dec 31, 2011	26,905.5	1,788.9
Financial Assistance 2011	Dec 31, 2011	499.7	33.2
Financial Assistance 2012	Dec 31, 2012	1,500.0	99.7
Capitalized Interest 2013	Dec 31, 2013	5,274.1	350.7
2013 Debt Restructuring Agreement with Federal Government	Dec 31, 2013	34,179.4	2,272.6
2013 National Treasury Funds to be applied	January 2014	(4,556.8)	(303.0)
Net 2013 Debt Restructuring Agreement with Federal Government	January 2014	29,622.6	1,969.6
Capitalized Interest 2014	Dec 31, 2014	1,768.6	117.6
2014 Debt Restructuring Agreement with Federal Government	Dec 31, 2014	31,391.1	2,087.2
Financial Assistance 2014	Dec 18, 2014	1,200.0	79.8
Federal government withhold of co-participation tax revenues	January 2015	(8.3)	(0.5)
2014 National Treasury Funds to be applied	January 2015	(4,747.3)	(315.6)
Capitalized Interest	Dec 31, 2015	1,661.9	110.5
Argentine Provincial Indebtedness Federal Refinancing Program (PFD)	Dec 31, 2015	29,497.4	1,961.3
Capitalized Interest	Jun 30, 2016	846.7	56.3
Argentine Provincial Indebtedness Federal Refinancing Program (PFD)	Jun 30, 2016	30,344.1	2,017.6

Exchange rate ARS/USD as of June 30, 2016: 15.040.
Source: Ministry of Economy of the Province.

On May 12, 2015, the Province and the federal government entered into a new *Convenio entre la Provincia de Buenos Aires y el Gobierno Nacional* (the "May 2015 Debt Refinancing Agreement"), to refinance the total debt outstanding of ARS 28.23 billion as of March 31, 2015 under the same conditions as the January 2015 Debt Refinancing Agreement. On July 8, 2015, Provincial Decree No. 542/15 approved the May 2015 Debt Refinancing Agreement.

On August 20, 2015, the Province and the federal government entered into a new *Convenio entre la Provincia de Buenos Aires y el Gobierno Nacional* (the "August 2015 Debt Refinancing Agreement"), to refinance the total outstanding debt of ARS 28,648 million as of June 30, 2015, which was approved by Provincial Decree No. 1035/15. Pursuant to the terms of the August 2015 Debt Refinancing Agreement, principal will be amortized in 183 installments following a three-month grace period on both principal and interest until September 30, 2015. Interest will be capitalized during such grace period, and then payable on a monthly basis. The outstanding amounts will accrue interest at a fixed annual rate of 6%. In addition, the agreement provides that the grace period may be extended during 2015 as long as the Province continues to provide certain information to the federal government. Debt services are secured by the revenues of the Province from the federal tax co-participation regime.

On November 25, 2015, the Province and the federal government entered into a new *Convenio entre la Provincia de Buenos Aires y el Gobierno Nacional* (the "November 2015 Debt Refinancing Agreement" and, together with the January 2015 Debt Refinancing Agreement, the May 2015 Debt Refinancing Agreement and the August 2015 Debt Refinancing Agreement, the "2015 Debt Refinancing Agreement"), to refinance the total outstanding debt of ARS 29.07 billion as of September 30, 2015, which is expected to be approved by a provincial decree. Pursuant to the terms of the November 2015 Debt Refinancing Agreement, principal will be amortized in 168 installments following a fifteen-month grace period on both principal and interest until December 31, 2016. Interest will be capitalized during such grace period, and then payable on a monthly basis. The outstanding amounts will accrue interest at a fixed annual rate of 6%.

As of June 30, 2016, the outstanding principal amount under the 2015 Debt Refinancing Agreement was ARS 30.34 billion.

Sustainable Guaranty Fund Loan - ANSeS-

On August 2, 2016, pursuant to the Co-Participation Framework Agreement entered into by and among the federal government, the City of Buenos Aires, and the provinces on May 18, 2016, the federal government and the Province of Buenos Aires executed a loan agreement for approximately ARS 6.21 billion. The loan has been disbursed in full as of the date of this Luxembourg Listing Prospectus. See "Public Sector Finances—Main sources of revenues—Federal Tax Revenue Co-participation Regime." The loan will bear interest at an annual rate of 15% and will be repaid in a single installment on the date that is the fourth year after disbursement. The loan is guaranteed by the provincial revenues from the federal tax co-participation regime.

Trust Fund Loan for Provincial Development

In May 2010, the Province and the federal government entered into a new loan agreement under the Trust Fund for Provincial Development for ARS 300 million to be allocated to social services and basic social infrastructure works. This loan will be repaid over five years in 60 consecutive and equal monthly installments beginning January 2012, and will accrue interest at an annual nominal fixed rate of 7.0%. The interest due on this loan was capitalized through and including December 31, 2010 and the first interest payment was on January 2011. All of the payments under this loan are secured by federal tax co-participable funds that the Province is entitled to receive. This loan was disbursed in June 2010 and as of June 30, 2016 its outstanding principal amount was ARS 30.7 million.

On December 23, 2011, the Province signed a new loan agreement under the Trust Fund for Provincial Development for ARS 800 million to cover teachers' salaries and social plans. This loan will be repaid over 84 monthly and consecutive installments, with a one year grace period, beginning in January 2013. Outstanding amounts bear interest at an annual fixed rate of 6.0%. Interest was capitalized until December 31, 2011 and the first interest payment was on January 31, 2012. As of June 30, 2016, the outstanding principal amount under this loan was ARS 400.3 million.

Debt Consolidation (Law No. 12,836, as amended by Law No. 13,436)

In 2001, the Province established procedures for the consolidation of the Province's obligations to claimants who have prevailed in legal actions brought against the Province or its municipalities arising from events that occurred from April 1, 1991 through November 30, 2001. These procedures permit the issuance by the Province of a bond ("*Boconba* 12,836") to the claimants to extinguish their debt. *Boconba* 12,836 was issued in November 2001 with a 16-year maturity. The bonds are denominated in pesos and accrue interest at the rate *Tasa Encuesta* as published by the Central Bank. The *Tasa Encuesta* is the average annual interest rate paid on savings accounts. Accrued interest was capitalized during the 72-month period immediately following the issuance date and payable monthly thereafter. Principal amounts (including capitalized interest) are payable in 120 consecutive monthly installments that began on December 30, 2007.

On October 26, 2004, however, the Supreme Court of Argentina declared this debt consolidation process invalid because:

(i) it differed from the national debt consolidation regime in that it provided no cash payment option;

(ii) the provincial bonds have a longer maturity than the national debt consolidation bond; and

(iii) the aggregate amount of the provincial bonds is capped.

In response to the Supreme Court of Argentina ruling, the provincial legislature amended the provincial debt consolidation process by establishing a cash payment option, prioritizing the payments by source, reducing the maturity on the provincial bonds to 170 months and the amortization schedule to 98 monthly installments and eliminating the bond issuance cap, which originally amounted to 15.0% of the budgeted revenues for the central administration, effective upon the issue date. In addition, the provincial legislature established a voluntary early redemption option at technical value for the original holders of the *Boconba* 12,836 who received their bonds when no cash payment option was available. As a result of the modifications by the provincial legislature, the provincial executive was able to proceed with the issuance of *Boconba* 12,836.

The early redemption option for the *Boconba* 12,836 was exercisable only once, from April 3 through May 31, 2006. All redemption requests were satisfied for a total amount of ARS 7.7 million.

Requests for cash payments are organized according to the established criteria in the applicable regulations. Amounts are cancelled in the quarter in which payment is made until the quarterly budget for cash payments is exhausted. Any payments that are not made during a particular quarter are added to those requests for cash payments submitted in the following quarter.

The *Boconba* 12,836 has been repaid in full on January 30, 2016.

Federal Trust Fund for Regional Infrastructure

In 1997, the federal government created the *Fondo Fiduciario Federal de Infraestructura Regional* (the Federal Trust Fund for Regional Infrastructure, or "FFFIR") to finance provincial infrastructure projects and other public works in order to promote regional economic development and increase national economic productivity. The Province has entered into seventeen loan agreements with the FFFIR, of which nine are allocated to improve public roadways, one is intended to renew and expand a port within the Province, four are allocated to build city halls, two aimed at improving the water and sanitary system and one aimed at financing a land reclamation project.

As of June 30, 2016, the Province had received approximately ARS 321.2 million under these agreements and the aggregate outstanding amount was equal to ARS 307.1 million, of which approximately 99.9% was denominated in pesos adjusted by the *Índice del Costo de la Construcción* (Construction Price Index) and 0.1% was denominated in normal pesos. All payments under these loans are secured by federal tax co-participable funds that the Province is entitled to receive.

Fund for the Transformation of the Provincial Public Sectors

In 1993, the federal government created the *Fondo para la Transformación del Sector Público Provincial* (Fund for the Transformation of the Provincial Public Sectors, or "FTSP") for the purpose of extending loans to finance tax reforms, personnel restructuring and the improvement of the public sector. In 2003, the FTSP extended the Province a ARS 6 million 10-year loan, which is secured by federal co-participation tax revenues owed to the Province, for purposes of investments in public health, security and education services. As of June 30, 2016, the FTSP had disbursed 100% of this loan and the aggregate outstanding principal amount owed to the FTSP was ARS 0.01 million.

ANSeS Housing Plan and Housing Trust Fund.

In 2009, ANSeS provided the Province with a ARS 350 million line of credit to build homes pursuant to a federal housing program for a two-year term as from the date of the principal disbursement of the loan, accruing interest on a quarterly basis at a rate of BADLAR plus 3.5% from the date of disbursement. Pursuant to the 2010 Budget Law, the executive branch is authorized to create a trust to issue bonds for up to ARS 950 million. According to Provincial Decree No. 1,507/09, ARS 350 million was authorized in order to refinance the loan with ANSeS. In April 2011, debt securities for ARS 350 million due in 2026 were issued under this trust fund. These securities accrue interest at the BADLAR rate of public banks plus 2.0%, and amortize on a quarterly basis. The first installment was paid in October 2011. The use of proceeds was used to cancel the loan granted by ANSeS. Payments under these securities are secured by federal tax co-participable funds that the Province is entitled to receive. As of June 30, 2016, the aggregate outstanding principal amount was ARS 288.0 million.

Bonds for the Cancellation of Obligations with Agents and Ex-Agents of the Accounting Tribunal, General Legal Advisor to the Executive Branch of the Province, General Accounting Office of the Province and General Treasury (BOTACOTE).

In September 2010, in accordance with Decree 820/10, BOTACOTE with a face value of ARS 78.1 million were delivered to current and former employees in the Accounting Tribunal, the General Legal Advisor to the Executive Branch of the Province, the General Accounting Office of the Province and the General Treasury in order to retroactively pay bonuses owed to those employees, pursuant to the provincial law which restores and realigns the agents' hierarchy and compensation in these five offices. The BOTACOTE had an issue date of January 10, 2010, and all amortizations and interest accrual were made retroactive to that date. Accordingly, BOTACOTE were repaid in 48 consecutive and equal monthly installments. The first nine installments were paid in October 2010. BOTACOTE accrued interest at an annual rate of 5.0%. The bonds matured on January 10, 2014 and were repaid in full.

Bonds Law 10,328

In November 2006, pursuant to Law No.13,576, the Province created the *Plan de Adecuación Salarial del Personal de Vialidad* (Wage Plan Adequacy for Road Personnel) applicable to certain road personnel covered by Provincial Law No.10,328. This Wage Plan Adequacy for Road Personnel authorized the Province to issue bonds for a nominal value of ARS 20 million to cancel obligations with such personnel.

As of June 30, 2016, there was only one subscription of ARS 0.02 million.

Treasury Bills

In 2010, the Province began to use treasury bills as a new short-term financing instrument (the "Treasury Bills"). The Treasury Bills must be fully amortized within a year of their issuance and their repayment is guaranteed with federal tax co-participation revenues to which the Province is entitled. If Treasury Bills are not fully amortized within the fiscal year of their issuance, they are automatically converted into outstanding indebtedness for the previous fiscal year. The Treasury Bills can be issued with a discount or with an interest coupon, in local or foreign currency, with a single amortization at maturity.

The Treasury Bills are listed on the Buenos Aires Stock Exchange and the MAE, and were rated "B3" by Moody's Latin America on the Global Local Currency Instruments scale, and Baa3.ar on the Argentine Instruments scale.

As of December 31, 2011, 2012, 2013, 2014 and 2015, the nominal amount of Treasury Bills that were not amortized within each relevant fiscal year and were converted into outstanding indebtedness for the subsequent fiscal year amounted to ARS 1.66 billion, ARS 3.14 billion, ARS 2.8 billion, ARS 1.88 billion and ARS 4.26 billion, respectively.

