

Report on Provincial Debt

Province Of Buenos Aires

AS OF SEPTEMBER 30, 2016

December 30, 2016

Officials

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Abbreviations used in the Report

| | |
|-----------------------|--|
| AF | Financial Assistance from the federal government |
| BP21 | USD 899 million Bond 9.95% due 2021 |
| BP28 | USD 400 million Bond 9.625% due 2028 |
| CER | Reference Stabilization Coefficient |
| FFFIR | Federal Fiduciary Fund for Regional Infrastructure |
| FFDP | Provincial Development Fiduciary Fund |
| SGF | Sustainable Guaranty Fund |
| OECD | Organization for Economic Co-operation and Development |
| PBA | Province of Buenos Aires |
| Provincial GDP | Provincial Gross Domestic Product |
| ARS | Pesos (National Argentine Currency) |
| USD | American Dollars |
| CHF | Swiss Francs |
| JPY | Japanese Yen |
| EUR | Euros |
| DMFAS | Debt Management and Financial Analysis System |

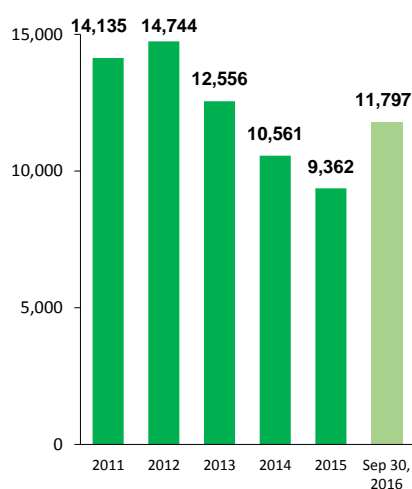
Executive Summary

- As of September 30, 2016, the debt of the Province of Buenos Aires amounted to ARS180.6 billion, equivalent to USD11.8 billion at the exchange rate of the end of the third quarter.

PUBLIC DEBT INDICATORS

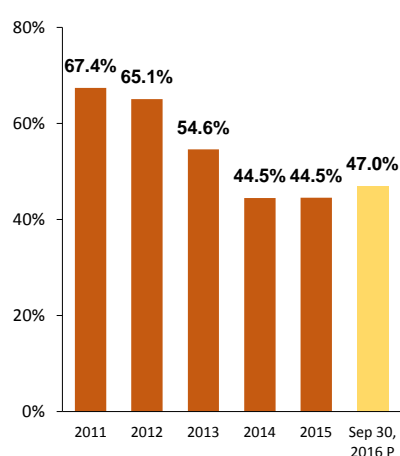
PROVINCE OF BUENOS AIRES CHART N° 1

DEBT IN MILLIONS OF USD

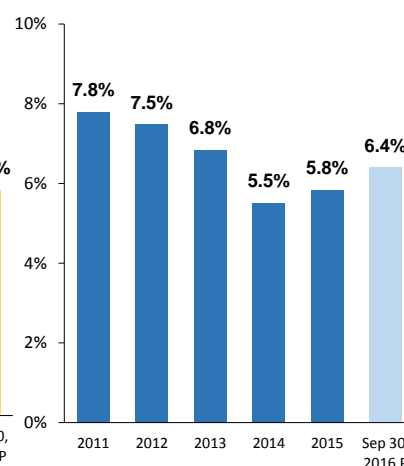


P = projected

DEBT / TOTAL REVENUES



DEBT/ GDP (1)



(1) GDP Data: The real percentage of the 2011 and 2012 provincial GDP (35.9% and 36.8% respectively), calculated under the previous methodology, over the Argentine GDP was applied to the federal GDP. For the 2013 through 2016 provincial GDP was estimated by applying the average share percentage 2009-2012 of the provincial GDP over the federal GDP, of 35.8%, calculated under the previous methodology, to the Argentine GDP data for the released by INDEC and the Fiscal Macro Framework used in the Federal Budget Bill for 2017.

