

Banco CMF S.A.

**Separate financial statements as of December 31, 2019,
jointly with the Independent Auditors' Report and the
Statutory Audit Committee's Report**

TABLE OF CONTENTS

- Contents
- Separate statement of financial position
- Separate statement of income
- Separate statement of other comprehensive income
- Separate statement of changes in shareholders' equity
- Separate statement of cash flows
- Notes to the separate financial statements
- Separate exhibits
- Independent Auditors' Report on the separate financial statements
- Statutory Audit Committee's Report

SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

CONTENTS

SEPARATE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2019 AND 2018	- 1 -
SEPARATE STATEMENT OF INCOME FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018.....	- 4 -
SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018..	- 4 -
SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019	- 5 -
SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018	- 6 -
SEPARATE STATEMENT OF CASH FLOWS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018.....	- 7 -
CORPORATE INFORMATION.....	- 9 -
SIGNIFICANT ACCOUNTING POLICIES	- 9 -
REPO TRANSACTIONS	- 14 -
FINANCIAL ASSETS DELIVERED IN GUARANTEE AND RESTRICTED ASSETS	- 14 -
ADJUSTMENT DUE TO LOSSES. PROVISION FOR LOSSES FROM LOANS AND OTHER FINANCING FACILITIES	- 14 -
ADJUSTMENT DUE TO LOSSES. PROVISION FOR LOSSES FROM LOANS AND OTHER FINANCING FACILITIES (Cont.) -	- 15 -
CONTINGENT TRANSACTIONS	- 15 -
DERIVATIVE FINANCIAL INSTRUMENTS.....	- 15 -
RELATED PARTIES	- 16 -
TRANSACTIONS WITH COMPANIES UNDER SECTION 33, LAW No. 19,550	- 17 -
PROPERTY, PLANT AND EQUIPMENT	- 18 -
EMPLOYEE BENEFITS	- 18 -
ANALYSIS OF FINANCIAL ASSETS TO BE RECOVERED AND FINANCIAL LIABILITIES TO BE SETTLED.....	- 19 -
SEGMENT REPORTING.....	- 21 -
INCOME TAX	- 21 -
FOREIGN EXCHANGE DIFFERENCE.....	- 23 -
OTHER OPERATING PROFIT.....	- 23 -
ADMINISTRATIVE EXPENSES	- 24 -
OTHER OPERATING EXPENSES	- 24 -
QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES.....	- 24 -
LEASES.....	- 27 -
ADDITIONAL INFORMATION ABOUT THE STATEMENT OF CASH FLOWS	- 27 -
CAPITAL STOCK.....	- 27 -
DEPOSIT GUARANTEE INSURANCE	- 27 -
TRUST BUSINESS	- 27 -
MUTUAL FUNDS	- 27 -
COMPLIANCE WITH CNV REGULATIONS.....	- 27 -
SAFEKEEPING OF DOCUMENTATION, ISSUER COMPANIES - CNV GENERAL RESOLUTION NO. 629/2014 AND CNV GENERAL RESOLUTION NO. 632/2014	- 28 -
ACCOUNTS THAT IDENTIFY COMPLIANCE WITH MINIMUM CASH AND CAPITAL REQUIREMENTS	- 28 -
PENALTIES APPLIED TO THE FINANCIAL INSTITUTION AND SUMMARY PROCEEDINGS INITIATED BY THE BCRA.....	- 28 -
CORPORATE BONDS ISSUANCE	- 29 -
OFF-BALANCE SHEET AMOUNTS	- 29 -

RESTRICTIONS ON EARNINGS DISTRIBUTION	29 -
RISK MANAGEMENT AND CORPORATE GOVERNANCE	29 -
CHANGES IN THE MACROECONOMIC ENVIRONMENT, AND THE SITUATIONS OF THE FINANCIAL AND CAPITAL SYSTEM	29 -
FINANCIAL STATEMENTS PUBLICATION ACCOUNTING PRINCIPLES – EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH.....	31-
EXHIBIT “A”	32 -
EXHIBIT “B”	35 -
EXHIBIT “C”	37 -
EXHIBIT “D”	38 -
EXHIBIT “E”	39 -
EXHIBIT “E”	40 -
EXHIBIT “F”	41 -
EXHIBIT “H”	42 -
EXHIBIT “I”	43 -
EXHIBIT “J”	45 -
EXHIBIT “K”	46 -
EXHIBIT “L”	47 -
EXHIBIT “N”	48 -
EXHIBIT “O”	49 -
EXHIBIT “P”	50 -
EXHIBIT “Q”	52 -
EXHIBIT “R”	54 -

BANCO CMF S.A		
Registered office: Macacha Güemes 150, City of Buenos Aires, Argentina		
Main business activity: Commercial bank	C.U.I.T. (Argentine taxpayer identification number): 30-57661429-9	
Organization date: June 21, 1978		
Data of Registration with Buenos Aires City Public Registry of Commerce	Date	(1) Of the articles of incorporation: 06/21/1978
		(2) Of the latest amendment: 08/09/2016
	Book	Stock Corporations Book: 88 – Vol. A
		Number: 1926
Expiry of the articles of incorporation: June 20, 2077		
Fiscal year: No. 43		
Beginning date: January 1, 2019	Closing date: December 31, 2019	
Capital structure		
Number and characteristics of shares	In Argentine pesos	
	Subscribed	Paid-in
323,900,000 book-entry shares of common stock of ARS 1 face value and entitled to five votes each	323,900,000	323,900,000

JOSÉ A. BENEGAS LYNCH
Chairman

Bank name: Banco CMF S.A.
Name of the undersigned auditor: José A. Coya Testón
Professional firm: Pistrelli, Henry Martin y Asociados S.R.L.
Report for the year ended 12/31/19
Type of report: 1– Unqualified audit report

- 1 -

SEPARATE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2019 AND 2018

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

ASSETS	Notes	Exhibits	12/31/2019	12/31/2018
Cash and deposits with banks		P	5,802,260	2,471,172
– Cash			175,666	62,837
– Financial institutions and correspondents			5,626,594	2,408,335
– BCRA (Central Bank of Argentina)			3,793,558	2,211,640
– Other Local and Foreign Entities			1,833,036	196,695
Debt securities at fair value through profit or loss				
Derivative Financial Instruments	7	A and P	3,585,997	363,589
Reverse repo transactions	3	P	32,987	240,231
Other financial assets		P and O	945,994	270,385
Loans and other financing		P	21,435	221,014
– BCRA (Central Bank of Argentina)		B, C, D, P and R	3,538,989	4,806,041
– Other Financial Institutions			30	-
– Non Financial Private Sector and Foreign Residents			11,431	124,710
			3,527,528	4,681,331
Other debt securities		A and P	430,974	2,694,797
Financial assets delivered as guarantee	4	P	246,878	117,946
Current income tax assets	14		-	-
Investments in equity instruments		A and P	24,039	463
Investments in subsidiaries	2	E	1,846,924	1,208,839
Property, plant and equipment	10	F	316,897	315,668
Deferred income tax assets	14		104,345	-
Other non financial assets			101,320	114,737
TOTAL ASSETS			16,999,039	12,824,882

JOSÉ A. BENEGAS LYNCH
Chairman

SEPARATE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2019 AND 2018

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

LIABILITIES	Notes	Exhibits	12/31/2019	12/31/2018
Deposits		H, I and P	10,735,777	7,488,420
– Financial sector			1,166	672
– Non financial private sector and foreign residents			10,734,611	7,487,748
Liabilities at fair value through profit or loss			-	115,585
Derivative Financial Instruments	7	I and O	15,313	37,112
Repo transactions			-	-
Other financial liabilities		I and P	202,604	529,061
Financing received from financial institutions		I and P	1,570,735	1,534,235
Corporate bonds issued	30	I and P	86,060	602,833
Current income tax liabilities	14		306,483	107,401
Provisions		J	1,262	-
Deferred income tax liabilities	14		-	15,895
Other nonfinancial liabilities			353,191	232,098
TOTAL LIABILITIES			13,271,425	10,662,640
SHAREHOLDERS' EQUITY				
Capital stock	22		323,900	323,900
Appropriated retained earnings			1,074,799	758,659
Unappropriated retained earnings (accumulated losses)			-	150,289
Other accumulated comprehensive income			1,242,829	613,545
Profit for the year			1,086,086	315,849
TOTAL SHAREHOLDERS' EQUITY			3,727,614	2,162,242

The accompanying notes 1 through 36 and exhibits A, B, C, D, E, F, H, I, J, K, L, N, O, P, Q and R are an integral part of these separate financial statements.

SEPARATE STATEMENT OF INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

STATEMENT OF INCOME	Notes	Exhibits	12/31/2019	12/31/2018
Interest income		Q	6,085,540	2,617,227
Interest expense		Q	(3,317,637)	(1,403,849)
Interest income, net			2,767,903	1,213,378
Commission income		Q	93,625	69,394
Commission expense			(5,366)	(1,617)
Commission income, net			88,259	67,777
Net gain on financial instruments at fair value through profit or loss		Q	79,258	145,969
Foreign exchange difference	15		(347,428)	(176,513)
Other operating profit	16		125,505	102,809
Loan loss provision	5		(198,232)	(213,382)
Net operating profit			2,515,265	1,140,038
Employee benefits	11		(532,795)	(333,829)
Administrative expenses	17		(442,421)	(247,220)
Depreciation and amortization of assets			(44,775)	(18,049)
Other operating expenses	18		(224,577)	(195,410)
Operating profit			1,270,697	345,530
Gain on investments in associates and joint ventures			76,779	76,934
Profit from continuing operations before income tax			1,347,476	422,464
Income tax on continuing operations	14		(261,390)	(106,615)
NET PROFIT FOR THE YEAR			1,086,086	315,849

The accompanying notes 1 through 36 and exhibits A, B, C, D, E, F, H, I, J, K, L, N, O, P, Q and R are an integral part of these separate financial statements.

