BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA, BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Consolidated Financial Statements – Statutory Basis

June 30, 2015

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Consolidated Balance Sheets - Statutory Basis

(Amounts in Thousands of RD$)

	At June 30, 2015	At December 31, 2014
ASSETS		
Available funds (notes 3, 4, 35, 36 and 37)	75,193,486	73,716,746
Investments (notes 3, 6, 15, 35, 36, 37 and 39)		
Other investments in debt instruments	47,574,303	34,696,787
Interests receivable	1,215,744	834,324
Allowance for investments	(214,060)	(223,491)
	48,575,987	35,307,620
Loans portfolio (notes 3, 7, 15, 35, 36, 37 and 39)		
Current	217,655,787	223,629,824
Restructured	4,777,470	4,337,836
Past due	1,914,814	1,261,719
In legal collection	815,162	690,093
Interests receivable	3,502,834	2,327,010
Allowance for loans	(5,156,514)	(5,456,513)
	223,509,553	226,789,969
Debtors by acceptances (notes 3, 8 and 35)	395,738	22,895
Accounts receivable (notes 3, 9, 10, 35, 37 and 39)		
Commissions receivable	43,171	34,580
Accounts receivable	2,044,298	1,309,992
Premiums receivable	2,381,958	1,124,267
Receivables from insurance and guarantees	5,352	6,834
	4,474,779	2,475,673
Assets received in loans settlements (notes 11, 15 and 39)		
Assets received in loans settlements	7,778,317	7,775,987
Allowance for assets received in loans settlements	(5,072,596)	(4,803,987)
	2,705,721	2,972,000
Investments in shares (notes 3, 12, 15, 36, 37 and 39)		
Investments in shares	904,353	829,041
Allowance for investments in shares	(20,226)	(11,823)
	884,127	817,218
Property, furniture and equipment (note 13)		
Property, furniture and equipment	11,370,153	9,734,686
Accumulated depreciation	(2,446,643)	(2,113,572)
	8,923,510	7,621,114
Properties under development intended for sale and for leasing	332,230	367,026
Other assets (notes 3, 14 and 35)		
Deferred charges	1,914,817	1,673,852
Intangibles	213,193	200,218
Other assets	2,636,193	2,095,037
Accumulated amortization	(160,220)	(140,480)
	4,603,983	3,828,627
TOTAL ASSETS	**369,599,114**	**353,918,888**
Contingent accounts (notes 24 and 28)	**669,657,441**	**650,574,821**
Memorandum accounts (note 29)	**1,368,879,968**	**535,199,696**

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These consolidated financial statements - statutory basis are to be read in conjunction with their accompanying notes.

Enrique A. Ramírez Paniagua
General Administrator

Luis R. Espinal L.
Comptroller

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Consolidated Balance Sheets - Statutory Basis

(Amounts in Thousands of RD$)

	At June 30, 2015	At December 31, 2014
LIABILITIES AND EQUITY		
LIABILITIES		
Customers' deposits (notes 3, 16, 35, 36 and 37)		
Checking	47,074,345	41,756,116
Savings	81,832,772	74,383,039
Time	39,275,135	42,154,467
	168,182,252	158,293,622
Deposits from domestic and foreign financial institutions (notes 3, 17, 35 and 36)		
From domestic financial institutions	19,657,735	16,728,009
From foreign financial institutions	7,954	1,332,777
	19,665,689	18,060,786
Borrowed funds (notes 3, 18, 35 and 36)		
From domestic financial institutions	500,842	1,651,863
From foreign financial institutions	26,708,998	32,928,167
Others	19,715	19,715
Interests payable	124,686	85,305
	27,354,241	34,685,050
Outstanding acceptances (notes 3, 8 and 35)	395,738	22,895
Outstanding securities (notes 19, 35, 36, 37 and 39)		
Securities	90,640,096	82,808,753
Creditors for insurance and bank guarantees	851,955	829,506
Insurance premium deposits	958,789	128,058
Other liabilities (notes 3, 15, 20, 28, 35 and 39)	11,819,865	9,405,817
Technical reserves (note 22)		
Mathematical and technical life insurance reserves	108,976	99,472
Reserves for unearned insurance premiums	2,414,634	2,293,355
	2,523,610	2,392,827
Subordinated debts (notes 3, 21, 35 and 36)		
Subordinated debts	23,146,484	23,017,620
Interest payable	397,690	392,072
	23,544,174	23,409,692
TOTAL LIABILITIES	345,936,409	330,037,006
EQUITY		
Paid-in capital	8,300,000	5,500,000
Other equity reserves	10,584,115	12,941,903
Revaluation surplus	744,525	744,525
Retained earnings from prior periods	786,114	-
Net income for the period	3,120,387	4,573,908
	23,535,141	23,760,336
Minority interest	127,564	121,546
TOTAL EQUITY	23,662,705	23,881,882
TOTAL LIABILITIES AND EQUITY	**369,599,114**	**353,918,888**
Contingent accounts (notes 24 and 28)	**669,657,441**	**650,574,821**
Memorandum account (note 29)	**1,368,879,968**	**535,199,696**

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These consolidated financial statements - statutory basis are to be read in conjunction with their accompanying notes.

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Consolidated Income Statements - Statutory Basis

(Amounts in Thousands of RD$)

	Six month periods ended At June 30, 2015	2014
Financial income (notes 6, 7, 30 and 37)		
Interests and commissions on loans	14,063,596	11,621,931
Interests on investments	1,962,993	2,558,809
Profits from sales of securities	968,537	1,168,229
Insurance premiums net of returns and cancellations	3,064,657	2,608,890
	20,059,783	17,957,859
Financial expenses (notes 16, 17, 18, 19, 20 and 30)		
Interests on deposits	5,457,243	4,421,759
Interests and commissions on borrowed funds	343,832	221,202
Loss on investments	180,965	297,638
Reinsurance expense	1,411,126	1,276,962
Insurance claims and contractual obligations	871,834	769,526
Expenses related to technical adjustment to reserves	80,040	73,337
Expenses related to acquisition, conservation and collection of insurance premiums	280,423	255,102
	8,625,463	7,315,526
Gross financial margin	11,434,320	10,642,333
Allowance for loan losses (note 15)	597,342	240,823
Allowance for investments (note 15)	-	12,000
	597,342	252,823
Net financial margin	10,836,978	10,389,510
Foreign exchange gain (loss) (note 31)	(32,441)	(36,488)
Other operating income (notes 32 and 37)		
Credit card fees	370,849	279,813
Service fees	1,303,612	1,115,249
Foreign exchange commissions	1,057,199	526,156
Miscellaneous income	1,005,450	836,744
	3,737,110	2,757,962
Other operating expenses (notes 32 and 37)		
Commissions for services	137,303	216,134
Miscellaneous expenses	640,993	278,593
	778,296	494,727
Gross operating income	13,763,351	12,616,257
Operating expenses (notes 15, 28, 34 and 38)		
Salaries and personnel compensation	6,041,122	5,091,190
Professional fees	803,317	583,107
Depreciation and amortization	374,218	328,055
Other provisions	585,787	334,019
Other expenses	2,904,011	2,203,986
	10,708,455	8,540,357
Net operating income	3,054,896	4,075,900

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BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Consolidated Income Statements - Statutory Basis, continued

(Amounts in Thousands of RD$)

	Six month periods ended At June 30, 2015	2014
Other income (expenses) (note 33)		
Other income	762,514	666,622
Other expenses	(330,473)	(473,101)
	432,041	193,521
Income before income tax	3,486,937	4,269,421
Income tax (note 23)	(349,904)	(889,922)
Net income for the period	**3,137,033**	**3,379,499**
ATTRIBUTABLE TO:		
Owners of the controlling entity (Parent Company)	3,120,387	3,367,199
Minority interest	16,646	12,300
	3,137,033	**3,379,499**

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These consolidated financial statements - statutory basis are to be read in conjunction with their accompanying notes.

Enrique A. Ramírez Paniagua
General Administrator

Luis R. Espinal L.
Comptroller

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Consolidated Statements of Equity - Statutory Basis

Six Month Periods Ended at June 30, 2015 and 2014

(Amounts in Thousands of RD$)

	Paid-in Capital	Other Equity Reserves	Revaluation Surplus	Retained Earning from Prior Periods	Net Income for ThePeriod	Total	Minority Interest	Total Net Equity
Balances at January 1st 2014	3,500,000	10,485,027	755,665	1,611,191	3,298,524	19,650,407	123,271	19,773,678
Transfer to retained earnings	-	-	-	3,298,524	(3,298,524)	-	-	-
Cash dividends paid to minority interest	-	-	-	-	-	-	(26,835)	(26,835)
Debt amortization of the Dominican Republic State				(435,000)		(435,000)		(435,000)
Dividends paid through payment amortization of National Treasury Vouchers (note 26)	-	-	-	(75,000)	-	(75,000)	-	(75,000)
Dividends paid through interest payment of National Treasury Vouchers (note 26)	-	-	-	(4,500)	-	(4,500)	-	(4,500)
Net income for the period	-	-	-	-	3,367,199	3,367,199	12,300	3,379,499
Transfer to other equity reserves (note 26)	-	2,000,000	-	(2,000,000)		-		-
Balances at June 30, 2014	**3,500,000**	**12,485,027**	**755,665**	**2,395,215**	**3,367,199**	**22,503,106**	**108,736**	**22,611,842**
Balances at January 1st, 2015	**5,500,000**	**12,941,903**	**744,525**	**-**	**4,573,908**	**23,760,336**	**121,546**	**23,881,882**
Transfer to retained earnings	-	-	-	4,573,908	(4,573,908)	-	-	-
Cash dividends paid to minority interest	-	-	-	-	-	-	(10,628)	(10,628)
Dividends paid to the Dominican Republic								
Cash	-	-	-	(1,500,000)	-	(1,500,000)	-	(1,500,000)
Common Shares	2,800,000	(2,357,788)	-	(442,212)	-	-	-	-
Dividends paid through payment amortization of National Treasury Vouchers (note 26)	-	-	-	(75,000)	-	(75,000)	-	(75,000)
Dividends paid through interest payment of National Treasury Vouchers (note 26)	-	-	-	(3,750)	-	(3,750)	-	(3,750)
Dividends payment amortization of National Treasury Bond law 121-05	-	-	-	(1,500,000)	-	(1,500,000)	-	(1,500,000)
Debt amortization of the Dominican Republic State	-	-	-	(266,832)	-	(266,832)	-	(266,832)
Net income for the period	-	-	-	-	3,120,387	3,120,387	16,646	3,137,033
Balances at June 30, 2015	**8,300,000**	**10,584,115**	**744,525**	**786,114**	**3,120,387**	**23,535,141**	**127,564**	**23,662,705**

These consolidated financial statements - statutory basis are to be read with their accompanying notes.

Enrique A. Ramírez Paniagua
General Administrator

Luis R. Espinal L.
Comptroller

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Consolidated Statements of Cash Flows - Statutory Basis

(Amounts in Thousands of RD$)

	Six month periods ended At June 30, 2015	2014
CASH FROM OPERATING ACTIVITIES		
Interest and commissions collected on loans	12,620,940	11,128,660
Other financial income collected	2,365,395	3,759,457
Other operating income collected	3,737,110	2,757,962
Insurance premium collected	2,637,697	2,101,111
Increase in insurance and guarantees	(1,616,875)	(1,669,838)
Interests paid on deposits	(5,453,998)	(4,410,936)
Interests and commissions paid on borrowed funds	(304,451)	(230,420)
General and administrative expenses paid	(9,818,803)	(7,878,283)
Other operating expenses paid	(778,296)	(494,727)
Income taxes paid	(334,279)	(464,415)
Insurance claims and contractual obligations	(871,834)	(769,526)
Miscellaneous collected (payments) of operating activities	1,207,149	1,763,802
Net cash provided by (used in) operating activities	3,389,755	5,592,847
CASH FROM INVESTMENT ACTIVITIES		
Decrease (increase) in investments	(14,527,277)	(8,002,948)
Loans granted	(79,157,609)	(83,676,163)
Loans collected	82,859,523	70,700,009
Interbank funds granted	(7,580,000)	(1,545,000)
Interbank funds collected	7,580,000	1,545,000
Decrease (increase) in properties under development intended for sale and leasing	34,796	(22,886)
Acquisition of property, furniture and equipment	(1,678,765)	(613,066)
Proceeds from sale of property, furniture and equipment	34,665	12,136
Proceeds from sale of assets received in loan settlements	77,594	129,158
Net cash used in investment activities	(12,357,073)	(21,473,760)
CASH FROM FINANCING ACTIVITIES		
Deposits received	1,164,735,269	1,192,546,853
Deposits paid	(1,145,410,393)	(1,181,875,107)
Borrowed funds received	19,253,996	32,625,090
Borrowed funds paid	(26,624,186)	(35,912,952)
Subordinated debts	-	-
Dividends paid and other payments to shareholders	(1,510,628)	(26,835)
Net cash provided by financing activities	10,444,058	7,357,049
NET DECREASE IN CASH	1,476,740	(8,523,864)
CASH AT THE BEGINNING OF THE PERIOD	73,716,746	59,683,710
CASH AT THE END OF THE PERIOD	**75,193,486**	**51,159,846**

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BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA, BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Consolidated Statements of Cash Flows - Statutory Basis, continued

(Amounts in Thousands of RD$)

	Six month periods ended At June 30, 2015	2014
Reconciliation between the net income for the period and the net cash provided by operating activities		
Net income for the period	3,137,033	3,379,499
Adjustments to reconcile net income for the period to net cash provided by operating activities		
Provisions for risky assets and contingencies	1,183,129	586,842
Technical reserves increase	80,040	73,337
Release of provisions for risky assets and contingencies	(257,999)	(201,254)
Depreciation and amortization	370,876	328,055
Gain on sale of property, furniture and equipment	(9,432)	(2,429)
Gain on sale of assets received in loans settlements	(17,344)	(5,332)
Currency exchange rate fluctuations, net	219,604	244,616
Amortization cost and discount of the subordinated debts	3,245	10,953
Net change in assets and liabilities:		
Interests receivable	(1,827,826)	(163,214)
Debtors by acceptances	(372,843)	(284,038)
Commissions receivable	(8,591)	-
Accounts receivable	(734,306)	(863,575)
Premiums receivable	(1,257,691)	(797,807)
Receivables from reinsurance and guarantees	1,482	557
Deferred charges	(240,965)	1,112,743
Other assets	(608,167)	(198,834)
Interests payable	39,381	(9,348)
Outstanding acceptances	372,843	284,038
Creditors of insurance and bank guarantees	22,449	(250,138)
Insurance premium deposits	830,731	290,028
Other liabilities	2,426,338	1,946,341
Technical reserves	50,743	111,807
Total adjustments	252,722	2,213,348
Net cash provided by operating activities	**3,389,755**	**5,592,847**

These consolidated financial statements - statutory basis are to be read with their accompanying notes.

Enrique A. Ramírez Paniagua
General Administrator

Luis R. Espinal L.
Comptroller

1 Entity

Banco de Reservas de la República Dominicana, Banco de Servicios Múltiples and subsidiaries (the "Bank"), is owned by the Dominican State and was incorporated on October 24, 1941 under Law No. 581, amended by Law No. 6133 of December 17, 1962, which was modified by Law No. 281 of January 1st, 1976 and its modifications.

Banco de Reservas de la República Dominicana, Banco de Servicios Múltiples and subsidiaries (the Bank) offers multiple banking services to the Dominican Government, its autonomous entities and state-owned companies (public sector), as well as privately owned companies and the general public (private sector). Its main activities are granting loans, placement of investments, deposits, financing, sales of insurances, management of pension funds and health services, sale and development of real estate projects, subscription and sale of securities, trust management, among others.

The General Administration is headquartered at Torre Banreservas on Winston Churchill Avenue, Santo Domingo, Dominican Republic.

The detail of the principal officers is as follows:

Name	Position
Simón Lizardo	Minister of Finance - Ex in Officiate Chairman
Enrique A. Ramírez Paniagua	General Administrator
Aracelis Medina Sánchez	Deputy Administrator- Administration
José Manuel Guzmán Ibarra	Deputy Administrator - Government Business
William Read Ortiz	Deputy Administrator - Business
Marcial H. Mejía Guerrero	Deputy Administrator - Operation & Technology
Rienzi M. Pared Pérez	Deputy Administrator - Subsidiary Entities
Luis R. Espinal L.	Comptroller
Luis Eduardo Rojas de Peña	General Director - Treasury, Investment Banking and Capital Market
Julio Enrique Páez Presbot	General Auditor

The Bank is regulated by the Monetary and Financial Law and its regulations as well as by resolutions of the Monetary Board and the Superintendence of Banks of the Dominican Republic.

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BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Notes to the Consolidated Financial Statements - Statutory Basis

(In Thousands of Dominican Pesos)

As of June 30st 2015 and December 31st 2014, a detail of the Bank's offices, automatic teller machines (ATMs) and post offices is as follows:

	2015			2014		
Location	Offices (*)	ATMs	Post Offices	Offices (*)	ATMs	Post Offices
Metropolitan area	99	262	-	93	254	-
Provinces	165	258	5	174	234	5
	264	**520**	**5**	**267**	**488**	**5**

(*) Correspond to branches, agencies and service centers.

2 Summary of significant accounting policies

2.1 Accounting basis of the consolidated financial statements

The financial information and accounting policies of the Bank are in accordance with the accounting practices established by the Superintendence of Banks of the Dominican Republic as stipulated in its Accounting Manual for Financial Institutions, regulations, circulars, resolutions, instructions and specific provisions issued by this agency and the Monetary Board of the Dominican Republic, as well as those provided in the Monetary and Financial Law. These practices differ in some respects in the form and content of the International Financial Reporting Standards (IFRS) applicable to banks and financial institutions. Consequently, the accompanying consolidated financial statements - statutory basis are not intended to present the financial position, results of operations and cash flows in accordance with the IFRS.

Subsidiaries include: insurance companies, pension fund managers, administrator of health plans and a security exchange, which have been prepared in accordance with the accounting practices established by the Superintendence of Insurance, the Superintendence of Pensions, the Superintendence of Health and Labor Risks and the Superintendence of Securities of the Dominican Republic, respectively. Furthermore, unregulated subsidiaries whose accounting practices are in accordance with the International Financial Reporting Standards. The figures of these subsidiaries that are incorporated in the consolidated financial statements have been prepared following those accounting basis.

The consolidated financial statements - statutory basis, and the explanatory notes have been prepared in thousands of Dominican Pesos (RD$).

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BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Notes to the Consolidated Financial Statements - Statutory Basis

(In Thousands of Dominican Pesos)

2.1.a *Differences between banking regulations and International Financial Reporting Standards*

The accounting practices set forth by the Superintendence of Banks of the Dominican Republic differ from International Financial Reporting Standards in certain aspects. A summary of the most relevant differences is as follows:

i) The allowance for loan portfolios corresponds to the amount determined based on a risks assessment carried out by the Bank, the level of reserves required for the classification assigned to each loan (for commercial loans denominated as major debtors), the number of days past due (for consumer, mortgage and minor commercial loans) and some specific approvals issued by the Superintendence of Banks. This evaluation (for major commercial debtors) includes the ability to pay based on a review of credit records, payment history and collateral levels which are only considered to determine the provisions, following the guidelines of the Instruction for the Asset Evaluation (REA), the Instructions for the Asset Evaluation Process in Permanent Regimes and related circulars, as well as some specific exemptions to certain loans that specific sectors of the economy promote. In accordance with IFRS, loan portfolios are assessed by separating individual and collective loans. Individual loan analysis is evaluated on a loan-by-loan basis.

   In the case of loans that are collectively evaluated to determine whether impairment exist, the estimate of the contractual cash flows of the assets credit group, analysis of historical losses and Management's opinions on whether the current economic situation and loan conditions may change the actual level of the inherent historical losses are considered. A provision is recognized, if objective evidence exist that there has been an impairment loss, which would result in the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate and not taking into account any waiver.

ii) Banking regulations requires financial institutions to establish allowances for assets received in loans settlements, according to the following criteria: moveable goods are reserved over a two year period, on a straight line basis, starting six months following foreclosure (at 1/18th monthly); real estate is reserved over a three year period, on a straight-line basis counted as of the first anniversary of its recording in the Bank's books (at 1/24th monthly). IFRS require that these assets be reserved only in the event of impairment.

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BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA, BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Notes to the Consolidated Financial Statements - Statutory Basis

(In Thousands of Dominican Pesos)

iii) Interest receivable past due for less than 90 days, is reserved according to the classification granted to the corresponding principal. Past due interest receivables with more than 90 days if fully reserved, except for credit card transactions, which are fully reserved after 60 days past due. Subsequent accrued interest is not recognized in the unconsolidated financial statements - statutory basis, the accrual interest is suspended and recognized in the memorandum accounts. In accordance with IFRS, allowances on interest receivable are determined based on existent risks in the portfolio (incurred loss model instead of the expected loss model). In the event of impairment, the loans are adjusted and subsequent accrual of interest is based on the adjusted balance using the effective interest rate.

iv) Financial institutions translate all foreign currency items at the official exchange rate as established by the Central Bank of the Dominican Republic at the balance sheet date. IFRS require that all foreign currency balances be translated at the exchange rate at which the Bank had access at the balance sheet date.

v) The Superintendence of Banks of the Dominican Republic requires that reserves held on loans at the moment of executing their collateral, be transferred to the assets received in loan settlements. IFRS only require reserves when the fair value of the asset is lower than its book value or when impairment exists.

vi) There are differences between the presentation and certain disclosures of the financial statements according to IFRS those required or authorized by the Superintendence of Bank.

vii) According to banking regulations, income from renewal of credit cards, letters of credit card operations and outstanding acceptances are immediately recognized. In accordance with IFRS, these are deferred and recognized as income over the term of the credit cards, letters of credit and outstanding acceptances.

viii) The Superintendence of Banks of the Dominican Republic requires leasehold improvements and computer software must be previously authorized by the Superintendence of Banks in order to be recognized as property, furniture and equipment and intangible assets, respectively, and classify them as other assets until such approval is obtained. The Superintendence of Banks indicates the amount that could be capitalized and the maximum amortization period during which the deferral is allowed. IFRS require that these items be recognized as property, furniture and equipment and intangible assets as long as they generate future economic benefits.

ix) The Superintendence of Banks of the Dominican Republic has established that short-term highly liquid investments that are easily convertible to cash be classified as investments. IFRS requires that this type of investments with original maturities of three months or less be classified as cash equivalent.