Source: Provincial Office of Debt and Public Credit, Under-secretariat of Finance.

- As of that date, approximately 57% of PBA's debt was held by international bondholders and a slightly over quarter was held by the federal government, which together accounted for 84.8% of the total debt. The remaining was composed by debts held by domestic bondholders (8.2%), multilateral credit agencies (5.8%) and OECD loans (1.2%).
- PBA's public debt denominated in foreign currency accounted for 64.4% of the total, whereas the rest was denominated in ARS (35.3%) and a small portion in ARS+CER (0.3%).
- As of September 30, 2016, the bulk of PBA's debt services was concentrated in the medium term (51.0%), followed by long term (38.2%) and short term (10.7%).

1. Public debt of the Province of Buenos Aires as of September 30, 2016

As of September 30, 2016 the public debt stock was ARS180.6 billion, equivalent to USD11.8 billion at the exchange rate of USD1=ARS15.31. During the third quarter, the PBA's public debt rose by ARS 8.2 billion (4.8%) whereas its variation in USD was USD 336.3 million (+2.9%). Table N°1 shows the items that comprise the debt stock at the end of the third quarter as compared with the previous quarter:

| PUBLIC DEBT STOCK as of September 30, 2016 | | | |
|---|------------------|------------------|---------------------|
| PROVINCE OF BUENOS AIRES In millions of current pesos | | | TABLE N° 1 |
| CONCEPT | Debt Stock | | Variation |
| | 9/30/16 (a) | 6/30/16 (b) | ARS (c)= (a)-(b) |
| 1. Debt in pesos - adjusted by CER | 499.9 | 466.5 | 33.4 |
| Pymes Bond (Law N° 12,421) | 499.9 | 466.5 | 33.4 |
| 2. Debt in foreign currency | 116,385.9 | 114,282.2 | 2,103.7 |
| Multilateral Credit Agencies | 10,490.0 | 10,597.6 | -107.6 |
| OECD Loans ⁽¹⁾ | 2,154.4 | 2,101.8 | 52.6 |
| Dollar - denominated Long Term Par Bond | 7,466.7 | 7,335.0 | 131.7 |
| Euro - denominated Long Term Par Bond | 9,939.9 | 9,608.9 | 330.9 |
| Dollar - denominated Medium Term Par Bond | 975.2 | 958.0 | 17.2 |
| Euro - denominated Medium Term Par Bond | 9,839.8 | 9,512.2 | 327.6 |
| Dollar - denominated Discount Bond | 1,022.4 | 1,004.4 | 18.0 |
| Euro - denominated Discount Bond | 476.4 | 460.6 | 15.9 |
| Eurobonds (Untendered Holdings) ⁽¹⁾ | 923.9 | 895.6 | 28.3 |
| USD 475 M Bond – 9.375% due 2018- | 7,272.3 | 7,144.0 | 128.3 |
| USD 400 M Bond – 9.625% due 2028- | 6,124.0 | 6,016.0 | 108.0 |
| USD 750 M Bond – 10.875% due 2021- | 11,482.5 | 11,280.0 | 202.5 |
| USD 899 M Bond – 9.95% due 2021- | 13,771.0 | 13,528.1 | 242.9 |
| USD 1.250 M Bond – 9.125% due 2024- | 19,137.5 | 18,800.0 | 337.5 |
| USD 500 M Bond – 5.75% due 2019- | 7,655.0 | 7,520.0 | 135.0 |
| USD 500 M Bond – 7.875% due 2027- | 7,655.0 | 7,520.0 | 135.0 |
| 3. Debt in Pesos | 63,729.4 | 57,623.5 | 6,105.9 |
| P.D.F. | 30,772.1 | 30,344.1 | 428.0 |
| 2015 Financial Assistance | 10,442.2 | 10,345.1 | 97.2 |
| 2010 FFDP Loan | 15.0 | 30.7 | -15.6 |
| 2011 FFDP Loan | 371.7 | 400.3 | -28.6 |
| FFFIR | 300.1 | 307.1 | -7.0 |
| Flood Relief Loan - ARS 1,973 M | 1,335.5 | 1,284.1 | 51.4 |
| FGS Loan –Agreement among the Federal Government and the Provinces dated May 18, 2016 | 6,207.0 | - | 6,207.0 |
| Debt Cancellation Bonds due 2016 - SERIES B | - | 14.4 | -14.4 |
| Debt Cancellation Bonds Issue February 5º, 2016 (Suppliers' Bond) | 7,997.3 | 7,953.8 | 43.6 |
| Treasury Bills | 3,266.9 | 2,919.3 | 347.5 |
| Housing Trust Fund | 283.8 | 288.0 | -4.2 |
| Law N° 14,315-Series C | 88.0 | 132.0 | -44.0 |
| Law N° 14,315-Series D | 280.0 | 350.0 | -70.0 |
| Law N° 14,315-Series E | 305.7 | 356.7 | -51.0 |
| 2015 Local Program Series I class I | - | 787.7 | -787.7 |
| 2015 Local Program Series I class II | 105.2 | 105.2 | - |
| 2015 Local Program Series II class I | 738.4 | 738.4 | - |
| 2015 Local Program Series II class II | 126.5 | 168.7 | -42.2 |
| 2015 Local Program Series III | 995.3 | 995.3 | - |
| Others | 98.5 | 102.7 | -4.2 |
| TOTAL (1 + 2 + 3) | 180,615.3 | 172,372.2 | 8,243.1 |