JOSÉ A. BENEGAS LYNCH
Chairman

**SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

STATEMENT OF OTHER COMPREHENSIVE INCOME

	12/31/2019	12/31/2018
Profit (loss) for the year, net	1,086,086	315,849
Foreign exchange differences on conversion of financial statements	629,284	532,828
Total other comprehensive income	629,284	532,828
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,715,370	848,677

The accompanying notes 1 through 36 and exhibits A, B, C, D, E, F, H, I, J, K, L, N, O, P, Q and R are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Changes	Capital stock	Other comprehen sive income	Appropriated retained earnings				Sharehold ers' equity as of 12/31/2019
	Outstanding shares	Foreign exchange differences on conversion of financial statements	Legal reserve	Optional reserve	Statutory reserve -special due to the first- time adoption of IFRS	Unappropriated retained earnings (accumulated losses)	
– Balance at beginning of year	323,900	613,545	336,125	422,534	-	466,138	2,162,242
– Distribution of unappropriated retained earnings approved by the Shareholders' Meeting of April 15, 2019 (1)							
– Reversal of reserves	-	-	-	(422,534)	-	422,534	-
– Reserves	-	-	93,228	414,440	231,006	(738,674)	-
– Cash dividends	-	-	-	-	-	(150,000)	(150,000)
– Net profit for the year	-	-	-	-	-	1,086,086	1,086,086
– Other comprehensive income	-	629,284	-	-	-	-	629,284
– Other changes	-	-	-	-	-	2	2
– Balance at end of year	323,900	1,242,829	429,353	414,440	231,006	1,086,086	3,727,614

(1) On April 15, 2019, the Regular and Special Shareholders' Meeting approved the allocation of 150,000 to the payment of cash dividends. On the same date, the Board of Directors decided to make them available to the shareholders.

The accompanying notes 1 through 36 and exhibits A, B, C, D, E, F, H, I, J, K, L, N, O, P, Q and R are an integral part of these separate financial statements.

JOSÉ A. BENEGAS LYNCH
Chairman

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Changes	Capital stock	Other comprehen- sive income	Appropriated retained earnings		Unappropriated retained earnings (accumulated losses)	Shareholders ' equity as of 12/31/2018
	Outstandin g shares	Foreign exchange differences on conversion of financial statements	Legal reserve	Optional reserve		
– Balance at beginning of year	323,900	80,717	294,175	323,736	360,043	1,382,571
– Distribution of unappropriated retained earnings approved by the Shareholders' Meeting of April 24, 2018 (1)						
- Reserves	-	-	41,950	98,798	(140,748)	-
- Cash dividends	-	-	-	-	(69,000)	(69,000)
– Net profit for the year	-	-	-	-	315,849	315,849
– Other comprehensive income	-	532,828	-	-	-	532,828
– Other changes	-	-	-	-	(6)	(6)
– Balance at end of year	323,900	613,545	336,125	422,534	466,138	2,162,242

(1) On April 24, 2018, the Regular and Special Shareholders' Meeting approved the allocation of 69,000 to the payment of cash dividends. The BCRA authorized the distribution through a note dated July 06, 2018. On the same date, the Board of Directors decided to make them available to the shareholders.

The accompanying notes 1 through 36 and exhibits A, B, C, D, E, F, H, I, J, K, L, N, O, P, Q and R are an integral part of these separate financial statements.

JOSÉ A. BENEGAS LYNCH
Chairman

**SEPARATE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

	Notes	12/31/2019	12/31/2018
Cash flows provided by operating activities			
Profit for the year before income tax		1,347,476	422,464
Adjustments to determine cash flows provided by operating activities:			
Amortization, depreciation and impairment in value		44,775	18,049
Loan loss provision		198,232	213,382
Other adjustments		(1,603,113)	(653,915)
Increases/decreases from operating assets, net:			
Debt securities at fair value through profit or loss		3,695,471	188,479
Derivatives		207,244	189,751
Repo transactions		(514,392)	(100,750)
Loans and other financing			
Other financial institutions		116,216	(36,999)
Nonfinancial private sector and foreign residents		3,052,970	1,420,583
Other debt securities		(693,809)	(1,298,354)
Financial assets delivered in guarantee		(128,932)	347,878
Investments in equity instruments		(23,576)	334
Other assets		348,850	169,905
Increases/decreases from operating liabilities, net:			
Deposits			
Financial sector		494	(298)
Nonfinancial private sector and foreign residents		321,875	2,751,435
Liabilities at fair value through profit or loss		(115,585)	(336,179)
Derivatives		(21,799)	28,851
Repo transactions		(15,364)	(484,697)
Other liabilities		(1,357,064)	(1,227,487)
Income tax payments		(182,548)	(20,413)
Total operating activities (A)		4,677,421	1,592,019

**SEPARATE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2019 AND 2018 (CONTD.)**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

	Notes	12/31/2019	12/31/2018
Cash flows provided by investing activities			
Payments:			
Purchase of property, plant and equipment, intangible assets and other assets		(58,732)	(579)
Obtention of control in subsidiaries or other businesses		67,978	64,361
Other payments related to investing activities		2	1,617
Total investing activities (B)		9,248	65,399
Cash flows provided by financing activities			
Payments:			
Dividends		(150,000)	(69,000)
Unsubordinated corporate bonds		(747,400)	(468,560)
BCRA		(7)	35
Financing received from financial institutions in Argentina		(110,746)	284,191
Total financing activities (C)		(1,008,153)	(253,334)
Effect of changes in the exchange rate (D)		(347,428)	(176,513)
Total changes in cash flows			
Increase (decrease) in cash and cash equivalents, net (A+B+C+D)		3,331,088	1,227,571
Cash and cash equivalents at beginning of year	21	2,471,172	1,243,601
Cash and cash equivalents at end of year	21	5,802,260	2,471,172

The accompanying notes 1 through 36 and exhibits A, B, C, D, E, F, H, I, J, K, L, N, O, P, Q and R are an integral part of these separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

1. CORPORATE INFORMATION

Banco CMF S.A. (hereinafter, the “Bank”), is a *sociedad anónima* (Argentine business association type akin to a stock corporation) duly organized under the laws of Argentina on June 21, 1978. Its duration term is 99 (ninety-nine) years, expiring in 2077 and may be extended. The current shareholders purchased the Bank in 1990. On April 10, 1996, through Resolution No. 208/96, and on May 5, 1996, through Comunicado “B” No. 6,010, the BCRA (Central Bank of Argentina) approved its transformation into a commercial bank. Consequently, on March 23, 1999, through Comunicado “B”, the BCRA approved the corporate name change and the adoption of the current corporate name, Banco CMF S.A. In addition, the Bank operates through its subsidiaries Metrocorp Valores S.A., Eurobanco Bank Ltd. and CMF Asset Management S.A.U.

Since it is a financial entity governed by Financial Institutions Law No. 21,526, it should meet BCRA provisions because it is its regulatory agency.

On February 26, 2020, the Board of Directors of Banco CMF S.A. approved the issuance of the accompanying separate financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis for preparation

Accounting standards applied

The Bank's separate financial statements were prepared in accordance with the information framework established by the BCRA (Central Bank of Argentina) (BCRA Comunicado “A” 6114, as supplemented), which is based on International Financial Reporting Standards (IFRS) issued by the IASB (International Accounting Standards Board) and adopted by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences), only subject to the exceptions explained in the following paragraph. Considering these exceptions, the accounting information framework comprises the standards and interpretations adopted by the IASB, which are:

- IFRS,
- International Accounting Standards (IAS) and
- the interpretations originated by the IFRS Interpretations Committee (IFRIC) or the former Standard Interpretations Committee (SIC).

Regarding the preparation and presentation of these separate financial statements, the Bank considered the following BCRA exceptions (see also section “New resolutions. Amendments to BCRA accounting information framework” in this note):

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- (a) Through BCRA Communiqué "A" No. 6114, the BCRA established specific guidelines within this convergence process, among which it was defined: (i) the temporary exception to the application of section 5.5 "Impairment in value" of IFRS 9 "Financial Instruments" (points 5.1. through B5.5.55) for fiscal years until those beginning as from January 1, 2020, and (ii) that in order to calculate the effective deposit and lending rates required for measurement purposes pursuant to IFRS 9, the effective interest rate of a group of financial assets or liabilities with similar application may be calculated globally. As of the of issuance of these consolidated financial statements, the Bank is reviewing the effect of the application of section 5.5. "Impairment in value" mentioned in point (i) above, but it estimates that it may be material.
- (b) As of December 31, 2019, the conditions for adjusting for inflation the Bank's financial statements for the year then ended according to IAS 29 "Financial Reporting in Hyperinflationary Economies" were met. However, as detailed in "Measurement unit" in this note, financial institutions should apply this standard as from the years beginning January 1, 2020.

These accounting policies comply with the IFRS that are currently approved and applied in preparing these IFRS annual financial statements in agreement with the IFRS adopted by the BCRA according to Communiqué "A" No. 6840. In general, the BCRA does not allow for the early adoption of any IFRS, unless otherwise specified.