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x) The Superintendence of Banks of the Dominican Republic requires that financial institutions classify investments into four categories, which are: trading, available-for-sale investments, held-to-maturity investments, and other investments in debt securities. Also, the Superintendence allows classifying in one of the first three categories only those investments listed in an active market. Investments held for trading and available-for-sale should be measured at fair value, and investments held to maturity and other investments in debt securities at amortized cost. IFRS do not prescribe the category of other investments in debt securities and the classification will depend on management's intentions.

The investment portfolio is classified according to the risk categories determined by the Superintendence of Banks that require specific provisions, following the instructions of the Assets Evaluation Regulation, the handbook for Evaluating loans, Investments and Contingent Operations of the Public Sector, the handbook for the Asset Evaluation Process in Permanent Regimes and specific provisions. IFRS require determining allowances based on the assessment of the existent risks on the basis of an incurred loss model instead of an expected loss model.

xi) The Bank assesses the useful life of items of property, furniture and equipment at the time of acquisition, and recognizes in memorandum accounts the fixed assets that are fully depreciated. IFRS require that the residual value and the useful life of an asset be reviewed at least at each financial year-end, and if expectations differ from previous estimates, the changes are accounted for as a change in accounting estimates.

xii) The Superintendence of Banks, allowed multiple service banks the revaluation of its properties as of December 31, 2004 and has not required updating these values after that date. IFRS state that these updates must be performed whenever significant value changes occur forn such assets.

xiii) The Superintendence of Banks requires that cash flows corresponding to loans portfolio and customers' deposits, be classified as investing and financing activities, respectively. IFRS require that the cash flows from these transactions be recognized as part of operating activities.

xiv) The Superintendence of Banks of the Dominican Republic requires banks to recognize an allowance for contingent operations, which includes, among others, granted guarantees, non-negotiable letters of credit issued, and unused amounts of lines of credit of automatic use, based on a classification of risk category following the REA. IFRS require recognizing a provision when there is a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable amount can be estimated.

xv) In accordance with the practices established by the Superintendence of Banks, other operating income, such as credit cards commissions are immediately recognized as income, rather than in the period in which it expects to provide the service as required under the IFRS.

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Notes to the Consolidated Financial Statements - Statutory Basis

(In Thousands of Dominican Pesos)

xvi) The Superintendence allowed the Bank to recognize as income commissions collected on discount of invoices at the time of the operation. IFRS require that these commissions be deferred and recognized as income using the effective interest method.

xvii) The Superintendence of Banks allowed the Bank to calculate the actuarial liability related to the Pension and Retirement Funds paid directly by the Bank over a nine year-period beginning in 2011. IFRS establishes that pension plan obligations must be recognized initially in full and periodically updated in subsequent periods and the effects to be recognized either in profit or loss or other comprehensive income.

xviii) Banking regulations require that investment in stocks be valued at the lower of fair value or cost. If a security market does not exist, they are valued at cost less impairment, assessing the quality and solvency of the issuer, using the instructions of the Assets Evaluation Regulation and the handbook for the Assessment Evaluation Process in Permanent Regimes. In accordance with IFRS it must be determined if there is control or significant influence. If control exists, the consolidated financial statements must be prepared. If it is determined that there is significant influence, investments must be recognized under the equity method and those that do not comply with the two above features are carried at fair value with either changes in profit or loss or in other comprehensive income, depending of the classification.

xix) In accordance with current banking regulations, the Bank must quantitatively disclose the risks derived from its financial instruments, such as liquidity and interest rate risks and the credit risk of the loans, among others. IFRS require the following disclosures that allows users of the financial statements to evaluate: a) the importance of the financial instruments in relation to the financial position and results of the entity and b) the nature and scope of the risks resulting from the financial instruments to which the entity is exposed during the period, the reporting date and how the entity manages those risks.

xx) The Superintendence of Banks does not allow the release of provision for assets awarded without prior authorization. In case of the sale of assets awarded that are provisioned, if the sale occurs at a higher value than its book value, it cannot be recognized as a gain as required by the IFRS, but instead the provision released must be transferred to other regulatory provisions or request authorization from Superintendence of Banks to recognize them as income.

xxi) The Superintendence of Banks of the Dominican Republic, authorized the inclusion in the consolidated financial statements, the financial statements of subsidiaries that were prepared following different accounting practices to those in the Accounting Manual for Financial Institutions without being homogenized with the accounting practices followed by the Bank. Under IFRS, entities included in the consolidation should follow the same accounting policies.

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Notes to the Consolidated Financial Statements - Statutory Basis

(In Thousands of Dominican Pesos)

xxii) The Superintendence of Banks, authorized the Bank to classify as accounts receivable some discounts on invoice operations. In accordance with International Financial Reporting Standards, these operations must be classified as loans portfolio.

xxiii) The Superintendence of Banks, authorized financial intermediation institutions to write off a loan with or without guaranties when it becomes a non-performing portfolio, excluding related-party loans, that should be written off when all legal collection processes have been exhausted and the involved officers and/or directors have been removed from their duties. The IFRS require these write offs immediately when loans are determined to be unrecoverable.

xxiv) IFRS require that, if the Bank has other comprehensive income, an income statement and comprehensive income financial statement must be presented or a separate statement of other comprehensive showing the nature and amount of line items for other comprehensive income during the reporting period. The Superintendence of Banks of the Dominican Republic does not include this requirement in their preparation of financial statements - statutory basis.

xxv) The Superintendence of Banks authorized to account foreign currencies sales transactions with the Central Bank of the Dominican Republic, in which the Bank is entitled to receive US dollars at a maximum rate agreed, and which are disclosed and accounted as foreign currency balances for the purposes of determining the net position in foreign exchange. IFRS require that these operations be recognized at fair value as derivative financial instruments.

2.1.b *Differences between the accounting practices issued and allowed by the for Insurance Companies in the Dominican Republic and International Financial Reporting Standards:*

i) As established by the Superintendence of Insurance, short-term insurance contracts are recognized as revenue when billed; as a result, unearned premium reserves are computed based on specific percentages according to the line of business and are not based on a pro-rata distribution over the term of the policy. These minimum percentages are established in Article 141 of the Insurance and Surety Bonds Law No. 146-02, as follows:

- 15% Transportation and freight
- 5% Collective life insurance, accidents and health, provided premiums are collected on a monthly basis
- 40% Surety bonds
- 40% other insurances

In accordance with IFRS, income from insurance contracts, both general and short-term life insurance, is recognized proportionately over the term of the policy.

In the case of long-term life insurance contracts with a guaranteed minimum term, the premium income is recognized when payment is received from the insured party.

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In the case of long-term life insurance contracts without a fixed guaranteed term, such as death or survivorship insurance, premiums are recognized in a deferred income, which increases by the interest or changes in unit prices and lowers management fee policy, fees, mortality and any other withdrawals.

ii) In accordance with IFRS, investments are classified into four categories: financial assets at fair value with changes through profit and loss, held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets. In accordance with IFRS investments are classified into four categories: financial assets at fair value with changes through profit and loss, held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets. Under IFRS these investments must be recognized initially at fair value and subsequent to their initial recognition, are measured at amortized cost and, fair value with changes in profit or loss or at fair value with changes in equity depending on its initial classification. Additionally, IFRS does not provide for other investments classification. The accounting practices followed by the Bank initially recognizes the investments at fair value and subsequently measured at amortized cost.

iii) The Superintendence of Bank, establishes that premiums receivable that are considered uncollectible by the Bank are reversed against income. In accordance with IFRS, premiums receivable should be assessed regularly and a provision should be created for amounts deemed uncollectible. This provision should be recognized through a charge to operating expenses of the year.

iv) The recognition of specific reserves for claims incurred but not reported at the statement of financial position date is not required. IFRS require creating a provision for those probable and quantifiable losses and that these be recognized through a charge to operations of the year in which the incident occurred.

v) According to accounting practices of the Superintendence of Insurance, the Bank accounts for salvage accounts and recoveries in memorandum accounts, and should not be recognized in the accounting until disposal. IFRS establish that at the balance sheet date of the consolidated financial statements, such assets shall be measured at fair value less any cost of sale and recognized as other assets against a deduction of the cost of the claims that gave rise to the salvages in the accounting period in which the Bank obtained the rights over the salvages and recoveries.

vi) According to accounting practices of the Superintendence of Insurance, savings components of life insurance contracts are not accounted separately in the balance sheet. IFRS require to account separately for the deposit components and recognize the premium paid by the life insurance policy as a financial liability.

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vii) Service components that form part of the insurance contract and recognized as revenue together with the written premium income are not separated. The International Financial Reporting Standards requires to separate from an insurance contract, those service components for which the Bank does not retain any insurance risk. Such component should be recognized as a liability, and any commission collected on the intermediation of services shall be deferred as income over the term of the policy that originated such commission.

viii) Additional costs incurred in the process of acquisition and issuance of insurance contracts are recognized as expenses when they occur, except commissions to agents, which are amortized in proportion to the premium that originated it following the percentages established by the Superintendence of Insurance. According to IFRS these costs must be deferred and recognized as expense using the straight line method over the life of the related insurance contract.

ix) Accounting practices of the Superintendence of Insurance, establishes the classification of property, plant and equipment of the use of the asset. IFRS require that property, plant and equipment which intended use to obtain revenues from rent shall be classified as investment property. The recognition and presentation of investment property differs from the assets that are being used in in the operations of the Bank.

x) International Financial Reporting Standards require that a Liability adequacy test be performed. This test is basically a calculation based on a statistical methodology that determines if provisions recognized by the Bank are adequate to honor possible commitments arising from current insurance contracts. Accounting practices of the Superintendence of Insurance does not require this kind of provision.

xi) The Superintendence of Insurance and the Superintendence of Health and Labor Risk requires that short-term investments, highly liquid investments and investments easily convertible to cash be presented as investments. International Financial Reporting Standards require that such investments be presented as cash equivalents.

xii) International Financial Reporting Standards require an entity to separate embedded derivative from the host contract and accounted for as a derivative if economic characteristic and risks of the embedded derivative are not closely related to the economic characteristic and risks of the host contract. Accounting practices established by the Superintendence of Insurance and the Superintendence of Health and Labor Risk of the Dominican Republic do not provide for guidance on accounting of derivatives.

xiii) There are certain differences in presentation and disclosures of the financial statements according to the accounting practices established by the Superintendence of Insurance and the Superintendence of Health and Labor Risk of the Dominican Republic and financial statements prepared in accordance with International Financial Reporting Standards.

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xiv) The Superintendence of Insurance and the Superintendence of Health and Labor Risk allows that significant revenues and expenses that affect the consolidated financial statements of prior years, be recognized on retained earnings without having to restate the previous reported amounts of the consolidated financial statements. International Financial Reporting Standards require that these transactions be recognized retroactively correcting the previously reported financial statements, including presentation of the statement of financial position for the most recent three years

The Bank has not quantified the effects of differences between the accounting basis and IFRS on the consolidated financial statements - statutory basis.

2.2 Use of estimates

The preparation of the consolidated financial statements - statutory basis requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the amounts reported as current revenues and expenses. Estimates are used mainly in the determination of provisions for assets subject to risk, depreciation and amortization of long-term assets, impairment of long-term assets and contingencies. Actual results may differ from such estimates.

2.3 Consolidation

The consolidated financial statements - statutory basis include the figures of Banco de Reservas de la República Dominicana, Banco de Servicios Múltiples, and subsidiaries owned either directly or indirectly in more than 50%, which are: Tenedora Banreservas, S. A. and subsidiaries, which include Seguros Banreservas, S. A. Reservas Asistencia, S.A.S., Reservas Inmobiliaria, S. A. and subsidiary, Administradora de Fondos de Pensiones Reservas, S. A. and Inversiones & Reservas, S. A. y Fiduciaria Reservas, S. A., Occidental Security Services, S. R. L. and Inversiones Finanprimas SB, S. A. S. Additionally, Administradora de Riesgo de Salud Reservas, Inc., a non-profit entity whose net assets are included as other liabilities.

All these entities are located and incorporated under the laws of the Dominican Republic. Balances and transactions among the consolidated entities are eliminated in consolidation. There are differences among some of the accounting policies of the subsidiaries, which prepare their financial statements accounting with the accounting practices issued by the Superintendences of Insurance, of Pensions, Health and Labor Risk and of Securities of the Dominican Republic.

The Superintendence of Banks of the Dominican Republic approved the incorporation of the financial statements of these subsidiaries in the consolidated financial statements without homogenizing its accounting practices to the ones followed by the Bank.

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BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA, BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Notes to the Consolidated Financial Statements - Statutory Basis

(In Thousands of Dominican Pesos)

The entities included in the consolidated financial statements - statutory basis of Banco de Reservas de la República Dominicana, Banco de Servicios Múltiples, Parent Company, and the following subsidiaries are:

Subsidiaries	Country of Operation	% of Ownership
Directly subsidiaries:		
Tenedora Banreservas, S. A. and Subsidiaries	Dominican Republic	97.74
Administradora de Riesgo de Salud Reservas, Inc.	Dominican Republic	-
Indirectly subsidiaries:		
Administradora de Fondos de de Pensiones Reservas, S. A.	Dominican Republic	98.50
Seguros Banreservas, S. A.	Dominican Republic	97.91
Reservas Inmobiliaria, S. A.	Dominican Republic	99.99
Operadora de Zonas Francas Villa Esperanza	Dominican Republic	99.99
Inversiones & Reservas, S. A.	Dominican Republic	100.00
Reservas Asistencia, S. A. S.	Dominican Republic	100.00
Fiduciaria Reservas, S. A.	Dominican Republic	100.00
Occidental Security Services, S. R. L.	Dominican Republic	100.00
Inversiones Finanprimas SB, S. A. S.	Dominican Republic	100.00

All intra-group balances and transactions that conform the consolidated financial statements - statutory basis, were eliminated on consolidation.

The Superintendence of Banks of the Dominican Republic authorized the Bank to not eliminate the allowance for investment in subsidiaries in the consolidation.

Banco de Reservas de la República Dominicana, Banco de Servicios Múltiples - Regulated by the Superintendence of Banks of the Dominican Republic.

The Bank is the most important entity and provides financial intermediation services such as loans, investments; deposits and financing to the Dominican Government, its autonomous entities and state enterprises (public sector) and to privately owned enterprises and the general public (private sector).

(Continues)

**BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements - Statutory Basis

(In Thousands of Dominican Pesos)

Administradora de Riesgo de Salud Reservas, Inc. - Regulated by the Superintendence of Health and Labor Risks of the Dominican Republic.

It is a Non-For Profit organization dedicated to the management of health insurance plans, established by the National Council of Social Security, in accordance with Law No. 87-01 and its complementary regulations.

Peaje Dominicano, S. A. S.

This Company was incorporated under the laws of the Dominican Republic; its main activity was management of a parking building owned by the Bank. This Company was acquired by the Bank during the year 2014.

Tenedora Banreservas, S. A. and Subsidiaries.

Is the Parent Company of the following subsidiaries:

(a) Seguros Banreservas, S. A. and Subsidiaries - Regulated by the Superintendence of Insurance of the Dominican Republic.

This company is authorized to operate in the field of general insurance and personal insurance in the country, according to Insurance Law No. 146-02.

(b) Administradora de Fondos de Pensiones Reservas, S. A. - Regulated by the Superintendence of Pensions of the Dominican Republic.

It is dedicated to the administration of pension funds of third parties, or plans and pension funds of companies or associations that are entrusted for administration on the basis of specific contracts, according with Law 87-01 that created the Dominican system of Social Security and the complementary regulations to this law.

Currently, AFP Reservas manages Pension Fund T-1 AFP Reservas (Contribution), Pension Fund T-4 AFP Reservas (Distribution) and Pension Funds T-5 AFP Reservas (Social Solidarity), according with Law 87-01. The Administradora is regulated by the Superintendence of Pensions of the Dominican Republic.

(c) Reservas Inmobiliarias, S. A. and Subsidiary.

It performs all type of real estate transactions, such as buying, selling, leasing, management and development of real estate properties.

The Subsidiary of Reservas Inmobiliarias, S. A., Operadoras Zonas Francas Villa Esperanza, S. A., is engaged in leasing under the free zone regime certified by the National Council of Export Free Zones.

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(d) Inversiones & Reservas, S. A. - Regulated by the Superintendence of Securities of the Dominican Republic.

Inversiones & Reservas, S. A., was incorporated under the laws of the Dominican Republic. Its main purposes consist of buying and selling securities, exchange of securities, underwriting issuance of securities in part or as a whole, for subsequent trade to the public, promoting and facilitating the issuance of securities in public offerings and to perform all operations authorized by the Superintendence of Securities of the Dominican Republic.

(e) Fiduciaria Reservas, S. A.
Incorporated under the laws of the Dominican Republic, its main purpose is to manage businesses, in accordance with Law No. 189-11, relating to Mortgage Market Development and Trust in the Dominican Republic and all operations authorized by the Superintendence of Banks of the Dominican Republic.

(f) Occidental Security Services, S. R. L.

Incorporated under the laws of the Dominican Republic, its main purpose is to provide physical security services, transport of valuables and personal defense training.

(e) Inversiones Finanprimas SB, S. A. S.

Incorporated under the laws of the Dominican Republic, its main purpose is to provide financing to the insured of Seguros Banreservas, S. A., so they can obtain premiums of all types of insurance policies as well as the efforts of collection and legal procedures and compulsive fees and other related services to both individual and corporate.

2.4 Loan portfolio

Loans are carried out at their outstanding balances less the required allowance for loan losses.

The Bank calculates interest on loans to cardholders based on the outstanding balance of the principal.

The Bank assigns to commercial loans that have been restructured an initial classification no lower than "C" independently of their capability and payment behavior and country risk; this can be changed subsequently to a lower risk category based on satisfactory payment behavior. The Bank is also required to create an allowance for consumer and mortgage loans that have been restructured and classified no lower than "D." Such classification may be changed based on payment behavior, which must remain in that category depending on the evolution of payments, but in no event can be classified lower than "B."

Furthermore, the Bank applies the arrears method to over 90 days past due loans, considering the total amount of principal past due when one installment payment has fallen into arrears.

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The Bank suspends the accrual of interest on loans when past due for more than 90 days and 60 days for credit cards. (See note 2.5.3).

2.5 Determination of provisions to cover credit risks on loan losses in the loans portfolio, other assets and contingent operations

2.5.1 Allowance for loans portfolio

The determination of the allowance for loan losses in the loan portfolio, is based on criteria established in Assets Evaluation Regulation, issued by the Monetary Board in its First Resolution dated December 29, 2004, complementary instructional circulars and observations made by the Superintendence of Banks (basis for determining the allowances) and the Handbook for the Assessment Process of Assets in Permanent Regimes issued by the Superintendence of Banks on March 7, 2008.

According to such regulation, the estimate of loan loss reserves in the loan portfolio depends on the type of loan, which can be classified as: major commercial debtors, minor commercial debtors, consumer and mortgage loans. The estimation of the allowance for loan losses for major commercial debtors is based on a detailed quarterly review of each debtor's solvency, payment history and country risk performed by the Bank for 100% of its major commercial debtors (subject to review by the Superintendence of Banks), using specific percentages based on debtor classification, except for loans to the Dominican Republic government institutions and other public institutions that are classified as established by the Handbook for Loan Evaluation, Investments and Contingent Operations of the Public Sector.

Major commercial debtors are classified considering the categorized analysis of each debtor according to their solvency as established in the Assets Evaluation Regulation, and thus evaluating other factors such as liquidity ratios, profitability, leverage, market analysis, historical payment behavior, country risk and alignment. Collaterals, as a safety factor in the recovery of credit operations are considered as a secondary element and are not considered in the debtor's classification, although they are included in the calculation coverage for the required allowances.

Major commercial debtors are those which total approved loans in the financial system, are equal to or greater than RD$25 million, both individually and consolidated in the system.

The regulation requires creating a provision for the positive exchange differences on foreign currency loans with more than 90 days overdue, considering as a risk exposure 20% of the amount past due on collateralized loans classified as D and E, for more than 90 days past due.

The Superintendence of Banks granted an extension to all financial institutions to require a provision for the positive difference in foreign exchange currency loans, only for those loans classified as D and E with more than 90 days past due, until the Assets Evaluation Regulation is amended.

(Continues)

For minor commercial debtors, consumer and mortgage loans, the allowance is determined based on the days in arrears and collaterals are not taken into consideration. Loan collaterals, as a factor of security in the collection of loans, are considered as secondary element and are not taken into account when determining the debtor's classification, and are only considered loans classified minor commercial debtors.