| EXCHANGE RATES | 9/30/2016 | 6/30/2016 |
|----------------|-----------|-----------|
| ARS / USD | 15.31 | 15.04 |
| ARS / JPY | 0.15 | 0.15 |
| ARS / CHF | 15.77 | 15.36 |
| ARS / EUR | 17.19 | 16.62 |
| CER | 6.54 | 6.09 |

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

Source: Provincial Office of Debt and Public Credit, Under-secretariat of Finance

1.1. Causes of public debt variation – third quarter 2016-

As of September 30, 2016, PBA's debt increased ARS8.2 billion by 4.8% with respect to the consolidated debt stock as of June 30, 2016.

The following table describes the effects that, with increases and reductions, generated such net increase in the provincial debt stock between June 30, 2016 and September 30, 2016.

CAUSES OF PUBLIC DEBT VARIATION as of September 30, 2016 VS. June 30, 2016

TABLE N° 2

PROVINCE OF BUENOS AIRES | In millions of current pesos

| CONCEPT | VARIATION |
|--|-----------------|
| Debt Increases | 10,339.9 |
| Disbursements of federal government's loans | 6,258.4 |
| Exchange rate effect ⁽¹⁾ | 2,396.2 |
| Debt Issues in domestic capital markets | 1,110.1 |
| Interest capitalization | 525.2 |
| Inflation effect | 46.8 |
| Disbursements of multilateral loans | 2.7 |
| Debt Reduction | -2,096.3 |
| Amortization in domestic capital markets | -1,737.0 |
| Amortization of multilateral credit agencies | -295.3 |
| Amortization of federal government's loans | -64.1 |
| Debt Stock Variation | 8,243.1 |

Note: (1) Includes the ARS depreciation against the USD, EUR and CHF.

Source: Provincial Office of Debt and Public Credit, Under-secretariat of Finance.