Subsidiaries

As indicated in note 1, the Bank performs certain transactions through its subsidiaries. Subsidiaries are defined as the companies over which the Bank exerts control. As mentioned in note 2. to the consolidated financial statements, a Bank controls a company when it is exposed to, or has rights over, variable returns of its equity in the subsidiary and it has the capacity of using the power to direct the company's operating and financial policies to exert an influence over these returns.

In the statements of financial position of the separate financial statements, investments in associates are measured using the equity method established in IAS 28, in line with the provisions of BCRA Communiqué "A" No. 6114. In using this method, investments in subsidiaries are initially recognized at cost, and the amount subsequently increases or decreases to recognize the equity interest of the parent company in the subsidiary's profit (loss).

As of December 31, 2019, the Bank consolidated its financial statements with those of the following companies:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Company	Shares		% to		Activity
	Class	Number	Capital stock	Votes	
Metrocorp Valores S.A.	Common	6,491,430	99%	99%	Comprehensive settlement and clearing agent and trading agent, and mutual funds placement and distribution agent.
Eurobanco Bank Ltd.	Common	2,970,000	99%	99%	Financial institution
CMF Asset Management S.A.U.	Common	5,000,000	100%	100%	Managing agent in charge of mutual funds collective investment products (AAPICFCI)

The breakdown of total assets, liabilities, shareholders' equity and profit (loss) of Banco CMF S.A and each of its subsidiaries as of December 31, 2019 and 2018, is disclosed in note 2 to the consolidated financial statements as of December 31, 2019.

Figures stated in thousands of Argentine pesos

These separate financial statements disclose figures stated in thousands of Argentine pesos and are rounded up to the nearest amount in Argentine pesos, except when otherwise noted.

Presentation of the separate statement of financial position

The Bank files the statement of financial position in order of liquidity pursuant to the model established in BCRA Communiqué "A" 6324. The analysis referring to the recovery of assets and settlement of liabilities within the 12 months subsequent to the reporting date and over 12 months subsequent to the reporting date is disclosed in note 12.

Financial assets and liabilities are usually informed using gross amounts in the statement of financial position. These amounts are only offset and reported in net form when holding the legal and unconditional right to offset them and Management intends to settle those amounts on a net basis or to realize assets and settle liabilities simultaneously.

The accompanying financial statements were prepared on the basis of their historical amounts, except for the assets disclosed in note 19, which were valued at fair value.

Comparative information

These separate financial statements are presented comparatively with those of the prior fiscal year-end.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Measurement unit

IFRS require the restatement in functional currency of an entity's financial statements when the functional currency used is that of a hyperinflationary economy. To ensure consistency in identifying such an economic context, IAS 29 establishes (i) certain nonexclusive qualitative indicators, such as analyzing the behavior of the population, prices, interest rates and salaries considering the changes in the price indexes and the loss in the purchasing power of the currency, and (ii) a quantitative indicator –which is the condition mostly used in actual facts–, which consists in checking whether the cumulative inflation rate over three years approaches or exceeds 100%. Even though the general level of prices increased over the last few years in Argentina, the inflation rate accumulated over a three-year period remained below such percentage. However, due to different macroeconomic factors, the three-year inflation rate stood above 100% in 2018. Moreover, the Argentine government targets and other available projections show that this trend will not be reversed in the short term.

Consequently, the Argentine economy is currently considered hyperinflationary and the entities under the BCRA's control, which are required to apply the IFRS adopted through Communiqué "A" 6114 and which functional currency is the Argentine peso, should restate their financial statements. This restatement should be made as if the economy had always been hyperinflationary using a general price index that reflects the changes in the purchasing power of the currency. To make such restatement, a series of indexes prepared and published monthly by the FACPCE will be used, which combine the Argentine consumer price index published by the INDEC (Argentine Institute of Statistics and Censuses) as from January 2017 (base month: December 2016) with the wholesale domestic price index published by the INDEC until that date, computing the changes in the consumer price index for the City of Buenos Aires for November and December 2015 since the INDEC published no information concerning the domestic wholesale price index for these months.

Considering this index, inflation stood at 53.83% and 47.64% for the years ended December 31, 2019, and 2018, respectively.

However, as established in BCRA Communiqué "A" 6651, banks should start adopting the method for restating the financial statements into constant currency, as provided for by IAS 29, as from the years beginning January 1, 2020.

The lack of recognition of the changes in the general purchasing power of the currency in a hyperinflationary economy may distort the accounting information; therefore, this situation should be considered upon interpreting the information disclosed by the Bank in the financial statements on the financial position, results of operations and cash flows.

Below is a description of the main potential effects from implementing IAS 29:

- (a) The financial statements should be adjusted to consider the changes in the purchasing power of the currency so that they are restated into the current measuring unit as of the end of the reporting period or year.
- (b) In brief, the general restatement mechanism established in IAS 29 is the following:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- i. Monetary items (those with a fixed nominal value in local currency) will not be restated, as they are no longer stated in the constant currency as of the end of the reporting period or year. In an inflationary period, maintaining monetary assets will lose purchasing power and maintaining monetary liabilities will gain purchasing power, provided that these items are not subject to an adjustment mechanism that somehow offsets these effects. Net monetary gains or losses will be included in profit (loss) for the reporting period or year.
- ii. The assets and liabilities subject to adjustment based on specific agreements will be adjusted based on such arrangements.
- iii. Nonmonetary items measured at their current values as of the end of the reporting period or year will not be restated to be disclosed in the statement of financial position, but the adjustment process should be completed to determine the profit (loss) generated by holding these nonmonetary items in constant pesos.
- iv. The nonmonetary items measured at a historical cost or current cost of a date prior to the end of the reporting period or year will be restated by coefficients that reflect the changes in the general level of prices from the date of acquisition or revaluation until the closing date, and the restated amounts of these assets will then be compared to the recoverable values. The charges to profit for the period or year for the depreciation of property, plant and equipment and the amortization of intangible assets or any other consumption of nonmonetary assets will be determined based on the new restated amounts.
- v. When finance costs are capitalized under nonmonetary assets, the portion of these costs used to offset the creditor for inflation purposes will not be capitalized.
- vi. The restatement of nonmonetary assets in the current unit of measure as of the end of the reporting period or year with no equivalent adjustment for tax purposes gives rise to a taxable temporary difference and the recognition of a deferred tax liability which contra account is recognized in profit (loss) for the period or year. If, in addition to the restatement, nonmonetary assets are restated, the deferred tax amount related to the restatement is recognized in profit (loss) for the period or year and the deferred tax amount related to the revaluation (excess of value restated over the restated value) is recognized in other comprehensive income.
- vii. Expenses and revenues are restated as from their booking, except for (1) the statements of profit or loss accounts that reflect or include in their assessment the consumption of assets measured in the currency of purchasing power of a date prior to booking the consumption, which will be restated based on the date of origin of the asset related to the item, and (2) profit (loss) that arises from comparing two measurements stated in the currency of purchasing power of different dates, which requires identifying the amounts compared, restating them and comparing them separately using the restated amounts.
- viii. At the beginning of the first year of application of the restatement of the financial statements into constant currency, the components of equity, except for retained earnings (accumulated losses) are restated pursuant to IAS 29 and retained earnings (accumulated losses) are determined by difference once the remaining equity components are restated.

As of the date of issuance of these consolidated financial statements, the Bank is undergoing the final review of the potential effects of applying IAS 29, but it estimates that they will be material.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

New resolutions

The new resolutions are disclosed in note 2 to the consolidated financial statements as of December 31, 2019.

3. REPO TRANSACTIONS

In the regular course of business, the Bank enters into repo transactions. Under IFRS 9, the securities involved in reverse repo transactions received from do not meet the requirements for recognition or derecognition.

As of December 31, 2019 and 2018, the Bank had no repo transactions.

Moreover, as of December 31, 2019 and 2018, the Bank has entered into reverse repo transactions involving BCRA liquidity bills standing at 945,994 and 270,385, respectively, the expiration dates of which were the immediately following business day of each fiscal year. As of the same dates, the securities received which guarantee reverse repo transactions stand at 1,047,106 and 299,033. The assets received in guarantee are booked under off-balance items.

The profit generated by the Bank as a result of the repo transactions carried out over the fiscal years ended December 31, 2019, and 2018, stand at 161,217 and 13,639, respectively, and they are booked under "Interest income". Losses generated by the Bank as a result of its repurchase agreements during the years ended December 31, 2019, and 2018, amounted to 15,364 and 114,152, respectively, and were charged to "Interest expense".

4. FINANCIAL ASSETS DELIVERED IN GUARANTEE AND RESTRICTED ASSETS

As of December 31, 2019 and 2018, the Bank delivered in guarantee the financial assets described in note 4 to the consolidated financial statements as of December 31, 2019.

5. ADJUSTMENT DUE TO LOSSES. PROVISION FOR LOSSES FROM LOANS AND OTHER FINANCING FACILITIES

The changes in provisions from loans and other financing facilities are disclosed in exhibit R "Adjustment due to losses – Loan loss provision" herein.

The net loan loss provision arising from loans and other financing breaks down as follows:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

5. ADJUSTMENT DUE TO LOSSES. PROVISION FOR LOSSES FROM LOANS AND OTHER FINANCING FACILITIES (Contd.)

	12/31/2019	12/31/2018
Loan loss provision	198,232	213,382
Provisions reversed and receivables recovered (Other operating profit)	(39,725)	(13,730)
Loan losses from loans and other financing, net of recoverable amounts	158,507	199,652

6. CONTINGENT TRANSACTIONS

To meet customers' specific financial needs, the Bank's credit policy also includes granting sureties, guarantees, letters of credit and documentary credits. Although these transactions are not recognized in the statement of financial position because they entail an additional responsibility for the Bank, they expose it to credit risks additional to those recognized in the statement of financial position and therefore, they are an integral part of the Bank's total risk.