Write-offs on loans consist of operations by which the uncollectible loans are removed from the balance sheet, being recognized only in memorandum accounts. In the event that the financial institution does not have the total loan allowance, should establish the amount before performing the write-off, in order to not affect the level of allowance required for other loans. A loan may be written off, with or without a collateral, from the day in which the loan enters in a non-performing loan category, excluding related party loans with collaterals that can only be written-off when the Bank can show that the legal proceedures for recovery have been exhausted and the officers or managers directly related have been released of their duties. Write-offs on loans remain in memorandum accounts until the reasons that led to the write-off are not overcome.

Excesses in provision for loan portfolio cannot be released without prior authorization from the Superintendence of Banks, excluding the provisions for interest receivable with more than 90 days.

Collaterals securing loan operations are classified according to the Assets Evaluation Regulation, based on its multiple uses and ease of realization. Each type of collateral is considered as a secondary element in the calculation of provisions coverage, based on a permissible amount established. Acceptable collateral will be accepted based on the discount percentages established in this Regulation at its market value. Collaterals are classified as follows:

Multi-use collateral ("garantías polivalentes")

These collaterals include real estate that is not specific to any activity but has multiple uses, is easily transferable, is easy to convert to cash, easily appraised and easy to monetize without excessive costs and with a stable value. These collaterals are considered at 50% to 100% of its appraised value for the purpose of estimating the risk coverage, depending on the type of collateral.

Specific use collateral ("garantías no polivalentes")

Represents collateral secured by assets difficult to convert to cash or monetize. Generally, these assets are user specific. These collaterals only apply between 30% to 50% of its assessed value for the purpose of estimating the risk coverage provided by such assets.

Each classification of collateral is taken into account in calculating the amount of loan coverage based on schedule 8 (Table 8) the percentages established in the Asset Evaluation Regulation.

(Continues)

(In Thousands of Dominican Pesos)

Collaterals are measured at fair value that is at their net realizable value through appraisals or certificates prepared by independent professionals, not older than 12 months for personal property, excluding securities, and a term not exceeding 18 months for real estate.

Other Considerations

At June 30, 2015 and December 31, 2014, the Bank has special dispensations from the Superintendence of Banks for accounting and reporting, in particular, some loans granted to specific sectors of the Dominican Republic economy, such as contractors from priority construction projects of the Dominican Republic State, road network development, some power generators institutions and loan portfolios acquired from a local financial institution.

2.5.2 Allowance for loans portfolio of the public sector

At June 30, 2015 and December 31, 2014, the Bank evaluated the portfolio of major commercial debtors of the public sector, as defined by Law No. 6-06 on Public Loans, following the Instructional Guidelines for the Evaluation of Investment Loans and Contingent Operations of the Public Sector and related circulars. Loans granted to some strategic entities of the Dominican Republic electricity sector, were classified as risk “A” and a requirement for the provision of 1% as stated in the ADM/0089/12 Memorandum issued by the Superintendence of Banks in February 8, 2012. Provisions for public sector loans classified as "A", have a provision requirement of "0" as set forth by Memorandum 0981 of December 14, 2012 of the Superintendence of Banks of the Dominican Republic.

2.5.3 Allowance for interest receivable

The allowance for current interest receivable is determined using specific percentages according to the classification granted to the loan portfolio. The allowance for interest receivable on consumer loans, microenterprise and mortgages, is based on specific percentages of each type of loan, depending on the age of the balances set out in the based on days in arrears using parameters established in the Assets Evaluation Regulation.
Interest receivable 90 days past due (except for credit card transactions) is fully reserved. Interest receivable on credit cards is fully reserved over 60 days past-due. Such accounts are then maintained on a non-accrual basis, are recorded as a memorandum account (“cuentas de orden”) and interest is recognized as income only when collected.

2.5.4 Allowance for other assets

Banking Regulations for Assets Evaluation establishes a maximum term of three years, starting after the expiration of 120-days period following foreclosure, to create an allowance for assets received in loans settlements. A reserve should be established as follows:

Movable goods:	100%	Over two years, recorded on a straight-line basis starting on the seventh month.

(Continues)

(In Thousands of Dominican Pesos)

Real estate:	100%	Over three years, recorded on a straight-line basis starting on the thirteenth month.

The corresponds allowances for loan portfolio debtor, which guarantees portfolio debtors, which guarantees have been awarded to the bank, must be transferred to allowances for losses on assets received in loans settlement of loans. The allowance on assets received in loans settlement that have been sold cannot be released without prior authorization of the Superintendence of Banks; however, they can be transferred to other risky assets without prior authorization.

Impairment on the value of assets received in loans settlements is computed as the difference between book and market values determined by independent appraisers, and are recorded as expense when determined.

2.5.5 Allowance for contingencies

The allowance for contingent operations, which includes surety bonds, endorsements, non-negotiated letters of credit, lines of credit and unused credit cards, among others, and which are recognized as other liabilities are determined in conjunction with the rest of the obligations of the debtors' loan portfolio, based on the risk classification of the debtor and the deductible eligible collateral for the purposes of calculating the allowance. The nature and amounts of contingencies are described in note 24 to the unconsolidated financial statements - statutory basis.

2.6 Employee benefit cost

2.6.1 Bonuses and other benefits

The Bank recognizes a provision for personal benefits to its employees such as bonuses, Christmas bonus, vacations and other benefits, among others, as incurred and in compliance with local laws and its own compensation plans.

2.6.2 Defined benefits plan

The Bank - Parent Company has a defined benefit pension plan for employees who worked at the Bank when the Social Security Law No. 87-01 was enacted on May 9, 2001, established by the Social Security System of the Dominican Republic.

The Bank's contribution to the plan is 5.40% of the monthly salaries paid to officers and employees, plus 2.5% of the gross profits of the Bank and extraordinary contributions, as established in the statutes of the Pension Plan approved by the Board of Directors of the Bank. In December 31, 2010, the Superintendence of Banks allowed that the liability for the defined benefit pension plan be recognized prospectively over a nine year period beginning in December 2011.

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Additionally, the Board of Director approves pensions to be paid directly by the Bank, which are included in the determination of actuarial liability of the Plan.

The Bank's net obligation with respect to defined benefit plans, is calculated by estimating the amount of future benefit that employees will have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan's assets.

The calculation of the defined benefit obligation is annually performed by a qualified actuary, using the method of projected unit credit. In order to calculate the present value of economic benefits, any minimum funding requirements should be considered.

2.6.3 Defined contribution plan

The Bank makes contributions to the mandatory pension plan, in accordance with the requirements of the Social Security Law No. 87-01, formerly of May 9, 2001, by which was created the Social Security System of the Dominican Republic. This system operates under individual capitalization schemes and requires that individual contributions made by the employer and employee must be managed by the Administradora de Fondos de Pensiones (AFP). The contributions made by the Bank are recognized as expenses when incurred. At retirement age, the employees will receive from the AFP, the amount of their contributions and of the employer plus the accrued income on their individual capital account.

2.6.4 Severance compensation

The Labor Code of the Dominican Republic sets forth the payment of severance indemnities (preaviso y cesantía) to employees whose contracts have been terminated without just cause. The Bank recognizes as expenses the amounts paid for this concept at the time of the termination of employment contracts.

2.7 Outstanding securities and subordinated debts

Outstanding securities comprises liabilities derived from the acquisition of public resources through the issuance of bonds, time certificates, investment certificates and other securities issued by the Bank which are held by the public.

The Bank has subordinated debts relating to financing obtained in US dollars (US$) by issuing debt securities denominated "Subordinated Debt Notes," issued in the United States of America, and subordinated debt bonds in Dominican pesos issued in the Dominican Republic's market. The subordinated debt is initially recognized at fair value, net of transaction costs and discounts granted on the issuance, which are amortized on the straight-line method over the term of the debt. Financial expenses resulting from interest, commissions, exchange differences and other financial charges arising from the aforementioned obligations are recognized and charged to profit or loss in the period in which they are incurred.

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2.8 Valuation of different types of investments

2.8.1 Investments in securities and allowances

Investments are accounted for at cost less required allowances.

The instructions for Classification, Valuation and Measurement of Investments in Debt Instruments requires financial institutions to classify investments in: trading, held to maturity, available-for-sale and other investment in debt instruments.

Trading investments: These are investments that entities hold, with the purpose of obtaining profits derived from the fluctuation in prices as market participants, which are listed on a stock exchange or other type of organized market. Trading investments are carried at fair value, and the changes in value are measured and included in the unconsolidated income statements - statutory basis as a gain or loss on securities fluctuation.

Available-for-sale investments: Includes investments held intentionally to achieve a reasonable return for their temporary surplus or investments that the entity is willing to sell at any time, and are quoted in an active or organized market. Available-for-sale investments are initially recognized at fair value and the changes in the fair value are recognized in equity.

Held to maturity investments: These are investments the Bank has the intent and ability to hold to maturity, are listed in an active and organized market and are recognized at amortized cost using the effective interest method. Premiums or discounts are amortized over the period of the instrument using the effective interest rate.

Other investments in debt instruments: This category includes investments acquired in debt instruments, that because of their characteristics do not qualify for inclusion in the above categories and for which there is no active market. They are recognized at amortized cost using the effective interest method.

For domestic investments in debt securities, the amount of expected losses for impairment is determined based on the criteria used for the evaluation of major commercial debtors, in accordance with the provisions of the Assets Evaluation Regulation. For investments in debt securities in the international market, the amount of expected losses for impairment is determined based on risk ratings assigned by the international rating firms recognized by the Superintendence of Securities of the Dominican Republic or any other internationally recognized rating firm, applying the corresponding provision percentages according to the risk categories established by the Assets Evaluation Regulation.

The investments in the Central Bank of the Dominican Republic, debt securities of the Ministry of Finance and instruments issued or guaranteed by the Dominican State, are considered risk-free; therefore, are not subject to a provision, as authorized by the Superintendence of Banks.

The type of security or financial instrument and its amount, is presented in note 6.

(Continues)

(In Thousands of Dominican Pesos)

2.8.2 Investments in shares and allowances

Investments in shares are carried out at the lower of cost and market value. If no market exists, they are recognized at cost less impairment, in which is evaluated the quality and solvency of the issuer by using the instructions of the Assets Evaluation Regulation and the handbook for the Asset Assessment Process in Permanent Regimes, except for investments in subsidiaries which are recognized using the equity method, following the Superintendence of Bank's authorization.

Allowances for investments in shares are determined following the same criteria as for major commercial debtor's loan (See note 2.5.1).

The characteristics, constraints, nominal value, market value and number of investments in shares are presented in note 12.

2.9 Valuation of property, furniture and equipment and depreciation method used

2.9.1 Basis of recognition

Property, furniture and equipment, except for land and buildings that existed at December 31, 2004, are measured at cost less accumulated depreciation and impairment losses. At December 31, 2004, land and buildings are recognized at market value, determined by independent appraisers and those acquired after that date are carried at cost.

2.9.2 Depreciation

Depreciation is calculated using the straight-line method.

Depreciation percentages are the followings:

Description	Estimated Live (Years)
Buildings	40
Furniture and office equipment	8
Transportation equipment	4
Computer equipment	5
ATMs	10
Leasehold improvements	5

2.10 Valuation of assets received in loan settlements

Assets received in loans settlements are carried at the lower cost of the:

a) Value agreed upon payment in kind or the awarded price in a public auction
b) Market value at the date assets are received
c) Outstanding balance of the loan plus interest and/or accounts receivable that are being cancelled.

The valuation reserve for these assets is determined following the criteria established by the Superintendence of Banks, as described in note 2.5.4.

2.11 Deferred charges

Deferred charges include prepaid income taxes, deferred income taxes and other prepaid expenses.

Other prepaid expenses are amortized as the prepaid services are received.

2.12 Assets and liabilities in foreign currency

The amounts in the consolidated financial statements - statutory basis are presented in Dominican pesos (RD$). Assets and liabilities in foreign currencies are translated using the exchange rate set by the Central Bank of the Dominican Republic at the date of the consolidated financial statements - statutory basis. Transactions during the year and income and expenses are translated at the exchange rate at the date of the transaction. Resulting gains or losses of the translation of assets and liabilities in foreign currency are recognized under "Income (expense) from net foreign exchange rate" in the accompanying consolidated income statements- statutory basis.

At June 30, 2015 and December 31,2014, the exchange rates used for the translation of the US dollar balances to Dominican pesos was RD$44.8454 and RD$44.2033, respectively.

2.13 Revenue recognition and most significant expenditures

2.13.1 Banks' revenue recognition and expenditures

Financial income and expenses

The Bank recognizes interest income on loans and investments under the accrual method. Loan interest is calculated using the simple interest method on outstanding capital amounts. Interest on loans are no longer recognized and placed on nonaccrual status, when a loan is 90 days past due, except for credit card balances, which are placed on nonaccrual status after 60 days. From these dates forward they are recorded in a memorandum account. Once placed in nonaccrual status the interest are recognized as income only when collected.

(Continues)

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By authorization of the Superintendence of Bank, the Bank recognizes as interest income, commissions on discount of invoices when they are collected.

Interest on investments is recognized based on the outstanding balance of the investment. Premium and discounts on the acquisition of these investments are amortized over the life of the investment as part of interest income.

Interest expenses related to acquisition of resources are recognized in the consolidated income statement - statutory basis, based on the accumulation of simple interest, except those corresponding to savings accounts and certificate of deposits with capitalized returns, which are accumulated using the compound interest method (applied to the minimum balance for savings accounts).

Costs directly related to the issuance of subordinated debts are deferred and amortized, and recognized as operational expense using the straight-line method over the term period.

Income from the disposal of other investments in debt instruments

Income from disposal of other investments in debt instruments, are recognized in the consolidated statements of income - statutory basis, as the difference between the amounts received from the sale and the carrying amount of the instruments when the risks and rewards associated with the investment have been transferred to the buyer.

Other income and other operational expenses

Other operational income is recognized when earned and other operational when incurred. Commission income and other services resulting from managing accounts, money orders and transfers, guarantees and endorsements, purchase and sale of currencies, credit cards, use of ATMs and POS, third party collections and others, are recognized on the accrual basis when the services have been provided to the clients.

Other income and expenses

Other income resulting from operations, property leases, sales of real estate and others are recognized when earned and other expenses when generated.

Other income from the recovery of written-off assets and decrease in provision for risky assets are recognized when collected.

2.13.2 Revenue recognition of insurance companies

The most important insurance contracts issued by the Bank's insurance subsidiary are as follows:

(Continues)

(a) Short-term insurance contracts - These are annual, semi-annual or quarterly contracts with renewable options issued by the company and covering personal risks and recognized as income when invoiced.

(b) General insurance contracts - Premiums on these contracts are earned at the time of their underwriting which coincides with the commencement of the term of the contract. Premiums that have been underwritten before the commencement of the term of the contract are unearned and are not recognized in the consolidated financial statements

In accordance with the terms and conditions agreed with the reinsurers, premiums ceded in reinsurance are recognized at the time of recording the premium income. Cancelled premiums are recognized as a deduction of the income for premiums issued.

2.13.3 Revenues from the Administrator of Pension Funds (AFP, in Spanish)

The Administrator of Pension Funds (AFP) receives a management fee and a complementary commission from its affiliates and employer, as well as a fee for optional services offered.

The income from monthly administrative commission is received from Pension Fund T-1 (Contribution) and Pension Fund T-4 (Distribution) and is recognized upon receipt of the resources in the Administrator's account base on 0.5 % of the monthly quotable salary.

The income from the complementary annual commission of the Pension Fund T-I (Contribution), T-4 (Distribution) equals 25% and T-5 (Social Solidarity) equals 15% of the excess of yield portfolio of the weighted average rate of the previous month for all terms of fixed-term certificates of deposits, indefinite certificates of deposit and time certificates issued by commercial and multiple services banks. The rate is reported to the AFP by the Superintendence of Pensions according to the information provided by the Central Bank of the Dominican Republic.

Monthly charges from complementary annual commissions are made on the basis of 50% of the previous month, with the exception of the first month of the year in which is charged 100% of the previous month's balance, following the guidelines of Resolution No. 34 -03, No. 232-05 and No. 239-05.

2.13.4 Revenues for services to the Health Insurance Administrator (ARS)

The Health Insurance Administrator (ARS) recognizes revenues for services, resulting from the basic, complementary prepaid medicine, voluntary and independent plans when using the straight-line method over the coverage of the contract.

(Continues)

2.13.5 Revenues from real estate

Revenues from sale of apartments, houses and land are recognized when all the risks and rewards of ownership or property have been transferred, which regularly occurs upon closure of sales contracts and thus receiving a substantial part of the agreed price.

Income fees from the sale and rent of properties are accounted for when earned.

Rental income of industrial buildings and electrical substations are recognized on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total lease income over the lease period. All other income is recognized on the accrual basis when the service is rendered.

2.13.6 Revenues from parking building

Revenue collection from parking fees is recognized on the accrual basis of accounting, i.e. when the services have been offered to the customers.

2.13.7 Revenues from brokerage services

Revenues from brokerage services are recognized by the accrual basis of accounting, that is, when the services have been offered to the customers and collection is probable.

2.14 Provisions

The Bank establishes provisions whenever it considers that it has incurred an obligation as a result of a past event, when it is probable that it will have to disburse financial resources to settle these obligations and when a reasonable estimate of the amount involved can be made.

2.15 Income tax

According to its Organic Law, Banco de Reservas de la República Dominicana, Banco de Servicios Múltiples, is exempt from income tax payment; however, the Bank calculates and voluntarely pays income tax following some guidelines and special criteria of the Tax Code, considering that the final beneficiary is also the Dominican Republic government. In this regard, the Bank recognizes the tax effects of transactions in the year in which they are included in profit or loss, regardless of when they are recognized for tax purposes, including provisions for risky assets established under the sectorial law in the Assets Evaluation Regulation (REA), and special contributions to the Bank's employees Pension Plan, among others.

In accordance with Law No. 8-90 and Resolution No. 19-02 A of the National Council of free zones, the subsidiary Operadoras de Zonas Francas Villa Esperanza, S. A. is exempt from payment of import tax, customs duties, income tax, and other related taxes, for a period of 15 years in force until 2017. The remaining subsidiaries of the Bank are subject to payment of income tax, for which, the tax effects of the transactions are recognized in the year in which they occurred, regardless of when they are recognized for tax purposes.

(Continues)

Total expense resulting from income tax payment is recognized in the consolidated statement of income - statutory basis.

Deferred income tax is not recognized because the Bank's management cannot guarantee that items that originated them may be deductible in the future.

In the case of other companies included in consolidation, deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets in respect of temporary differences are recognized to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; this reduction shall be reversed to the extent there it becomes probable that sufficient taxable profit will be available.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences in the period when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date in the consolidated balance sheets.

2.16 Financial Instruments

A financial instrument is defined as cash, evidence of a ownership or interest in an entity, or a contract that creates a contractual obligation or right to pay or receive cash or another financial instrument from a second entity in terms potentially favorable to the first entity.

The estimated market values of the financial instruments of the Bank, book values and methodologies used to estimate them are described below:

Short-term financial instruments

Short-term financial instruments, both assets and liabilities, are carried at cost recognized in the Bank's consolidated balance sheet - statutory basis. This cost is similar to market value because of the relatively short-term period of time between the origination of the instruments and their subsequent realization. This category includes: cash on hand and in banks, certificate of deposits in other banks, bank acceptances, customer's liability acceptances, accrued interest receivable, outstanding acceptances and accrued interest payable.

Investment in securities

The fair values of investments in debt and equity securities are estimated based on cost adjusted for impairment and are determined according to the guidelines issued by the Superintendence of Banks, since there is no active security market in the Dominican Republic that can provide market values.

(Continues)

Outstanding securities

It was not possible to estimate the market value of outstanding securities because there is no active market for these instruments in the Dominican Republic.

Loan portfolio

The loan portfolio is measured at book value, adjusted for loan loss allowance as established by the regulatory authorities. Loans are segregated by type such as commercial, residential mortgage, consumer and credit cards.

Interest on financial assets and liabilities

Interest earned on financial assets is recognized under the accrual method using the simple interest method, based on outstanding amounts of principal. Interest expense on financial liabilities is also recognized using the same method.

2.17 Derecognition of financial assets

Financial assets are derecognized when the Bank losses control and or all contractual rights over such assets. This occurs when the rights are sold, expire, or are transferred.

2.18 Impairment of assets

The Bank reviews all long-lived assets and identified intangibles to determine if events or changes in circumstances indicate that the carrying amounts of these assets will be recovered from operations.

The recoverable amount of an asset maintained and used in operations, is measured by comparing the carrying amount of the assets with the highest discounted expected cash flows to be generated by that asset in the future. If, after making such comparison, it is determined that the assets values have been negatively affected, the amount to be recognized as a loss will be the excess of the carrying amount over the fair value of the asset and such loss is recognized in net income of the year when determined.

2.19 Contingencies

The Bank considers as contingent obligations those operations in which it has assumed credit risks and which, depending on future events, may become direct obligations of the Bank with third parties.

(Continues)

2.20 Accounts receivable

Accounts receivable are measured at amortized cost, net of any impairment loss.

The allowance for doubtful accounts is recognized through a charge to expense account for losses resulting from doubtful accounts. These receivables are charged to earnings when management determines that collectability is doubtful based on installments made, client's payment history and evaluation of collaterals, if they exist.