The provincial debt stock increased for the following reasons:

- New disbursements from the federal Government for ARS 6.3 billion, mainly explained by the Sustainable Guaranty Fund loan for ARS 6.2 billion and the flood relief loan for ARS 51.4 million. These disbursements accounted for 60.5% of the total gross increase;
- The exchange rate effect for ARS 2.4 billion accounted for 23.2% of the total gross increase as the ARS depreciated against USD, EUR and CHF;
- The debt issuances denominated in pesos in the local capital market in the third quarter of 2016 accounted for 10.7% of the total gross increase and the issuance of the remainder of the Suppliers Bond for ARS 43.6 million;
- Capitalized interest by ARS 525.2 million resulting from the grace period on the debt with the federal Government, which accounted for 5.1% of the total gross increase;
- The inflation effect on debts denominated in ARS and adjusted by CER, which accounted for a debt stock increase of ARS 46.8 million (0.5% of the total gross increase); and

- The disbursements from multilateral credit agencies for ARS 2.7 million, which accounted for less than 0.1% of the total increase

These increases were mainly offset by:

- Amortizations of debt issued in the local capital market, which amounted to ARS 1.7 billion and accounted for (82.9%) of the reductions, explained by (i) ARS 829.9 million in amortizations of the bonds under the 2015 Local Program, (ii) ARS 719 million in Treasury Bill amortizations, (iii) ARS 165.0 million in amortizations of the bonds issued under Law No. 14,315 –Series C,D and E, (iv) ARS 14.4 million to amortize the Bonds due in 2016 and (v) ARS 8.8 million to repay other debts
- Amortization payments under multilateral lines of credit for ARS 295.3 million (14.1%); and
- Payment of the debt to the federal Government for ARS 64.1 million, which accounted for 3.1% of the total gross reduction.

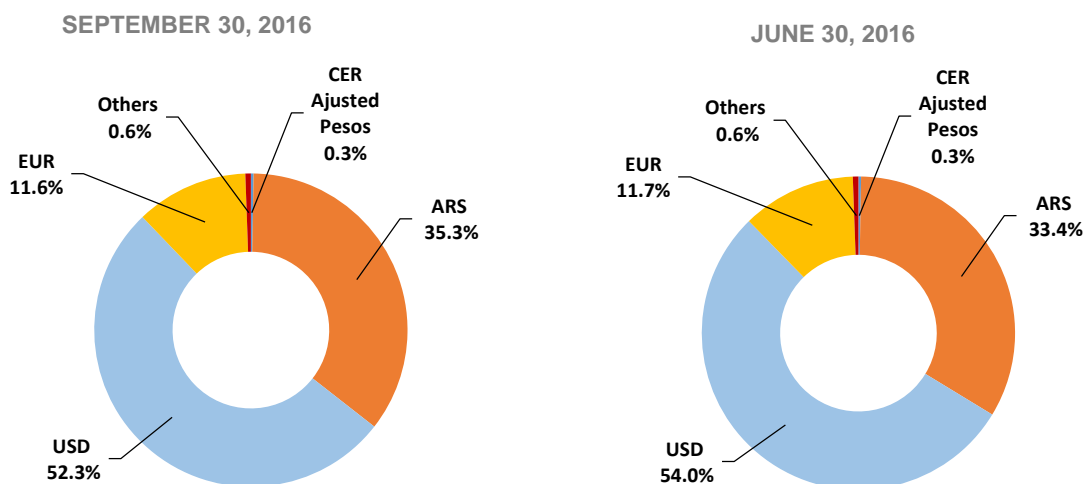
1.2. Public debt composition by currency as of September 30, 2016

As of September 30, 2016, 35.3% was denominated in ARS whereas 64.4% was denominated in foreign currency. In 3Q2016, the portion of the debt denominated in ARS increased primarily due to the SGF loan for ARS 6.2 billion, under the agreement among the Provinces and the federal government to reduce the 15% discount from the coparticipable revenues allocated to ANSES.