The 2016 Budget authorized the Province to issue up to ARS 3.0 billion in Treasury Bills. In addition, the Permanent Complementary Budget Law authorized the issuance of additional Treasury Bills to cancel the Treasury Bills issued in 2015. Resolution No. 17/16 of the General Treasury Office, modified by Resolution 64/17 authorized the issuance of Treasury Bills for up to ARS 7.26 billion for this purpose.

As of October 14, 2016, the Province had issued the following Treasury Bills in 2016:

First Tranche (issued on January 4, 2016):

Type	Rate	Amount	Maturity
Discount	32.00%	ARS 2,306.10 million	February 11, 2016
BADLAR-adjusted	BADLAR + 4.75%	ARS 564.75 million	April 7, 2016
BADLAR-adjusted	BADLAR + 4.50%	ARS 41.50 million	June 16, 2016
BADLAR-adjusted	BADLAR + 4.75%	ARS 51.00 million	December 1, 2016

Second Tranche (issued on January 14, 2016):

Type	Rate	Amount	Maturity
Discount	30.00%	ARS 725.13 million	March 10, 2016
Discount	30.00%	ARS 127.48 million	April 7, 2016
BADLAR-adjusted	BADLAR + 4.25%	ARS 207.40 million	July 14, 2016
BADLAR-adjusted	BADLAR + 4.50%	ARS 185.06 million	November 10, 2016

Third Tranche (issued on February 11, 2016):

Type	Rate	Amount	Maturity
Discount	29.35%	ARS 1,504.91 million	April 7, 2016
Discount	28.13%	ARS 24.59 million	May 12, 2016
BADLAR-adjusted	BADLAR + 4.50%	ARS 592.46 million	August 11, 2016
BADLAR-adjusted	BADLAR + 4.50%	ARS 270.13 million	December 15, 2016

Fourth Tranche (issued on March 10, 2016):

Type	Rate	Amount	Maturity
Discount	35.00%	ARS 725.06 million	May 12, 2016
Discount	34.00%	ARS 21.73 million	June 9, 2016
BADLAR-adjusted	BADLAR + 5.00%	ARS 138.75 million	September 15, 2016
BADLAR-adjusted	BADLAR + 4.49%	ARS 16.02 million	March 9, 2017

Fifth Tranche (issued on April 6, 2016):

Type	Rate	Amount	Maturity
Discount	33.75%	ARS 984.66 million	June 9, 2016
Discount	33.00%	ARS 4.44 million	July 14, 2016
BADLAR-adjusted	BADLAR + 3.00%	ARS 38.65 million	September 15, 2016

Sixth Tranche (issued on May 12, 2016):

Type	Rate	Amount	Maturity
Discount	35.50%	ARS 751.14 million	July 14, 2016
Discount	34.00%	ARS 118.74 million	August 11, 2016

Seventh Tranche (issued on June 9, 2016):

Type	Rate	Amount	Maturity
Discount	31.75%	ARS 988.47 million	August 11, 2016
Discount	30.48%	ARS 184.92 million	September 15, 2016
BADLAR-adjusted	BADLAR + 3.25%	ARS 401.04 million	December 15, 2016

Eighth Tranche (issued on July 14, 2016):

Type	Rate	Amount	Maturity
Discount	29.25%	ARS 802.26 million	September 15, 2016
Discount	28.48%	ARS 136.24 million	October 13, 2016
BADLAR-adjusted	BADLAR + 2.80%	ARS 99.62 million	January 12, 2017
BADLAR-adjusted	BADLAR + 3.00%	ARS 507.81 million	April 6, 2017

Ninth Tranche (issued on August 11, 2016):

Type	Rate	Amount	Maturity
Discount	28.50%	ARS 928.21 million	October 13, 2016
Discount	27.99%	ARS 246.78 million	November 10, 2016
BADLAR-adjusted	BADLAR + 2,70%	ARS 60.40 million	February 9, 2017
BADLAR-adjusted	BADLAR + 2.98%	ARS 332.80 million	August 10, 2017

Tenth Tranche (issued on September 15, 2016):

Type	Rate	Amount	Maturity
Discount	26.10%	ARS 828.39 million	November 10, 2016
Discount	25.30%	ARS 278.78 million	December 15, 2016
BADLAR-adjusted	BADLAR +1.00%	ARS 3.53 million	March 9, 2017
BADLAR-adjusted	BADLAR + 2.74%	ARS 62.37 million	September 14, 2017

Eleventh Tranche (issued on October 13, 2016):

Type	Rate	Amount	Maturity
Discount	25.90%	ARS 906.20 million	December 15, 2016
Discount	25.20%	ARS 159.23 million	January 12, 2017
BADLAR-adjusted	BADLAR +2.48%	ARS 70.57 million	October 12, 2017

Source: Ministry of Economy of the Province.

As of October 14, 2016, the outstanding principal amount of Treasury Bills issued was ARS 6.2 billion.

Bonds of the Province of Buenos Aires – Section 45, Law No. 14,062

In December 2010, in accordance with Section 45 of the 2010 Budget Law, the Province issued bonds with a face value of ARS 133.5 million to the pension fund for Banco Provincia personnel. These bonds were issued to repay funds advanced by Banco Provincia to the pension fund from 2000 to 2008 to cover financial imbalances in the fund. Law No. 14,062 Bonds had an issue date of September 20, 2010, and all amortizations and interest accrual were made retroactive to that date. Interest on Law No. 14,062 Bonds is paid quarterly at an annual interest rate of 6.0%. These bonds are repaid in 40 consecutive and equal quarterly installments and mature on September 20, 2020. The first installment on these bonds was paid on December 20, 2010. As of June 30, 2016, the outstanding principal amount of the Law No. 14,062 Bonds was ARS 56.7 million.

Bonds for the Cancellation of Provincial's Debts – Decree No. 557/12

In August 2012, the Province issued debt cancelation bonds to regularize treasury payment delays, with a total face value of ARS 0.90 billion. Two series of bonds were issued, A and B, which were repaid in 18 monthly and consecutive installments, after a three month-grace period. The A series accrued interests at the BADLAR rate. The B series accrued interest at the BADLAR rate plus 200 basis points. On May 1, 2014, the Province repaid in full all amounts due under these Bonds.

Bonds for the Cancellation of Provincial's Debts – Decree No. 648/12

In October 2012, the Province issued debt cancelation bonds to regularize treasury payment delays, for a total aggregate amount of ARS 1.00 billion. Two series of bonds were issued, A and B, which were repaid in 18 monthly and consecutive installments, after a three-month grace period. The A Series accrued interest at BADLAR rate. The B Series accrued interest at the BADLAR rate plus 200 basis points. The bonds matured on July 1, 2014 and were repaid in full.

Bonds for the Cancellation of Provincial's Debts – Decree No. 1285/13

In December 2013, the Province enacted the Provincial Decree No.1285/13, which authorized the issuance of a new debt cancelation bond to regularize treasury payment delays, for a total aggregate amount of ARS 1.5 billion, in two series: Series A was issued on March 14, 2014, and Series B were issued on July 14, 2014. Both series will be repaid in 21 monthly and consecutive installments, after a grace period of three months, and accrue interest at BADLAR rate. On March 14, 2016, the Series A bonds were repaid in full. As of June 30, 2016, the outstanding principal amount of the Series B bonds was ARS 14.4 million.

Bonds for the Strengthening of the Municipal Finances – Law No. 14,357

In December 20, 2012, in accordance with Section 26 of Law No. 14,357, the Province issued bonds for ARS 0.20 billion to help strengthen the municipal finances. These bonds were repaid in 18 monthly and consecutive installments, after a three-month-grace period. The proceeds of these bonds were transferred to the municipalities in accordance with unique distribution coefficients, based on which co-participable revenues are transferred. Debt services were paid with general provincial revenues. The bonds matured on September 20, 2014 and were repaid in full.

Bonds for the Cancellation of Debts with Suppliers and Contractors – Law No. 14,315

Law No. 14,315 established the issuance of a bond for up to ARS 1.1 billion to cancel obligations with suppliers and contractors resulting from construction, complementary works and work maintenance of Provincial Route No. 6. Such bonds were issued in three series on November 1, 2012 for ARS 0.22 billion, on March 1, 2013 for ARS 0.44 billion and on March 1, 2014 for ARS 0.44 billion. The term for all of the series is three years, payable in quarterly installments. The last two series include a grace period of two quarters. Interest is payable on a quarterly basis and accrues at the BADLAR rate. As of October 14, 2016, the three series had been fully subscribed. On November 1, 2015 and on March 1, 2016 the "Bonds Law No. 14,315 – Series A and B" were repaid in full, respectively.

In addition, section 43 of the 2014 Budget Law established an additional amount of ARS 0.70 billion to the already budgeted amount under Law No. 14,315. In this regard, Provincial Decree No. 683/14 provided for the issuance of the "Bond Law No. 14,315 - Series D", for a period of three years and repayable in quarterly installments, with a grace period of two quarters. Interest is payable on a quarterly basis over the BADLAR rate in pesos. This Series D bonds were issued on September 1, 2014. As of October 14, 2016, the Series D had been fully subscribed.

Section 39 of the 2015 Budget Law increased the aggregate amount established under Law No. 14,315 by an additional ARS 0.70 billion for a total of ARS 2.5 billion. Provincial Decree No. 45/15 authorized the issuance of the "Bond Law No. 14,315 – Series E", for a period of three years and repayable in quarterly installments, with a grace period of two quarters. Interest is payable on a quarterly basis on the basis of the BADLAR rate in pesos. The Series E bonds were issued on February 1, 2015. As of the date of October 14, 2016, there had been subscriptions for ARS 0.5 billion.

As of June 30, 2016, the outstanding principal amount of the C, D and E series of bonds was ARS 838.7 million.

La Plata Flood Relief Agreement

The natural disaster which took place on April 2, 2013, damaged the infrastructure of the city of La Plata, capital of the Province. As a result, pursuant to Law No. 14,527, the executive branch incurred debt in an amount of ARS 1.97 billion to finance the reconstruction of all damaged infrastructure and undertake any other measure necessary to mitigate the potential future damage that may occur due to heavy rainfall in the area.

On October 22, 2013, the Province and the federal government signed a Framework Agreement whereby the federal government commits itself to financially assist the Province in implementing the Public Work Plan approved by Law No.14,527.

On February 14, 2014, the Province and the federal government signed a Financing Agreement which established the financial terms and conditions of the loan from the federal government. It will be repaid in one installment after 3 years from each disbursement and will accrue interest at an annual rate of BADLAR plus 1.0%. All payments under this loan are secured by federal tax co-participable funds that the Province is entitled to receive. As of June 30, 2016, a total of ARS 1.3 billion had been disbursed under this loan.

Public Debt Issuance Program in the Local Capital Markets for 2015

Pursuant to Provincial Decree No. 46/15, the Province created the "Public Debt Issuance Program in the Local Capital Markets for 2015" for a total amount up to ARS 2.0 billion. Banco de la Provincia de Buenos Aires is acting as bookrunner.

On February 11, 2015, the Province issued the first series of bonds pursuant to this program. The terms and conditions were approved by Resolution No. 27/15. The first series included two classes of bonds:

- Class I: Issuance of ARS 787.7 million, with a term of 18 months. Principal will be repaid in a single installment at maturity and interest is paid on a quarterly basis. The first three interest payments will be calculated at a fixed rate of 27.5%; whereas the remaining will be calculated at a variable rate, which will be determined at BADLAR rate plus 6.35%.

- Class II: Issuance of ARS 105.2 million, with a term of 24 months. Principal will be repaid at maturity in a single installment. Interest will be paid on a quarterly basis, at BADLAR rate plus 6.7%.

On May 18, 2015, the Province issued the second series of bonds pursuant to this program. The terms and conditions were approved by Resolution 88/15. The second series include two classes of bonds:

- Class I: issuance of ARS 564.1 million, with a term of 18 months. Principal will be repaid in a single installment at maturity and interest is paid on a quarterly basis. The first three interest payments will be calculated at a fixed rate of 26.9875% whereas the remaining will be calculated at a variable rate, which will be determined at BADLAR rate plus 6.25%.

- Class II: Issuance of ARS 169.7 million, with a term of 24 months. Principal will be repaid in four equal installments together with the last four interest payments. The first three interest payments will be calculated at a fixed rate of 26.9875% whereas the remaining will be calculated at a variable rate, which will be determined at BADLAR rate plus 6.25%.