As of December 31, 2019 and 2018, the Bank's contingent transactions are as follows:

	12/31/2019	12/31/2018
Guarantees provided	374,523	393,506
Obligations arising from for foreign-trade transactions – Letters of credit	265,796	136,929
Total	640,319	530,435

The risks related to the contingent transactions mentioned above are evaluated and monitored under the Bank's credit risk policy mentioned in note 32 to the consolidated financial statements.

7. DERIVATIVE FINANCIAL INSTRUMENTS

At the beginning, derivatives only imply a mutual exchange of promises and little or no investments. However, these instruments usually entail high leverage and they are highly volatile. A relatively small change in the value of the underlying asset may have a significant impact on profit (loss). Likewise, over-the-counter derivatives may expose the Bank and its subsidiaries to risks associated to the lack of an exchange market where an open position may be closed. The exposure of the Bank and its subsidiaries resulting from derivative agreements for trading purposes is regularly monitored as part of its general risk framework. The information on their objectives and credit risk management policies is included in note 32 to the consolidated financial statements.

The chart below shows the notional values of these instruments stated in thousands at the currency of origin. Notional values state the volume of outstanding transactions at year-end and they are not indicative of the market risk or the credit risk, and they are booked as off-balance items. It also includes the fair value consisting in the value in Argentine pesos of the underlying asset (US dollar). The "Derivatives" account in the statement of financial position discloses the amounts pending settlement arising from the related derivatives. The changes in fair values were charged to profit or loss; a breakdown is provided in note 16.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

7. DERIVATIVE FINANCIAL INSTRUMENTS (contd.)

Derivatives financial assets (amounts in thousands of ARS)	12/31/2019		12/31/2018	
	Notional value	Fair value	Notional value	Fair value
Forward foreign currency purchase transactions without delivery of the underlying asset - MAE	-	-	100	3.781
Forward foreign currency purchase transactions without delivery of the underlying asset - Private	1,020	61,093	-	-
Forward foreign currency purchase transactions without delivery of the underlying asset - ROFEX	4,130	247,366	38,094	1,440,269
Forward foreign currency sales transactions without delivery of the underlying asset - MAE	-	-	-	-
Forward foreign currency sale transactions without delivery of the underlying asset - Private	(4,950)	(296,480)	(9,400)	(355,398)
Forward foreign currency sale transactions without delivery of the underlying asset - Rofex	(200)	(11,979)	-	-
Total derivatives held by the Bank, net	-	-	28,794	1,088,652

The Bank enters into derivative transactions for trading purposes. The Note 7 to the consolidated financial statements discloses the reasons and type of transactions involving financial derivatives entered into by the Bank as of December 31, 2019.

8. RELATED PARTIES

A related party is any person or entity that is related to the entity:

- has control or joint control over the entity;
- has significant influence over the entity;
- is a member of the key management personnel of the entity or of a parent of the entity;
- is a member of the same group.
- is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The Bank regards the members of the Board of Directors, top management and management as key personnel under IAS 24.

As of December 31, 2019 and 2018, the transactions performed with related parties break down as follows:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

8. RELATED PARTIES (Contd.)

	As of 12/31/2018	As of 12/31/2018
Loans	135,923	94,286
Notes	73,033	93,606
Personal loans	-	180
Overdrafts	1,573	-
Import prefinancing	60,817	-
Guarantees provided	500	500
Deposits	368,724	300,642

Loans granted to and deposits with related parties are in line with market conditions for other customers.

As of December 31, 2019 and 2018, loans to employees, including those granted to managers, stand at 607 and 917, respectively.

The Bank has granted no share-backed loans to directors or other key management personnel.

The compensation of key management personnel comprising salaries, wages and bonuses, stands at 110,137 and 58,010 as of December 31, 2019, and 2018, respectively. It should be noted that there are no other benefits available to key management personnel.

9. TRANSACTIONS WITH COMPANIES UNDER SECTION 33, LAW No. 19,550

The equity amounts as of December 31, 2019, and 2018, regarding the transactions with subsidiaries, are:

	12/31/2019	12/31/2018
Assets - Other receivables from financial intermediation		
Metrocorp Valores S.A.	-	46,787
Assets - Other financial assets		
Metrocorp Valores S.A.	15,903	
Assets – Derivatives		
Metrocorp Valores S.A.	-	-
Liabilities - Deposits		
CMF Asset Management S.A.U.	5,862	21
Metrocorp Valores S.A.	104,134	60,861
Liabilities – Derivatives		
Metrocorp Valores S.A.	36,036	51,858

In addition, profit (loss) arising from the fiscal years ended as of December 31, 2019 and 2018, regarding the transactions carried out with these companies are as follows:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

9. TRANSACTIONS WITH COMPANIES UNDER SECTION 33, LAW No. 19,550

	<u>12/31/2019</u>	<u>12/31/2018</u>
Profit – Interest income		
Metrocorp Valores S.A.	805	73
Profit – Commission expenses		
Metrocorp Valores S.A.	1,117	9,940
Profit – Foreign exchange difference		
Metrocorp Valores S.A.	2,333	-
Profit – Profit (loss) from the measurement of financial instruments at fair value, net		
Metrocorp Valores S.A.	-	-
Profit – Commission income		
Metrocorp Valores S.A.	780	770
CMF Asset Management S.A.U.	660	660
Profit – Commission expenses		
Metrocorp Valores S.A.	-	132
Profit – Administrative expenses		
Metrocorp Valores S.A.	60	-
CMF Asset Management S.A.U.	90	-
Profit – Other profit		
Metrocorp Valores S.A.	-	60
CMF Asset Management S.A.U.	-	63

Off-balance items are related to transactions carried out with Metrocorp Valores S.A. as of December 31, 2019, and 2018, and stood at 700 and 462, respectively.

10. PROPERTY, PLANT AND EQUIPMENT

The account includes the tangible assets owned by the Bank, used for its specific activity.

The changes in these assets as of December 31, 2019 and 2018, are disclosed under Exhibit F "Changes in property, plant and equipment".

11. EMPLOYEE BENEFITS

The following chart summarizes the items making up the net expenses related to employee benefits recognized in the income statement.

Short-term benefits

	<u>12/31/2019</u>	<u>12/31/2018</u>
Salaries & wages, annual statutory bonus and payroll taxes:	490,960	312,916
Vacation accrual	9,918	5,425
Severance pay, bonuses and other employee benefits	31,917	15,488
TOTAL SHORT-TERM BENEFITS	<u><u>532,795</u></u>	<u><u>333,829</u></u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

12. ANALYSIS OF FINANCIAL ASSETS TO BE RECOVERED AND FINANCIAL LIABILITIES TO BE SETTLED

The following tables show an analysis of the amounts of financial assets and liabilities which are expected to be recovered and settled as of December 31, 2019 and 2018:

Item	Reduction in assets and liabilities as of 12/31/19						Total
	Without due date	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 12 months	
ASSETS							
Cash and deposits with banks	5,802,260	-	-	-	-	-	5,802,260
Debt securities at fair value through profit or loss	-	3,368,913	124,276	-	92,684	124	3,585,997
Derivatives	-	32,987	-	-	-	-	32,987
Repo transactions	-	945,994	-	-	-	-	945,994
Other financial assets	-	21,435	-	-	-	-	21,435
Loans and other financing	-	1,950,715	582,295	534,786	170,272	300,921	3,538,989
Other debt securities	-	323,703	-	26,780	51,669	28,822	430,974
Financial assets delivered in guarantee	246,878	-	-	-	-	-	246,878
Investments in equity instruments	24,039	-	-	-	-	-	24,039
TOTAL	6,073,177	6,643,747	706,571	561,566	314,625	329,867	14,629,553

Item	Reduction in assets and liabilities as of 12/31/19						Total
	Without due date	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 12 months	
LIABILITIES							
Deposits	7,072,981	3,645,110	17,686	-	-	-	10,735,777
Liabilities at fair value through profit or loss	-	-	-	-	-	-	-
Derivatives	-	2,445	10,558	2,310	-	-	15,313
Repo transactions	-	-	-	-	-	-	-
Other financial liabilities	-	102,828	21,116	5,536	18,281	54,843	202,604
Financing received from financial institutions	-	1,910	302,699	8,861	293,671	963,594	1,570,735
Corporate bonds	-	-	4,346	-	-	81,714	86,060
TOTAL	7,072,981	3,752,293	356,405	16,707	311,952	1,100,151	12,610,486

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

12. ANALYSIS OF FINANCIAL ASSETS TO BE RECOVERED AND FINANCIAL LIABILITIES TO BE SETTLED (Contd.)

Item	Reduction in assets and liabilities as of 12/31/2019						Total
	Without due date	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 12 months	
ASSETS							
Cash and deposits with banks	2,471,172	-	-	-	-	-	2,471,172
Debt securities at fair value through profit or loss	363,589	-	-	-	-	-	363,589
Derivatives	-	224,304	15,927	-	-	-	240,231
Repo transactions	-	270,385	-	-	-	-	270,385
Other financial assets	2,011	219,003	-	-	-	-	221,014
Loans and other financing	109,010	2,345,887	1,012,365	570,767	343,605	424,407	4,806,041
Other debt securities	-	1,572,887	444,927	305,332	155,942	215,709	2,694,797
Financial assets delivered in guarantee	117,946	-	-	-	-	-	117,946
Investments in equity instruments	463	-	-	-	-	-	463
TOTAL	3,064,191	4,632,466	1,473,219	876,099	499,547	640,116	11,185,638

Item	Reduction in assets and liabilities as of 12/31/18						Total
	Without due date	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 12 months	
LIABILITIES							
Deposits	6,292,203	1,072,518	123,699	-	-	-	7,488,420
Liabilities at fair value through profit or loss	-	93,990	21,595	-	-	-	115,585
Derivatives	-	31,164	5,948	-	-	-	37,112
Other financial liabilities	-	422,868	13,911	873	18,285	73,124	529,061
Financing received from financial institutions	-	125,155	146,317	70,014	961,526	231,223	1,534,235
Corporate bonds	-	-	256,697	-	231,229	114,907	602,833
TOTAL	6,292,203	1,745,695	568,167	70,887	1,211,040	419,254	10,307,246

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

13. SEGMENT REPORTING

For management purposes, the Bank's management determined that it has only one segment related to the banking business. In this regard, the Bank oversees the profit (loss) of the segment to make decisions in connection with resource allocation and performance assessment, which is measured based on the profits or losses arising from the financial statements.