PUBLIC DEBT COMPOSITION BY CURRENCY 3Q2016 and 2Q2016

PROVINCE OF BUENOS AIRES

CHART N° 2



Source: Provincial Office of Debt and Public Credit, Under-secretariat of Finance

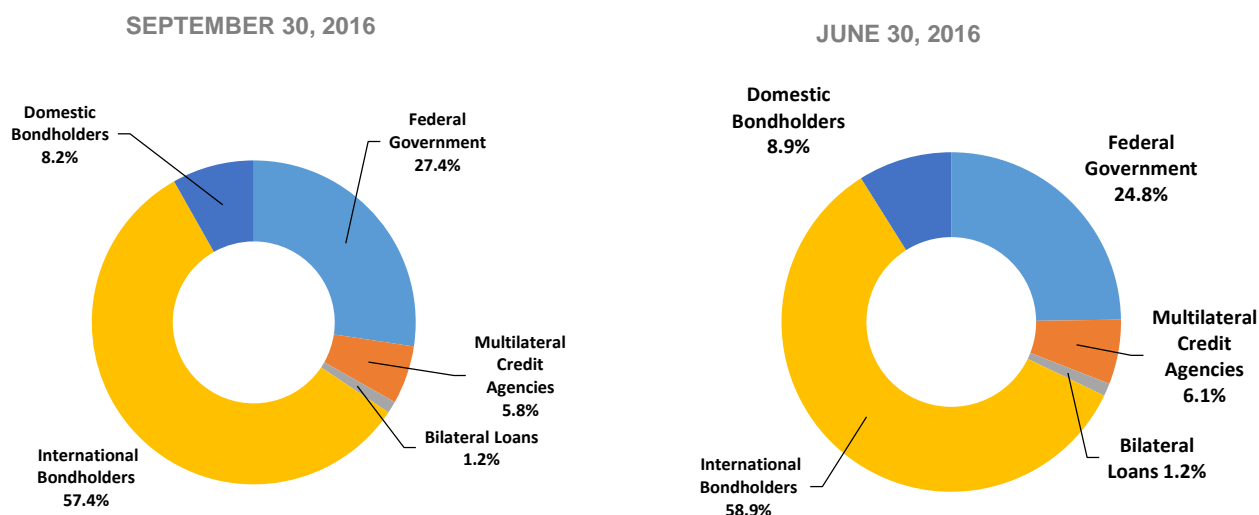
1.3. Public debt composition by creditor as of September 30, 2016

The share of the debt held by the federal government (+2.6%) rose primarily due to the SGF loan. Such increase was more than offset by the exchange rate effect and the rest of the creditors' share went down. Therefore, although ARS depreciated against USD and EUR, the international bondholders' share declined by 1.5% whereas multilateral agencies' loans went down by 0.4%. In addition, local bondholders' share decreased by 0.7% due to the amortizations during this period.

PUBLIC DEBT COMPOSITION BY CREDITOR 3Q2016 and 2Q2016

PROVINCE OF BUENOS AIRES

CHART N°3



Source: Provincial Office of Debt and Public Credit, Under-secretariat of Finance