2.21 Distribution of dividends

The Bank pays dividends based on the results of their operations in accordance with the decisions of the Board of Directors' meeting. As established by Resolution No. 12-2001 dated December 5, 2001, issued by the Superintendence of Banks of the Dominican Republic, which provides the allowed maximum amount of dividends to be distributed among the shareholders, should not be greater than the amount of accumulated retained earnings. This distribution is also subject to the provisions established by the Bank's Organic Law No. 6133 and its amendments (see note 26).

2.22 Revaluation surplus

Revaluation surplus is the difference between the value appraised by independent appraisers and the carrying amount of land and buildings at the time of revaluation, net of the corresponding depreciation.

2.23 Mathematical and technical reserves - life insurance and collective insurance

The insurance subsidiary Seguros Banreservas, S. A. (the Company) determines the mathematical and technical reserves on the basis of net premiums and considers mortality tables and interest used by the Company, and consist of the amount equivalent to the difference between the present value of the Company's obligation towards the insured and the present value of the insured obligations towards the Company, which is determined based on actuarial calculations.

Resolutions 293-09 and 294-09, changed the basis for calculating these provisions, considering the indexed salary which should be determined in accordance with changes in the consumer price index reported by the Central Bank of the Dominican Republic, when the application of this basis results in a lower amount, the original basis of calculation should be maintained. Reserves for outstanding casualty claims regarding disability and survivorship should amount to 45% of the estimated actuarial reserve.

As established in Article 141 of Law No. 146-02 on Insurance and Guarantees of the Dominican Republic, technical reserves for collective life, personal accident and health insurance are calculated on the basis of the following specific percentages:

(Continues)

(In Thousands of Dominican Pesos)

Collective life, personal accidents and health insurances, provided premiums are collected on a monthly basis	5%
Personal accidents when the premium is collected at terms	40%
Survivorship and disability	5%

2.24 Reserves for unearned insurance premiums, commissions on unearned reinsurance premiums

As established by Law No. 146-02 of the Superintendence of Insurance, unearned premium reserves, commissions on unearned premiums and unearned commissions on assigned reinsurance premiums are determined based on fixed percentages, as follows:

Transportation and freight insurance	15%
Bank guarantees	40%
For other insurances	40%

2.25 Specific reserves

Claims for insurance contracts that are pending for settlement or payment at the date of the financial statements are recorded as specific reserves.

2.26 Amortization of non-proportional contracts - catastrophic premiums

Non-proportional (catastrophic) contracts have a term from July 1 to June 30 of the following year. Premiums paid on these contracts are amortized on a straight line basis.

2.27 Incurred but Not Reported claim reserves (IBNR)

This reserve represents the amount of claims that have occurred at the date of the financial statements, but have not been reported to the ARS.

Resolution No. 163-2009 of the Superintendence of Health and Labor Risks, states that the Bank should calculate the IBNR reserve based on 10% of the claims incurred during the current period less the claims incurred from the previous year.

2.28 Segment reporting

A business segment is a group of assets and operations that are responsible for providing products or services which are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risk and rewards that are different to other segments in other economic environment.

(Continues)

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3 Transactions in foreign currency and exchange exposure

The following is a summary of the Bank's balances in foreign currency as of June 30, 2015 and December 31, 2014:

	2015		2014	
	Amounts in Foreign Currency US$	Total in RD$	Amounts in Foreign Currency US$	Total en RD$
Assets				
Available funds	897,355	40,242,251	1,031,984	45,617,078
Investments	137,100	6,148,308	14,305	632,320
Loans portfolio, net	1,730,823	77,619,466	1,834,358	81,084,695
Debtors by acceptances	8,824	395,739	518	22,895
Accounts receivable - insurance premiums	22,028	987,847	27,030	1,194,820
Accounts receivable	1,197	53,692	1,392	61,513
Investment in shares, net	832	37,296	831	36,758
Other assets	469	21,017	543	23,992
Total assets	2,798,628	125,505,616	2,910,961	128,674,071
Liabilities				
Customer deposits	1,551,041	69,557,037	1,555,725	68,768,170
Deposits from domestic and foreign financial institutions	273,128	12,248,548	336,166	14,859,657
Borrowed funds	598,169	26,825,114	746,855	33,013,470
Outstanding acceptances	8,824	395,738	518	22,895
Obligations derived from insurances and bonds	1,426	63,953	4,134	182,726
Other liabilities	51,454	2,307,458	15,943	704,737
Subordinated debts	306,605	13,749,826	306,501	13,548,332
Total liabilities	2,790,647	125,147,674	2,965,842	131,099,987
Net foreign (short) large exchange position	**7,981**	**357,942**	**(54,881)**	**(2,425,916)**

The exchange rates used to translate US dollars to Dominican Pesos was RD$44.8454 and RD$44.2033, respectively, at June 30, 2015 and December 31, 2014.

(Continues)

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4 Available funds

Available funds are summarized as follows:

		2015	2014
Cash on hand (a)	RD$	6,111,161	6,882,366
Central Bank of the Dominican Republic (b)		51,015,229	37,197,507
Domestic banks (c)		684,395	1,156,310
Foreign banks (d)		17,121,397	8,968,692
Other funds - in transit (e) (f)		259,322	19,511,858
Interest receivable		1,982	13
	RD$	**75,193,486**	**73,716,746**

(a) Includes US$18,996 in 2015 and US$22,161 in 2014.
(b) Includes US$491,571 in 2015 and US$370,895 in 2014.

(c) Includes US$2,965 in 2015 and US$25,559 in 2014.
(d) Includes US$381,787 in 2015 and US$202,896 in 2014.

(e) Includes US$2,036 in 2015 and US$410,473 in 2014.

(f) Represents funds received from others banks pending to be collected at the Banks Clearing House. At December 31, 2014, includes an amount of approximately RD$19,153,000, corresponding to transaction that were rejected in the deposit accounts of the Dominican State, to settle loan facilities on December 31, 2014. This amount was presented in this line item and authorized by the Superintendence of Banks.

At June 30, 2015 and December 31, 2014, mandatory deposits (encage legal) requirements were RD$28,564,435 and US$366,135 and RD$21,518,778 and US$246,677, respectively. For this purpose, the Bank maintains cash in the Central Bank of the Dominican Republic and loans portfolio in productive sectors for amounts of RD$29,008,853 and RD$21,875,234 and US491,013 and US$377,725, respectively.

5 Interbank funds

The movements of interbank funds received and granted during the years ended June 30, 2015 and December 31, 2014, are as follows:

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	2015			
	Interbank Assets			
Entity	Quantity	Amounts in RD$	No. of Days	Weighted Average Rate
Banco BHD León, S. A., Banco Múltiple	12	4,825,000	4	5.81%
Banco Múltiple Vimenca, S. A.	2	65,000	2	6.15%
Banco BDI, S. A.	4	360,000	5	6.06%
Banco Múltiple Caribe, S. A.	2	200,000	6	5.85%
Citibank, N. A.	2	800,000	4	6.28%
Asociación Popular de Ahorros y Préstamos	6	1,330,000	8	5.02%
		7,580,000		

	2014			
	Interbank Assets			
Entity	Quantity	Amounts in RD$	No. of Days	Weighted Average Rate
Banco BHD León, S. A., Banco Múltiple	5	1,600,000	3	6.57%
Banco Múltiple Santa Cruz, S. A.	3	225,000	3	6.75%
Banco Múltiple Promérica de la República Dominicana, S. A.	2	75,000	5	7.95%
Banco BDI, S. A.	8	267,000	3	6.75%
Banco Múltiple Caribe Internacional, S. A.	1	50,000	1	7.00%
Asociación la Nacional de Ahorros y Préstamos	1	50,000	1	7.00%
Banesco, Banco Múltiple, S. A.	1	95,000	6	6.75%
Citibank, N. A.	6	1,750,000	3	6.25%
		4,112,000		

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As of June 30, 2015 and December 31, 2014, the Bank granted interbank funds to different financial institutions; however, at June 30, 2015 and December 31, 2014, there are no balances in interbank funds.

6 Investments

A summary of investments is presented as follows:

June 30, 2015				
Type of investment	Issuer	Amount in RD$	Interest Rate	Maturity
Financial certificates, overnight, letters and interest-bearing deposits	Central Bank of the Dominican Republic	11,205,383	4.55% up to 16%	2015 to 2020
Bonds Law 366-09	Dominican Republic State	526,937	13.50% up to 16.00%	2015 and 2020
Bonds Law 175-12	Dominican Republic State (corresponds US$26,627)	1,194,111	6.00% and 7.00 %	2019 and 2023
Bonds Law 361-11	Dominican Republic State	840,297	15.00% up to 16.95%	2019 until 2022
Bonds Law 193-11	Dominican Republic State	131,876	5.00% and 10.00%	2016 and 2017
Bonds Law 99-01	Dominican Republic State	300,000	1.00%	2015 and 2019
Bonds Law 58-13	Dominican Republic State	1,672,222	12.50% up to 18.50%	2019 until 2023
Bonds Law 294-11	Dominican Republic State, (corresponds to US$30,607)	1,372,576	5.50% up to 7.50%	2021 until 2045
Bonds Law 131-11	Dominican Republic State	2,231,143	9.70% up to 15.95%	2018 until 2021
Bonds Law 152-14	Dominican Republic State	20,240,866	15.00% up to 16.95%	2019 until 2029
Ley 548-14	Dominican Republic State	927,226	10.37% up to 15.95%	2022 and 2026
Financial Certificate	Banco Agrícola de la República Dominicana	1,185,000	6.00% up to 7.00%	Indefinite
Financial Certificate	Banco BNP PARIBAS (incluye, US$59,946)	2,690,724	0.11%	2015
Financial Certificate	Asociación Popular de Ahorros y Préstamos	164,543	5.50% up to 7.75%	2015
Corporate bonds	Parallax Valores, Puesto de Bolsa, S. A.	75,017	10.00% and 10.90%	2015 and 2018
Corporate bonds	Ege Haina (corresponds to US$17,933)	804,227	5.75% up to 6.50%	2016 and 2025
Financial Certificate	Asociación Peravia de Ahorros y Préstamos	65,476	8.50% up to 8.75%	2015 and 2016
Financial Certificate	Asociación Cibao de Ahorros y Préstamos	18,032	5.00% and 6.50%	2015
Financial Certificate	Asociación La Vega Real de Ahorros y Préstamos	69,029	6.00%	2015
Financial Certificate	Asociación La Nacional de Ahorros y Préstamos	33,310	5.00% and 7.25%	2015
Financial Certificate	Asociación Maguana de Ahorros y Préstamos	19,536	7.00%	2015
Financial Certificate	Asociación Romana de Ahorros y Préstamos	48,758	6.00% up to 7.50%	2015

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Financial Certificate	Asociación Duarte de Ahorros y Préstamos	5,076	7.00%	2015
Financial Certificate	Asociación Mocana de Ahorros y Préstamos	65,385	7.00% and 7.50%	2015 and 2016
Financial Certificate	Banco Múltiple Caribe, S. A.	83,572	7.00% up to 9.00%	2015
Financial Certificate	Banco Múltiple Promérica de la República Dominicana, S. A.	83,415	7.25% up to 9.25%	2015
Financial Certificate	Banco BHD León	21,651	6.55%	2015
Financial Certificate	Motor Crédito, S. A. Banco de Ahorro y Crédito	10,961	8.25%	2015
Financial Certificate	Banco Múltiples de las Américas, S. A.	78,723	8.50%	2015
Bonds	Dominican Republic State	5,187	2.50% and 5.00%	Past due
Financial Certificate	Banco Santa Cruz	20,578	7.25%	2015
Financial Certificate	Asociación Bonao de Ahorros y Préstamos	22,606	5.00% and 6.00%	2015 and 2016
Corporate bonds	Compañía de Electricidad de Puerto Plata, S. A. (corresponds to US$208)	9,326	6.00%	2019
Restricted securities				
Bonds Law 152-14	Dominican Republic State	550,700	10.38%	2022 and 2026
Mortgage notes	Banco BHD León, S. A., Banco Múltiple	201	7.00%	2015
Financial Certificate	Asociación Popular de Ahorros y Préstamos	3,000	5.00%	2015
Profitability guarantee	Asociaciones de Ahorros y Préstamos	707,602	-	-
Financial Certificate	Foreclosed financial institution	59,151	-	-
Bonds	United States Treasury, (corresponds to US$689)	30,880	1.61%	2024
		47,574,303		
	Interest receivable, (include US$1,342)	1,215,744		
		48,790,047		
	Allowance for investment (includes US$252)	(214,060)		
		48,575,987		

December 31, 2014

Type of investment	Issuer	Amount in RD$	Interest Rate	Maturity
Financial certificates, overnight, letters and interest-bearing deposits	Central Bank of the Dominican Republic	12,231,460	4.75% up to 22%	2015 to 2021
Bonds Law 121-05	Dominican Republic State	1,500,000	2.00% plus inflation	2015
Financial Certificate	Citibank, N. A. corresponds to US$1,214	53,667	0.84%	2015
Bonds Law 175-12	Dominican Republic State			

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	(includes US$5,362)	237,040	7.00%	2023
Bonds Law 361-11	Dominican Republic State	828,022	15.00% up to 16.95%	2019 until 2022
Bonds Law 193-11	Dominican Republic State	108,544	5.00%	2016
Bonds Law 99-01	Dominican Republic State	375,000	1.00%	2021
Bonds Law 58-13	Dominican Republic State	3,413,413	12.50% up to 18.50%	2018 until 2028
Bonds Law 294-11	Dominican Republic State, corresponds to US$98	4,340	7.50%	2015 until 2021
Bonds Law 131-11	Dominican Republic State	104,377	9.70% up to 15.95%	2015 until 2029
Bonds Law 152-14	Dominican Republic State	10,135,029	10.40% up to 11.50%	2019 until 2029
Financial Certificate	Banco Agrícola de la República Dominicana	1,485,000	6.00% up to 7.00%	2015
Financial Certificate	Asociación Popular de Ahorros y Préstamos	134,755	5.15%	2015
Corporate bonds	Parallax Valores, Puesto de Bolsa, S. A.	75,158	10.00% and 10.90%	2015 and 2018
Corporate bonds	Ege Haina (corresponds to US$3,363)	148,643	5.40% up to 6.25%	2016 and 2020
Financial Certificate	Asociación Peravia de Ahorros y Préstamos	48,086	7.75%	2015
Financial Certificate	Asociación Cibao de Ahorros y Préstamos	17,458	6.00% and 6.50%	2015
Financial Certificate	Asociación La Vega Real de Ahorros y Préstamos	64,977	6.00%	2015
Financial Certificate	Asociación Maguana de Ahorros y Préstamos	19,536	6.50% and 7.00%	2015
Financial Certificate	Asociación Romana de Ahorros y Préstamos	48,758	7.50%	2015
Financial Certificate	Asociación Duarte de Ahorros y Préstamos	4,876	7.00%	2015
Financial Certificate	Asociación Mocana de Ahorros y Préstamos	62,944	7.00% and 7.50%	2015
Financial Certificate	Banco Múltiple Caribe, S. A., corresponds to US$165	83,191	2.80% up to 9.00%	2015
Financial Certificate	Banco Múltiple Promérica de la República Dominicana, S. A.	69,973	7.75% up to 8.50%	2015
Financial Certificate	Motor Crédito, S. A. Banco de Ahorro y Crédito	10,533	7.50%	2015
Financial Certificate	Banco Múltiple de las Américas, S. A.	71,000	6.50% up to 8.50%	2015
Bonds	Dominican Republic State	5,187	2.50% and 5.00%	Past due
Financial Certificate	Asociación Bonao de Ahorros y Préstamos	22,000	5.00% and 6.00%	2015
Financial Certificate	Cooperativa Banreservas	14,000	6.60%	2015
Corporate bonds	Compañía de Electricidad de Puerto Plata, S. A. corresponds to US$3,356	148,337	5.75% up to 6.25%	2019
Restricted securities				
Financial Certificate	Central Bank of the Dominican Republic	180	13.00%	2015
Bonds	Central Bank of the Dominican Republic	241,999	10.10 up to 12.97%	2018 and 2019

(Continues)

(In Thousands of Dominican Pesos)

Bonds Law 131-11	Dominican Republic State	416,921	14.00% up to 15.95%	2015 to 2022
Bonds Law 366-09	Dominican Republic State	877,752	9.07% up to 16.00%	2017
Bonds Law 175-12	Dominican Republic State (corresponds to US$188)	8,307	5.50%	2023
Bonds Law 152-14	Dominican Republic State	858,219	9.85% up to 12.15%	2019 to 2029
Mortgage notes	Banco BHD León, S. A., Banco Múltiple	201	6.75%	2015
Financial Certificate	Asociación Popular de Ahorros y Préstamos	3,000	5.15%	2015
Profitability guarantee	Asociaciones de Ahorros y Préstamos	635,418	-	-
Financial Certificate	Foreclosed financial institution	99,049	-	-
Bonds	United States Treasury, corresponds to US$688	30,437	1.61%	2024
		34,696,787		
Interest receivable,	include US$123	834,324		
		35,531,111		
	Allowance for investment includes US$252	(223,491)		
		35,307,620		

7 Loans portfolio

a) Following is an analysis of the loans portfolio by type of loan:

		2015			2014	
	Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
Commercial loans:						
Advances on checking account	RD$ -	16,862	16,862	-	14,697	14,697
Borrowings (includes US$1,144,251 and US$960,691 in 2015 and 2014)	57,327,514	76,589,110	133,916,624	45,731,503	84,960,624	130,692,127
Discounted Notes	-	2,779	2,779	-	2,863	2,863
Discounts on Invoices (includes US$286,131 and US$807,662 in 2015 and 2014)	-	12,836,180	12,836,180	-	35,706,212	35,706,212
Financial leases	768,488	26,260	794,748	-	34,074	34,074
Letters of credit, (corresponds US$285,402 and US$61,604 in 2015 and 2014)	-	12,798,984	12,798,984	-	2,723,101	2,723,101
Advances on export notes,						

(Continues)

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(corresponds US$929 and US$54 in 2015 and 2014)	-	41,647	41,647	-	2,374	2,374
Sale of assets received in loans settlements with credit facilities	-	4,000	4,000	-	-	-
Other loans	-	13,540	13,540	-	12,242	12,242
	58,096,002	102,329,362	160,425,364	45,731,503	123,456,187	169,187,690
Consumer credit:						
Credit cards, (include US$11,210 and US$10,472 in 2015 and 2014)	-	4,108,920	4,108,920	-	3,519,502	3,519,502
Consumer loans includes US$1,671 and US$3,188 in 2015 and 2014)	-	31,607,327	31,607,327	-	32,073,564	32,073,564
	-	35,716,247	35,716,247	-	35,593,066	35,593,066
Mortgage loans:						
Residential, (includes US$1,520 and US$1,697 in 2015 and 2014)	-	28,108,786	28,108,786	-	24,346,792	24,346,792
Constructions, improvements, repairs, expansion and others	-	912,836	912,836	-	791,924	791,924
	-	29,021,622	29,021,622	-	25,138,716	25,138,716
	58,096,002	167,067,231	225,163,233	45,731,503	184,187,969	229,919,472
Interests receivable, (includes US$38,922 and US$23,639 in 2015 and 2014	1,295,508	2,207,326	3,502,834	660,047	1,666,963	2,327,010
Allowance for loan losses and interests receivable (includes US$39,213 and US$34,649 in 2015 and 2014)	(1,324)	(5,155,190)	(5,156,514)	(11,138)	(5,445,375)	(5,456,513)
RD$	**59,390,186**	**164,119,367**	**223,509,553**	**46,380,412**	**180,409,557**	**226,789,969**

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

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b) The status of the loans portfolio is as follows:

		2015			2014		
		Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
Commercial loans:							
Current (i) (includes US$1,621,298 and US$1,759,541 in 2015 and 2014)	RD$	58,096,002	89,859,146	147,955,148	45,731,503	112,063,752	157,795,255
Restructured (ii), (includes US$83,460 US$59,467 in 2015 and 2014)		-	4,751,587	4,751,587	-	4,320,589	4,320,589
Past due							
31 to 90 days (iii), (includes US$952 and US$59 in 2015 and 2014)		-	209,932	209,932	-	37,920	37,920
More than 90 days (iv), (includes US$3,626 US$4,119 in 2015 and 2014)		-	854,486	854,486	-	563,074	563,074
Legal collection (v), (includes US$6,650 and US$6,073 in 2015 and 2014)		-	674,205	674,205	-	583,564	583,564
		58,096,002	96,349,356	154,445,358	45,731,503	117,568,899	163,300,402
Microenterprise loans:							
Current (i) (includes US$712 and US$738 in 2015 and 2014)		-	5,839,059	5,839,059	-	5,794,820	5,794,820
Restructured (ii),		-	2,694	2,694	-	7,153	7,153
Past due							
31 to 90 days (iii), (includes US$5 in 2014)		-	12,122	12,122	-	9,172	9,172
More than 90 days (iv)		-	108,252	108,252	-	58,607	58,607
Legal collection (v), (includes US$15 and US$10 in 2015 and 2014)		-	17,879	17,879	-	17,536	17,536
		-	5,980,006	5,980,006	-	5,887,288	5,887,288

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
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Consumer loans:						
Current (i) (includes US$12,262 and US$13,044 in 2015 and 2014)	-	35,205,378	35,205,378	-	35,194,503	35,194,503
Restructured (ii)	-	8,455	8,455	-	4,555	4,555
Past due						
31 to 90 days (iii), (includes US$3 in 2014)	-	92,154	92,154	-	67,160	67,160
More than 90 days (iv), (includes US$618 and US$612 in 2015 and 2014)	-	400,358	400,358	-	322,510	322,510
Legal collection (v), (includes US$1 in 2015	-	9,902	9,902	-	4,338	4,338
	-	35,716,247	35,716,247	-	35,593,066	35,593,066
Mortage loans:						
Current (i) (includes US$1,012 and US$1,586 in 2015 and 2014)	-	28,656,202	28,656,202	-	24,845,246	24,845,246
Restructured (ii)	-	14,734	14,734	-	5,539	5,539
Past due						
31 to 90 days (iii), (includes US$1 in 2014)	-	3,295	3,295	-	2,717	2,717
More than 90 days (iv), (includes US$100 And US$109 in 2015 and 2014)	-	234,215	234,215	-	200,559	200,559
Legal collection (v), (includes US$408 in 2015)	-	113,176	113,176	-	84,655	84,655
	-	29,021,622	29,021,622	-	25,138,716	25,138,716
Interests receivable:						
Current (i), (includes US$35,401 and US$21,387 in 2015 and 2014)	1,295,508	1,816,144	3,111,652	660,047	1,195,485	1,855,532
Restructured (ii) includes US$474 and US$9 in 2015 and 2014)	-	38,414	38,414	-	20,668	20,668
31 to 90 days (iii), (includes US$170 and US$11 in 2015 and 2014)	-	97,503	97,503	-	65,257	65,257
More than 90 days (iv),						

(Continues)

(In Thousands of Dominican Pesos)

(includes US$2,751 and US$2,127 in 2015 and 2014)	-	230,646	230,646	-	361,932	361,932
Legal collection (v), (includes US$126 and US$106 in 2015 and 2014)	-	24,619	24,619	-	23,621	23,621
	1,295,508	2,207,326	3,502,834	660,047	1,666,963	2,327,010
Allowance for loans and interests receivable, (includes US$39,213 and US34,649 in 2015 and 2014)	(1,324)	(5,155,190)	(5,156,514)	(11,138)	(5,445,375)	(5,456,513)
RD$	59,390,186	164,119,367	223,509,553	46,380,412	180,409,557	226,789,969

(i) Represents loans in compliance with the term of principal payments.