On June 18, 2015, the Province reopened the issuance of the Series II – Class I bond through a private placement for ARS 174.3 million.

On July 8, 2015, pursuant to Decree No.546/15, the Province increased the local Public Debt Issuance Program for 2015 by ARS 3.0 billion and issued the Series III bonds. The terms and conditions were established pursuant to Resolution No.145/15 and ARS 812 million principal amount of this Series III were issued for a term of 18 months. Principal will be repaid at maturity and interest is paid on a quarterly basis. The first three interest installments will be calculated at 28.5%, while the remaining at a 5.0% plus BADLAR rate.

On August 25, 2015, Resolution No. 162/15 established the reopening of the Series III for ARS 188 million. As of October 14, 2016, there had been subscriptions of ARS 995 million for said Series III. As of October 14, 2016, the Class I of the Series I bonds was repaid in full.

As of June 30, 2016 the total debt issued under the Public Debt Issuance Program in the Local Capital Markets for 2015, was ARS 2.8 billion.

Bonds of Province of Buenos Aires with maturity date on December 30, 2015

On April 10, 2015, pursuant to Provincial Decree No. 115/15, the Province issued "Bonds of Province of Buenos Aires with maturity date on December 30, 2015" for a total amount up to ARS 1.20 billion. With a 26.4375% interest rate. The bonds matured on December 30, 2015 and were repaid in full.

Suppliers Bond

On February 5, 2016, the Province issued a bond pursuant to Provincial Decree No. 62/16, for a nominal value of ARS 8 billion, with the purpose of cancelling amounts due by the General Treasury. The bonds have a term of 24 months and accrue interest at the BADLAR rate.

As of June 30, 2016, the outstanding principal amount of these bonds was ARS 7.95 billion.

As of October 14, 2016, there had been subscriptions of ARS 7.99 billion for these bonds.

Debt Denominated in Foreign Currencies

Exchange Bonds

In November 2005, the Province launched an offer to the holders of its outstanding Eurobonds, which had been in default since December 2001, to exchange these bonds for three series of newly issued bonds at a specified exchange ratio that recognized a portion of the accrued and unpaid interest on the Eurobonds. The aggregate principal amount of Eurobonds outstanding at the time of the offer was approximately USD 2.70 billion, denominated in dollars, euros, yen and Swiss francs.

Holders of approximately 93.7% of the aggregate outstanding principal amount of Eurobonds tendered their bonds in the offer, which expired in December 2005. As a result, in January 2006, the tendered Eurobonds were cancelled and, in exchange, the Province issued the following "Exchange Bonds":

- USD 0.50 billion aggregate principal amount of Discount Bonds due April 15, 2017 ("Discount Bonds"), denominated in both dollars and euros, with semi-annual payments of principal, commencing on October 15, 2012 and bearing interest on the outstanding principal amount from December 1, 2005 at an annual rate of 9.2% for the series in dollars and 8.5% for the series in euros, payable every six months on April 15 and October 15, calculated on the basis of a 360 day year;

- USD 0.75 billion aggregate principal amount of Medium Term Par Bonds due May 1, 2020 ("Medium Term Par Bonds"), denominated in both dollars and euros, with semi-annual payments of principal, commencing on November 1, 2017, and bearing interest on the outstanding principal amount at an annual rate of 1.0% on the outstanding principal amount from December 1, 2005 until November 1, 2009, 2.0% from November 2, 2009 to November 1, 2013, 3.0% from November 2, 2013 to November 1, 2017, and thereafter 4.0% until maturity, payable every six months on May 1 and November 1, calculated on the basis of a 360 day year; and

- USD 1.06 billion aggregate principal amount of Long Term Par Bonds due May 15, 2035 ("Long Term Par Bonds"), denominated in dollars and euros, with semi-annual payments of principal, commencing on November 15, 2020, and bearing interest on the outstanding principal amount at an annual rate of 2.0% from December 1, 2005 until November 15, 2007, 3.0% from November 16, 2007 to November 15, 2009, and 4.0% thereafter, payable every six months on May 15 and November 15, calculated on the basis of a 360 day year.

In addition, after the closing of the exchange offer, the Province continued receiving requests from bondholders who, for various reasons, had not been able to tender their holdings into the exchange.

As of June 30, 2016, 97.6% of the existing Eurobonds had been exchanged for Exchange Bonds, the aggregate principal amount of Exchange Bonds outstanding was ARS 28.9 billion, and the aggregate principal amount of Eurobonds that have not been exchanged was ARS 0.90 billion.

The table below provides a summary of the total issuance of Exchange Bonds:

	Currency	Maturity	Amount	Interest rate	Interest payment frequency	Payment days
Discount	USD	15-Apr-2017	333,893,191	Fixed, 9.25%	semi-annually	15/Apr and 15/Oct
	Euro	15-Apr-2017	138,536,283	Fixed, 8.50%	semi-annually	15/Apr and 15/Oct
Medium Term Par	USD	01-May-2020	63,699,456	Step up, from 1 to 4%	semi-annually	1/May and 1/Nov
	Euro	01-May-2020	572,261,329	Step up, from 1 to 4%	semi-annually	1/May and 1/Nov
Long Term Par	USD	15-May-2035	488,427,963	Step up, from 2 to 4%	semi-annually	15/May and 15/Nov
	Euro	15-May-2035	578,248,613	Step up, from 2 to 4%	semi-annually	15/May and 15/Nov

Source: Ministry of Economy of the Province.

Post-restructuring issued Eurobonds

In 2006, the Province accessed the international credit markets by issuing a new bond under the borrowing authorization provided by Laws No. 13,403 (the "2006 Budget Law") and No. 13,526, which amended the 2006 Budget Law, and Decree No. 2,546/06. This bond was issued in October 2006 in an aggregate principal amount of USD 475 million and is due in 2018. The bond has an annual coupon of 9.375% and a single amortization at maturity. Interest on these bonds is paid semiannually in March and September of each year.

On April 18, 2007, the Province decided to again access the international capital markets. Pursuant to Law No. 13,612 (the 2007 Budget Law) and Decree No. 63/07, the Province issued USD 0.40 billion of bonds due in 2028. These bonds have a 9.625% coupon and amortize in equal amounts during the final three years of the bonds before maturity. Interest on these bonds is paid semiannually in April and October of each year.

On October 5, 2010, the Province issued bonds due 2015 for USD 0.55 billion. This issuance was reopened on October 20, 2010 and on July 21, 2011, and an additional USD 0.50 billion of bonds were issued, for an aggregate total principal amount of USD 1.05 billion. The bonds issued in 2010 and 2011 were issued under the borrowing authorization provided by the 2010 Budget Law and Decree No. 449/10, and by the 2011 Budget Law and Decree No. 2,962/10, respectively. The bonds have a coupon of 11.75% and amortize in a single payment upon maturity. Interest on the bond is paid semiannually in April and October of each year. These bonds were fully repaid.

On January 26, 2011, the Province issued bonds due in 2021 for USD 0.75 billion. The bonds were issued under the borrowing authorization provided by the 2011 Budget Law and Decree No. 2,962/10. These bonds have a coupon of 10.875% and amortize in equal amounts in each of the three last years. Interest on the bonds is paid semiannually in January and July of each year.

As of June 30, 2016, the aggregate outstanding principal amount of these bonds issued in the international capital markets was ARS 24.4 billion.

Liability management transaction

On June 9, 2015, the Province issued USD 500 million principal amount of its 9.95% Notes due 2021. On June 11, 2015, the Province closed a global exchange offer to exchange up to USD 500 million of its outstanding USD 11.75% Notes due 2015 for additional 9.95% Notes due 2021. As a result of the exchange offer, the Province cancelled approximately USD 380 million aggregate principal amount of its USD 1.05 billion 11.75% Notes due 2015 and issued approximately USD 400 million aggregate principal amount of additional 9.95% Notes due 2021, which represented an additional issuance that was consolidated, forms a single series and is fully fungible with the Province's outstanding 9.95% Notes due 2021 that were previously issued for cash on June 9, 2015. The 9.95% Notes due 2021 are listed on the Luxembourg Stock Exchange and admitted to trade on the Euro MTF Market and are listed on the MERVAL and MAE.

As of June 30, 2016, the aggregate outstanding principal amount of these bonds issued in the international capital markets was ARS 13.5 billion.

Bond Issuance in the international capital markets in 2016

On March 16, 2016, the Province of Buenos Aires issued USD 1.25 billion principal amount of its 9.125% Notes due 2024 in the international capital markets pursuant to the indebtedness authorization provided by the 2016 Budget. The 2024 Notes will be repaid in three installments during the last three years and will bear interest at the annual rate of 9.125%, payable on March 16 and September 16 of each year.

On June 15, 2016, the Province of Buenos Aires issued the Initial Notes in the international capital markets, including USD 500 million principal amount of its 5.750% Notes due 2019 and USD 500 million principal amount of its 7.875% Notes due 2027 in the international capital markets in accordance with the indebtedness authorization set forth in the 2016 Budget. The 2019 Notes will amortize in a single installment on the maturity date and will bear interest at a 5.750% annual rate. The 2027 Notes will be repaid in three installments during the last three years and will bear interest at the annual rate of 7.875%. The Initial Notes pay interest on June 15 and December 15 of each year.

As of June 30, 2016, the aggregate outstanding principal amount of these bonds issued in the international capital markets was ARS 33.8 billion.

Multilateral Loans

The World Bank and the IDB have extended several credit facilities to finance various projects in the Province, such as road construction, water and wastewater infrastructure, public administration strengthening, and education and health reforms. The latest maturity under these credit facilities occurs in 2038. In most cases, these facilities are extended to the federal government, which makes the proceeds available to the relevant provincial agencies or entities.

In addition to the credit lines granted by the World Bank and the IDB, the Province has entered into two additional credit lines, one with the *Fondo Financiero para el Desarrollo de la Cuenca del Plata* ("FONPLATA") for USD 47.2 million and the other with the *Corporación Andina de Fomento* ("CAF") for USD 150 million, in order to finance improvements on the provincial river ports and the construction of a drinking water pipeline in the city of Bahia Blanca, respectively. As of October 14, 2016, no disbursements had been made under the CAF loan.

As of June 30, 2016, the Province had obtained 19 multilateral credit facilities, of which 9 are direct loans to the Province with the federal government acting as guarantor, and the remaining 10 are subsidiary lending arrangements through credit facilities extended to the federal government. Under the subsidiary lending arrangements, the federal government is the direct obligor rather than the guarantor, and the Province has a subsidiary obligation to reimburse the federal government for any repayments made under the facilities. Under either arrangement, the Province's obligation to reimburse the federal government is secured by a portion of the federal tax co-participation transfers to which the Province is entitled. In addition, the proceeds of three credit facilities extended by the IDB and the World Bank have been made available to the municipalities through further subsidiary lending arrangements.

During the last few years, the Province entered into several loan agreements with IDB, World Bank and FONPLATA. The table below provides a summary of the total disbursements made under those loans as of June 30, 2016.

Disbursements of loans as of June 30, 2016

(In millions of USD)

Loan Agreement	Program	Use of funds	Year	Contractual amount	Outstanding as of June 30, 2016
IDB 1855	Program for Improvement of Municipal Management	Municipal Strengthening	2007	12	4.5
FONPLATA	Program for Improvement of Competitiveness of River Ports of the Province of Buenos Aires	Infrastructure	2008	47.2	26.2
IDB 1895	Program Water and Sanitation for Small Communities	Environmental management	2010	65	2.4
IDB 2210	Program of Citizen Security and Inclusion	Infrastructure	2010	25	11.7
IDB 2573	Provincial Agricultural Services Program III	Infrastructure	2011	60	4.9
IDB 3256	Program Sanitation and Flood Control in the Reconquista River Basin	Infrastructure	2014	230	4.5

Source: Ministry of Economy of the Province.

As of June 30, 2016, the outstanding principal amount owed under these multilateral loans or credit facilities totaled ARS 10.6 billion.

Bilateral Lending and Credit Facilities

Member states of the Organization for Economic Co-operation and Development (the "OECD") have extended loans or credit facilities to the Province for various purposes. These loans or facilities include:

- bilateral loans from the governments of Italy and Spain;
- credit facilities provided by Credit Lyonnais and guaranteed by COFACE, the French export-import insurance agency; and
- financing extended by the Export-Import Bank of Japan and the Japan Bank for International Cooperation, both of which are agencies of the government of Japan.

Each of these loans and credit facilities has been extended to the Province to finance equipment imports necessary for essential public services.

The federal government guarantees the Province's payment obligations under these loans and credit facilities. Any payments made by the federal government pursuant to this guarantee are secured by federal tax co-participation revenues owed to the Province.