14. INCOME TAX

a. Income tax

Income tax should be booked by the liability method, which consists in recognizing (as receivable or payable) the tax effect of temporary differences between the book and tax valuation of assets and liabilities, and in subsequently charging them to profit or loss for the year in which such differences are reversed, having duly considered the likelihood of using NOLs in the future.

The deferred tax assets and liabilities in the statement of financial position are as follows:

	<u>12/31/2019</u>	<u>12/31/2018</u>
<u>Deferred tax assets:</u>		
Loans and other financing	81,222	63,820
Noncomputable deductions	12,712	-
Adjustment of the valuation of foreign currency	160	-
Provisions	108,583	6,826
Total deferred assets (a)	<u>202,677</u>	<u>70,646</u>
<u>Deferred tax liabilities:</u>		
Securities	22,767	2,388
Debt securities	-	5,641
Other financial assets	-	3,883
Adjustment of the valuation of foreign currency	6,216	-
Provisions	264	-
Property, plant and equipment	69,085	74,629
Total deferred liabilities (b)	<u>98,332</u>	<u>86,541</u>
Deferred tax assets (liabilities), net (a-b)	<u>104,345</u>	<u>(15,895)</u>

As of December 31, 2019, the Branch carries no NOLs.

Changes in deferred tax for the years ended December 31, 2019, and 2018, respectively, are summarized as follows:

	<u>12/31/2019</u>	<u>12/31/2018</u>
Deferred tax liabilities at beginning of year, net	(15,895)	(36,421)
Decrease in deferred taxes recognized through profit or loss	120,240	20,526
Deferred tax assets / (liabilities) at end of year, net	<u>104,345</u>	<u>(15,895)</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

14. INCOME TAX (Contd.)

The income tax charge disclosed in the statement of profit or loss differs from the income tax charge that would result if the current tax rate had been applied on all profits.

The following table shows a reconciliation between the income tax charge and the amounts arising from the effective tax rate in Argentina to taxable profit.

	<u>12/31/2019</u>	<u>12/31/2018</u>
Accounting profit before income tax	1,347,476	422,464
Statutory income tax rate	30%	30%
Tax on accounting profit	404,243	126,739
Long-term differences	(142,853)	(20,124)
Total income tax	<u>261,390</u>	<u>106,615</u>

As of December 31, 2019 and 2018, the effective income tax rate is 19.40 % and 25.24%, respectively.

The Bank books current income tax assets for 306,483 and 107,401 as of December 31, 2019 and 2018, respectively.

b. Tax adjustment for inflation

Tax Reform Law No. 27,430, amended by Laws No. 27,468 and No. 27,451, effective for years beginning January 1, 2018, addresses the inflation adjustment for tax purposes and establishes as follows:

- i. This variation will apply to the year in which the variation in the general consumer price index exceeds 100% during the 36 months prior to the end of the year calculated;
- ii. in the first, second and third year beginning as from January 1, 2018, the procedure will apply if the variation of this index calculated from the first of those years through the closing of each year exceeds 55%, 30% and 15% for the first, second and third year of application, respectively;
- iii. the effect of the positive or negative tax adjustment for inflation, as the case may be, for the first, second and third years beginning as from January 1, 2018, is charged one third in that fiscal period and the remaining two thirds should be assigned in equal parts to the immediate tax periods;
- iv. the effect of the positive or negative tax adjustment for inflation for the first and second year beginning as from January 1, 2019, is charged one sixth in the fiscal year in which the adjustment is determined and the remaining five sixths should be assigned to the immediate tax periods; and
- v. For the years beginning as from January 1, 2021, 100% of the adjustment may be deducted in the year in which it is determined.

As of December 31, 2019, the parameters set forth by Income Tax Law to make the tax adjustment for inflation and the effects from the application of this adjustment were considered upon booking current and deferred income tax according to law.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

14. INCOME TAX (Contd.)

c. Income tax corporate rate:

Law No. 27.541 suspends, until the years beginning January 1, 2021, the decline in the income tax corporate rate set forth under Law No. 27,430, and establishes a 30% rate for the stay period. The rate will stand at 25% for the years beginning January 1, 2022.

15. FOREIGN EXCHANGE DIFFERENCE

	12/31/2019	12/31/2018
Foreign exchange difference arising from assets and liabilities in foreign currency	(999,631)	238,757
Gain from the purchase and sale of foreign currency	240,168	195,194
Profit (loss) from foreign exchange forward transactions	412,035	(610,464)
	(347,428)	(176,513)

16. OTHER OPERATING PROFIT

	12/31/2019	12/31/2018
Commissions on services	63,669	36,320
Provisions reversed and receivables recovered	39,725	13,730
Commission on investments in mutual guarantee companies	12,607	47,677
Rentals	6,134	3,584
Punitive interest	3,370	1,383
Profit from investment properties and other nonfinancial assets	-	115
	125,505	102,809

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

17. ADMINISTRATIVE EXPENSES

	12/31/2019	12/31/2018
Directors' and statutory auditor's fees	104,210	59,609
Other fees	97,236	57,748
Taxes	59,769	26,866
Administrative services hired	57,077	35,417
Maintenance, conservation and repair expenses	25,706	14,690
Security services	13,483	7,851
Electric power and communications	10,842	6,317
Entertainment, traveling and living expenses	9,451	6,255
Stationery and office supplies	3,524	2,217
Advertising	3,139	1,382
Insurance	2,212	1,214
Rentals	882	570
Other	54,890	27,084
	442,421	247,220

18. OTHER OPERATING EXPENSES

	12/31/2019	12/31/2018
Turnover tax	183,625	175,830
Contribution to the deposit guarantee fund	19,742	6,658
Market fees	13,451	5,465
For-profit agreement charges	3,911	6,868
Charge for other provisions	1,262	-
Donations	1,817	357
Other	769	232
	224,577	195,410

19. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The fair value is defined as the amount for which an asset could be exchanged or a liability settled under mutually independence conditions between participants to the principal (or most advantageous) market, adequately informed and willing to do so in an orderly and current transaction, as of the measurement date under current market conditions, regardless if the price is directly observable or estimated using a valuation technique, under the assumption that the Bank are going concerns.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

19. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES (Contd.)

When a financial instrument is sold on a liquid and active market, its price on the market in an actual transaction provides the best evidence of its fair value. However, when there is no agreed-upon price on the market or it cannot indicate the fair value of the instrument, to determine such fair value the market value of another instrument of similar characteristics, the analysis of discounted flows or other applicable techniques can be used, which may be significantly affected by the assumptions used.

Although Management has used its best judgment in estimating the fair values of its financial instruments, any technique to make such estimate implies certain inherent fragility.

Fair value hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Observable listed (unadjusted) prices on active markets, to which the Bank accesses as of the measurement date, for identical assets or liabilities.
- Level 2: valuation techniques for which data and variables which have a significant effect on the recorded or disclosed fair value are observable, either directly or indirectly. These data include listed prices for similar assets or liabilities on active markets, listed prices for identical instruments on inactive markets and observable data other than listed prices.
- Level 3: valuation techniques for which the data and variables that have a significant effect on the recorded or disclosed fair value are not based on observable market data.

Exhibit P, "Categories of financial assets and liabilities" shows the fair value hierarchy for financial assets and liabilities measured at fair value in the statement of financial position.

Description of the measurement process

A description of the process for measuring the abovementioned assets and liabilities is provided in note 18 to the consolidated financial statements as of December 31, 2019.

Financial assets and liabilities not booked at fair value in the statement of financial position

The following tables show a comparison between the carrying amount and the fair value of financial instruments not booked at fair value as of December 31, 2019 and 2018:

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

19. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES (Contd.)