(ii) Represents principal and interests receivable, that being current or past due, their payment terms and conditions have been changed, resulting in a variation of the interest rate and/or maturity of the original loan contract, as well as credits originated from interests capitalization, past due commissions and other charges of the original loan.

(iii) Corresponds to principal installments and interests receivable that represent arrears of 31 to 90 days based on the date that principal payment should have been made.

(iv) Corresponds to total principal and interests receivable that are past due in their principal payments for more than 90 days. For loans payable in installments, the total loan amounts are classified as past due when the installments are more than 90 days past due. It also includes overdrafts in checking accounts with more than three days of maturity.

(v) Corresponds to principal and interest receivable of loans that are in legal collection process.

c) By category of collateral:

		2015			2014		
		Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
Multi use collateral (i)	RD$	768,488	60,433,094	61,201,582	-	60,287,405	60,287,405
Specific use collaterals (ii)		-	5,174,089	5,174,089	-	3,933,849	3,933,849
Without collateral (iii)		57,327,514	101,460,048	158,787,562	45,731,503	119,966,715	165,698,218
		58,096,002	167,067,231	225,163,233	45,731,503	184,187,969	229,919,472

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BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
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Interest receivable		1,295,508	2,207,326	3,502,834	660,047	1,666,963	2,327,010
Allowance for losses and interest receivable		(1,324)	(5,155,190)	(5,156,514)	(11,138)	(5,445,375)	(5,456,513)
	RD$	59,390,186	164,119,367	223,509,553	46,380,412	180,409,557	226,789,969

(i) Multi-use collaterals are real estate assets that are not specific to a certain activity, can be used for a variety of purposes, easy to convert to cash, easy to appraise, easy to foreclose upon, transferrable without excessive costs and of stable value. These collaterals are considered between 50% and 100% of their value for risk coverage depending on the collateral. These collaterals are considered for coverage according to the following detail:

Type of collaterals	Percentage of Admittance
Public sector securities	100%
Securities issued by the same financial institution	100%
Securities from other financial institution and standby guarantee	95%
Real estate	80%
Inventories	90%
Industry of multiple use	70%
Hotels located in developed touristic zones	70%
Hotels located in recently established touristic zones	50%
Free-trade zones of multiple use	60%
Other multi-use collateral	70%

(ii) Specific-use collaterals are real guarantees that due to their nature are considered of unique use and for that reason present characteristics that are difficult to sell due to their specialized origin. These collaterals apply according to the following percentages:

Motor vehicles with less than five years of use and heavy vehicles with insurance	50%
Industry of unique use	30%
Other specific-use collaterals	30%

(iii) This item considers as unsecured loans those that are guaranteed by insurance policies ceded and other guarantees.

At June 30, 2015 and December 31, 2014, includes RD$42,063,549 and RD$34,255,977, which corresponds to public sector loans, which were included in the Budget of Revenues and Public Expenses Law (Presupuesto de Ingresos, y Ley de Gastos Públicos) authorized by the Ministry of Finance and/or specific laws approving these loans.

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA, BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

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d) By source of funds:

		2015			2014		
		Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
Own funds	RD$	58,096,002	166,956,993	225,052,995	45,731,503	184,020,266	229,751,769
Banco Nacional de Fomento de la Vivienda y la Producción		-	2,975	2,975	-	3,302	3,302
Other local institutions		-	107,263	107,263	-	164,401	164,401
		58,096,002	167,067,231	225,163,233	45,731,503	184,187,969	229,919,472
Interest receivable		1,295,508	2,207,326	3,502,834	660,047	1,666,963	2,327,010
Allowance for loans losses and interest receivable		(1,324)	(5,155,190)	(5,156,514)	(11,138)	(5,445,375)	(5,456,513)
	RD$	**59,390,186**	**164,119,367**	**223,509,553**	**46,380,412**	**180,409,557**	**226,789,969**

e) By term:

		2015			2014		
		Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
Short-term (up to one year)	RD$	16,538,883	67,977,649	84,516,532	4,290,829	89,092,157	93,382,986
Medium term (more than one year and up to three (3) years)		33,039,575	71,477,554	104,517,129	31,851,697	71,019,306	102,871,003
Long-term (more than three (3) years)		8,517,544	27,612,028	36,129,572	9,588,977	24,076,506	33,665,483
		58,096,002	167,067,231	225,163,233	45,731,503	184,187,969	229,919,472
Interest receivable		1,295,508	2,207,326	3,502,834	660,047	1,666,963	2,327,010
Allowance for loan losses and interest receivable		(1,324)	(5,155,190)	(5,156,514)	(11,138)	(5,445,375)	(5,456,513)
	RD$	**59,390,186**	**164,119,367**	**223,509,553**	**46,380,412**	**180,409,557**	**226,789,969**

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
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f) By economic sector:

		2015			2014		
		Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
Government	RD$	58,095,078	-	58,095,078	45,730,517	-	45,730,517
Financial sector		924	5,084,447	5,085,371	986	2,701,837	2,702,823
Non-financial sector							
Agriculture, livestock and forestry		-	3,469,850	3,469,850	-	6,497,770	6,497,770
Fishing		-	6,578	6,578	-	4,462	4,462
Mining and quarries		-	513,716	513,716	-	429,110	429,110
Manufacturing industry		-	14,506,497	14,506,497	-	15,739,305	15,739,305
Electricity gas and, water		-	3,215,247	3,215,247	-	20,687,836	20,687,836
Construction		-	31,652,579	31,652,579	-	32,752,530	32,752,530
Wholesale and retail business		-	32,517,842	32,517,842	-	26,753,409	26,753,409
Hotels and restaurants		-	2,692,137	2,692,137	-	3,746,377	3,746,377
Transport, warehousing and communication		-	1,370,640	1,370,640	-	927,039	927,039
Real estate, and leasing activities		-	6,901,280	6,901,280	-	5,727,906	5,727,906
Education		-	327,987	327,987	-	331,772	331,772
Health and social, services		-	1,294,210	1,294,210	-	482,981	482,981
Other non-specific activities		-	63,508,334	63,508,334	-	61,506,464	61,506,464
Private households with domestic employees		-	5,887	5,887	-	5,899,171	5,899,171
		58,096,002	167,067,231	225,163,233	45,731,503	184,187,969	229,919,472
Interest receivable		1,295,508	2,207,326	3,502,834	660,047	1,666,963	2,327,010
Allowance for loan losses and interest receivable		(1,324)	(5,155,190)	(5,156,514)	(11,138)	(5,445,375)	(5,456,513)
	RD$	59,390,186	164,119,367	223,509,553	46,380,412	180,409,557	226,789,969

As of December 31, 2014, loans to private sector include RD$28,639 millions, equivalent to credit line operations with contractors who are working with the Dominican Republic Government, guaranteed by the Dominican Republic Government and that the Superintendence of Banks authorized the risk "A" classification with a provision of 1%.

(Continues)

(In Thousands of Dominican Pesos)

At December 31, 2014, loans to the private sector include an amount of approximately US$400,000 (equivalent to RD$17,681,320), corresponding to discounts on invoices transferred without recourse to some electrical generators with which the Dominican State had debts through the Dominican electricity sector, that according to Circular ADM / 0075/15 dated February 5, 2015 were authorized by the Superintendence of Banks and accounted for as loans from the private sector.

From December 2012, the Bank granted loans to public sector entities that were authorized by the Superintendence of Banks to be classified with 0% of provision requirement if the borrower is in the "A" risk category, according to communication No. 0981 dated December 14, 2012 from the Superintendence of Banks.

On March 27, 2014, the Bank signed a transactional framework agreement with a domestic financial institution, in which the following was agreed:

- The domestic financial institution sold the Bank a loan portfolio classified by the Superintendence of Banks in the risk categories A, B and C, with a book value of RD$1,420,009. This portfolio was acquired at a discount of RD$355,002, which was recognized as other liabilities and then in income during the term of the portfolio.

- According to communication 0379-14 dated June 17, 2014, the Superintendence of Banks gave its no objection to the Bank to classify into an A risk category with 0% of provision requirement. The loans received from the domestic financial institution for a period of two years, counted from the effective date of the actual portfolio transfer dated June 11, 2014.

- The domestic financial institution transferred to the Bank its loan portfolio, classified by the Superintendence of Banks in risk categories of D and E, with a book value of approximately RD$800,000. This portfolio is managed by The Bank and its administration. The Bank charges a commission on the amounts recovered.

8 Debtors by acceptances

A summary of customer acceptances as of June 30, 2015 and December 31, 2014 is as follows:

	2015		2014	
Correspondent Bank	Amount in RD$	Maturity Date	Amount in RD$	Maturity Date
Wells Fargo Bank, corresponds to US$396 in 2015 and US$443 in 2014	17,766	2015	19,580	2015

(Continues)

(In Thousands of Dominican Pesos)

Bank of America, corresponds to US$75 in 2015 and 2014	3,363	2015	3,315	2015
Banque Nationale Du Canada, corresponds to US$171 in 2015	7,684	2015	-	2015
BNP Paribas, corresponds to US$ US$1,914 in 2015	85,817	2015	-	2015
Societe Generale, corresponds to US$6,268 in 2015	281,108	2015	-	
	395,738		22,895	

9 Accounts receivable

A of June 30, 2015 and December 31, 2014 accounts receivable include:

		2015	2014
Commissions receivable (includes US$150 and US$ 238 in 2015 and 2014)	RD$	43,171	34,580
Future contracts - foreign exchange (corresponds to US$390 in 2015)		17,473	-
Other receivables:			
Advances to suppliers		36,054	6,118
Accounts receivable from employees		442,791	20,390
Recoverable expenses		12,845	18,753
Security deposits		38,768	36,527
Legal and operational deposits		2,014	2,014
Credit card claims		14,351	7,896
Accounts receivable from real estate and leasing operations (includes US$235 in 2015 and US$324 in 2014)		15,155	15,711
Management funds		156,263	132,080
Documents receivable discounted		679,041	184,214
Returned checks		1	33
Accounts receivable - other, (includes US$422 and US$830 in 2015 and 2014, respectively) (a)		629,542	886,256
		2,044,298	1,309,992
	RD$	**2,087,469**	**1,344,572**

(Continues)

(In Thousands of Dominican Pesos)

(a) At December 31, 2014, includes RD$50 million paid on behalf of several entities of the Central Government, amount which will be recovered with the payment of 15% of the net profits of the Bank, that under Law 99-01 of April 5, 2001, which according to the amendments of the Organic Law of the Bank, will be used to cover debts of the Dominican Republic State and of its agencies with the Bank.

10 Insurance premiums deposits

A summary of premiums receivable as of June 30, 2015 and December 31, 2014 is a follows:

		2015	2014
General insurances (includes US$22,028 in 2015 and US$27,030 in 2014)	RD$	2,158,452	1,016,106
Life insurance		223,506	108,161
	RD$	**2,381,958**	**1,124,267**

11 Assets received in loans settlements

A summary of assets received in loans settlements as of June 30, 2015 and December 31, 2014, is as follows:

		2015	2014
Furniture and equipment	RD$	488,896	488,924
Real estate		7,289,421	7,287,063
		7,778,317	7,775,987
Allowance for losses on assets received in loans settlements		(5,072,596)	(4,803,987)
	RD$	**2,705,721**	**2,972,000**

Following is a description of assets received in loans settlements (by aging) as of June 30, 2015 and December 31, 2014:

		2015	
		Amount	Allowance
Up to 40 months:			
Furniture and equipment	RD$	488,209	(62,716)

(Continues)

(In Thousands of Dominican Pesos)

Real estate		3,273,268	(993,040)
More than 40 months:			
Furniture and equipment		687	(687)
Real estate		4,016,153	(4,016,153)
Total	**RD$**	**7,778,317**	**(5,072,596)**

		2014	
Amount		Amount Allowance	Allowance
Up to 40 months:			
Furniture and equipment	RD$	485,993	(62,414)
Real estate		4,991,367	(2,442,946)
More than 40 months:			
Furniture and equipment		2,931	(2,931)
Real estate		2,295,696	(2,295,696)
Total	**RD$**	**7,775,987**	**(4,803,987)**

12 Investments in shares

A summary of investments in shares is as follows:

June 30, 2015						
	Amount of Investment in RD$	Percentage of Shares	Type of Shares	Face Value RD$	Market Value RD$	Number of Outstanding Shares
Investments in associates:						
	617,386	24.53%	Common	100	(a)	4,866,613
	186,055	27.08%	Common	1,000	(a)	400,794
	803,441					
Investments in other companies:						
	38,500	0%	Common	258	1,397	128,776
	15,605	10%	Common	100	(a)	69,221
	46,807 (b)					
	100,912					
	904,353					
	(20,226)(c)					
Total	**884,127**					

(Continues)

**BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
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(In Thousands of Dominican Pesos)

December 31, 2014					
Amount of Investment in RD$	Percentage of Shares	Type of Shares	Face Value RD$	Market Value RD$	Number of Outstanding Shares
Investments in associates:					
590,000	24.53%	Common	100	(a)	4,866,613
156,940	27.08%	Common	1,000	(a)	400,794
746,940					
Investments in other companies:					
37,949	0%	Common	258	1,327	128,776
618	3%	Common	5	(a)	123,689
8,037	11%	Common	100	(a)	80,372
15,605	10%	Common	100	(a)	69,221
19,892 (b)					
82,101					
829,041					
(11,823)(c)					
Total **817,218**					

(a) In the Dominican Republic there is no active market where the Bank can obtain the market value of these local investments; however, for investments in shares of companies that are listed in active markets and which book value at June 30, 2015 and 2014 amounted to RD$38.5 and RD$37.9 million, respectively, the market value was RD$179.9 and RD$170.9 million, respectively.

(b) Correspond to minor investments in several entities.

(c) Represents an allowance for equity investments.

As of June 30, 2015 and December 31, 2014, investments in shares include US$832 and US$831, net of US$27, respectively.

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
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(In Thousands of Dominican Pesos)

A movement of investment and dividends received and equity in earnings of the associates at June 30, 2015 and December 31, 2014, is as follows:

		2015	2014
Investment balances at January 1st	RD$	746,940	21,000
Reclassification due to change of Influence		-	269,645
Acquisition of shares		21,856	175,736
Equity recognized		78,357	297,857
Dividends common shares		(21,856)	
Dividends received in cash		(21,856)	(17,298)
Investment balances	**RD$**	**803,441**	**746,940**

13 Properties, furniture and equipment

A summary of properties, furniture and equipment are as follows:

		June 30, 2015					
		Land and Improvements	Buildings	Furniture and Equipment	Leasehold Improvements	Constructions and Acquisitions in Process	Total
Balance at January 1, 2015	RD$	1,262,793	4,530,965	2,860,027	36,910	1,043,991	9,734,686
Acquisitions		65,048	38,487	17,899	-	1,557,331	1,678,765
Retirements		-	-	(43,298)	-	-	(43,298)
Transfers		-	-	342,677	-	(342,677)	-
Balance at June 30, 2015		1,327,841	4,569,452	3,177,305	36,910	2,258,645	11,370,153
Accumulated Depreciation at January 1, 2015		-	(1,175,967)	(926,498)	(11,107)	-	(2,113,572)
Depreciation expenses		-	(60,661)	(284,533)	(5,942)	-	(351,136)
Retirements		-	-	18,065	-	-	18,065
Balance at June 30, 2015		-	(1,236,628)	(1,192,966)	(17,049)	-	(2,446,643)
Property, furniture and equipment at June 30, 2015	**RD$**	**1,327,841**	**3,332,824**	**1,984,339**	**19,861**	**2,258,645**	**8,923,510**

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

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(In Thousands of Dominican Pesos)

		December 31, 2014					
		Land and Improvements	Buildings	Furniture and Equipment	Leasehold Improvements	Constructions and Acquisitions in Process (a)	Total
Balance at January 1, 2014	RD$	1,200,021	3,659,104	4,711,353	11,494	415,033	9,997,005
Acquisitions		48,730	599,386	64,052	-	1,704,989	2,417,157
Retirements		(3,758)	(17,345)	(2,650,990)	(7,383)	-	(2,679,476)
Transfers		17,800	289,820	735,612	32,799	(1,076,031)	-
Balance at December 31, 2014		1,262,793	4,530,965	2,860,027	36,910	1,043,991	9,734,686
Accumulated Depreciation at January 1, 2014		-	(1,189,668)	(2,881,175)	(7,706)	-	(4,078,549)
Depreciation expenses		-	(132,344)	(488,857)	(10,784)	-	(631,985)
Retirements		-	5,097	2,584,482	7,383	-	2,596,962
Transfers		-	140,948	(140,948)	-	-	-
Balance at December 31, 2014		-	(1,175,967)	(926,498)	(11,107)	-	(2,113,572)
Property, furniture and equipment at December 31, 2014	**RD$**	**1,262,793**	**3,354,998**	**1,933,529**	**25,803**	**1,043,991**	**7,621,114**

(a) Relates primarily to acquisitions, renovations and constructions of the branches.

Land and buildings held by the Bank at December 31, 2004 are recognized at fair value determined by independent external appraisers. The difference between the historical cost of land and buildings and their fair values at the valuation date amounted to RD$915,737,358, and is presented as a revaluation surplus in the accompanying consolidated financial statements - statutory basis.

14 Other Assets

Following is a summary of other assets is as June 30, 2015 and December 31, 2014:

		2015	2014
Deferred charges:			
Commissions to insurance agents on unearned premiums	RD$	213,096	209,078
Prepaid insurances		76,863	172,377
Non-deferred proportional reinsurance premium ceded (a)		148,978	414,737
Prepaid income tax		519,720	648,490

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
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Prepaid taxes on financial assets	578,123	-
Other prepaid payments	312,870	147,772
Prepaid interest and commissions	10,607	14,969
Other deferred charges	54,560	66,429
	1,914,817	1,673,852
Intangibles assets:		
Software	210,993	198,018
Other	2,200	2,200
Accumulated amortization	(160,220)	(140,480)
	52,973	59,738
Other assets:		
Assets acquired for financial lease	255,436	726,873
Stationery and other materials	136,181	132,950
Inventory-credit card	48,921	33,477
Library and artwork	24,300	23,366
Other miscellaneous assets (b)	1,534,095	938,841
Items pending for allocation (c), (includes US$469 and US$543 in 2015 and 2014)	529,880	153,632
Others	107,380	85,898
	2,636,193	2,095,037
RD$	**4,603,983**	**3,828,627**

(a) Corresponds to insurance premiums pending to be amortized related to reinsurance contracts for excess of losses.

(b) Corresponds to cash advances made to acquire computer software and other related expenditures.

(c) The Bank recognizes in this line item the debit balances of the items that due to operational reasons cannot be immediately recognized in the final accounts.