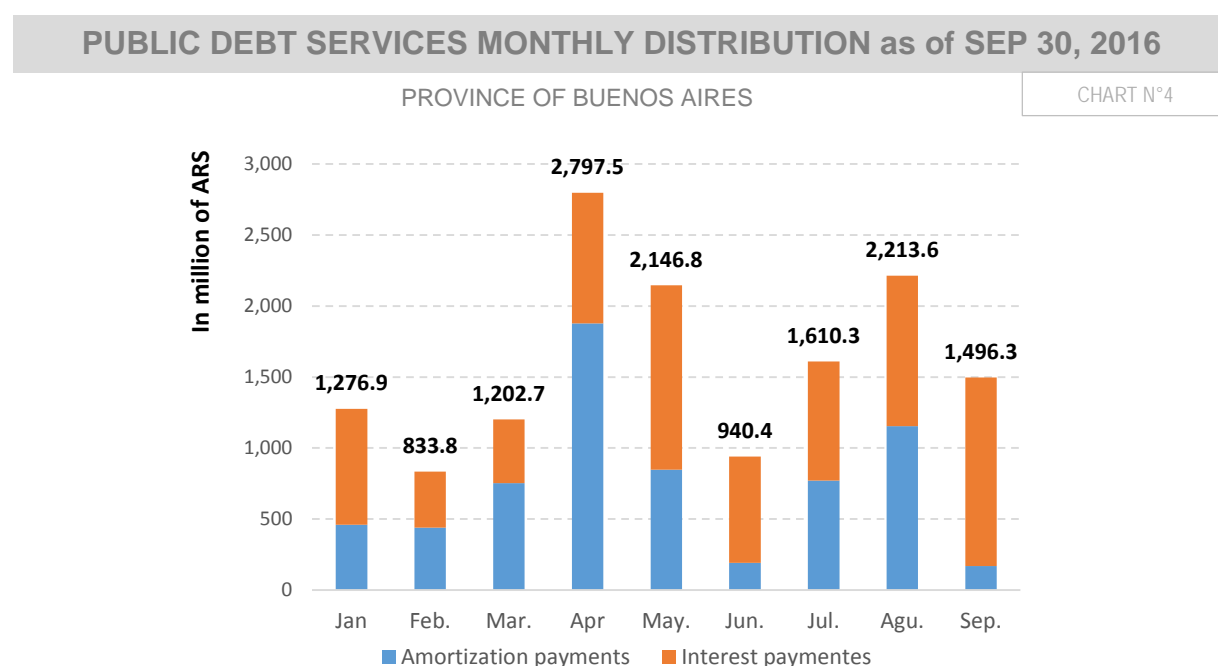
2. Public debt services 3Q2016

As of 3Q2016, the total debt services amounted to ARS 5.3 billion, which were explained, to a larger extent, by interest services (60.6%) rather than amortization services (39.4%). The main debt services corresponded to debt service payments of bonds issued in the local capital market and others minor debts (58.5%) followed by payments of bonds issued in the international capital markets (33.8%), payment of several multilateral credit lines (6.3%) and the payment of the debt held with federal government (1.4%).

| PUBLIC DEBT SERVICES 3Q2016 | | | |
|--|----------------|----------------|----------------|
| PROVINCE OF BUENOS AIRES In millions of current pesos ⁽¹⁾ | | | |
| TABLE N°3 | | | |
| ITEM | AMORTIZATION | INTEREST | TOTAL |
| Domestic Bondholders and others debts | 1,737.0 | 1,373.9 | 3,110.9 |
| International Bondholders | 0.0 | 1,800.0 | 1,800.0 |
| Federal Government | 64.1 | 10.6 | 74.7 |
| Multilateral Credits Agencies | 295.3 | 39.4 | 334.7 |
| TOTAL | 2,096.3 | 3,224.0 | 5,320.3 |

Note: (1) Debt services denominated in foreign currency were converted into ARS using the exchange rate of the payment date.
Source: Own elaboration based on Data from DMFAS. Provincial Office of Debt and Public Credit, Under-secretariat of Finance.

As regards the monthly distribution of accumulated debt services as of September 30, 2016, the most significant payments were made in April, May and August. These break down as follows: amortization and interest payment on the Restructuring Bonds, BP28 and BP21, interest service payments of the Debt Cancellation Bond – issue date February 5, 2016- and the 2015 Local Program debt services, among the most significant ones.

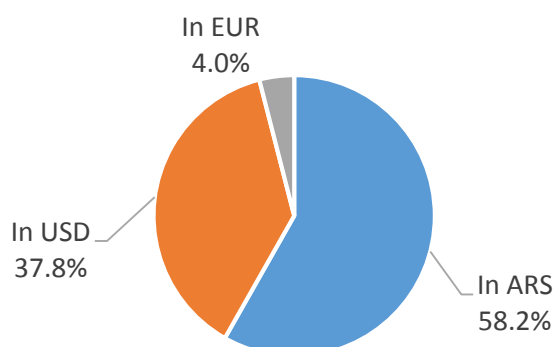


Source: Provincial Office of Debt and Public Credit, Under-secretariat of Finance.