The Province is in default on these loans and credit facilities and has authorized the federal government to conduct negotiations on its behalf to restructure these loans and credit facilities. As of June 30, 2016, the outstanding principal amount owed under these loans or credit facilities totaled ARS 2.10 billion.

Bond of the Province of Buenos Aires due 2016

In May 2009, the Province issued U.S. dollar-denominated bonds in the aggregate amount of USD 35 million. USD 28.9 million of these bonds was subscribed by the Social Security Funds of the Province. The unsubscribed bonds are currently held by the Province. In December 2009, the original issue amount was increased by USD 165 million and such amount remains unsubscribed. The bonds were issued on May 1, 2009, mature on May 1, 2016 and amortize in nine semi-annual installments beginning on May 1, 2012. The bonds bear interest at U.S. dollar BADLAR plus 1.5%, with an interest rate cap of 7.0%. Interest was capitalized until November 1, 2009 and the first interest payment was made on May 1, 2010. All payments are secured by federal tax co-participable funds that the Province is entitled to receive. These bonds matured on May 1, 2016 and were repaid in full.

Public Debt Issuance Program in the local capital markets for 2012

In 2012, pursuant to Provincial Decree No. 292/12, the Province created the *Programa de Emisión de Deuda Pública en el Mercado Local de Capitales durante el Ejercicio 2012* (Public Debt Issuance Program in the Local Capital Markets for 2012) to issue bonds for up to USD 250 million. Principal and interest on these bonds are payable in pesos at the exchange rate in effect as of each payment date. Banco Provincia was retained to act as Lead Manager and Puente Hnos. Sociedad de Bolsa S.A. as Bookrunner.

On May 24, 2012, pursuant to Resolution No. 181/12, the Province issued the first bond under this program for a nominal value of USD 50.2 million. The bond, which was paid on May 24, 2013, accrued interest at an annual fixed rate of 9.25%.

On August 8, 2012, pursuant to Resolution No. 245/12, a second bond was issued for a nominal value of USD 192.5 million. On November 7, 2012, the Province reopened the issuance of this second bond through a private placement for the remaining nominal value under the program of USD 7.3 million. This second bond, which was repaid in full on August 8, 2013, accrued interest at an annual fixed rate of 9.00%.

Public Debt Issuance Program in the local capital markets for 2013

In 2013, pursuant to Provincial Decree No. 164/13, the Province created the *Programa de Emisión de Deuda Pública en el Mercado Local de Capitales durante el Ejercicio 2013* (Public Debt Issuance Program in the local capital markets for 2013) to issue bonds for up to USD 800 million. Principal and interest on these bonds are payable in pesos at the exchange rate in effect as of each payment date. Banco Provincia was retained to act as Lead Manager and Puente Hnos. Sociedad de Bolsa S.A. as Bookrunner.

On August 8, 2013, pursuant to Resolution No. 99/13, the Province issued a bond for a nominal value of USD 200 million. The bond, accrued interest at an annual fixed rate of 4.24% and was repaid in full on February 8, 2015.

Authorizations under the Fiscal Responsibility Law

Under the Fiscal Responsibility Law established in 2004 and adopted by the Province in 2005, 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 has come 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, or modifying the financial terms of the Province indebtedness. As of October 14, 2016, the Province had obtained a favorable response to 72 of its requests.

BANCO PROVINCIA

Overview

Banco de la Provincia de Buenos Aires ("Banco Provincia") is a self-administered public institution, whose origin, guaranties and privileges are set forth in the Preamble and in Sections 31 and 104, ratified by Sections 31 and 121 of the National Constitution as amended in 1994, in the National Law No. 1029 of 1880, and in the relevant provincial laws.

Banco Provincia is the second largest bank in Argentina in terms of total deposits and assets, with total assets of ARS 192.7 billion and deposits of ARS 168.3 billion at June 30, 2016, representing 11.1% of the total deposit in cash of Argentina. The Province is the sole owner of Banco Provincia.

Banco Provincia is an entidad autárquica (self-administered public institution) governed by a board of directors appointed by the Governor of the Province with the approval of the provincial Senate. Banco Provincia acts as the financial agent of the Province and collects provincial taxes and duties on the Province's behalf. Banco Provincia is also the exclusive paying agent of the Province, handling payments of civil servants' wages and salaries and pension and retirement benefits, as well as payments to the Province's creditors. In addition, Banco Provincia is the exclusive agent for judicial deposits related to non-federal cases in provincial courts.

In accordance with Banco Provincia's charter approved by Provincial Decree-Law No. 9,434/79, the Province guarantees all deposits, bonds, securities and other liabilities of Banco Provincia. However, since the specific nature, scope and procedural aspects of the Province's obligations under the guarantee are not expressly defined under the provincial decree-law, the Province believes that the guarantee is an indirect and subsidiary obligation of the Province under general provincial legal principles. As a result, creditors of Banco Provincia seeking to enforce the guarantee must exhaust all legal remedies against Banco Provincia before requesting payment from the Province under the guarantee.

Banco Provincia is one of the largest providers of general, commercial and retail banking services in Argentina, with corporate offices in the cities of La Plata and Buenos Aires and a local retail network of 346 branch offices located throughout the provincial territory and in the City of Buenos Aires. Banco Provincia also offers trade finance and international products through its network of foreign offices in Brazil, Uruguay, Panama and Spain, and, until the winding-down process is completed, the Cayman Islands, in cooperation with approximately 150 correspondent banks around the world. At June 30, 2016, Banco Provincia had 10,483 employees.

Banco Provincia's activities are mainly focused on individuals and small and mid-sized enterprises, but it also offers a wide variety of products to large companies in the agricultural, industrial, commercial and services sectors. It offers traditional credit services to businesses, including foreign trade, project and commercial financing, as well as consumer and mortgage loans and a broad range of other products and services to individuals, including credit and debit cards and ATM and other cash dispenser facilities. Through Grupo Bapro S.A. and its subsidiaries, Banco Provincia also offers a range of other financial and investment products and services, such as insurance, leasing, securities investments and mutual funds.

Regulatory Framework

Banco Provincia is exempt from compliance with Argentine financial and banking regulations under an agreement entered into by the Province and the federal government in 1859. However, Banco Provincia voluntarily adheres to the regulatory framework of the Argentine financial sector and therefore complies with the banking regulations and rules adopted by the Central Bank, including regulations and rules relating to minimum capital, solvency and liquidity requirements and the supervisory powers of the Central Bank. Because of its special status as a provincial self-administered public institution, Banco Provincia is not subject to any federal income or other tax liability.

Law No. 24,485, as amended by Law No. 25,089 and Decree No. 540/95, enacted on April 12, 1995, created the *Sistema de Seguro de Depósitos* (Bank Deposit Insurance System, or "SSGD"), which is overseen by the Central Bank. The SSGD was implemented by the *Fondo de Garantía para los Depósitos* (Deposit Insurance Fund, or “FGD”) and is managed by the private company *Seguros de Depósitos S.A.* (Deposit Insurance Company, or “SEDESA”). The shareholders of SEDESA are the federal government (through the Central Bank) and a trust established by the financial institutions that participate in the system. These entities are required to pay monthly contributions to FGD as determined pursuant to Central Bank rules. The SSGD is financed through regular and supplemental contributions by the participating financial institutions.

The SSGD covers all peso and foreign currency deposits held in accounts with the participating financial institutions, including demand deposit accounts, savings accounts and time deposits, limited to ARS 450,000 per depositor, and subject to various other limitations and exceptions. Banco Provincia has been a voluntary participant in the SSGD since 1997.

The capital ratio for Banco Provincia at June 30, 2016 was 7.05%. The capital ratio represents the quotient of regulatory capital over risk-weighted assets, determined in accordance with the regulations of the Central Bank. Banco Provincia has submitted a new plan, currently under consideration by the Central Bank, oriented to remedy the deficiency in its capitalization ratio by December 31, 2018.

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 applies to Banco Provincia, which has a significant amount of retail clients. As a result of such regulation, together with an increase in the cost of deposits’ insurance (from 0.015% to 0.060%), Banco Provincia’s funding costs increased considerably.

Furthermore, during 2015, the Central Bank strengthen its regulation of credits to productive investment by mandating below market rates and requiring the funding of such credits to come from the lending entity only, while offering no offsetting compensation to the lender. This regulation had a negative impact on Banco Provincia’s financial brokerage activities in 2015, mainly due to the increase in interests paid by Banco Provincia under fixed term loans and increased administrative expenses, which were partially offset by a slight increase in loan interest charged to Banco Provincia’s clients.

As of October 14, 2016, the Central Bank’s new authorities, who took office in December 2015 as a result of the Macri administration taking office, had eliminated the regulations relating to minimum rate paid by the banks on fixed-term deposits made by retail clients and maximum interest rates applied over certain credit lines. The current federal administration also reduced the cost of deposit insurance from 0.060% to 0.015%. The combined effects of the Central Bank’s measures resulted in an increase in Banco Provincia’s financial intermediation margin from ARS 4.0 billion in June 30, 2015 to ARS 6.8 billion in June 30, 2016.

Selected Financial Information

The following selected financial information has been derived from Banco Provincia's audited financial statements for the periods indicated below.

	At and for the year ended December 31					At and for the six-month period ended June 30	
	2011	2012	2013	2014	2015	2015	2016
Balance sheet Data			(in millions of pesos)				
Assets							
Cash and due from banks	7,923	10,205	13,289	14,557	19,920	20,105	43,979
Government and corporate securities	9,987	11,115	11,735	19,009	17,122	23,028	35,059
Net loans	21,426	29,252	42,833	59,178	85,626	66,320	90,064
Other receivables from financial Brokerage activities	2,755	2,117	6,020	8,993	10,320	7,019	17,090
Property, equipment and miscellaneous assets	756	824	871	1,008	1,347	1,251	1,461
Other assets (1)	1,986	2,581	3,000	4,585	4,065	5,488	5,055
Total assets	**44,833**	**56,094**	**77,748**	**107,330**	**138,400**	**123,211**	**192,708**
Liabilities							
Deposits	38,393	49,405	68,690	90,985	122,045	108,925	168,339
Liabilities from financial brokerage activities(1)	3,188	2,393	2,378	6,985	5,624	4,479	11,976
Miscellaneous liabilities	160	240	355	496	915	646	912
Provisions	308	607	1,428	942	686	1.023	753
Items for which classification is pending	19	26	24	31	26	52	37
Total Liabilities	**42,068**	**52,671**	**72,875**	**99,439**	**129,296**	**115,125**	**182,017**
Total Net Equity	**2,765**	**3,423**	**4,873**	**7,891**	**9,104**	**8,086**	**10,691**
Total Net Equity and Liabilities	**44,833**	**56,094**	**77,748**	**107,330**	**138,400**	**123,211**	**192,708**
Income Statement Data							
Financial Income	4,481	6,524	10,397	17,256	20,966	9,351	15,490
Financial Expenditure	(1,849)	(2,926)	(4,656)	(8,739)	(12,404)	(5,373)	(8,691)
Provision for loan losses	(201)	(340)	(400)	(678)	(712)	(288)	(556)
Net income from services	1,404	1,840	2,419	2,996	4,225	1,832	2,377
Monetary gain (loss) on financial Brokerage activities	–	–	–	–	–	–	–
Administrative Expenses	(3,244)	(4,358)	(5,610)	(7,748)	(10,844)	(5,135)	(6,839)
Monetary gain (loss) on administrative expenses	–	–	–	–	–	–	–
Net income (loss) on financial Brokerage activities	591	740	2,150	3,087	1,231	387	1,781
Net miscellaneous income	9	(80)	(707)	(45)	(3)	(192)	(194)
Monetary gain (loss) on other operations	–	–	–	–	–	–	–
Net income (loss)	**600**	**660**	**1,443**	**3,042**	**1,228**	**195**	**1,587**

(1) Includes intangible assets, investments in other entities, various other loans and asset items for which classification is pending.
Source: Banco Provincia.

Consolidated Assets

Public Sector Exposure

As of June 30, 2016, Banco Provincia had a public sector exposure in Argentina of approximately ARS 26.23 billion, which represented 13.61% of its assets. This significant public sector exposure was primarily a result of the debt restructuring by the federal government and compensation for the effects of the devaluation of the peso and asymmetric pesification (see "Bogar and Boden") and the assistance to the provincial Government in accordance with Banco Provincia's charter.