(Continues)

(In Thousands of Dominican Pesos)

15 Summary of allowances for risky assets

A summary of the changes in allowances for risky assets is shown below:

		June 30, 2015					
		Loans Portfolio	Investments	Interest Receivable	Other Assets (a)	Contingent Operations (b)	Total
Balances at January 1st 2015	RD$	4,998,331	234,782	458,714	4,803,987	134,109	10,629,923
Constitution of reserves		597,342	-	316,077	269,710	-	1,183,129
Write-offs against reserves		(803,107)	(672)	(185,539)	(2,427)	-	(991,745)
Transfers between reserves		(9,081)	-	17,928	1,326	(10,173)	-
Release of reserves		-	-	(257,999)	-	-	(257,999)
Effect of change in exchange rates and others		17,885	176	5,963	-	(2,117)	21,907
Balance at June 30, 2015		4,801,370	234,286	355,144	5,072,596	121,819	10,585,215
Minimum allowances required at June 30, 2015 (c)		4,880,357	252,208	91,360	5,130,798	87,234	10,441,957
Excess (deficit) in the minimum allowances required June 30, 2015 (d)	**RD$**	**(78,987)**	**(17,922)**	**263,784**	**(58,202)**	**34,585**	**143,258**

		December 31, 2014					
Balances at January 1st 2014	RD$	4,975,095	175,583	464,386	4,354,023	82,043	10,051,130
Constitution of reserves		1,273,707	27,000	506,413	283,038	37,700	2,127,858
Write-offs against reserves		(1,071,042)	-	(120,507)	-	-	(1,191,549)
Transfers between reserves		(218,104)	31,735	6,314	166,926	13,129	-
Release of reserves		-	-	(398,940)	-	-	(398,940)
Effect of change in exchange rates and others		38,675	464	1,048	-	1,237	41,424
Balance at December 31, 2014		4,998,331	234,782	458,714	4,803,987	134,109	10,629,923
Minimum allowances required at December 31,							

(Continues)

(In Thousands of Dominican Pesos)

2014 (c)		4,990,399	212,874	458,714	4,798,303	94,545	10,554,835
Excess (deficit) in the minimum allowances required December 31, 2014 (d)	**RD$**	**7,932**	**21,908**	**-**	**5,684**	**39,564**	**75,088**

(a) Corresponds to the allowances for assets received in loans settlements.

(b) This provision is included in the line item of other liabilities in note 20 and the expense for constitution is included in the operating expense item in the accompanying consolidated income statements- statutory basis.

(c) Represents the amounts of allowance determined by a self-assessment as of June 30, 2015 and December 31, 2014 plus other adjustments made.

(d) In case that the provisions determined are lower than the provisions made, the Superintendence of Banks of the Dominican Republic does not allow the release of provisions without the prior authorization of the regulatory authorities.

The Superintendence of Banks through Letter No. 0981 dated December 14, 2012, informed the Bank its no objection for loans granted to the public sector classified in the “A” risk category to be treated similar as the issuance of debt securities from the Ministry of Finance and the Central Bank with a provision requirement of 0%.

At December 31, 2014, loans of some major companies of the Dominican electricity sector were classified at risk "A," and with a requirement for provision of 1%, as established in communication ADM/0089/12 issued by the Superintendence of Banks of the Dominican Republic of February 8, 2012. Also, the loans granted for the development of the Dominican road sector, were classified at risk "A" with a 0% requirement provision, as stated in Circular ADM / 0093/14 dated February 26, 2014.

The Superintendence of Banks through communication ADM / 0086/2014 of February 21, 2014, informed the Bank its no objection to develop a financing program of up to RD$10,000,000 in favor of contractors for priority works, for the Central Government and decentralized and autonomous and nonfinancial public companies, that are classified in risk category "A,” and thus establish a provision of 1 percent. According to communication ADM / 0075/15 of the Superintendence of Banks dated February 5, 2015, the amount was increased to a maximum of RD$17,000,000.

According communication ADM / 0075/15 dated February 5, 2015, the Superintendence of Banks granted its no objection to the Bank to classify as risk "A" with 0% provision loans granted to some electricity generating companies, with which the Dominican government had debts of US$$400,000 (equivalent to RD$17,681,320).

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA, BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Notes to the Consolidated Financial Statements - Statutory Basis

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16 Customers' deposits

Customers' deposits are detailed as follows:

a) By type

	June 30, 2015				
	Local Currency RD$	Weighted Average Annual Rate	Foreign Currency RD$	Weighted Average Annual Rate	Total RD$
Demand	47,074,345	0.59%	-	-	47,074,345
Savings	51,548,066	1.33%	30,284,706	0.96%	81,832,772
Time	2,804	6.10%	39,272,331	2.35%	39,275,135
	98,625,215	**0.97%**	**69,557,037**	**1.75%**	**168,182,252**

	December 31, 2014				
	Local Currency RD$	Weighted Average Annual Rate	Foreign Currency RD$	Weighted Average Annual Rate	Total RD$
Checking	41,756,116	0.78%	-	-	41,756,116
Savings	47,766,537	0.26%	26,616,502	1.06%	74,383,039
Time	2,799	6.29%	42,151,668	2.37%	42,154,467
	89,525,452	**0.50%**	**68,768,170**	**1.86%**	**158,293,622**

b) By sector

	June 30, 2015				
	Local Currency RD$	Weighted Average Annual Rate	Foreign Currency RD$	Weighted Average Annual Rate	Total RD$
Non-financial Public sector	24,990,728	0.59%	6,986,169	1.08%	31,976,897
Non-financial Private sector	73,622,697	1.11%	62,544,098	1.82%	136,166,795

(Continues)

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Non-resident	11,790	0.63%	26,770	2.17%	38,560
	98,625,215	**0.97%**	**69,557,037**	**1.75%**	**168,182,252**

	December 31, 2014				
	Local Currency RD$	Weighted Average Annual Rate	Foreign Currency RD$	Weighted Average Annual Rate	Total RD$
Non-financial public sector	21,187,347	0.78%	3,346,940	1.13%	24,534,287
Non-financial private sector	68,299,066	0.42%	64,070,788	1.90%	132,369,854
Non-resident	39,039	0.75%	1,350,442	1.40%	1,389,481
	89,525,452	**0.50%**	**68,768,170**	**1.86%**	**158,293,622**

c) By maturity

	June 30, 2015				
	Local Currency RD$	Weighted Average Annual Rate	Foreign Currency RD$	Weighted Average Annual Rate	Total RD$
0 to 15 days	98,622,653	0.97%	33,597,363	1.07%	132,220,016
16 to 30 days	195	5.07%	4,223,407	1.94%	4,223,602
31 to 60 days	346	6.35%	4,355,658	1.92%	4,356,004
61 to 90 days	227	5.85%	3,855,546	2.41%	3,855,773
91 to 180 days	780	6.54%	9,860,712	2.72%	9,861,492
181 to 360 days	-	-	9,018,690	2.37%	9,018,690
More than 1 year	1,014	6.01%	4,645,661	2.54%	4,646,675
	98,625,215	**0.97%**	**69,557,037**	**1.75%**	**168,182,252**

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA, BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

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	December 31, 2014				
	Local Currency RD$	Weighted Average Annual Rate	Foreign Currency RD$	Weighted Average Annual Rate	Total RD$
0 to 15 days	89,522,778	0.50%	28,333,017	1.10%	117,855,795
16 to 30 days	98	6.04%	9,290,329	2.17%	9,290,427
31 to 60 days	799	6.76%	4,648,962	2.02%	4,649,761
61 to 90 days	425	6.03%	3,307,242	2.36%	3,307,667
91 to 180 days	338	6.46%	9,672,443	2.79%	9,672,781
181 to 360 days	-	0.00%	8,425,779	2.15%	8,425,779
More than 1 year	1,014	6.01%	5,090,398	2.75%	5,091,412
	89,525,452	**0.50%**	**68,768,170**	**1.86%**	**158,293,622**

At June 30, 2015 and December 31, 2014, customer deposits include restricted amounts for the following concepts:

	June 30, 2015				
	Inactive Accounts	Seized Funds	Deceased Customers	Security Deposits	Total RD$
Customers' deposits:					
Checking	90,325	478,211	16,384	-	584,920
Savings	704,955	461,142	378,730	157,938	1,702,765
Time	-	1,663	70,187	3,100,489	3,172,339
	795,280	**941,016**	**465,301**	**3,258,427**	**5,460,024**

	December 31, 2014				
	Inactive Accounts	Seized Funds	Deceased Customers	Security Deposits	Total RD$
Customers' deposits:					
Checking	58,357	498,903	16,050	-	573,310
Savings	744,277	213,015	338,413	171,119	1,466,824
Time	-	1,663	45,923	3,615,901	3,663,487
	802,634	**713,581**	**400,386**	**3,787,020**	**5,703,621**

(Continues)

(In Thousands of Dominican Pesos)

At June 30, 2015 and December 31, 2014, customer deposits include amounts from inactive accounts as detailed below:

		June 30, 2015		
		From 3 to 10 Years	More than 10 Years	Total
Customers' deposits:				
Checking	RD$	87,894	2,341	90,235
Savings		689,889	15,066	704,955
	RD$	**777,783**	**17,407**	**795,190**

		December 31, 2014		
		From 3 to 10 Years	More than 10 Years	Total
Customers' deposits:				
Checking	RD$	55,467	2,890	58,357
Savings		716,392	27,885	744,277
	RD$	**771,859**	**30,775**	**802,634**

17 Deposits from domestic and foreign financial institutions

A summary of deposits from domestic and foreign financial institutions is as follows:

a) By type and currency

	June 30, 2015				
	Local Currency RD$	Weighted Average Annual Rate	Foreign Currency RD$	Weighted Average Annual Rate	Total RD$
Demand	2,966,588	0.59%	-	-	2,966,588
Savings	4,450,471	1.33%	7,950,036	0.96%	12,400,507
Time	82	3.80%	4,298,512	1.93%	4,298,594
	7,417,141	**1.03%**	**12,248,548**	**1.30%**	**19,665,689**

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	December 31, 2014				
	Local Currency RD$	Weighted Average Annual Rate	Foreign Currency RD$	Weighted Average Annual Rate	Total RD$
Checking	2,899,927	0.78%	-	-	2,899,927
Savings	301,120	0.26%	10,488,492	1.06%	10,789,612
Time	82	4.10%	4,371,165	1.37%	4,371,247
	3,201,129	**0.73%**	**14,859,657**	**1.15%**	**18,060,786**

b) By maturity date

	June 30, 2015				
	Local Currency RD$	Weighted Average Annual Rate	Foreign Currency RD$	Weighted Average Annual Rate	Total RD$
0 to 15 days	7,417,058	1.03%	8,066,738	0.97%	15,483,796
16 to 30 days	-	0.00%	1,172,736	1.30%	1,172,736
31 to 60 days	50	4.05%	172,742	1.28%	172,792
61 to 90 days	30	3.25%	1,217,324	1.96%	1,217,354
91 to 180 days	-	0.00%	1,270,004	2.36%	1,270,004
181 to 1 year	-	0.00%	31,900	2.44%	31,900
More than 1 year	3	5.63%	317,104	2.64%	317,107
	7,417,141	**1.03%**	**12,248,548**	**1.30%**	**19,665,689**

	December 31, 2014				
	Local Currency RD$	Weighted Average Annual Rate	Foreign Currency RD$	Weighted Average Annual Rate	Total RD$
0 to 15 days	3,201,077	0.73%	10,964,283	1.08%	14,165,360
16 to 30 days	-	0.00%	3,380,514	1.24%	3,380,514
31 to 60 days	-	0.00%	168,989	1.32%	168,989
61 to 90 days	50	4.05%	20,226	1.89%	20,276
91 to 180 days	-	0.00%	196,492	2.16%	196,492
181 to 1 year	-	0.00%	38,950	2.90%	38,950
More than 1 year	2	5.63%	90,203	2.99%	90,205
	3,201,129	**0.73%**	**14,859,657**	**1.15%**	**18,060,786**

(Continues)

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At June 30, 2015 and December 31, 2014, the Bank held funds in escrow in foreign financial institutions for the amounts of RD$72,549 and RD$70,885, respectively, which are restricted by seizures of third parties, inactive accounts, dormant accounts and from deceased customers.

The status of the inactive and/or dormant accounts of deposits of financial institutions in the country, is as follow:

		2015	2014
Three to ten year term	**RD$**	**356**	**360**

18 Borrowed funds

A summary of borrowed funds is as follow:

June 30, 2015						
Borrower	Type	Collateral	Rate	Maturity		Balance
a) Domestic financial institutions:						
Banco Nacional de Fomento de la Vivienda y la Producción	Loan	Unsecured	13.50%	Past due	RD$	842
Banco Popular Dominicano	Line of credit	Secured	8.50%	2015		250,000
Asociación Popular de Ahorros y Préstamos	Line of credit	Secured	9.35%	2015		250,000
						500,842
b) Foreign financial institutions:						
Bladex Panamá, corresponds to US$150,000	Line of credit	Unsecured	1.50% up to 1.80%	2015		6,726,810
Citibank, corresponds to US$128,000	Line of credit	Unsecured	1.22% up to 1.62%	2015		5,740,211
The Export Import Bank of Korea, corresponds to US$863	Loan	Unsecured	2.50%	2015 to 2016		38,677
Eximbank, Republic of China - Taiwán, corresponds to US$374	Loan	Unsecured	1.30% up to 1.16%	2015 to 2017		16,797
Agencia Francesa de Desarrollo, corresponds to US$10,000	Loan	Unsecured	4.30%	2018		448,454
Wells Fargo Bank, corresponds to US$131,343	Loan	Unsecured	1.23% up to 2.70%	2015		5,890,104
Mercantil Commerce Bank, corresponds to US$35,000	Loan	Unsecured	1.45%	2015		1,569,589

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Bank of America corresponds to US$49,000	Loan	Unsecured	1.34%	2015		2,197,425
U. S. Century corresponds to US$5,000	Loan	Unsecured	1.84%	2015		224,227
Deutsche Bank corresponds to US$75,000	Loan	Unsecured	1.46%	2015		3,363,405
Banco Interamericano de Desarrollo, corresponds to US$11,000	Loan	Unsecured	1.84%	2015		493,299
						26,708,998
c) Others						19,715
d) Interest payable, includes US$2,589						124,686
					RD$	27,354,241

December 31, 2014

Balance	Borrower	Type	Collateral	Rate		Maturity
a) Domestic financial institutions:						
Banco Nacional de Fomento de la Vivienda y la Producción	Loan	Unsecured	13.50%	2012	RD$	1,863
Banco Popular Dominicano	Line of credit	Secured	8.70%	2019		1,400,000
Asociación Popular de Ahorros y Préstamos	Line of credit	Secured	9.35%	2015		250,000
						1,651,863
b) Foreign financial institutions:						
Bladex Panamá, corresponds to US$150,000	Line of credit	Unsecured	1.47% up to 1.95%	2015		6,630,495
Citibank, corresponds to US$159,000	Line of credit	Unsecured	1.22% up to 1.62%	2015		7,028,325
The Export Import Bank of Korea, corresponds to US$1,294	Loan	Unsecured	2.39%	2015 to 2016		57,185
Eximbank, Republic of China - Taiwán, corresponds to US$425	Loan	Unsecured	0.5% up to 1.07%	2015 to 2017		18,799
Agencia Francesa de Desarrollo, corresponds to US$13,333	Loan	Unsecured	4.21%	2016		589,377
Wells Fargo Bank, corresponds to US$147,123	Loan	Unsecured	1.35% up to 1.61%	2015		6,503,333
Mercantil Commerce Bank, corresponds to US$50,000	Loan	Unsecured	1.72% up to 2.20%	2015		2,210,165

(Continues)

(In Thousands of Dominican Pesos)

Bank of America corresponds to US$49,000	Loan	Unsecured	1.58%	2015	2,165,962
U. S. Century corresponds to US$5,000	Loan	Unsecured	1.23%	2015	221,016
Deutsche Bank corresponds to US$100,000	Loan	Unsecured	1.53% up to 1.72%	2015	4,420,330
Banco del Comercio del Exterior corresponds to US$9,750	Loan	Unsecured	2.47%	2015	430,982
Banco Interamericano de Desarrollo, corresponds to US$60,000	Loan	Unsecured	1.47 up to 2.43%	2015	2,652,198
					32,928,167
c) Others					19,715
d) Interest payable, includes US$1,930					85,305
					RD$ 34,685,050

19 Outstanding securities

A summary of outstanding securities, is as follow:

a) By type

	June 30, 2015	
	Local Currency RD$	Weighted Average Annual Rate
Financial certificates	**90,640,096**	**6.68%**

	December 31, 2014	
	Local Currency RD$	Weighted Average Annual Rate
Financial certificates	**82,808,753**	**7.32%**

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

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(In Thousands of Dominican Pesos)

b) By sector

	June 30, 2015	
	Local Currency RD$	Weighted Average Annual Rate
Non-financial public sector	17,293,023	6.52%
Non-financial private sector	53,887,559	6.38%
Financial sector	19,459,514	7.59%
	90,640,096	**6.68%**

	December 31, 2014	
	Local Currency RD$	Weighted Average Annual Rate
Non-financial public sector	13,124,577	6.88%
Non-financial private sector	47,211,859	6.44%
Financial sector	22,472,317	9.37%
	82,808,753	**7.32%**

c) By maturity date

	June 30, 2015	
	Local Currency RD$	Weighted Average Annual Rate
0 to 15 days	8,636,298	6.20%
16 to 30 days	11,178,481	6.27%
31 to 60 days	17,147,579	7.03%
61 to 90 days	10,531,026	6.64%
91 to 180 days	21,181,258	6.90%
181 to 1 year	13,997,402	6.44%

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
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More than 1 year	7,968,052	7.01%
	90,640,096	**6.68%**

	December 31, 2014	
	Local Currency RD$	Weighted Average Annual Rate
0 to 15 days	6,238,053	6.15%
16 to 30 days	7,690,782	7.18%
31 to 60 days	14,840,308	7.56%
61 to 90 days	15,167,944	8.11%
91 to 180 days	18,603,950	7.75%
181 to 1 year	12,497,931	6.43%
More than 1 year	7,769,785	6.84%
	82,808,753	**7.32%**

At June 30, 2015 and December 31, 2014, outstanding securities include restricted amounts, as follows:

		June 30, 2015		
		Deceased Clients	Security Deposits	Total
Oustanding securities:				
Financial certificates	**RD$**	**260,693**	**5,439,731**	**5,700,424**

		December 31, 2014		
		Deceased Clients	Security Deposits	Total
Oustanding securities:				
Financial certificates	**RD$**	**254,404**	**5,116,631**	**5,371,035**

(Continues)

(In Thousands of Dominican Pesos)

20 Other liabilities

A description of other liabilities is as of June 30, 2015 and December 31, 2014

		2015	2014
Demand obligations (includes US$37,928 in 2015 and US$267 in 2014) (a)	RD$	2,688,523	902,844
Term obligations, (includes US$7,782 in 2015 and US$11,641in 2014) (b)		751,133	930,151
Unclaimed third party balances (includes US1,537 in 2015 and US$868 in 2014)		222,376	176,663
Exchange exposure on forward contracts (corresponds to US$401 in 2015)		17,978	-
Sundry creditors:			
Commissions payable		92,203	92,148
Accounts payable to suppliers (includes US$66 in 2015 and US$846 and 2014)		131,524	107,966
Withholding tax payables		88,187	138,819
Retained payable insurance premium		339,299	490,425
Other sundry creditors (c)		2,682,152	1,833,362
Reserves for contingent operations (includes US$ 1,682 in 2015 and US$1,837 in 2014) (d)		121,819	134,109
Other provisions:			
Income tax		285,667	46,632
Provision for litigation		75,270	94,945
Bonus and other employee's benefits		967,673	2,457,737
Systemic Risk Prevention Program		138,374	110,642
Contingency fund		58,486	69,010
Accrued expenses payable		5,393	102,571
Credit card and electronic transactions		-	67,654
Extraordinary contributions to Pension Plan		32,248	30,494
Others reserves (includes US$8 in 2015 and US$46 in 2014)		557,591	247,126
Items pending for allocation, (includes 480 in 2015 and US$343 in 2014) (e)		1,069,747	171,264
Other deferred loans (f)		314,134	319,118
Administration funds of the Public Sector		60,060	251,070
Commissions payable to insurance Premi356um agents, (includes US$1,475 in 2015)		183,651	131,102
Tax on outstanding premium		236,944	145,224

(Continues)

(In Thousands of Dominican Pesos)

Withholding taxes to reinsurers	7,840	18,746
Payments received in advance (includes US$95 in 2015 and 2014)	107,753	102,983
Others	583,840	233,012
	RD$ 11,819,865	**9,405,817**

(a) Corresponds to financial obligations assumed by the Bank, which are payable on demand such as certified checks, cashier's checks, among others.

(b) In this category, the Bank recognizes special cash deposits in US dollars received from the Dominican Republic Government.

(c) At December 31, 2014, includes RD$847,156, which relates to liabilities for dealerships vehicle entities due to financings granted by the Bank in the vehicle fair.

(d) Corresponds to reserves to cover contingent operations as required by the Superintendence of Banks of the Dominican Republic. (see note 15).

(e) Corresponds to creditors' balances that due to internal operating reasons or characteristics of the operation was not possible to immediately allocate them on the final accounts.

(f) Represents deferred income arising from the discount obtained in the acquisition of the loan portfolio of a domestic financial institution. This liability is recognized as income to the extent that the related loans are collected.