Financial assets	12/31/2019				
	Carrying amount	Fair value			Total fair value
		Level 1	Level 2	Level 3	
Repo transactions	945,994	945,994			945,994
Other financial assets	21,435	21,435	-	-	21,435
Loans and other financing	3,538,989	-	-	3,433,298	3,433,298
Other debt securities	430,974	-	430,974	-	430,974
TOTAL ASSETS	4,937,392	967,429	430,974	3,433,298	4,831,701
Financial liabilities					
Deposits	10,735,777	-	10,735,777	-	10,735,777
Other financial liabilities	202,604	-	320,983	-	320,983
Financing received from financial institutions	1,570,735	-	1,394,377	-	1,394,377
Corporate bonds issued	86,060	-	86,060	-	86,060
TOTAL LIABILITIES	12,595,176	-	12,537,197	-	12,537,197

Financial assets	12/31/2018 (*)				
	Carrying amount	Fair value			Total fair value
		Level 1	Level 2	Level 3	
Other financial assets	221,014	221,014	-	-	221,014
Loans and other financing	4,806,041	-	-	4,537,559	4,537,559
Other debt securities	2,694,797	-	2,694,797	-	2,694,797
TOTAL ASSETS	7,721,852	221,014	2,694,797	4,537,559	7,453,370
Financial liabilities					
Deposits	7,488,420	-	7,479,249	-	7,479,249
Other financial liabilities	529,061	-	551,054	-	551,054
Financing received from financial institutions	1,534,235	-	1,434,910	-	1,434,910
Corporate bonds issued	602,833	-	531,856	-	531,856
TOTAL LIABILITIES	10,154,549	-	9,997,069	-	9,997,069

(*) The "Property, plan and equipment" account includes real property items which, if reappraised at appraisal value, would entail an 292,851 increase in shareholders' equity (before applying deferred tax).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

20. LEASES

In the regular course of business, the Bank entered into finance lease transactions. A breakdown of these transactions is included in note 19 the consolidated financial statements as of December 31, 2019.

21. ADDITIONAL INFORMATION ABOUT THE STATEMENT OF CASH FLOWS

The statement of cash flows shows the changes in cash and cash equivalents arising from operating, investing and financing activities over the fiscal year. In preparing this statement, the Bank used the indirect method in the case of operating activities, and the direct method for investing and financing activities.

The Bank considers cash and cash equivalents as part of the "Cash and deposits with banks" account.

In preparing the statement of cash flows, the items described in note 20 to the consolidated financial statements as of December 31, 2019, have been considered.

22. CAPITAL STOCK

The Bank's issued, registered and paid-in capital stock as of December 31, 2019 and 2018 stands at 323,900 shares of common stock with 5 votes each.

23. DEPOSIT GUARANTEE INSURANCE

Note 22 to the consolidated financial statements as of December 31, 2019, explains the deposit guarantee insurance system.

24. TRUST BUSINESS

Note 23 to the consolidated financial statements as of December 31, 2019, discloses the trusts in which the Bank as a trust agent.

25. MUTUAL FUNDS

The Bank, in its capacity as depository company, holds membership interests of the Performance, Performance Plus, Long Performance and Long Performance Plus, Liquidez and Liquidez Plus funds in custody, as per the breakdown disclosed in note 24 to the consolidated financial statements as of December 31, 2019.

26. COMPLIANCE WITH CNV REGULATIONS

The degree of compliance with the provisions to act in the different agent categories defined by the CNV is disclosed in note 25 to the consolidated financial statements as of December 31, 2019.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

27. SAFEKEEPING OF DOCUMENTATION, ISSUER COMPANIES - CNV GENERAL RESOLUTION NO. 629/2014 AND CNV GENERAL RESOLUTION NO. 632/2014

The degree of compliance with the safekeeping provisions applicable to issuer companies defined by the CNV is disclosed in note 26 to the consolidated financial statements as of December 31, 2019.

28. ACCOUNTS THAT IDENTIFY COMPLIANCE WITH MINIMUM CASH AND CAPITAL REQUIREMENTS

Minimum cash

The items computable by Banco CMF S.A. (the requirement is only for the Argentine financial institution under BCRA requirements) to fulfill the minimum cash requirement in effect for December 2019 are broken in note 27 to the consolidated financial statements as of December 31, 2019.

Minimum capital requirement

Below is a summary of the minimum capital requirements broken down by credit risk, market risk and operational risk together with the payment thereof (computable equity) in accordance with BCRA applicable standards for December 2019.

Item	BANCO CMF
Computable equity	1,681,190
Minimum capital requirement	
Market risk	31,054
Operational risk	47,729
Credit risk	474,106
Total requirement	552,889

29. PENALTIES APPLIED TO THE FINANCIAL INSTITUTION AND SUMMARY PROCEEDINGS INITIATED BY THE BCRA

On January 8, 2015, the BCRA issued Communiqué “A” 5689 requesting that a note to the financial statement should detail all administrative and/or disciplinary penalties and all criminal penalties ordered by a trial court ruling that were imposed or initiated by the BCRA, the UFI (Financial Information Unit), the CNV and the SSN (Argentine insurance regulatory agency), as well as provide information on the summary proceedings initiated by the BCRA, regardless of its significance.

To date, the Bank does not have administrative and/or disciplinary penalties or criminal penalties ordered by a trial court.

Consequently, to meet the BCRA's information requirements, these financial statements as of December 31, 2019, include the summary proceedings initiated as of the date of issuance of these financial statements:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

30. CORPORATE BONDS ISSUANCE

Note 29 to the consolidated financial statements as of December 31, 2019, disclose the series issued by the Bank under the Global Simple Corporate Bond Program under the terms of Law No 23,576, as supplemented, and of CNV regulations.

31. OFF-BALANCE SHEET AMOUNTS

In addition to the comments made in note 7 and the amounts disclosed in Exhibit B, the Bank books different transactions involving off-balance accounts in accordance with the regulations issued by the BCRA.

The main off-balance accounts are made up as follows:

	12/31/2019	12/31/2018
Custody of government securities and other assets owned by third parties	8,021,000	8,317,377
Checks to be debited	620,920	256,264
Loans involving government securities and monetary regulation instruments	22,685	-
Futures	616,918	-
Trust activity	357,627	-
Certificates of deposit involving government securities and monetary regulation instruments	-	389,965
Preferred guarantees received from customers	755,619	662,440
Reverse repo transactions involving government securities and monetary regulation instruments	1,047,106	299,033

32. RESTRICTIONS ON EARNINGS DISTRIBUTION

The restrictions on earnings distribution are described in note 31 to the consolidated financial statements as of December 31, 2019.

33. RISK MANAGEMENT AND CORPORATE GOVERNANCE

Note 32 to the consolidated financial statements refers to the main characteristics of the risks model implemented and the corporate governance transparency policy, both for the Bank and as from a consolidated level.

34. CHANGES IN THE MACROECONOMIC ENVIRONMENT, AND THE SITUATIONS OF THE FINANCIAL AND CAPITAL SYSTEM

The international and local macroeconomic context generates a certain degree of uncertainty regarding its future progress as a result of the financial assets and foreign exchange market volatility, and, additionally, of political events and economic growth levels, among other issues.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

34. CHANGES IN THE MACROECONOMIC ENVIRONMENT, AND THE SITUATIONS OF THE FINANCIAL AND CAPITAL SYSTEM (CONTD.)

Specifically, in Argentina, as a prior step to presidential elections, the PASO (open primary elections) were held on August 11, 2019. The results were adverse to the party running the Argentine government, which was confirmed with the results of the presidential elections held on October 27, 2019, giving rise to a change in federal authorities on December 10, 2019. The market values of Argentine public and private financial instruments plummeted after the PASO so country risk and the value of the US dollar also skyrocketed. We are unable to uphold, as of the date of issuance of these financial statements, that any of these situations have been redressed or stabilized to date.

Among other measures introduced by the Argentine Executive after the PASO, Decree No. 596/2019 was issued on August 28, 2019, whereby it was set forth that short-term Government debt securities (Letes, Lecaps, Lelinks and Lecer) will be paid according to the following schedule: 15% upon maturity according to the original terms and conditions of its issuance; 25% of the amount owed plus interest within 90 calendar days as from the previous payment; and the remaining 60% plus interest within 180 calendar days as from the first payment. The deferral did not affect natural persons or the Nonfinancial Public Administration for the City of Buenos Aires that invested in these assets.

Then, the new Argentine Executive issued Presidential Decree No. 49/2019 on December 19, 2019, to extend through August 31, 2020, the amortization of treasury bills (Letes) in US dollars. In addition, on January 20, 2020, the Argentine Executive voluntarily swapped Lecaps for about 60% of the stock for the new Lebads, which will pay BADLAR plus a spread with maturity date in 240 and 335 days. Finally, Presidential Decree No. 141/2020 of February 11, 2020, decided to delay through September 30, 2020, the charge for the principal amortization of dual currency Argentine government bonds (F20) to be made on February 13, 2020, without interrupting the payment of interest established in the original terms and conditions, barring natural persons with holdings as of December 20, 2019, up to a nominal value of USD 20,000.

Between August 2019 and the date of issuance of these financial statements, the BCRA issued several regulations that, along with Presidential Decree No. 609/2019 of September 1, 2019, introduced several restrictions with different scopes and particular characteristics for natural and artificial persons, including the acquisition of foreign currency for hoarding purposes, transfers abroad and foreign exchange transactions, among other issues, effective as of the date of issuance of these financial statements according to BCRA Communiqué "A" 6844, as supplemented and amended.

Besides, on December 23, 2019, Social Solidarity and Productive Reactivation Law No. 27,541 was published in the Official Bulletin. Furthermore, on December 28, 2019, Administrative Order No. 99/2019 was published including several economic, financial, tax and other social security, administrative, fee, energy, sanitary and social reforms, and empowered the Executive to complete the formalities and acts needed to recover and secure the sustainability of the government debt as already mentioned and introduced salary increases, among other issues.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

34. CHANGES IN THE MACROECONOMIC ENVIRONMENT, AND THE SITUATIONS OF THE FINANCIAL AND CAPITAL SYSTEM (CONTD.)

Through Law No. 27,541, among other provisions, redressing systems were added, amendments to employer contributions were made and a tax for an inclusive and supportive Argentina (PAIS tax, by its Spanish acronym) was created for five fiscal years at a 30% rate on the acquisition of foreign currency for hoarding purposes, to purchase assets and services in foreign currency and international passenger transportation, among others. Finally, note 14 (b) and (c) explains the amendments introduced pursuant to Income Tax Law.