DEBT SERVICE COMPOSITION BY CURRENCY IN as of SEP 30, 2016

PROVINCE OF BUENOS AIRES

CHART N°5



Source: Provincial Office of Debt and Public Credit, Under-secretariat of Finance

3. Maturity Profile

As of September 30, 2016, the bulk of PBA's debt services was concentrated in the medium term (51.0%), followed by long term (38.2%) and short term (10.7%).

As for short-term maturities 63.9% corresponds to obligations in ARS and 32.7% to obligations in USD and 3.3% in EUR.

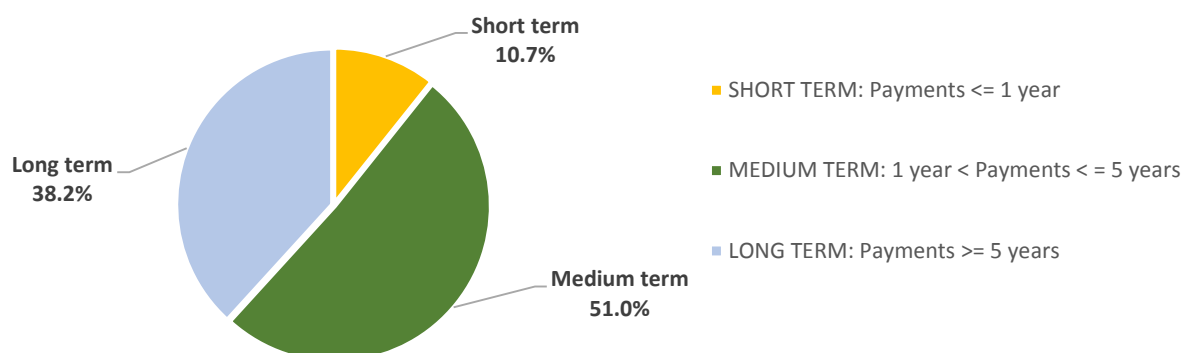
As for payments on medium-term debt services, 71.4% consists of obligations in foreign currency and the remainder (28.6%) in ARS.

As for long-term debt services, 66.1% is denominated in foreign currency whereas the remainder is mainly denominated in ARS (33.3%) and a minimum amount in ARS+CER (0.6%).