21 Subordinated debts

A summary of subordinated debts, is as follows:

	June 30, 2015			
Type	Amount in RD$	Effective Interest Rate	Type of Currency	Term
Subordinated debts (corresponds to US$300,000 nominal value) (a)	13,453,620	7.12%	Dollars	10 years
Subordinated debts nominal value) (b)	9,999,000	8.62%	-	-
Debt issuance costs (c)	(209,945)	-	-	-
Discounts on the issuance of the debt (corresponds				

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA, BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Notes to the Consolidated Financial Statements - Statutory Basis

(In Thousands of Dominican Pesos)

to US$2,145) (d)	(96,191)	-	-	-
	23,146,484	-	-	-
Interests payable (correspond to US$8,750)	397,690	-	-	-
	23,544,174	-	-	-

	December 31, 2014			
Type	Amount in RD$	Effective Interest Rate	Effective Type of Currency	Term
Subordinated debts (correspond to US$300,000 nominal value) (a)	13,260,990	7.12%	Dollars	10 years
Subordinated debts nominal value) (b)	9,999,000	9.66%	-	-
Debt issuance costs (c)	(142,934)	-	-	-
Discounts on the issuance of the debt (corresponds to US$2,249) (d)	(99,436)	-	-	-
	23,017,620	-	-	-
Interests payable (correspond to US$8,750)	392,072	-	-	-
	23,409,692	-	-	-

a) Corresponds to bonds issued by the Bank on February 1st, 2013, for a nominal value of US$300,000. This debt generates a nominal interest of 7% annually and has an original maturity of 10 years until February 1st, 2023. This debt issuance was carried out in the United States of America "USA" to qualified institutional buyers as defined in Rule 144A under the *U.S. Securities Act of 1933* and other countries outside the United States of America "USA" according to "*Regulation S.*"

Additionally, the bonds have the following characteristics:

- Interest are payable semi-annually on February and August 1st, of each year.
- The bonds will not be redeemed prior to their maturity date.
- The bonds are unsecured.

(Continues)

(In Thousands of Dominican Pesos)

- In the event of bankruptcy, liquidation or dissolution of the Bank under Dominican laws, the payment of the bonds shall be subject to all existing and future obligations denominated as "Senior Obligations," which include all other liabilities of the Bank.

b) These are bonds issued in the market of the Dominican Republic by the Bank on December 29, 2014, for a nominal value of RD$10,000,000. The amount placed corresponds to two issuances offered simultaneously of RD$5,000 million each with a maturity of 10 years until December 29, 2024, and at a variable interest rate equivalent to the weighted interest average rate of multiple banks, published by the Central Bank plus a fixed margin of 2.75%. The effective rate at the time of placement was 9.66%, revisable every six months. These bonds do not have any collateral and at the dissolution or liquidation of the Bank, the payment of the bonds is subject to all obligations of the Bank.

   Subordinated debts may be used to compute part of the secondary principal for the purposes of determining the Bank's technical capital.

c) Correspond to costs incurred in the issuance of bonds, which are deferred and amortized using the straight-line method over the term of the bonds.

d) Correspond to discounts granted in the issuance of bonds, which are amortized using the straight-line method over the term of the bonds.

22 Technical reserves

The subsidiaries, Seguros Banreservas, S. A. and ARS Banreservas, S. A., maintain ongoing specific mathematical risk reserves set up to meet commitments that derive from the current insurance policies that amounted to RD$2,523,610 and RD$2,392,827 at June 30, 2015 and December 31, 2014, respectively.

The movement recorded during the period of the referred technical reserves, is as follows:

		2015		
		Mathematical Reserves	Specific Reserves and Ongoing Risk	Total
Balance at January 1st, 2015	RD$	99,472	2,293,355	2,392,827
More: Reserve increase		42,403	1,824,696	1,867,099
Less: Decrease of reserve		(32,899)	(1,703,417)	(1,736,316)
Balance at June 30, 2015	**RD$**	**108,976**	**2,414,634**	**2,523,610**

(Continues)

(In Thousands of Dominican Pesos)

		2014		
		Mathematical Reserves	Specific Reserves and Ongoing Risk	Total
Balance at January 1st, 2014	RD$	21,543	1,972,792	1,994,335
More: Reserve increase		129,280	2,173,126	2,302,406
Less: Decrease of reserve		(51,351)	(1,852,563)	(1,903,914)
Balance at December 31, 2014	**RD$**	**99,472**	**2,293,355**	**2,392,827**

23 Income tax

The consolidated companies declare and pay income separately and on an individual basis. The consolidated entities calculate income tax based on its accounting practices to comply with current legal requirements.

Income tax expense for the three month periods ended as of June 30, 2015 and 2014, is composed of the following

		2015	2014
Current income tax	RD$	318,267	837,854
Taxes from previous years			7,075
Expenses from dividends withhold (i)		31,637	44,993
	RD$	**349,904**	**889,922**

(i) Correspond to withheld on payments of dividends received from other subsidiaries of Tenedora Banreservas, S. A.

On February 8, 2013, the financial entities, represented by the Association of Commercial Banks of the Dominican Republic Inc., signed an agreement with the Ministry of Finance and the Dirección General de Impuestos Internos (DGII), whereby the Bank promised to make a tax payment for the amount of RD$619,418, which could be deducted from the Bank's future income tax commitments, for a period of 15 years beginning in fiscal year 2014. This deduction shall be in proportion of 6.67% per annum.

(Continues)

(In Thousands of Dominican Pesos)

24 Responsibilities

The subsidiaries Seguros Banreservas, S. A. and ARS Banreservas, S. A., in addition to the balances of obligations related to the retained insured risks amounting to RD$657,419,384 and RD$641,392,846, respectively at June 30, 2015 and December 31, 2014, have memorandum balances for salvages warehouse amounting to RD$10,930 and RD$9,194, for 2015 and 2014.

The responsibilities assumed by the insurance company and the amounts retained by them, are as follows:

		2015	2014
Responsibility assumed on insurance policies	RD$	657,419,384	641,392,846
Responsibility assigned on insurance policies		(429,137,355)	(390,980,014)
	RD$	**228,282,029**	**250,412,832**

25 Reinsurance

It is the transfer of part or the whole of risk accepted by an insurer to another insurer or reinsurer. The original or primary insurer is called the ceding insurer and the second the reinsurer.

The reinsurers that support the insurance business are the following:

At June 30, 2015			At December 31, 2014		
Reinsurer	Type of Contract	Shares (%)	Reinsurer	Type of Contract	Shares (%)
Switzerland	Surplus	15	Switzerland	Surplus	20.00
	Quota share	65/100		Quota share	65/100
Korean GC	Surplus	5.0/6.0	Korean GC	Surplus	6.5/30
	Quota share	10.00		Quota share	10.00
Trans. RE	Surplus	17/15	Trans. RE	Surplus	12.00
Mallen	Quota share	10/8	Mallen	Quota share	15.00
	Surplus	10/15		Surplus	10/15
Hannover XL	Quota share	70/8/5	Hannover XL	Quota share	10.00
	Surplus	4/8			
Thompson Health	Surplus	22.5/2	Thompson Health	Surplus	16.50
	Quota share	2/5			
Nacional Borg	Quota share	8.0	Nacional Borg	Quota share	10.00
Everest-JLT	Surplus	30/20/35	Everest-JLT	Surplus	3/20/35
	Quota share	25/34			
General Re,	Surplus	35/10	General Re,	Surplus	35/10
Axis	Quota share	3.00	Axis	Quota share	5.00
Barents-JLT	Surplus	1.5/5	Barents-JLT	Surplus	8.00
Navigators	Surplus	10/7	Navigators	Surplus	10/7
	Quota share	8/6		Quota share	6.00
Arch Re.	Quota share	80/15	Arch Re.	Quota share	80.00

(Continues)

(In Thousands of Dominican Pesos)

Awac-JLT	Surplus	1.0	Awac-JLT	Surplus	2.0/7.0
Siruis-JLT	Surplus	3.5/5.0	Siruis-JLT	Surplus	2.5/4.0

26 Equity

A summary of the Banks' equity, owned 100% by the Government of the Dominican Republic, is as follows:

	2015			
	Common Shares			
	Authorized		Issued	
	Quantity	RD$	Quantity	RD$
Balances at June 30, 2015	8,300	8,300,000	8,300	8,300,000
Balances at December 31, 2014	5,500	5,500,000	5,500	5,500,000

The Bank's equity contributions are as follows:

a) Initial capital of RD$50,000 according to the Law No. 6133 of December 17, 1962, which amended Article 4 of the Organic Law of the Bank.

b) RD$200,000 by delivering state-certified vouchers issued by the National Treasury in 1998.

c) In accordance with the Law No. 99-05 of April 5, 2001, which amended Article 4 of the Organic Law of the Bank, the Dominican Republic Government issued RD$1,750,000 bonds in favor of the Bank

d) In accordance with the Law No. 121-05 of April 7, 2005, the Dominican Republic Government issued RD$1,500,000 bonds in favor of the Bank.

e) In accordance with the Law No. 543-14 of December 5, 2014, RD$2,000,000 by reinvesting dividends to be charged to earnings generated in 2013.

f) RD$2,800,000 by transferring RD$2,357,788 from Other Equity Reserves and RD$442,212 by reinvesting dividends to be charged to earnings generated in 2014, approved by the Board of Directors by the Eleventh Resolution of the Ordinary Session dated January 22, 2015.

The Bank's net profit will be used as follows:

(Continues)

50% - For amortization of not less than 5% of certified vouchers of the National Treasurer on behalf of the Dominican Republic Government, plus interest. The resulting surplus will cover the debts of the Dominican Government and its agencies, as well as other needs, as approved by the Board of Directors, upon previous notice to the Executive Branch.

35% - To be transferred to other equity reserves accounts of the Bank.

15% - To cover debts of the Dominican Republic Government and its agencies with the Bank.

By the Eighteenth and Second Resolution of the Ordinary Sessions dated January 14 and September 11, 2014 respectively, the Board of Directors approved the distribution of earnings taking into consideration the guidelines for the distribution of dividends to shareholders established in the 7-2002 resolution, issued by the Superintendence of Banks on March 8, 2002, and according to the provisions of Law 99-01 on the distribution of earnings from the Bank. The total profits to be distributed was RD$3,787,794, as detailed below:

i) RD$442,212 for payment of dividends in shares.

ii) RD$75,000 to amortize the National Treasury vouchers.

iii) RD$3,750 to offset interest of the National Treasury vouchers.

iv) RD$1,500,000 cash dividends to be delivered to the Dominican State

v) RD$1,500,000 dividends payment amortization of National Treasury Bond law 121-05.

vi) RD$266,832 to offset debts of the Dominican State.

By the Eighteenth and Second Resolution of the Ordinary Sessions dated January 14 and September 11, 2014 respectively, the Board of Directors approved the distribution of earnings taking into consideration the guidelines for the distribution of dividends to shareholders established in the 7-2002 resolution, issued by the Superintendence of Banks on March 8, 2002, and according to the provisions of Law 99-01 on the distribution of earnings from the Bank. The total earnings to be distributed was RD$6,676,055, as detailed below:

i) RD$1,766,341 transferred to equity reserve.

ii) RD$2,000,000 for payment of dividends in shares.

iii) RD$1,300,000 cash dividends to be delivered to the Dominican State.

iv) RD$75,000 to amortize the National Treasury vouchers.

v) RD$4,500 to offset interest of the National Treasury vouchers.

(Continues)

vi) RD$410,446 to pay with the sale of foreclosed assets transferred to the Dominican State.

vii) RD$1,119,768 to offset debts of the Dominican State.

Increase in authorized and paid-in capital:

On December 5, 2014, under Law No. 543-14 was amended Article 4 of the Law No. 6133 of December 17, 1962, Organic Law of the Bank. This amendment established the following:

- Increase the authorized and paid-in capital of the Bank from RD$5,500,000 equivalent to 5,500 common shares to RD$8,300,000 equivalent to 8,300 common shares at June 30, 2015. This capital increase was carried out through the transference of other equity reserves and reinvesting dividends to be charged to earnings generated in 2014.

- Increase the authorized and paid-in capital of the Bank from RD$3,500,000 equivalent to 3,500 common shares to RD$5,500,000 equivalent to 5,500 common shares at December 31, 2014. This capital increase was carried out through the distribution of dividends in 2013.

- With the projected earnings for the years 2015 and 2016, increase the Bank's authorized and paid-in capital to a maximum amount of RD$10,000,000 equivalent to 100,000 common shares.

Other equity reserves

In accordance with the Bank's Organic Law, the Bank must segregate 35% of its annual net profit to equity reserves. As of December 31, 2014, the Bank segregated equity reserves in the amount of RD$2,456,876.

Through Circular SB/0682 dated December 31, 2010, the Superintendence of Banks issued a no-objection to the application within the fiscal year of the segregation of 35% of net profit as other equity reserves, provided they are in compliance with the guidelines for distribution of profits as set forth by the supervisory body.

Revaluation surplus

In order to carry out its operation, the Bank revalued its land and buildings to its estimated market value determined by independent appraisers, as allowed by the Prudential Rules of Capital Adequacy. The value of the net revaluation was RD$915,737. The Bank classified this amount as secondary capital, subject to the authorization of the Superintendence of Banks of the Dominican Republic.

(Continues)

(In Thousands of Dominican Pesos)

27 Segment Information

The Bank's businesses are mainly organized into the following segments:

At June 30, 2015					
Segment	Company	Jurisdiction	Functional Currency	Equity Shares	Percentage of Voting Rights Direct and Indirect
Finance	Banco de Reservas de la República Dominicana, Banco de Servicios Múltiples	Dominican Republic	RD$	8,300,000	100%
Related services	Tenedora Banreservas, S. A. and Subsidiaries	Dominican Republic	RD$	1,551,434	97.74%
				9,851,434	
	Consolidation adjustments			(1,551,434)	
				8,300,000	

At December 31, 2014					
Segment	Company	Jurisdiction	Functional Currency	Equity Shares	Percentage of Voting Rights Direct and Indirect
Finance	Banco de Reservas de la República Dominicana, Banco de Servicios Múltiples	Dominican Republic	RD$	5,500,000	100%
Related services	Tenedora Banreservas, S. A. and Subsidiaries	Dominican Republic	RD$	1,551,434	97.74%
				7,051,434	
	Consolidation adjustments			(1,551,434)	
				5,500,000	

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
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Notes to the Consolidated Financial Statements - Statutory Basis

(In Thousands of Dominican Pesos)

Assets, liabilities, income, expenses and net income that comprise the Bank, are shown below:

		At June 30, 2015		Six month ended at June 30, 2015.		
Entity		Assets	Liabilities	Income	Expenses	Profit or Loss
Banco de Reservas de la República Dominicana, Banco de Servicios Múltiples	RD$	365,041,737	341,506,596	20,843,313	17,722,926	3,120,387
Tenedora Banreservas, S. A. and Subsidiaries		12,958,444	8,514,569	4,792,459	4,198,371	594,088
ARS Reservas, Inc.		341,436	95,496	280,156	245,612	34,544
		378,341,617	350,116,661	25,915,928	22,166,909	3,749,019
Consolidation adjustments		(8,742,503)	(4,180,252)	(1,390,524)	(778,538)	(611,986)
	RD$	**369,599,114**	**345,936,409**	**24,525,404**	**21,388,371**	**3,137,033**

		At December 31, 2014		Six month ended at June 30, 2014 .		
Entity		Assets	Liabilities	Income	Expenses	Profit or Loss
Banco de Reservas de la República Dominicana, Banco de Servicios Múltiples	RD$	348,502,961	324,742,625	18,108,490	14,741,291	3,367,199
Tenedora Banreservas, S. A. and Subsidiaries		10,258,597	6,401,390	3,681,575	3,288,963	392,612
ARS Reservas, Inc.		289,076	77,682	250,813	234,178	16,635
		359,050,634	331,221,697	22,040,878	18,264,432	3,776,446
Consolidation adjustments		(5,131,746)	(1,184,691)	(647,404)	(250,457)	(396,947)
	RD$	**353,918,888**	**330,037,006**	**21,393,474**	**18,013,975**	**3,379,499**

(Continues)

(In Thousands of Dominican Pesos)

28 Commitments and contingencies

In the normal course of business, the Bank enters into different commitments and incurs certain contingent liabilities. The most important balances of these commitments and contingent liabilities include:

		2015	2014
Collaterals granted:			
Endorsements	RD$	2,298,990	1,324,417
Other collaterals granted		239,358	227,297
Non-negotiable letters of credit issued		466,884	132,179
Credit lines of automatic use		9,232,825	7,498,082
	RD$	**12,238,057**	**9,181,975**

At June 30, 2015 and December 31, 2014, the Bank has reserves for possible losses from these operations in the amounts of RD$121,819 y RD$134,109, respectively.

At June 30, 2015 and December 31, 2014, the Insurance subsidiary and the Health Insurance Administrator (ARS) had contingent liabilities for retained risk, estimated as follows:

		2015	2014
General risk	RD$	615,064,664	607,039,260
Individual life insurance		7,227,901	5,825,548
Collective life insurance		35,126,819	28,528,038
	RD$	**657,419,384**	**641,392,846**

According to the practices of the insurance company, most risks retained are reinsured under catastrophic coverage and excess loss.

(a) Leasing of offices, buildings and automatic teller machines (ATM)

The bank has lease contracts for the premises in which some of its administrative offices, branches, business centers and ATM´s are located. For the periods of six month ended June 30, 2015 and 2014, expenses for this concept amounted to approximately RD$268,256 and RD$196,998, respectively, which are recognized in other operating expenses in the accompanying consolidated income statements-statutory basis.

(b) Superintendence of Bank fees

The Monetary Board of the Dominican Republic requires financial entities to make a contribution in order to cover the inspection services that are conducted by the Superintendence of Banks of the Dominican Republic. The expense for this concept for the six month periods ended June 30, 2015 and 2014 was of approximately RD$322,847 and RD$348,436, respectively, and is recognized in other operating expenses in the accompanying consolidated income statements-statutory basis.

(c) Contingency fund

Article 64 of the Monetary and Financial Law No. 183-02 dated November 21, 2002 and the Regulation for the Operation of the Contingency Fund, assumed through the First Resolution issued by the Monetary Board on November 6, 2003, authorizes the Central Bank of the Dominican Republic to collect quarterly contributions from the entities of financial intermediation for this fund.

The contribution shall be 0.25% of quarterly total assets minus the quarterly supervision quota charged by the Superintendence of Banks of the Dominican Republic. This contribution shall not exceed 1% of total deposits from the public.

Expenses for this concept for the six month periods ended June 30, 2015 and 2014, was of approximately RD$116,971 and RD$86,046, respectively, and are recognized in other operating expenses in the accompanying consolidated income statements - statutory basis.

(d) Banking consolidation fund

For the implementation of the Exceptional Program for Risk Prevention of the Entities of Financial Intermediation according to Law 92-04, the Central Bank of the Dominican Republic created the Banking Consolidation Fund (FBC) with the main purpose of protecting the depositors and avoiding systematic risk. The FBC was created with mandatory contributions from the financial entities and other sources as established by the above mentioned law. Such contributions are calculated considering customer deposits with minimum annual rate of 0.17% to be paid quarterly.

Expenses for this concept for the six month periods ended June 30, 2015 and 2014, was of approximately RD$251,641 and RD$208,450, respectively and are recognized in the line item other operating expenses in the accompanying consolidated income statements - statutory basis.

(Continues)

(e) Credit card licenses

MasterCard credit cards

The Bank has a contract with a foreign company for the nonexclusive use of MasterCard brand for charge card services, credit or debit card. The Bank does not pay fees for the right of use of MasterCard. The Bank has the commitment to open a line of credit for no less than US$5 for each MasterCard Gold card issued. The license is perpetual; subject to the termination provisions set forth-in the contract.

Visa credit cards

The Bank has a contract with a foreign company for the non-exclusive use of Visa and Electron charge card services, credit or debit card. The Bank does not pay fees for the rights of use of Visa. The duration of the license is perpetual; subject to the termination provisions set forth-in the contract.

(f) Lawsuits

As of June 30, 2015 and December 31, 2014, there are several lawsuits and demands originated in the normal course of the Banks operations. The Bank considers together with its legal advisors that the resolution of these claims will not result in an adverse material effect. As of June 30, 2015 and December 31, 2014, the amount reserved to face these demands is of RD$75,288 and RD$94,945 respectively, and is recognized in other liabilities in the accompanying consolidated balance sheets - statutory basis.

In the normal course of its operations, the subsidiary entity Seguros Banreserva, S. A. has several commitments and contingent liabilities resulting from claims, lawsuits and other legal proceedings seeking coverage for damages from the insurance policies. The Company has established the reserves that it considers necessary to cover these claims and demands based on its experience in the insurance business.

(g) Claims for casualties

The subsidiary Seguros Banreservas, S. A. has received insurance claims for catastrophes that arose in the normal course of business, which have occurred at December 31, 2014. The Bank initiated the operational processing of claims which to date have not been finished. The Bank's management expects that the ultimate effect of this process will not have a material effect in relation to the financial position of the Bank and that the main risk is assumed by the reinsurers.

(Continues)

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(h) Guaranteed minimum return

At June 30, 2015 and December 31, 2014, the subsidiary Administradora de Fondos de Pensiones Reservas, S. A., is committed minimum annual return, guaranteed by law, which shall be equal to the weighted average return on pension funds individually funded less than 2.0 and 1.9 percentage points, respectively, as required by Article 103 of Law 87-01. If the subsidiary stays below the weighted average calculated by the Pensions, have a commitment to pay to the fund.