The following table shows the total exposure of Banco Provincia to the Argentine public sector, both national and provincial, at the dates indicated:

Public Sector Exposure of Banco Provincia

	At and for the year ended December 31					At and for the six-month period ended June 30	
Goverment Securities	**2011**	**2012**	**2013**	**2014**	**2015**	**2015**	**2016**
	(in millions of pesos)						
Bogar 2018	8.101	9.050	8.653	8.572	6.648	7.719	6.147
Boden 2012	-	-	-	-	-	-	-
Boden 2015	-	8	1.561	-	-	-	-
Discount Dollar - Law Argentina	5	7	12	-	-	-	-
Bono Banco Municipal de La Plata	4	1	-	-	-	-	-
Buenos Aires 2018	734	821	460	-	-	-	-
Bonar Pesos 2016	-	-	-	278	227	292	224
Bonar Pesos 2017	-	-	-	186	1	239	-
Bonar Pesos 2019	-	-	-	93	97	91	96
Bonad Octubre 2016	-	-	-	210	-	194	-
Bonar 2017	-	-	-	106	27	-	-
Bonar 2024	-	-	-	203	-	221	91
Bonac Mayo 2016	-	-	-	-	-	207	-
Bonac Julio 2016	-	-	-	-	19	115	20
Bono Buenair 8,95	-	-	-	-	-	-	18
Bono Buenos 9,95 PBJ21	-	-	-	-	-	-	16
Others	668	584	491	79	98	128	38
Total Goverment Securities	**9.512**	**10.471**	**11.177**	**9.727**	**7.117**	**9.206**	**6.650**
Public Sector Loans	**2.173**	**2.963**	**5.204**	**8.706**	**11.163**	**6.418**	**7.635**
Other receivables from financial brokerage activities			**3.786**	**3.786**	**7.464**	**3.786**	**7.464**
Others Assets							
Bogar 2018 [1]	20	-	271	-	-	-	7
Bogar 2018 [1]	729	-	-	-	-	-	-
Boden 2012 [2]	237	-	-	-	-	-	-
Discount USD [2]	149	-	-	-	-	-	-
Bogar 2018 [2]	403	224	-	-	-	-	-
Global 2017 [2]	-	354	-	-	-	-	-
Boden 2015 [2]	-	223	-	-	-	-	-
Titulos vinculados al PBI en USD		46	-	-	-	-	-
Caja de Jubilaciones BPBA	7	646	1.606	3.773	3.408	4.725	4.479
Total Others Assets	**1.554**	**1.493**	**1.877**	**3.773**	**3.408**	**4.725**	**4.486**
Total	**13.230**	**14.927**	**22.044**	**25.992**	**29.152**	**24.135**	**26.235**

(1) Bonds applied in repurchase transactions ("Repos") with local banks.
(2) Bonds applied in repurchase transactions ("Repos") with foreign banks.
Source: Banco Provincia.

Bogar and Boden

In February 2002, the federal government ordered the mandatory conversion of dollar-denominated deposits to CER-adjusted pesos deposits at a rate of ARS 1.40 per USD 1.00. This measure was known as the "pesification." As a result of the pesification of deposits and loans at different rates (known as "asymmetric pesification"), Argentine banks, including Banco Provincia, recorded losses reflecting the difference between their pesified assets and their pesified liabilities. To compensate banks for these losses, the federal government issued to these banks a new type of financial instrument, known as the *Boden Compensation* (“Boden 2007”). In addition, in May 2002, the federal government issued a new type of bond, known as the *Boden Coverage* (“Boden 2012”), to compensate banks for losses incurred, based on their balance sheets at December 31, 2001, reflecting any amounts by which their remaining foreign-currency denominated liabilities not subject to pesification exceeded their remaining foreign-currency denominated assets not subject to pesification.

In 2004, pursuant a request by the federal Ministry of Economy and Public Finance under the terms of Decree No. 905/02, Banco Provincia delivered Guaranteed Bonds (“Bogar 2018”) in exchange for Boden 2012, and agreed to exchange any Boden 2007 it received for such Bogar 2018. On July 31, 2006, Banco Provincia confirmed to the Central Bank that it agreed with the quantities of Boden 2007 and Boden 2012 owed to Banco Provincia pursuant to Articles 28 and 29 of Decree No. 905/02 as determined by the *Superintendencia de Entidades Financieras y Cambiarias* (the Superintendence of Financial Institutions and Exchanges or “SEFyC”). On October 3, 2006, as a result of its confirmation to the SEFyC regarding the quantities of Boden 2007, Banco Provincia agreed with the federal Ministry of Economy and Public Finance to execute the exchange of Boden 2007 for Bogar 2018. On October 13, 2006, the federal Ministry of Economy and Public Finance delivered to Banco Provincia Bogar 2018 with a face value of ARS 136.0 million.

Bogar 2018 are recorded at their technical value in Banco Provincia’s financial statements, which is calculated as the outstanding principal amount of the bond plus accrued interest. In September 2004, the Province established the *Fondo de Sostén del Valor de los Bonos Garantizados (Bogar)* (Fund to Support the Value of the Guaranteed Bonds (*Bogar*), or the “Fund”) to assure that the present value of the Bogar, discounted at the rates established by the Central Bank, would be equal to its technical value. The Fund receives cash flows financed with the revenues of the Province and transferred to Banco Provincia as capital. In accordance with provincial Law No. 13,225, modified by provincial Law No. 13,238, the Province had to transfer to the Fund ARS 0.05 billion in 2004, ARS 0.17 billion in 2007, ARS 0.16 billion in 2008, ARS 0.14 billion in each of 2009 and 2010, and has to transfer ARS 0.14 billion per year from 2011 through 2015 and ARS 0.12 billion in 2016. In addition, Banco Provincia has to transfer to the Province a portion of its net income in an amount equal to the cash flows provided by the Fund. Bogar 2018 represented 3.19% of Banco Provincia’s assets at June 30, 2016.

Loan Portfolio

The following table shows Banco Provincia’s loan portfolio by type of client at and for the periods indicated:

Evolution of Loans of Banco Provincia

	At and for the year ended December 31					At and for the six-month period ended June 30	
	2011	**2012**	**2013**	**2014**	**2015**	**2015**	**2016**
	(in millions of pesos)						
Public	2,173	2,963	5,204	8,706	11,163	6,418	7,635
Financial	4	5	-	-	7	-	95
Private	19,831	27,146	38,736	52,062	76,232	61,620	84,477
Total	**22,008**	**30,114**	**43,940**	**60,768**	**87,402**	**68,038**	**92,207**
Allowances	(582)	(862)	(1,107)	(1,590)	(1,776)	(1,718)	(2,143)
Total Net Loans	**21,426**	**29,252**	**42,833**	**59,178**	**85,626**	**66,320**	**90,064**

Source: Banco Provincia.

At December 31, 2011, the total loan portfolio grew by 74.5% as compared to the level attained at December 31, 2010, mainly due to a 176.8% increase in loans to the public sector and a 64.6% increase in loans to the private sector.

At December 31, 2012, the portfolio of total loans increased by 36.5% as compared to 2011, mainly as a result of a 36.9% growth in private sector loans.

At December 31, 2013, total lending amounted to ARS 42.83 billion, which represented a 46.4% increase as compared to December 31, 2012, mainly due to a 42.7% increase in private loans and a 75.6% increase in public sector loans.

At December 31, 2014, total lending amounts to ARS 59.18 which represented a 38.1% increase as compared to December 31, 2013, mainly due to a 34.4% increase in private sector loans and a 67.2% increase in public sector loans. This increase in private sector loans outperformed the increase of the rest of the banking system (which grew by 20.0%), and was mainly driven by an increase of approximately 40.0% of loans to companies, and to a lesser extent, loans to individuals, which increased by 23.0%.

At December 31, 2015, the portfolio of total loans increased by 44.7% as compared to 2014, mainly as a result of a 46.4% growth in private sector loans.

At June 30, 2016, loans increased to ARS 90.06 billion, which represented a 35.8% increase as compared to June 30, 2015, mainly due to a 37.09% increase in private sector loans.

Loan Loss Rates

The following table shows the loan loss rates for loans in Banco Provincia's portfolio for the periods indicated:

	As of December 31					As of June 30	
	2011	2012	2013	2014	2015	2015	2016
	(in percentages)						
Loan Loss Rates	1.3%	1.8%	1.9%	1.9%	1.6%	2.0%	2.2%

Source: Banco Provincia.

During the period 2011-June 2016, loan loss rates increased from 1.3% to 2.2%.

Sources of Funds

Banco Provincia's main funding source has been deposits, particularly from the private sector. At June 30, 2016, deposits represented 92.49% of its total liabilities.

Deposits

The table below shows the evolution, by sector, of Banco Provincia's total deposits at and for the periods indicated:

Evolution of Deposits of Banco Provincia

	At and for the year ended December 31					At and for the six-month period ended June 30	
	2011	2012	2013	2014	2015	2015	2016
	(in millions of pesos)						
Non-Financial Public Sector	8,975	10,189	17,970	23,481	21,314	26,154	53,403
Financial Sector	117	190	123	193	217	134	148
Non-Financial Private Sector.....................	29,301	39,026	50,597	67,311	100,514	82,636	114,788
Checking Accounts (1)	5,812	7,531	8,844	11,616	14,402	13,525	16,527
Savings Accounts..................................	9,434	12,084	15,092	20,478	29,813	25,618	38,022
Fixed Term Deposits.............................	13,070	18,082	24,892	32,954	53,024	40,866	57,507
Others	846	1,110	1,396	1,650	2,288	1,824	1,705
Accrued Interest, adjustments and quotation differences payable	139	219	373	613	987	803	1,027
Total..	**38,393**	**49,405**	**68,690**	**90,985**	**122,045**	**108,924**	**168,339**

(1) Non-interest bearing accounts.
Source: Banco Provincia.

At December 31, 2011, deposits grew by 17.7% as compared to the previous year, amounting to ARS 38.39 billion. This increase was mainly due to an increase of ARS 6.67 billion in non-financial private sector deposits.

At December 31, 2012, deposits totaled ARS 49.41 billion, which represented a 28.7% increase as compared to 2011. This increase was mainly due to rises in deposits from the non-financial private sector (33.2%) and the non-financial public sector (13.5%).

At December 31, 2013, deposits totaled ARS 68.69 billion, which represented an increase of 39% as compared to 2012. This increase was mainly due to a 76.4% increase in non-financial public sector deposits and a 29.6% increase in private sector deposits.

In 2014, Banco Provincia's total deposits increased at higher rates than those of the broader Argentine banking system, mainly due to an aggressive strategy to increase deposits in the non-financial private sector, except with respect to dollar deposits which registered a lower growth. At December 2014, deposits totaled ARS 90.99 billion, which represented an increase of 32.5% as compared to 2013. This increase was mainly due to a 31.0% increase in non-financial public sector deposits and a 33.0% increase in private sector deposits driven by the savings bank accounts, fixed-term deposits and current accounts.

At December 31, 2015, deposits totaled ARS 122.04 billion, which represented an increase of 34.1% as compared to 2014. This increase was mainly due to a 49.3% increase in non-financial private sector deposits.

At June 30, 2016, deposits amounted to ARS 168.3 billion, which represented an increase of 54.5% as compared to June 30, 2015. This increase was mainly due to a 104.2% increase in non-financial public sector and 38.2% increase in non-financial private sector deposits.

Judicial Decisions (Amparos)

As Argentina's economic crisis deepened and speculation of a potential devaluation mounted in 2001, confidence in the banking sector began to erode, triggering a significant run on deposits during that year. By December 31, 2001, Banco Provincia's total deposits (peso and foreign currency) had declined 35.8% from December 31, 2000 levels. To reduce the threat of a collapse of the banking sector, in December 2001 and February 2002 the federal government imposed strict limits on bank withdrawals. As the demand for pesos recovered in the fall of 2002, easing the pressure of capital flight from the Argentine economy and its banking system, the federal government was able to lift all restrictions on withdrawals of demand deposits in November 2002. Similarly, in April 2003, depositors were permitted to withdraw their term deposits. As a result of Decree No. 739/2003, restrictions on withdrawals are no longer in effect. The decree allowed depositors to withdraw their deposits at a rate of ARS 1.4 per USD 1.00, adjusted for CER, and to be compensated for the difference between that rate and the then current exchange rate by receiving bonds denominated in U.S. dollars (*Boden 2013* or *Boden 2006*). However, some depositors chose not to withdraw their deposits in order to preserve the original value of the account in its original currency in hopes of pursuing a lawsuit against the federal government and the financial institutions.