Finally, in addition to the aforementioned extension, the Argentine Executive is undergoing formalities to reach a debt restructuring with government debt under Argentine and foreign regulations, considering the powers granted by Law No. 27,541. On February 12, 2020, Law No. 25,544 "Restoration of the sustainability of government debt issued under foreign law" was published in the Official Bulletin which, among other issues, empowers the Argentine Executive to perform transactions to manage liabilities or swaps or restructuring of interest expiry and principal amortization of Argentine public securities issued under foreign law.

Therefore, the Bank's Management permanently monitors the change of the abovementioned situations in international markets and at the local level, to determine the possible actions to adopt and to identify the possible impacts on its financial situation that may need to be reflected in the financial statements for future periods.

35. FINANCIAL STATEMENTS PUBLICATION

Under Communiqué "A" 760, the BCRA's prior intervention is not required for the publication of these financial statements.

36. ACCOUNTING PRINCIPLES – EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH

These separate financial statements were prepared in conformity with the accounting standards established by the BCRA. Certain accounting practices applied by the Bank may not conform to accounting principles generally accepted in other countries.

EXHIBIT "A"

DETAIL OF GOVERNMENT AND PRIVATE SECURITIES
AS OF DECEMBER 31, 2019 AND 2018

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Item	Identification	HOLDINGS				POSITION		
		Fair value	Fair value	Carrying amount	Carrying amount	Position without options	Options	Final position
			value	12/31/2019	12/31/2019			
DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS								
In Argentina								
Government securities								
Liquidity bills maturing on 01/06/2020 (Y06E0)	13,553	-	1	1,344,967	-	1,344,967	-	1,344,967
Liquidity bills maturing on 01/03/2020 (Y03E0)	13,552	-	1	839,047	-	839,047	-	839,047
Liquidity bills maturing on 01/07/2020 (Y07E0)	13,554	-	1	679,787	-	679,787	-	679,787
Liquidity bills maturing on 01/08/2020 (Y08E0)	13,555	-	1	439,890	-	439,890	-	439,890
Treasury bond maturing on 03/10/2021 (TO21)	5,318	-	1	92,684	-	92,684	-	92,684
Treasury bills in USD. Maturity 09/13/19 (U13S9)	5,285	-	1	52,198	-	52,198	-	52,198
Liquidity bills maturing on 01/02/2020 (Y02E0)	13,551	-	1	49,898	-	49,898	-	49,898
Treasury bills in USD maturing on 09/27/2019 (U27S9)	5,286	-	1	26,547	-	26,547	-	26,547
Treasury bills in USD maturing on 08/30/2019 (U30G9)	5,283	-	1	25,711	-	25,711	-	25,711
Treasury bills in USD maturing on 10/11/2019 (U11O9)	5,291	-	1	23,083	-	23,083	-	23,083
Treasury bills in USD maturing on 11/15/2019 U15N9)	5,294	-	1	11,508	-	11,508	-	11,508
Coupon Treasury bill maturing on 03/11/2020- (S11M0)	5,351	-	1	393	-	393	-	393
Treasury bill in ARS Adj. CER maturing on 09/30/2019 (X30S9)	5,293	-	1	160	-	160	-	160
Debt securities of the Province of Buenos Aires maturing on 05/31/22 (PBY22)	32,911	-	1	124	-	124	-	124
Treasury bills in USD maturing on 06/28/2019 (L2DJ9)	5,276	-	1	-	186,693	-	-	-
Treasury bills in USD maturing on 05/10/2019 (L2DY9)	5,272	-	1	-	113,466	-	-	-
Debt securities of the Province of Buenos Aires maturing on 05/12/2015 (PBA25)	42,013	-	1	-	21,492	-	-	-
Bond of the Argentine Nation in USD 8.75 % maturing on 2024 (AY24)	5,458	-	1	-	17,272	-	-	-
Bond of the Argentine Republic in USD 5.625% maturing on 2022 (A2E2)	92,583	-	1	-	13,154	-	-	-
Treasury bills in USD maturing on 01/31/2019 (LPE9D)	5,265	-	1	-	10,368	-	-	-
Capital bills in ARS (L2PF9)	5,273	-	1	-	1,057	-	-	-
Treasury bills in USD maturing on 04/26/2019 (L2DA9)	5,255	-	1	-	87	-	-	-
TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				3,585,997	363,589	3,585,997	-	3,585,997

**EXHIBIT “A”
(contd.)**

**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Item	Identification	HOLDINGS				POSITION		
		Fair value	Fair value level	Carrying amount 12/31/2019	Carrying Libros 12/31/2018	Position without options	Options	Final position
OTHER DEBT SECURITIES								
Measured at amortized cost								
In Argentina								
Private securities								
Debt instrument securities – financial trust - Grupo Sáenz	-	-	-	188,752	195,647	188,752	-	188,752
Alianza Semillas S.A.	10,500	-	-	94,828	-	94,828	-	94,828
Tarjeta Naranja corporate bond Class 40 S.2 maturing on 10/10/2020- (T402O)	53,418	-	-	44,748	-	44,748	-	44,748
Financial trusts of Group Sáenz	-	-	-	32,489	751,296	32,489	-	32,489
Red Surcos S.A.	10,500	-	-	31,453	-	31,453	-	31,453
Petroagro corporate bond Class 2 maturing on 09/02/2021 UARSS (PAC2O)	54,355	-	-	28,822	-	28,822	-	28,822
Banco Sáenz corporate bond (BZS90)	52,603	-	-	6,922	15,916	6,922	-	6,922
Short term securities Credishopp Class 3 maturing on 03/16/2020- (DHC3V)	54,116	-	-	5,080	-	5,080	-	5,080
Agrocap II financial trust	10,500	-	-	-	78,502	-	-	-
Garbarino financial trust (G144)	53,575	-	-	-	20,278	-	-	-
Petroagro corporate bond Class 1- maturing on 01/27/2020- (OPAG1)	53,495	-	-	-	17,645	-	-	-
Banco BICA SA corporate bond (FD53A)	53,733	-	-	-	12,822	-	-	-
Compañía Financiera XXVIII Class B	52,584	-	-	-	3,985	-	-	-
Celulosa Campana corporate bond	-	-	-	-	8	-	-	-
Provisions	-	-	-	(2,119)	(1,161)	(2,119)	-	(2,119)
Government securities								
Argentine treasury bills in Argentine pesos maturing in 2020 (TN20)	5,330	-	-	-	171,777	-	-	-
BCRA liquidity bills								
Liquidity bills maturing on 01/04/2019 (Y04E9)	13,310	-	-	-	844,560	-	-	-
Liquidity bills maturing on 01/08/2019 (Y08E9)	13,312	-	-	-	375,152	-	-	-
Liquidity bills maturing on 01/07/2019 (Y07E9)	13,311	-	-	-	118,656	-	-	-
Liquidity bills maturing on 01/02/2019 (Y02E9)	13,308	-	-	-	89,714	-	-	-
TOTAL OTHER DEBT SECURITIES				430,974	2,694,797	430,974	-	430,974

**EXHIBIT “A”
(contd.)**

**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Item	Identification	HOLDINGS				POSITION		
		Fair value	Fair value level	Carrying amount 12/31/2019	Carrying amount 12/31/2019	Position without options	Options	Final position
EQUITY INSTRUMENTS								
Measured at fair value through profit or loss								
In Argentina								
Mercado Abierto Electrónico S.A.	1133628189159	-	2	24,000	425	24,000	-	24,000
Olivares de Cuyo S.A.	1130656685790	-	2	37	36	37	-	37
SEDESA	1130682415513	-	2	2	2	2	-	2
TOTAL EQUITY INSTRUMENTS				24,039	463	24,039	-	24,039

EXHIBIT “B”

**CLASSIFICATION OF LOANS AND OTHER FINANCING
BY SITUATION AND COLLATERAL RECEIVED
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

	<u>12/31/2019</u>	<u>12/31/2018</u>
CORPORATE PORTFOLIO		
Performing	4,386,762	4,803,040
With “A” preferred guarantees and counter-guarantees	594,423	319,176
With “B” preferred guarantees and counter-guarantees	94,992	164,759
Without preferred guarantees or counter-guarantees	3,697,347	4,319,105
Subject to special monitoring	168,917	215,444
<i>In observation</i>	168,917	215,444
With “A” preferred guarantees and counter-guarantees	-	132,331
With “B” preferred guarantees and counter-guarantees	13,320	-
Without preferred guarantees or counter-guarantees	155,597	83,113
<i>In negotiation or under refinancing agreements</i>	-	-
With “A” preferred guarantees and counter-guarantees	-	-
With “B” preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	-	-
Troubled	-	-
With “A” preferred guarantees and counter-guarantees	-	-
With “B” preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	-	-
With high risk of insolvency	55,916	11,849
With “A” preferred guarantees and counter-guarantees	-	-
With “B” preferred guarantees and counter-guarantees	23,601	11,503
Without preferred guarantees or counter-guarantees	32,315	346
Irrecoverable	-	-
With “A” preferred guarantees and counter-guarantees	-	-
With “B” preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	-	-
TOTAL	4,611,595	5,030,333

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT "B"
(Cont.)