PUBLIC DEBT MATURITY PROFILE COMPOSITION BY TERM 3Q2016

PROVINCE OF BUENOS AIRES

CHART N°6

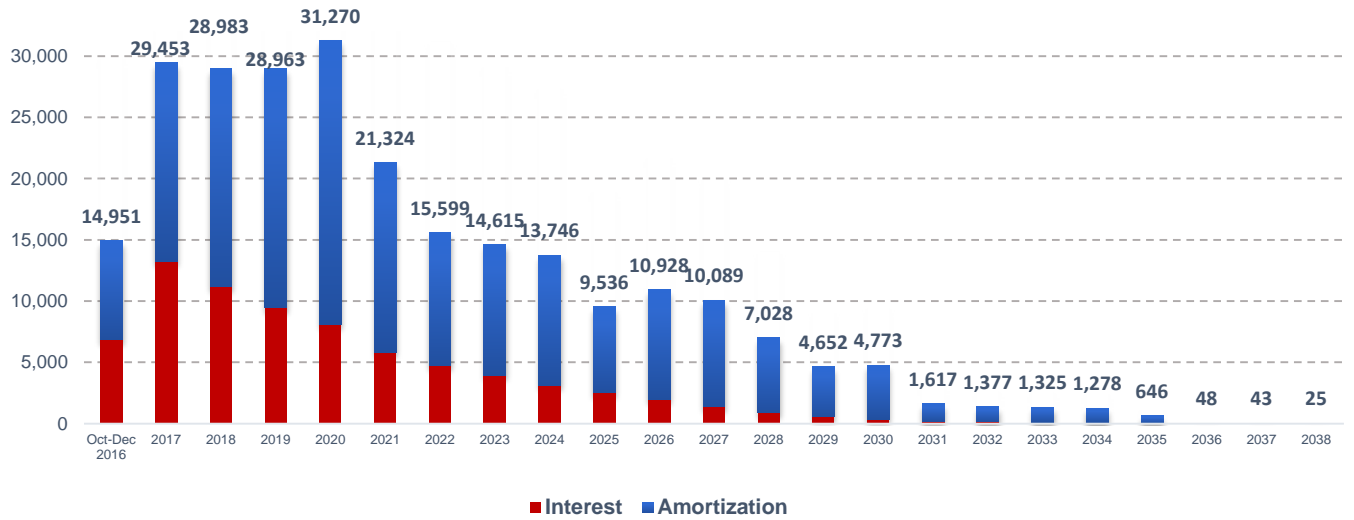


Source: Provincial Office of Debt and Public Credit, Under-secretariat of Finance

PUBLIC DEBT MATURITY PROFILE BY SERVICE TYPE 3Q2016

PROVINCE OF BUENOS AIRES | In millions of current pesos

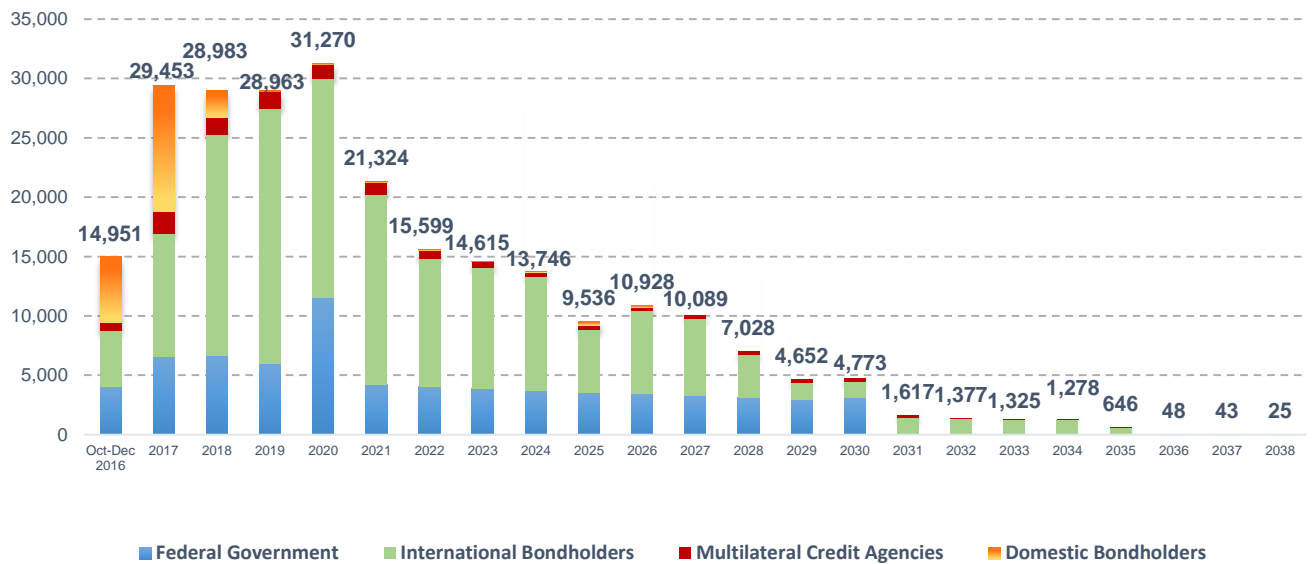
CHART N°7



PUBLIC DEBT MATURITY PROFILE BY CREDITOR 3Q2016

PROVINCE OF BUENOS AIRES | In millions of current pesos

CHART N°8



Source: Provincial Office of Debt and Public Credit, Under-secretariat of Finance.

http://www.ec.gba.gov.ar/areas/finanzas/deuda/reporte_trimestral.php