At June 30, 2016, Banco Provincia had refunded ARS 2.7 billion to depositors seeking the original value of their deposits from their financial institutions pursuant to judicial orders finding that the restrictions on bank withdrawals were unconstitutional. Since Banco Provincia was required to return these deposits using currency exchange rates in effect on the date of refund, in accordance with Central Bank rules, Banco Provincia recorded in aggregate ARS 1.04 billion as "Intangible assets" for the difference between the refund amounts stated in the judicial orders and the deposit balance booked at the conversion rate of USD 1 to ARS 1.40, adjusted for CER. This amount is amortized over a 60-month period and, at June 30, 2016, the outstanding balance of these intangible assets amounted to ARS 48.9 million. As of June 30, 2016, Banco Provincia recorded a provision of ARS 32.5 million for judicial deposits, reflecting the difference between the book value of the deposits considered in their original currency and the current peso value of those deposits.

Financing from the Central Bank

During the 2001 economic crisis, the Central Bank used its power to provide temporary financial assistance to Argentine financial institutions to address the liquidity shortages of these institutions resulting from the run and subsequent freeze on deposits and the asymmetric pesification of financial assets and liabilities. Banco Provincia is required to repay the amount of any temporary financial assistance from the Central Bank received on or before March 28, 2003 in 70 monthly installments in CER-adjusted pesos. This amount was initially ARS 4.4 billion. The principal amount, which is adjusted by the CER index, accrues interest at a yearly rate of 3.5% and is secured by an aggregate amount of guaranteed loans received under the federal debt exchange program and Bogar equal to 125.0% of the outstanding amount.

The Central Bank is entitled to extend this repayment schedule to up to 120 months with the consent of a new committee appointed by the federal government in 2003 to oversee the complete restructuring of the financial system. The repayment schedule, however, cannot exceed the average useful life of the assets securing repayment. In June 2003, Banco Provincia requested an extension of the repayment schedule of its temporary financial assistance obligations to 120 months. As of October 14, 2016, no extension had been approved and, as a result, since March 2004, Banco Provincia has been making installment payments of principal and interest on its temporary financial assistance obligations in accordance with the initial 70-month schedule.

On June 2, 2007, Banco Provincia made an extraordinary payment of ARS 800 million to prepay the temporary financial assistance. The Central Bank allocated the entire amount to principal under the CER-adjusted debt. On July 3, 2007, Banco Provincia made another advance payment of ARS 800 million. The Central Bank allocated ARS 724 million of this amount to principal and ARS 76 million to interest under the CER-adjusted debt.

At December 31, 2008, the outstanding principal amount under this program was ARS 852 million. On December 31, 2009, Banco Provincia paid the last installment and completely cancelled its debt with the Central Bank under the temporary financial assistance program.

External Indebtedness

The table below shows, by source, the amounts of foreign currency financing provided by financial institutions outside of Argentina to Banco Provincia for the periods specified below.

Foreign Currency Financing Provided to Banco Provincia

	At and for the year ended December 31					At and for the six months ended June 30	
	2011	**2012**	**2013**	**2014**	**2015**	**2015**	**2016**
	(in millions of Dollars)						
Overnight and short-term funds	-	-	-	-		-	-
Certificates of deposit (short-term)	-	-	-	-	-	-	-
Trade finance (short-term)	17	13	9	13	28	27	35
Interbank lines (medium-term)	-	-	-	-	-	-	-
Secured financing (short-term)	131	135	9	3	-	-	5
Secured financing (medium-term)	-	-	-	-	-	-	-
Floating rate interest bonds (long-term)	-	-	-	-	-	-	-
U.S. Commercial Paper	-	-	-	-	-	-	-
Medium-Term Financing	39	24	8	-	-	-	-
Total	**187**	**172**	**26**	**16**	**28**	**27**	**40**

Source: Banco Provincia.

Banco Provincia's external indebtedness decreased by approximately 91.4% between December 2011 and December 2014. This indebtedness fell around 38.5% from 2013 to 2014 mainly due to the amortization payment under the Debt Restructuring Agreement entered into with Commodity Credit Corporation. Between December 2015 and June 2016, the external indebtedness increased by 42.9%.

Other Liabilities

Litigation. At June 30, 2016, the most significant legal actions pending against Banco Provincia amount to almost ARS 644 million; this figure includes an estimate of ARS 69 million on account of legal costs. The class action lawsuit filed by *Union de Usuarios* (Users Union) related to charges for ATM robbery insurance, is currently in the execution stage. As of June 30, 2016, according to internal estimates of Banco Provincia, an aggregate amount of ARS 29 million has already been credited to affected customers holding accounts with Banco Provincia, while ARS 30 million is still pending to be credited to certain other former customers.

Liquidity and Financial Position

The table below shows Banco Provincia's liquidity ratios for the periods specified below:

Liquidity Ratios

	At and for the year ended December 31					At and for the six-month period ended June 30	
	2011	2012	2013	2014	2015	2015	2016
	(In percentages)						
Cash and cash equivalents/Deposits	20.60%	20.70%	19.40%	16.00%	16.32%	18.46%	26.13%
Net Loans/Assets	47.80%	52.20%	55.10%	55.10%	61.87%	53.83%	46.74%

Source: Banco Provincia.

The table below shows Banco Provincia's solvency ratios for the periods specified below:

Solvency Ratios

	At and for the year ended December 31					At and for the six-month period ended June 30	
	2011	2012	2013	2014	2015	2015	2016
	(in percentages)						
Net Equity/Assets	6.2%	6.1%	6.3%	7.4%	6.6%	6.6%	5.5%
Net Equity/Loans	12.9%	11.7%	11.4%	13.3%	10.6%	12.2%	11.9%

Source: Derived from the audited financial statements of Banco Provincia.

Net Income

Banco Provincia recorded net income of ARS 600 million in 2011, ARS 660 million in 2012, ARS 1,443 million in 2013, ARS 3,042 million in 2014, ARS 1,228 million in 2015 and ARS 1,587 million as of June 30, 2016.

Branches Abroad

On February 14, 2007, by Resolution No. 203/07, Banco Provincia's board of directors decided to close the bank's New York Agency. As of December 2009, after several months of winding down operations, the New York Agency closed. On March 19, 2009, by Resolution No. 324/09, Banco Provincia's board of directors decided to close the bank's Grand Cayman branch and sent the pertinent communication to the Grand Cayman Island Regulatory Authority. The Grand Cayman branch is currently winding down operations.

DESCRIPTION OF THE NEW NOTES

This section of this Luxembourg Listing Prospectus is only an overview of the material provisions of the New Notes and the Indenture. The Indenture is incorporated into this Luxembourg Listing Prospectus by reference thereto and contains the full terms and conditions of the Notes. 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 New Notes were issued pursuant to the trust indenture between the Province and U.S. Bank National Association as trustee dated as of June 9, 2015 (the "Indenture").

General Terms of the New Notes

Basic Terms of the New 2019 Notes

The New 2019 Notes:

- have identical terms and conditions, except for the issue date and issue price, as the Initial 2019 Notes, and will be fungible with the Initial 2019 Notes, and constitute a single series and vote as a single class of debt securities under the indenture following expiration of the 40-day restricted period under Regulation S;
- are direct, general, unconditional and unsubordinated obligations of the Province;
- were issued in an aggregate principal amount of USD 250,000,000;
- will pay principal on June 15, 2019;
- mature on June 15, 2019;
- are not redeemable before maturity at the option of the Province or repayable at the option of the holder and not be entitled to the benefit of 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;
- are represented by one or more registered notes in global form (see "Registration and Book-Entry System");
- were eligible for settlement in Euroclear and Clearstream; and
- were issued in denominations of USD 150,000 and in integral multiples of USD 1,000 in excess thereof.

Interest on the New 2019 Notes will:

- accrue at the rate of 5.750% per annum;
- accrue from June 15, 2016 or the most recent interest payment date;
- be payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2016, to persons in whose names the Notes are registered at the close of business on the business day preceding the corresponding payment date; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Basic Terms of the New 2027 Notes

The New 2027 Notes:

- have identical terms and conditions, except for the issue date and issue price, as the Initial 2027 Notes, and will be fungible with the Initial 2027 Notes, and constitute a single series and vote as a single class of debt securities under the indenture following expiration of the 40-day restricted period under Regulation S;
- are direct, general, unconditional and unsubordinated obligations of the Province;
- were issued in an aggregate principal amount of USD 500,000,000;
- will pay principal in three installments: 33.33% on June 15, 2025, 33.33% on June 15, 2026 and 33.34% on June 15, 2027;
- mature on June 15, 2027;
- are not redeemable before maturity at the option of the Province or repayable at the option of the holder and not be entitled to the benefit of 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;
- are represented by one or more registered notes in global form (see "Registration and Book-Entry System");
- were eligible for settlement in Euroclear and Clearstream;
- were issued in denominations of USD 150,000 and in integral multiples of USD 1,000 in excess thereof; and
- represent a claim to the full principal due on each amortizing date (plus any accrued and unpaid interest due at such time) or upon earlier acceleration in accordance with their terms.

Interest on the New 2027 Notes will:

- accrue at the rate of 7.875% per annum;
- accrue from June 15, 2016 or the most recent interest payment date;
- be payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2016, to persons in whose names the Notes are registered at the close of business on the business day preceding the corresponding payment date; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Status

The Notes are direct, general, unconditional and unsubordinated Public External Indebtedness of the Province. The Notes rank and will rank without any preference among themselves and equally with all other 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 securities, debentures, notes 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

The trustee will make payments to the registered holders of the Notes.

While the Notes are held in global form, holders of beneficial interests in the Notes will be paid in accordance with the procedures of the relevant clearing system and its direct participants, if applicable. Neither the Province nor the trustee shall have any responsibility or liability for any aspect of the records of, or payments made by, the relevant clearing system or its nominee or direct participants, or any failure on the part of the relevant clearing system or its direct participants in making payments to holders of the Notes from the funds they receive.

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 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 authorized generally or obligated 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 pays to the trustee or any paying agent to make payments on any Notes 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 prescription period specified in the Notes. To the extent permitted by law, claims against the Province for the payment of principal of, premium, if any, or interest or other amounts due on, the Notes (including Additional Amounts) will become void unless made within four years of the date on which that payment first became due.

Registration and Book-Entry System

The New Notes were issued in fully registered form, without interest coupons attached, to, and registered in global form in the name of, a nominee of a common depositary of Euroclear and Clearstream. Financial institutions, acting as direct and indirect participants in either Euroclear or Clearstream will represent your beneficial interests in the global security. These financial institutions will record the ownership and transfer of your beneficial interests through book-entry accounts, eliminating the need for physical movement of securities.

If you wish to hold securities through the Euroclear or the Clearstream system, you must either be a direct participant in Euroclear or Clearstream or hold securities through a direct participant in Euroclear or Clearstream. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations that have accounts with Euroclear or Clearstream. Indirect participants are securities brokers and dealers, banks, trust companies and trustees that do not have an account with Euroclear or Clearstream, but that clear through or maintain a custodial relationship with a direct participant. Thus, indirect participants have access to the Euroclear or Clearstream system through direct participants.

The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Such laws may impair the ability to transfer beneficial interests in these Notes to such persons.

As an owner of a beneficial interest in the global securities, you will generally not be considered the holder of any Notes under the Indenture.

Certificated Securities

The Province will issue securities in certificated form in exchange for interests in a global security only if:

- the depositary notifies the Province that it is unwilling or unable to continue as depositary, is ineligible to act as depositary or ceases to be a clearing agency registered under any applicable statute or regulation and the Province does not appoint a successor depositary or clearing agency within 90 days;
- at any time the Province decides it no longer wishes to have all or part of such notes represented by global securities; or
- the trustee determines, upon the advice of counsel, that it is necessary to obtain possession of such notes in certificated form in connection with any proceedings to enforce the rights of holders of such notes.

In connection with the exchange of interests in a global security for securities in certificated form under any of the conditions described above, such 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 the relevant clearing system, in exchange for its beneficial interest in such global security, an equal aggregate principal amount of certificated securities.

If the Province issues certificated securities, 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 securities at the offices of the trustee in New York City and, if applicable, at the offices of any paying agent. You may present certificated securities 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 securities in exchange for the global security held by the common depositary or its nominee. If the Province issues such certificated securities, it will publish notices in a newspaper with general circulation in Luxembourg (which the Province expects to be Luxemburger Wort), and on the website of the Luxembourg Stock Exchange at http://www.bourse.lu, announcing procedures for payments of principal, interest and premiums, if any, in respect of or transfer of certificated securities in Luxembourg. 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. The Province will consider any published notice to be given on the date of its first publication.

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 agent appointed by Province 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 bona fide 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 security.