29 Memorandum accounts

Memorandum accounts for funds under management, including the balance of memorandum accounts in June 30, 2015 and December 31, 2014 respectively, which are presented in the Memorandum accounts presented in the Bank's consolidated balance sheet consist of:

		2015	2014
Funds under management:			
PROMIPYME resources	RD$	2,798,830	1,574,679
PROMIDIGNA resources		33	82
PROMIPYME - PROCREA		343	347
SEH - PETROCARIBE resources		209	209
PROMICENTRAL		264,844	408,445
PROMIPYME - Fondos Fonper		65,695	110,461
PROMIPYME - PRESAAC loans		1,353	1,518
MI PRIMER PROGRESO loans		15,158	16,189
MI PRODEMICRO loans		141,039	106,255
Solidarity Bank		1,413,570	1,255,499
		-	659,784
		4,701,074	4,133,468
Funds managed by the subsidiary Administradora de Fondos de Pensiones Reservas:			
Mandatory individual capitalization plan (T-1 Pension Fund)		43,932,191	39,216,115
Pension fund of officers and employees of Banco de Reservas de la República Dominicana (T-4 Pension Fund)		9,416,745	8,705,604
Social solidary fund (T-5 Pension Fund)		18,002,092	16,109,034
		71,351,028	64,030,753

(Continues)

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Other memorandum accounts:			
Loans granted pending to be used		60,422,412	51,441,802
Assets and securities held in custody		5,555,173	5,631,269
Collaterals received		711,674,206	310,993,597
Other memorandum accounts		514,512,571	98,360,059
Deferred interests		530,354	493,636
Other pending balances		1,977	1,977
Other values in collection		131,173	113,135
		1,292,827,866	467,035,475
	RD$	**1,368,879,968**	**535,199,696**

30 Financial income and expenses

A summary of financial income and expenses is as follows:

		Six month periods ended at June 30, 2015	2014
Financial income:			
Loans portfolio:			
Commercial	RD$	9,251,859	8,429,522
Consumer		3,487,285	2,234,067
Mortgage		1,324,452	958,342
		14,063,596	11,621,931
From investments:			
Other debt securities		1,962,993	2,558,809
Gain from investment		968,537	1,168,229
Insurance premiums net of returns and cancellations:			
Insurance premiums written		3,064,657	2,608,890
	Total **RD$**	**20,059,783**	**17,957,859**

(Continues)

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Financial expenses:		
Customer deposits	(1,174,778)	(1,074,621)
Certificates of deposits	(3,265,313)	(2,833,731)
Subordinated debts	(1,017,152)	(513,407)
	(5,457,243)	(4,421,759)
Borrowings:		
Borrowed funds	(343,832)	(221,202)
Investments:		
Amortization of premium from investments in debt securities	(180,077)	(297,498)
Losses from investments	(888)	(140)
	(180,965)	(297,638)
Reinsurance:		
Reinsurance cost	(1,411,126)	(1,276,962)
Contractual losses and obligations	(871,834)	(769,526)
	(2,282,960)	(2,046,488)
Expenses for technical adjustment to reserves	(80,040)	(73,337)
Acquisition expense, conservation and premium collection:		
Commission and other acquisition Costs of the insurance company	(280,423)	(255,102)
Total	**RD$ (8,625,463)**	**(7,315,526)**

31 Income (expenses) for exchange differences

A summary of the main income and expenses due to exchange differences recognized during the six month periods ended at June 30, 2015 and 2014, is as follows:

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		2015	2014
Income due to foreign exchange:			
Loans portfolio	RD$	1,187,813	1,475,040
Investments		103,983	39,179
Available funds		495,543	598,923
Accounts receivable		637	852
Non-financial investments		619	708
Other assets		1,022	5,122
Other exchange differences		80,101	268,934
Sub-total		1,869,718	2,388,758
Expenses due to foreign exchange:			
Customer deposits		(1,117,751)	(1,483,271)
Borrowed funds		(507,295)	(410,884)
Financial obligations		(2,286)	(17,877)
Subordinated debts		(55,637)	(139,056)
Other liabilities		(219,190)	(374,158)
Sub-total		(1,902,159)	(2,425,246)
	RD$	**(32,441)**	**(36,488)**

32 Other operating income (expenses)

A summary of other operational income (expenses) is as follows:

		2015	2014
Other operating income:			
Credit card fees	RD$	370,849	279,813
Commissions on service:			
Draws and transfers		68,837	65,903
Certification and sale of management checks		12,510	6,468
Collections		10,049	2,489
Other commissions collected		1,157,224	1,008,622
Letters of credit		15,821	24,187
Collaterals granted		39,171	7,580
		1,303,612	1,115,249

(Continues)

(In Thousands of Dominican Pesos)

Commission for exchange:			
Gains on foreign exchange		498,929	434,188
Premium for foreign exchange contracts		558,270	91,968
		1,057,199	526,156
Other operational income:			
Available funds		50,320	8,345
Other miscellaneous operational income:			
Claims for medical services		265,309	108,386
Other services and contingencies		689,821	720,013
		1,005,450	836,744
Total other operational income		3,737,110	2,757,962
Other operating expenses:			
Commissions on services:			
Correspondent services		(15,955)	(13,508)
Other services		(121,348)	(202,626)
		(137,303)	(216,134)
Sundry expenses:			
Commission for exchange		(19,220)	(3,753)
Other operating expenses		(392,497)	(60,093)
Commissions and sale of property		(115)	(3,399)
Claims for medical services		(229,161)	(211,348)
		(640,993)	(278,593)
Total other operating expenses	**RD$**	**(778,296)**	**(494,727)**

33 Other income (expenses)

A summary of other income (expenses) is as follows:

		2015	2014
Other income:			
Recovery of written off assets	RD$	251,189	144,406
Decrease of reserves for risky assets		257,999	201,254
Gain on sale of assets		39,430	29,994
Non-financial investments		76,181	99,865
Leases of property		56,669	36,675
Other		81,046	154,428
		762,514	666,622

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Other expenses:			
Losses in shares in other entities		(44)	-
Expenses for assets received in loans settlements		(25,495)	(32,772)
Other expenses:			
Accounts receivable		(213)	-
Penalties for breach		(106)	(75)
Losses on sale of assets		(12,654)	(22,233)
Donations		(112,715)	(100,791)
Losses from thefts, assaults and frauds		(17,076)	(26,333)
Acquisition of parts for ATMs - others		(162,170)	(290,897)
		(330,473)	(473,101)
Other net income	**RD$**	**432,041**	**193,521**

34 Personnel compensation and social benefits

A summary of personnel compensations and social benefits is as follows:

		Six month periods ended at June 30, 2015	2014
Wages, salaries and benefits to employees	RD$	3,448,427	3,201,425
Social security		302,214	251,140
Contributions to the pension plan		510,824	462,011
Other expenses related to personnel		1,779,657	1,176,614
	RD$	**6,041,122**	**5,091,190**

At June 30, 2015 and 2014, the Personnel compensation and social benefits include approximately RD$938,155 and RD$845,214, respectively, which correspond to executive management, which are defined director and above.

As of June 30, 2015 and 2014, the Bank has 10,822 and 10,028 employees, respectively.

(Continues)

(In Thousands of Dominican Pesos)

35 Risk assessment

A summary of assets and liabilities subject to the interest rates risk as of June 30, 2015 and December 31, 2014, are shown below:

Interest rate risk

		June 30, 2015		December 31, 2014	
		Local Currency	Foreign Currency	Local Currency	Foreign Currency
Assets sensitive to interest rate	RD$	161,617,815	98,036,455	201,919,146	108,184,780
Liabilities sensitive to interest rate		(207,444,830)	(122,052,658)	(187,206,912)	(116,555,994)
Net position	**RD$**	**(45,827,015)**	**(24,016,203)**	**14,712,234**	**(8,371,214)**
Interest exposure	**RD$**	**151,507**	**626,467**	**438,451**	**885,335**

The Bank's interest rates may be reviewed periodically pursuant to contracts established between the parties, except in some loans disbursed with specialized resources, whose rates are set by the sponsors and specific agreements.

Liquidity risk

A detail of the maturity of assets and liabilities according to their maturity date as of June 30, 2015 and December 31, 2014 is as follows:

		June 30, 2015					
		Up to 30 Days	31 to 90 Days	91 Days to 1 year	1 to 5 Years	More than 5 years	Total
Assets:							
Available funds		RD75,193,486	-	-	-	-	75,193,486
Investments		10,493,234	843,388	6,391,189	5,437,385	25,624,851	48,790,047
Loans portfolio		24,683,995	18,096,552	49,924,943	75,703,115	60,257,462	228,666,067
Debtors by acceptances		1,315	102,268	292,155	-	-	395,738
Accounts receivable		4,392,841	-	-	-	81,938	4,474,779
Investment in Shares		-	-	-	-	904,353	904,353
Other assets		785,316	1,713,385	-	-	137,492	2,636,193
Total assets	RD$	115,550,187	20,755,593	56,608,287	81,140,500	87,006,096	361,060,663
Liabilities							
Customer							

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deposits	RD$	133,965,513	8,211,777	18,841,992	4,875,374	2,287,596	168,182,252
Deposits from domestic and foreign financial institutions		16,846,426	1,390,146	1,288,092	87,391	53,634	19,665,689
Borrowing funds		452	10,120,844	16,096,964	1,135,981	-	27,354,241
Outstanding acceptances		1,315	102,268	292,155	-	-	395,738
Outstanding securities		21,050,890	27,828,940	33,792,214	7,968,052	-	90,640,096
Other liabilities (ii)		7,178,047	17,979	2,708,282	293,024	1,622,533	11,819,865
Subordinated debts		-	392,397	5,293	-	23,146,484	23,544,174
Total liabilities	**RD$**	**179,042,643**	**48,064,351**	**73,024,992**	**14,359,822**	**27,110,247**	**341,602,055**

		December 31, 2014					
		Up to 30 Days	31 to 90 Days	91 Days to 1 year	1 to 5 Years	More than 5 years	Total
Assets:							
Available funds	RD$	73,716,746	-	-	-	-	73,716,746
Investments		7,430,496	1,740,004	7,689,358	7,353,735	11,317,518	35,531,111
Loans portfolio		32,111,506	14,783,855	59,706,820	74,869,027	50,775,274	232,246,482
Debtors by acceptances		19,580	-	3,315	-	-	22,895
Accounts receivable		2,404,567	-	-	-	71,106	2,475,673
Investment in shares		-	-	-	-	829,041	829,041
Total assets	**RD$**	**115,682,895**	**16,523,859**	**67,399,493**	**82,222,762**	**62,992,939**	**344,821,948**
Liabilities							
Customer deposits	RD$	125,092,687	7,964,210	18,019,460	5,090,398	2,126,867	158,293,622
Deposits from domestic and foreign financial institutions		17,493,636	189,265	235,442	90,203	52,240	18,060,786
Borrowing funds		1,335,183	7,556,678	21,013,232	4,779,957	-	34,685,050
Outstanding acceptances		19,580	-	3,315	-	-	22,895
Outstanding securities		14,381,724	30,126,887	30,530,356	7,769,786	-	82,808,753
Other liabilities (ii)		3,275,137	-	2,347,941	438,170	3,344,569	9,405,817
Subordinated debts		-	386,779	5,293	-	23,259,990	23,652,062
Total liabilities	**RD$**	**161,597,947**	**46,223,819**	**72,155,039**	**18,168,514**	**28,783,666**	**326,928,985**

(Continues)

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(i) Consist of transactions that represent the right of collection for the Bank.

(ii) Consist of transactions that represent an obligation of payment for the Bank.

The liquidity ratios of the Bank at June 30, 2015 and December 31, 2014, is as follows:

	At June 30, 2015		At December 31, 2014	
	Local Currency	Foreign Currency	Local Currency	Foreign Currency
Liquidity ratio:				
15 days adjusted	133.81%	230.54%	148.20%	328.87%
30 days adjusted	160.18%	200.65%	146.07%	424.13%
60 days adjusted	142.09%	191.93%	135.92%	354.31%
90 days adjusted	137.83%	150.00%	132.52%	251.14%
Position:				
15 days adjusted	6,452,860	462,921	7,880,182	582,208
30 days adjusted	11,615,471	471,234	9,138,793	978,680
60 days adjusted	11,268,973	477,506	9,648,569	929,480
90 days adjusted	12,674,702	361,720	10,573,382	792,994
Global (months)	(45.18)	(30.20)	(51.88)	(46.47)

The Liquidity Risk Regulations provides that financial institutions must provide adjusted liquidity reason in both currencies at 15 and 30 days no lower than 80%, and at 60 and 90 days no lower than 70%. At June 30, 2015 and December 31, 2014, the liquidity ratios maintained by the Bank are higher than required.

36 Fair value of the financial instrument

A summary of the fair value of financial instruments at June 30, 2015 and December 31, 2014, is as follows:

		At June 30, 2015		At December 31, 2014	
		Book Value	Fair Value	Book Value	Fair Value
Financial assets					
Available funds	RD$	75,193,486	N/A	73,716,746	N/A
Investments, net (a)		48,575,987	N/A	35,307,620	N/A
Loans portfolio, net (a)		223,509,553	N/A	226,789,969	N/A
Investments in shares, net (b)		884,127	N/A	817,218	N/A
	RD$	**348,163,153**		**336,631,553**	
Liabilities					
Customer deposits	RD$	168,182,252	N/A	158,293,622	N/A
Deposits in					

(Continues)

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domestic and international financial institutions	19,665,689	N/A	18,060,786	N/A
Borrowed funds (a)	27,354,241	N/A	34,685,050	N/A
Outstanding securities (a)	90,640,096	N/A	82,808,753	N/A
Subordinated debts	23,544,174	23,494,801	23,409,692	23,494,801
RD$	**329,386,452**	**23,494,801**	**317,257,903**	**23,494,801**

(N/A): Not available.

(a) The Bank has not performed an analysis of fair values of its loans portfolio, customer deposits, outstanding securities and borrowed funds, whose market values might be affected by changes in interest rates.

(b) There is not an active stock market in the Dominican Republic where fair value of these investments in shares can be obtained. Nevertheless, for investments in shares of entities that are listed in active markets, with a book value of RD$38,500 and RD$37,949, respectively, the market value was RD$179,891 and RD$170,886, respectively.

37 Transactions with related parties

The First Resolution of the Monetary Board dated March 18, 2004 approved the Regulation regarding Credit Limits to Related Parties, which established the criteria to determine who is a related party of financial institutions.

Operations and significant balances with related parties in accordance with the criteria established by the Regulation regarding Credit Limits to Related Parties as of June 30, 2015 and December 31, 2014 are as follows:

	At June 30, 2015			
	Current Loans	Past due Loans	Total	Collaterals
Related through ownership	58,096,002	-	58,096,002	Unsecured
Related through management	11,155,143	288,363	11,443,506	5,196,573

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	At December 31, 2014			
	Current Loans	Past due Loans	Total	Collaterals
Related through ownership	45,731,503	-	45,731,503	Unsecured
Related through management	8,988,772	157,674	9,146,446	5,317,801

The loans related to the ownership correspond to loans to the Dominican Republic Government and its agencies, which are excluded when determining the technical relations related to credit concentration.

As of June 30, 2015 and December 31, 2014, loans related to the management of the Bank includes RD$11,444 and RD$7,924 million, respectively, which were granted to employees at interest rates more favorable than those to unrelated parties in accordance with the policy for personnel incentives. Similarly, deposits with related parties maintain interest rates at different conditions from those of unrelated parties.

The most significant balances and transactions with related parties through ownership for the years ended at June 30, 2015 and December 31, 2014 include:

		Balances		. Effects on Revenues (Expenses). Six month periods ended at June 30,	
		June 30, 2015	December 31, 2014	2015	2014
Available funds	RD$	51,017,258	56,497,507	-	-
Loans portfolio		58,096,002	45,731,503	3,361,258	4,824,357
Demand deposits		26,118,380	51,546	(78,879)	(167,932)
Savings deposits		16,398,268	1,864,529	-	-
Other investment in debt instruments		29,470,411	16,290,829	1,531,203	909,965
Time deposits		19,878,477	15,611,692	(546,164)	(401,061)
Interests receivable		2,172,555	1,168,916	-	-
Accounts receivable		-	760,903	-	-
Other liabilities		400,686	1,096,606	-	-

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Other transactions with identifiable related parties conducted during the periods ended at June 30, 2015 and December 31, 2014 include:

		2015		2014	
		Balance	Effects in Net Income Revenues (Expenses)	Balance	Effects in Net Income Revenues (Expenses)
Loans portfolio	RD$	9,043,936	497,563	9,043,936	497,563
Deposits of officers and employees		4,880,549	(479,993)	4,880,549	(479,993)

38 Pension fund

The Bank makes contributions to the following pension plans:

a) A pension plan with defined benefits and other pensions for employees not covered by Social Security Law No. 87-01 of May 9, 2001, which established the Social Security System of the Dominican Republic. Until June 30, 2014, contributions to this plan correspond to 12.5% of the monthly salaries of officials and employees paid from July 1st, 2014. This contribution was increased to 17.5%, plus 2.5% of the gross profits of the Bank, as provided by the statute of the Pension Plan approved by the Board of Directors. Additionally, the Bank may also make extraordinary contributions based on the results of actuarial studies. A summary of the financial information of the (unaudited) plan, is as follows:

		2015	2014
Present value of obligations for past services	RD$	(9,149,735)	(9,149,735)
Net assets of the plan		8,743,793	8,743,793
Net position of the plan	**RD$**	**(405,942)**	**(405,942)**

The expense recognized during the periods of six month ended at June 30, 2015 and 2014 amounted RD$295,347 and RD$277,983, respectively, including extraordinary contributions of RD$121,163 for both periods, in order to cover the deficit until 2019, as authorized by the Superintendence of Banks.

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b) The Superintendence of Banks by Circular SB: ADM / 0681/10 of December 31, 2010, did not object that the Bank annually recognize since 2011, an extraordinary payment of RD$242.3 million for a period of nine years, to cover the actuarial deficit determined by an actuarial study conducted in 2007. For such purpose, the Bank was required to submit to the SB the Board of Directors Minutes that approved the transaction a study with recommendations on the financial position and viability over the next nine years and the balance of the actuarial deficit of the plan as of December 31, 2010. This information was provided to the SB through Communication ADM- 1384-11 dated March 14, 2011.

Actuarial assumptions

At June 30, 2015 and December 31, 2014, the principal actuarial assumptions and other basic plan information used in determining the actuarial liabilities are as follows:

	2015	2014
Mortality Table	SIPEN 2011 (M-F)	SIPEN 2011 (M-F)
Rate of return on assets	12%	12%
Long- term annual discount rate	10%	10%
Annual salary increase scale	8.50%	8.50%
Long term annual inflation rate	6.50%	6.50%

A summary of the number and amount of current pensions as of June 30, 2015 and December 31, 2014, is as follows:

		2015	2014
Number of members		2,126	2,126
Average age in years of the members		46	46
Average monthly salary	RD$	67,809	67,809

Employees who are affiliated to the Social Security System of the Dominican Republic, created by Law No. 87-01 issued on May 9, 2001, consisting of the Contributive Regimen covering public and private employees and employers, funded by the latter, including the Dominican State as an employer. According to the Social Security System of the Dominican Republic all employee and employers must be affiliated to the pension regimen through the Administradora de Fondos de Pensiones (AFP) and the Administradoras de Riesgos de Salud (ARS). Officers and employees of the Bank are affiliated in various pension fund plans, mainly in the Administradora de Fondos de Pensiones Reservas, S. A.

(Continues)

BANCO DE RESERVAS DE LA REPÚBLICA DOMINICANA,
BANCO DE SERVICIOS MÚLTIPLES AND SUBSIDIARIES

Notes to the Consolidated Financial Statements - Statutory Basis

(In Thousands of Dominican Pesos)

39 Non-monetary transactions

The non-monetary transactions are as follows:

		2015	2014
Write off of loan portfolio and interest receivable	RD$	991,745	1,191,549
Assets received in loans settlements		70,400	1,933,112
Transfer between allowances for risky assets:			
Loans portfolio		(9,081)	(218,104)
Investments		-	31,735
Interests receivable		17,928	6,314
Assets received in loans settlements		(1,326)	166,926
Contingencies		(10,173)	13,129
Sale of assets received in loans settlements with credit facilities		-	181,883
Amortization of national treasury bonds		75,000	75,000
Interests on national treasury bonds		3,750	4,500
Transfer of net income to other equity reserves		-	2,456,876
Dividends paid with transfer of assets received in loans settlements		-	410,446
Dividends paid in shares		2,800,000	2,000,000
Transfer of accounts receivable of foreclosed assets received In lieu of payment		-	146,593
Loan portfolio acquisition of a local Institution:			
Loan porfolio acquired		-	1,420,009
Loan portfolio compensated		-	(181,525)
Outstanding securities		-	893,030
Other liabilities		-	345,454
Dividend payment by offsetting the debt of State institutions:			
Cash dividends to be delivered to the Dominican Republic State		-	-
Equitiy - retained earnigs from previous years		-	1,119,768

(Continues)

(In Thousands of Dominican Pesos)

Accounts receivable	266,832	(246,894)
Loan portfolio	-	(872,875)

40 Other disclosures

40.1 Implementation of future standards

According to the Second Monetary Board Resolution dated March 21, 2013, minor commercial debtors under loans granted prior to May 31, 2013, and its consolidated debts in the domestic financial system to be converted to major debtors, should be evaluated on their payment capacity rather than on arrears or payment history basis. The effect on the required provisions resulting from this situation must be recognized in the first assessment made by the Bank in 2014.

41 Footnote disclosures required by the Superintendence of Banks

Resolution No. 13-94 of the Superintendence of Banks of the Dominican Republic and its amendments sets the minimum disclosures that the consolidated financial statements of financial institutions should include. As of December 31, 2014 and 2013 the following notes are not included because they are not applicable:

- Earnings per share.
- Significant discontinued operations.
- Changes in share ownership.
- Regular Reclassification of liabilities of relative significance.
- Gains or losses on sales of fixed assets or other assets, in subsidiaries, branches or offices abroad
- Losses arising from disasters.
- Effects of change in market value over the book value of investments in securities
- Events occurring after the reporting period.

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