Further Issuances

Under the terms of the Indenture, the Province may from time to time, without the consent of the holders of the 2019 Notes or 2027 Notes, create and issue additional notes having terms and conditions which are the same as those of the 2019 Notes or 2027 Notes (as applicable) in all respects, except for the issue date, issue price and first payment date of interest on the 2019 Notes or 2027 Notes (as applicable); provided, however, that any such additional Notes subsequently issued that are not fungible with the previously outstanding 2019 Notes or 2027 Notes (as applicable) for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from such previously outstanding Notes. Additional 2019 Notes or 2027 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 2019 Notes or 2027 Notes (as applicable).

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 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 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 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.

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.

Negative Pledge Covenant

The Province has agreed that it will not, 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 property or assets to secure any Indebtedness of the Province unless the Notes are secured equally and ratably with such Indebtedness.

As used herein, the term "Indebtedness" means, with respect to any person, whether outstanding on the original issuance date of a series of debt securities or at any time thereafter: (i) all indebtedness of such person for borrowed money; (ii) all reimbursement obligations of such person (to the extent no longer contingent) under or in respect of letters of credit or bankers' acceptances; (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 securities, debentures, notes or similar instruments; and (v) to the extent no longer contingent, all direct guarantees, endorsements, *avales* or similar obligations of such person in respect of, and all direct obligations of such person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of any other person specified in clause (i), (ii), (iii) or (iv) above.

As used herein, the term "Lien" means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance on or with respect to, any currently existing or future asset or revenues of any kind under the laws of Argentina.

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

(a) any Lien in existence on the date of the Indenture;

(b) any Lien upon bank accounts, deposits or proceeds thereof (or arising from the existence of rights of set-off against such accounts, deposits or proceeds) securing Indebtedness of the Province incurred in connection with letters of credit issued by, or trade finance transactions with, a bank to which such Lien is granted or holding such rights, and which Indebtedness has a final maturity of not greater than 365 days from the date on which payment under such letter of credit or in connection with such trade finance transactions is due and payable;

(c) any Lien upon any property to secure Indebtedness of the Province incurred specifically for the purpose of financing the acquisition of the property subject to such Lien;

(d) any Lien existing on any property at the time of its acquisition to secure Indebtedness of the Province;

(e) 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;

(f) any Lien securing Indebtedness incurred for the purpose of financing all or part of the cost of personal property sold or services provided to the Province;

(g) any replacement, renewal or extension of any Lien permitted by clauses (a) through (f) above upon the same property theretofore subject to such Lien, including any replacement, renewal or extension of such Lien resulting from the refinancing (without increase in the principal amount) of the Indebtedness secured by such Lien; provided 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;

(h) any Lien to secure public or statutory obligations or otherwise arising by law to secure claims other than for borrowed money;

(i) any Lien securing Indebtedness of the Province to the federal government 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 50.0% in the period that includes the most recent four consecutive fiscal quarters ending prior to the date of calculation;

(j) any Lien to secure any indebtedness with the financial public sector of the Province; and

(k) any other Liens different from those permitted by clauses (a) through (j) above, securing Indebtedness of the Province in an outstanding aggregate principal amount not exceeding at any time 10% of the Province's annual revenues for the period that includes the most recent four consecutive fiscal quarters ending prior to the incurrence of such Lien.

As used herein, the term "Co-Participation Payments" means any transfers made by the federal government to the Province pursuant to the Federal Tax Co-Participation Law, 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.

As used herein, the term "Co-Participation Secured Indebtedness Ratio" is the percentage that is equal to (A) for the period that includes the most recent four consecutive fiscal quarters ending prior to the date of calculation, the aggregate amount of payments of principal and interest that became due in such periods (after giving pro forma effect to the incurrence of Indebtedness secured by a Lien on the Province's right to receive Co-Participation Payments), 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, (C) multiplied by 100.

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 10 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 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 60 days after written notice thereof has been given to the Province by the trustee; or

(d) The Province fails to make any payment when due, after any applicable grace periods, on any of its Indebtedness (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to USD 15,000,000 (or its equivalent in other currencies); or

(e) Any Indebtedness of the Province (other than Excluded Indebtedness) having an aggregate principal amount greater than or equal to USD 15,000,000 (or its equivalent in other currencies) is accelerated due to an event of default, unless the acceleration is rescinded or annulled; or

(f) The Province declares a moratorium of payment of its Indebtedness (other than Excluded Indebtedness); or

(g) 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 money in excess of USD 15,000,000 (or the equivalent thereof in another currency or currencies) (other than a final judgment, decree or order in respect of any Excluded Indebtedness) and 90 days shall have passed since the entry of such final judgment, decree or order without it having been satisfied or stayed; or

(h) The validity of the Notes or the Indenture is contested by the Province; or

(i) (A) Any 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 90 days.

If any of the events of default described above occurs and is continuing, holders of at least 25.0% of the aggregate principal amount of the Notes then outstanding may declare all of the Notes then outstanding to be immediately due and payable by giving written notice to the Province, with a copy to the trustee.

If, at any time after 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 amounts 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 on the Notes which shall have become due solely by declaration of acceleration, shall have been remedied, then, and in every such case, the holders of at least 50% in 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.

As used herein, "Excluded Indebtedness" means (i) any series of Existing Bonds and (ii) any indebtedness incurred prior to the issue date of the Notes under credit facilities extended or guaranteed by member states of the OECD or any agency or instrumentality thereof.

As used herein, "Existing Bonds" means (a) USD Zero Coupon Notes due 2002, (b) USD 12.50% Notes due 2002, (c) Euro 7.875% Notes due 2002, (d) Euro 9% Notes due 2002, (e) Euro 10.25% Notes due 2003, (f) USD 12.75% Notes due 2003, (g) SFr 7.75% Notes due 2003, (h) Euro 10.375% Notes due 2004, (i) Euro 9.75% Notes due 2004, (j) Euro 10% Notes due 2004, (k) Euro 10.75% Notes due 2005, (l) USD FRNs Notes due 2006, (m) USD 13.75% Notes due 2007 and (n) USD 13.25% Notes due 2010.

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 on or after the stated maturity date 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 or proceeding and provided an indemnity satisfactory to the trustee; and (3) 60 days have passed since the trustee received the instruction, the trustee has failed to institute an action 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 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 30 days and not more than 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 10.0% 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 Issuer shall notify the trustee, and the trustee shall notify the holders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 30 and not more than 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 10, nor more than 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 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, 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 $66\,^{2}/_{3}$% 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 to 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.

For so long as any series of debt securities issued under the indenture dated as of January 12, 2006 between the Province of Buenos Aires and The Bank of New York Mellon, as trustee (the "2006 indenture") ("2006 debt securities") are outstanding, if the Province certifies to the trustee and to the trustee under the 2006 indenture that a cross-series modification is being sought simultaneously with a "2006 indenture reserve matter modification", the 2006 debt securities affected by such 2006 indenture reserve matter modification shall be treated as "series affected by that proposed modification" as that phrase is used in the Indenture; provided, that if the Province seeks a cross-series modification with single aggregated voting, in determining whether such modification will be considered uniformly applicable, the holders of any series of 2006 debt securities affected by the 2006 indenture reserve matter modification shall be deemed "holders of debt securities of all series affected by that modification," for the purpose of the uniformly applicable definition. It is the intention that in such circumstances, the votes of the holders of the affected 2006 debt securities be counted for purposes of the voting thresholds specified in the Indenture for the applicable cross-series modification as though those 2006 debt securities had been affected by that cross-series modification although the effectiveness of any modification, as it relates to the 2006 debt securities, shall be governed exclusively by the terms and conditions of those 2006 debt securities and by the 2006 indenture; provided, however, that no such modification as to the Notes will be effective unless such modification shall have also been adopted by the holders of the 2006 debt securities pursuant to the amendment and modification provisions of such 2006 debt securities.

"2006 indenture reserve matter modification" means any modification to a reserve matter affecting the terms and conditions of one or more series of the 2006 debt securities, pursuant to the 2006 indenture.

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;
- 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 securities at their registered addresses as reflected in the books and records of the trustee. The Province will consider any mailed notice to have been given five 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 Buenos Aires, New York City and London (which is expected to be *La Nación* or *Ambito 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. The Province will consider any published notice to be given on the date of its first publication.

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 the specified currency or to transfer such amounts outside of Argentina in order to make a scheduled 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 in U.S. dollars 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) of 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.

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 234and 235 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 1133 Avenue of the Americas, Suite 3100, New York, New York, 10036, United States of America.

The process agent will receive, on behalf of the Province and its property, service of copies 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 at the address specified above for the process 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 courts that may have jurisdiction over the Province.

In addition to the foregoing, holders of Notes may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of 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 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 under applicable Argentine and provincial law), the Province hereby irrevocably waives such immunity in respect of its obligations under the Indenture, 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, 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 U.S. Foreign Sovereign Immunities Act of 1976 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 obligation of the Province to any holder under the Notes that has obtained a court judgment affecting those Notes will be discharged only to the extent that the holder may purchase U.S. dollars, referred to as the "agreement currency," with any other currency paid to that holder in accordance with the judgment currency. If the holder cannot purchase the agreement currency in the amount originally to be paid, the Province agrees to pay the difference. The holder, however, agrees that, if the amount of the agreement currency purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to the Province. The holder, however, will not be obligated to make this reimbursement if the Province is in default of its obligations under 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 principal paying agent, a transfer agent and a registrar in New York City and a paying agent and a transfer agent in Western Europe (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 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 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;
- pursuant to a registration statement that has been declared effective under the Securities Act; or
- in any other jurisdiction in compliance with local securities laws;

(4) You acknowledge that the Province and the trustee reserves 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 and the trustee 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 note will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE 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 LEGEND MAY ONLY BE REMOVED WITH THE CONSENT OF THE ISSUER."

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 in made 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 providence 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 the offering.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), the Initial Purchasers and the Co-Manager have represented and agreed that with effect from and including the date on which the Prospectus Directive 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 to the public in that Relevant Member State, except:

- 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 Notes shall require us, the Initial Purchasers nor the Co-Manager, to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer to the public" in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, 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 bonds 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 securities 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, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (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 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 October 14, 2016, no assurance could 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 (the "IT") according to article 36 bis of Law 23,576, the Negotiable Obligations Law to the extent the conditions stated under article 36 of the Negotiable Obligations Law are met (the "Conditions of Article 36").

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, 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 at a rate of 35%.

The exemption from Argentine income tax to interest payments on the Notes, as described above, will continue to be applicable in Argentina to revenue received by foreign beneficiaries abroad (i.e. individuals, undivided states or entities which are foreign fiscal residents that obtain income from an Argentine source) in spite of the fact that such revenue could be taxable by a foreign tax authority.

In the event of any withholding or deduction of any Relevant Taxes by a Relevant Jurisdiction, 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 of such Notes in the absence of such withholdings or deduction. See "Description of the New 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, change, 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.

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, change, conversion or other disposition of the Notes.

In the event of the imposition over local and foreign individuals or foreign entities of any deduction or withholding for or on account of Income Tax, 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 of such Notes in the absence of such withholdings or deduction. See "Description of the New Notes—Additional Amounts."

Value Added Tax (the "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 Article 36 are fulfilled. The Province expects that the issuance of the Notes will satisfy the Conditions of Article 36.

Personal Assets Tax

Under Law No. 23,966 regarding personal assets tax (PAT), resident individuals and undivided estates (regardless of their domicile or location) are subject to personal assets tax on all property situated in the country (including notes) or abroad existing as of December 31 of each year.

Pursuant to the amendments of Law No. 27,260 (hereinafter referred to as the "Voluntary Disclosure of Assets Law"), published in the Official Gazette on July 22, 2016 and in force as from the day following its publication, the PAT has a non-taxable minimum threshold and tax rates that both vary according to the fiscal period. If the value of such assets exceeds the non-taxable minimum threshold, the exceeding amount will be subject to taxation.

The following non-taxable minimum threshold and rates apply to resident individuals and undivided estates located in Argentina:

Tax Period	Value of the taxable assets	Tax Rate
2016	Value of the taxable assets exceeding ARS 800.000	0.75%
2017	Value of the taxable assets exceeding ARS 950.000	0.50%
2018 and following	Value of the taxable assets exceeding ARS 1.050.000	0.25%

Nevertheless, the Voluntary Disclosure of Assets Law established that those "compliant taxpayers" who fulfilled their tax obligations corresponding to the two (2) tax periods previous to the 2016 tax period, and that comply with the requirements set forth in Section 66 (in general, not having any debts before the Federal Tax Authorities and not having adhered to the voluntary disclosure regime nor the tax obligation regularization regime established in the Voluntary Disclosure of Assets Law), shall qualify for the tax exemption on personal property for the 2016, 2017 and 2018 tax periods.

Foreign individuals and undivided estates located abroad shall only be subject to taxation over the assets located in Argentina (including the Notes). The applicable rate payable by these taxpayers is 0.75% for tax period 2016, 0.50% for 2017 and 0.25% for 2018 and the following years. The tax shall not be paid if the amount to be remitted is equal to or lower than ARS 255.8.

Although the Notes held by individuals domiciled or undivided estates located outside Argentina would technically be subject to the Personal Assets Tax, no procedure for the collection of this tax has been established in the Personal Assets Tax law as regulated by Decree No. 127/96 as amended, to the extent the Notes are directly held by such individuals or undivided estates. However, the "substitute payer" system established in the first paragraph of Section 26 of Law No. 23,966, as amended, (a person domiciled or resident in the country acting as holder, custodian or depositary of negotiable obligations or authorized to dispose of negotiable obligations) does not apply to 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 at a rate that shall be increased by 100%, payable by the issuer. 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 (such as the Notes).

Notwithstanding the afore-mentioned, 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.

Presumed Minimum Income Tax

The tax on presumed minimum income ("PMIT") is levied on value of the assets held by, in general, a corporation at the end of the relevant tax period. 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, insurance companies and leasing 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.

The taxable value of the Notes will be determined: (i) on the basis of the latest quotation at the closing dates of the relevant fiscal years if the Notes are listed on stock exchanges or public markets; and (ii) on their cost, increased, if relevant, by the amount of interest and exchange differences accrued at the closing date of the fiscal year, if the Notes are unlisted.

Law 27,260, published in the National Official Gazette on July 22, 2016, abrogates this tax from the fiscal year beginning as from January 1, 2019.

Tax on Debits and Credits on Bank Accounts (the "TDC")

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.

In the case of holders of bank accounts subject to the general 0.6% rate, 34% of the tax assessed and received by the tax collection agent in connection with the amounts deposited in said accounts, may be accounted for as payment on account of the IT and/or the PMIT. In the case of holders of bank accounts subject to the 1.2%

rate, 17% of the amounts paid as TDC may be accounted for as payment on account of the IT, the PMIT and/or special contribution on corporate capital. This tax has certain exemptions; recorded movements in special checking accounts (Communication "A" 3250 of the Central Bank) are exempted from this tax if the accounts are held by foreign legal entities and if they are exclusively used for financial investments in the country.

To the extent that holders of the Notes receive payments by utilizing local bank checking accounts, such tax may apply.

Other Transfer Taxes

No Argentine transfer taxes are applicable to the sale and transfer of the Notes other than those specified in this Argentine Tax Consequences section.

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 2.2%) 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.

The Province establishes a tax on gratuitous transfer of assets (the "TGTA"), which may apply if the beneficiaries are domiciled in the Province 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.

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 of such Notes in the absence of such withholdings or deduction. See "Description of the New Notes – Additional Amounts."

The Province of Entre Ríos, by virtue of Law No. 10,197 (published in the Official Gazette on January 24, 2013), implemented this tax on a provincial level that may apply if the beneficiaries are domiciled in Entre Rios 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 Rios dated October 24, 2014) the gratuitous transfer of assets shall not pay the TGTA 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 New 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 purchasers of New Notes that purchase the New Notes at the offering price in the offering and hold the New Notes as capital assets. 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 New 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.

We intend to treat the New Notes as issued in a "qualified reopening" of the Initial 2019 Notes and the Initial 2027 Notes, respectively, for U.S. federal income tax purposes. Accordingly, for U.S. federal income tax purposes, the New Notes are considered to have the same issue date and issue price as the Initial Notes. The remainder of this discussion assumes that the New Notes are treated as having been issued in a "qualified reopening" of the Initial Notes.

Payments of Interest

Subject to the discussion of amortizable bond premium below, if you are a United States person, the interest you receive on the New Notes (other than any amounts representing pre-issuance accrued interest, which will be excluded from income) 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 New Notes (as described under "Description of the New Notes—Additional Amounts"), including foreign withholding tax on payments of such additional amounts.

Interest received or accrued on the New 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 New 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 New Notes.

Amortizable Bond Premium

A United States person will be considered to have purchased an New Note with bond premium equal to the excess of the purchase price (excluding the amount paid for interest accrued prior to the purchase of New Notes) over the stated principal amount and may generally elect to amortize the bond premium as an offset to interest income, using a constant yield method, over the remaining term of the New Note. Such election, once made, generally applies to all bonds held or subsequently acquired by the United States person on or after the first taxable year for which the election applies and may not be revoked without the consent of the IRS. A United States person that elects to amortize such bond premium, must reduce its tax basis in the New Note by the amount of the bond premium amortized during its holding period.

Disposition of New Notes

When the New Notes are sold, redeemed, retired or otherwise disposed, you generally will recognize gain or loss equal to the difference between an amount you realize on the transaction and your adjusted tax basis in the New 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 New Note generally will equal the cost of the New Note to you reduced by the amount of any amortizable bond premium applied to reduce interest on the New Note and by any payments on the New Note that are not included in income (such as amounts treated as a return of pre-issuance accrued interest, but excluding interest payments that are offset by amortizable bond premium). If you are a United States person who is an individual, estate or trust and the New 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 New 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 New 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 New Note.

Information Reporting and Backup Withholding

The paying agents will be required to file information returns with the U.S. Internal Revenue Service with respect to payments made to certain United States persons on the New 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 relevant paying agent, and may also be subject to information reporting and backup withholding requirements with respect to proceeds from a sale of the New Notes. 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 New 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 New 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 offered the New Notes to the initial purchasers BBVA Banco Francés S.A., HSBC Bank Argentina S.A. and Merrill Lynch Argentina S.A.. Banco Provincia acted as local co-manager, not as an initial purchaser. Banco Provincia may receive the New Notes from the initial purchasers and they may take such action with respect to the New Notes as permitted herein. Subject to the terms and conditions contained in a *contrato de suscripción* (the "purchase agreement") between the Province and the initial purchasers, the Province agreed to sell to each initial purchaser and each initial purchaser agreed to severally purchase from the Province the principal amount of the New Notes set forth, opposite their respective names, below. Affiliates of BBVA Banco Francés S.A., HSBC Bank Argentina S.A. and Merrill Lynch Argentina S.A., may distribute the New Notes outside of Argentina, however affiliates of Banco Provincia may not distribute New Notes outside of Argentina.

Initial Purchasers	Principal Amount of New 2019 Notes		Principal Amount of New 2027 Notes	
BBVA Banco Francés S.A.	USD	83,333,000	USD	166,666,000
HSBC Bank Argentina S.A		83,333,000		166,667,000
Merrill Lynch Argentina S.A .		83,334,000		166,667,000
Total	**USD**	**250,000,000**	**USD**	**500,000,000**

The initial purchasers have agreed to purchase all of the New Notes being sold pursuant to the purchase agreement if any of these New Notes are purchased. The initial purchasers have advised the Province that they propose initially to offer the New 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 New 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 New 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 New Notes against payment for the New Notes on October 20, 2016, which was the fourth business day following the date of the pricing of the New 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 New 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.

New Notes Are Not Being Registered

The initial purchasers propose to offer the New 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 New Notes except:

- to persons they reasonably believes to be QIB, or
- pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S.

New 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 New 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 New 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 New Notes in, from or otherwise involving the United Kingdom.

Reopening of the Initial Notes

The initial purchasers have advised the Province that they or their affiliates presently may make a market in the New Notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice.

The New Notes are expected to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, and listed on the MERVAL and the MAE. However, that does not ensure that a liquid or active public trading market for the New Notes will be maintained. If an active trading market for the New Notes were to develop prevailing interest rates and general market conditions could affect the price of the New Notes. If the New 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.

Price Stabilization and Short Positions

In connection with the offering, the initial purchasers may engage in transactions that stabilize the market price of the New Notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the New Notes. If the initial purchasers create a short position in the New Notes in connection with the offering, i.e., if they sell more New Notes than are listed on the cover page of this Luxembourg Listing Prospectus, the initial purchasers may reduce that short position by purchasing New 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 New 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. If any of the initial purchasers or their affiliates have a lending relationship with the Province, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers may hedge, their credit exposure to the Province consistent with their customary risk management policies. Typically, these 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 New Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the New 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 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 NEW NOTES

The validity of the New Notes will be passed upon for the Province by Cleary Gottlieb Steen & Hamilton LLP, United States counsel to the Province and by the *Asesor General del Gobierno* (General Legal Advisor to the Executive Branch) of the Province; and for the initial purchasers by Shearman & Sterling LLP, United States counsel to the initial purchasers, and Bruchou, Fernández Madero & Lombardi, Argentine counsel to the initial purchasers.

As to all matters of Argentine and provincial law, Cleary Gottlieb Steen & Hamilton LLP may rely on the opinion of the *Asesor General del Gobierno* (General Legal Advisor to the Executive Branch) of the Province, and Shearman & Sterling LLP may rely upon the opinion of Bruchou, Fernández Madero & Lombardi. As to all matters of United States law, the *Asesor General del Gobierno* (General Legal Advisor to the Executive Branch) of the Province may rely on the opinion of Cleary Gottlieb Steen & Hamilton LLP, and Bruchou, Fernández Madero & Lombardi may rely on the opinion of Shearman & Sterling LLP.

GENERAL INFORMATION

The Province

The Province has authorized the creation and issue of the New Notes pursuant to the 2016 Budget Law, Decree No. 122/16 dated March 2, 2016 and Resolution of the Ministry of Economy of the Province No. 164/16 dated October 14, 2016.

Except as disclosed in this Luxembourg Listing Prospectus, since June 30, 2016 (the end of the most recent fiscal period for which financial statements have been prepared) 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 New Notes on the Luxembourg Stock Exchange and for the New Notes to trade on the Euro MTF Market of the Luxembourg Stock Exchange. The New Notes have been admitted to list on the MERVAL and on the MAE. The Luxembourg listing agent is Société General Bank & Trust.

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 such series 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 New Notes have been accepted for clearance and settlement through the Euroclear and Clearstream clearance systems. ISIN and Common Code numbers for each series of the New Notes offered pursuant to Rule 144A are the same as the Initial Notes of that series offered pursuant to Rule 144A, as set forth below. There are a temporary ISIN and Common Code numbers for the New Notes of each series offered and sold in compliance with Regulation S in the offering during a 40-day distribution compliance period commencing on the date of issuance of the New Notes, as set forth below. Following that 40-day distribution compliance period, we expect that the Regulation S New Notes of each series will share the same ISIN and Common Code numbers as the Regulation S Initial Notes of that series, as set forth below:

2019 Notes	ISIN Number	Common Code
Rule 144A..	XS1433314157	143331415
Regulation S (during 40-day distribution compliance period)............	XS1508330278	150833027
Regulation S (after 40-day distribution compliance period)	XS1433314231	143331423

2027 Notes	ISIN Number	Common Code
Rule 144A..	XS1433314587	143331458
Regulation S (during 40-day distribution compliance period)............	XS1508332308	150833230
Regulation S (after 40-day distribution compliance period)	XS1433314314	143331431

ISSUER

The Government of the Province of Buenos Aires
Calle 8 entre 45 y 46, P.B. Of.14
La Plata, Buenos Aires 1900

TRUSTEE, PRINCIPAL PAYING AGENT, TRANSFER AGENT AND REGISTRAR

U.S. Bank National Association
100 Wall Street, Suite 1600, New York, NY 10005
Attention: Global Corporate Trust

LUXEMBOURG LISTING AGENT, PAYING AGENT AND TRANSFER AGENT

Société General Bank & Trust
11 avenue Emile Reuter
L-2420 Luxembourg
Attention: Issuer services

LEGAL ADVISORS

To the Province

As to U.S. federal and New York law:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006

As to Argentine law:

Asesor General del Gobierno de la Provincia de Buenos Aires
Calle 9 No. 1177 entre 56 y 57
La Plata, Buenos Aires 1900
Argentina

Cabanellas Etchebarne Kelly
Av. Eduardo Madero 900, Piso 16
C1106ACV Buenos Aires
Argentina

To the Initial Purchasers

As to U.S. federal and New York law:

Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022

As to Argentine law:

Bruchou, Fernández Madero & Lombardi
Ing. Enrique Butty 275
C1001AFA Buenos Aires
Argentina

The Province of Buenos Aires

(*A Province of Argentina*)

USD 250,000,000 5.750% Notes Due 2019
USD 500,000,000 7.875% Notes Due 2027

LUXEMBOURG LISTING PROSPECTUS

Joint Bookrunners

BBVA **Bofa Merrill Lynch** **HSBC**

Local Co-Manager

Banco de la Provincia de Buenos Aires

November 9, 2016