**CLASSIFICATION OF LOANS AND OTHER FINANCING
BY SITUATION AND COLLATERAL RECEIVED
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

	12/31/2019	12/31/2018
CONSUMER AND HOME-MORTGAGE PORTFOLIO		
Performing	309,440	812,033
With "A" preferred guarantees and counter-guarantees	6,035	1,529
With "B" preferred guarantees and counter-guarantees	22,815	32,376
Without preferred guarantees or counter-guarantees	280,590	778,128
Low risk	26,740	62,162
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	26,740	62,162
Medium risk	5,761	21,716
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	5,761	21,716
High risk	17,200	18,357
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	433	-
Without preferred guarantees or counter-guarantees	16,767	18,357
Irrecoverable	794	1,183
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	766
Without preferred guarantees or counter-guarantees	794	417
Irrecoverable according to BCRA regulations	2	116
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	2	116
TOTAL	359,937	915,567
GRAND TOTAL (1)	4,971,532	5,945,900

(1) This exhibit discloses the contractual amounts in accordance with BCRA regulations. The reconciliation with the separate statement of financial position is broken down below:

- Loans and other financing	3,538,989	4,806,041
- BCRA not covered	(637)	-
- Provisions	387,426	255,324
- Adjustments as per international standards	4,831	9,297
- Corporate bonds and debt securities from financial trusts at amortized cost	400,604	344,803
- Contingent - Other guarantees provided	374,523	393,506
- Contingent - Other covered by debtor classification standards	265,796	136,929
	4,971,532	5,945,900

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “C”

**CONCENTRATION OF LOANS AND OTHER FINANCING FACILITIES
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Number of customers	12/31/2019		12/31/2018	
	Outstanding balance	% of total portfolio	Outstanding balance	% of total portfolio
10 largest customers	1,698,786	34%	1,392,105	23%
50 next largest customers	2,374,170	48%	2,610,915	44%
100 next largest customers	776,325	16%	1,332,203	22%
Rest of customers	122,251	2%	610,677	11%
Total (1)	4,971,532	100%	5,945,900	100%

(1) See (1) in exhibit B.

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “D”

**BREAKDOWN OF LOANS AND OTHER FINANCING BY TERM
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Item	Matured	Terms remaining to maturity						Total 12/31/2019
		Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 12 to 24 months	Over 24 months	
Financial sector	-	7,018	1,903	1,840	1,920	379	6	13,066
Nonfinancial private sector and foreign residents	33,644	2,610,950	951,243	772,905	461,800	285,769	352,922	5,469,233
TOTAL	33,644	2,617,968	953,146	774,745	463,720	286,148	352,928	5,482,299

Item	Matured	Terms remaining to maturity						Total 12/31/2018
		Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 12 to 24 months	Over 24 months	
Financial sector	-	51,538	45,703	25,494	9,536	5,485	1,660	139,416
Nonfinancial private sector and foreign residents	136,450	2,854,256	1,182,170	936,165	642,869	555,324	384,915	6,692,149
TOTAL	136,450	2,905,794	1,227,873	961,659	652,405	560,809	386,575	6,831,565

This exhibit discloses the reduction in certain contractual flows, including interest and related charges to be accrued upon the maturity thereof.

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “E”

**DETAILED INFORMATION ON INTERESTS IN OTHER COMPANIES
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Item		Shares				Amount	
Identification	Name	Class	Unit face value	Votes per share	Number	2019	2018
In financial institutions							
– Controlled							
– Abroad							
9900319BS0056	– Eurobanco Bank Ltd.	Common	USD 1	1	2,970,000	1,728,745	1,064,011
Subtotal abroad						1,728,745	1,064,011
Total in financial institutions						1,728,745	1,064,011
In supplementary services companies							
– Controlled							
– In Argentina							
1130653312152	– Metrocorp Valores S.A.	Common	ARS 500	1	6,491,430	67,064	111,261
1130715403435	– CMF Asset Management S.A.U.	Common	ARS 1	1	5,000,000	51,115	33,561
Subtotal in Argentina						118,179	144,821
Total in supplementary services companies						118,179	144,821
Total investments in other companies						1,846,924	1,208,831

JOSÉ A. BENEGAS LYNCH
Chairman

**EXHIBIT “E”
(contd.)**

**DETAILED INFORMATION ON INTERESTS IN OTHER COMPANIES
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Item		Information on the issuer				
		Data of the last financial statements published				
Identification	Name	Main business activity	Year-end	Capital stock	Shareholders' equity	Profit for the year
In financial institutions						
– Controlled						
– Abroad						
9900319BS0056	– Eurobanco Bank Ltd.	Financial institution	31/12/18	113,425	1,074,759	7,679
In supplementary services companies						
– Controlled						
– In Argentina						
1130653312152	– Metrocorp Valores S.A.	Negotiation, settlement and clearing agent and comprehensive negotiation agent, pursuant to Law No. 26,831 and CNV regulations	31/12/19	98,333	72,809	(41,945)
1130715403435	– CMF Asset Management S.A.U.	Performance of activities carried out by mutual fund managing companies in the whole Argentine territory	31/12/19	14,461	51,998	27,382

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “F”

**CHANGE OF PROPERTY, PLANT AND EQUIPMENT
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Item	Residual value at the beginning of 12/31/2019	Additions	Retire ments	Depreciation for the year			Residual value at end of year 12/31/2019
				Years of useful life assigned	Residual value at the end of the useful life	Amount	
Real property	309,086	-	-	59	-	(3,959)	305,127
Machinery and equipment	6,582	9,635	-	5	-	(4,448)	11,770
Total	315,668	9,635	-		-	(8,506)	316,897

Item	Residual value at beginning of year 12/31/2017	Additions	Retirem ents	Depreciation for the year			Residual value at the end of 12/31/2018
				Years of useful life assigned	Residual value at the end of the useful life	Amount	
Real property	313,045	-	-	59	83,425	(3,959)	309,086
Machinery and equipment	9,128	400	-	5	-	(2,946)	6,582
Total	322,173	400	-		-	(6,905)	315,668

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “H”

**SEPARATED DEPOSITS CONCENTRATION
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Número de Clientes	12/31/2019		12/31/2018	
	Outstanding balance	% over total portfolio	Outstanding balance	% over total portfolio
10 largest customers	6,377,159	59%	3,054,827	41%
50 next largest customers	2,580,300	24%	2,716,572	36%
100 next largest customers	1,056,529	10%	1,141,379	15%
Rest of customers	721,789	7%	575,642	8%
Total	10,735,777	100%	7,488,420	100%

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “I”

**BREAKDOWN OF FINANCIAL LIABILITIES FOR RESIDUAL TERMS
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Item	Terms remaining to maturity						Total as of 12/31/2018
	Up to 1 month	From 1 Up to 3 months	From 3 up to 6 months	From 6 hasta 12 months	From 12 Up to 24 months	Over 24 months	
Deposits	10,743,912	18,642	-	-	-	-	10,762,554
- Financial sector	1,166	-	-	-	-	-	1,166
- Nonfinancial private sector	10,742,746	18,642	-	-	-	-	10,761,388
Liabilities at fair value through profit or loss	-	-	-	-	-	-	-
Derivatives	2,445	10,558	2,310	-	-	-	15,313
Other financial payables (1)	110,106	30,693	29,018	73,119	93,516	101,615	438,067
Financing received by the BCRA and other financial institutions	1,904	302,699	8,861	293,671	513,821	449,779	1,570,735
Corporate bonds issued	-	9,931	9,715	19,862	91,645	-	131,153
TOTAL	10,858,367	372,523	49,904	386,652	698,982	551,394	12,917,822

JOSÉ A. BENEGAS LYNCH
Chairman

**EXHIBIT “I”
(contd.)**

**BREAKDOWN OF FINANCIAL LIABILITIES FOR RESIDUAL TERMS
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Item	Terms remaining to maturity						Total as of 12/31/2018
	Up to 1 month	From 1 Up to 3 months	From 3 hasta 6 months	From 6 hasta 12 months	From 12 Up to 24 months	Over 24 months	
Deposits	7,420,843	129,504	-	-	-	-	7,550,347
- Financial sector	672	-	-	-	-	-	672
- Nonfinancial private sector	7,420,171	129,504	-	-	-	-	7,549,675
Liabilities at fair value through profit or loss	93,996	21,622	-	-	-	-	115,618
Derivatives	31,164	5,948	-	-	-	-	37,112
Other financial payables (1)	429,814	28,816	32,649	59,889	47,499	86,196	684,863
Financing received by the BCRA and other financial institutions	125,155	146,318	70,014	961,527	216,965	14,258	1,534,235
Corporate bonds issued	-	78,638	314,405	296,415	48,789	147,763	886,010
TOTAL	8,100,972	410,846	417,068	1,317,831	313,253	248,217	10,808,187

(1) As provided by the BCRA, interest from financing received from financial institutions is included under other financial liabilities.

This exhibit discloses the reduction in contractual flows, including interest and related charges to be accrued upon the maturity thereof.

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “J”

**CHANGES IN PROVISIONS
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Item	Balance at beginning of year	Increases	Decreases		As of 12/31/2018
			Reversals	Uses	
PROVISIONS					
Provisions for potential commitments	-	1,262	-	-	1,262
TOTAL PROVISIONS	-	1,262	-	-	1,262

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “K”

**COMPOSITION OF CAPITAL STOCK
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Shares				Capital stock as of 31/12/2019		
Class	Number	Nominal value	Votes per share	Issued and outstanding	In portfolio	Paid-in
Common book-entry	323,900,000	1	5	323,900	-	323,900
Total	<u>323,900,000</u>			<u>323,900</u>		<u>323,900</u>

Shares				Capital stock as of 31/12/2018		
Class	Number	Nominal value	Votes per share	Issued and outstanding	In portfolio	Paid-in
Common book-entry	323,900,000	1	5	323,900	-	323,900
Total	<u>323,900,000</u>			<u>323,900</u>		<u>323,900</u>

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT "L"

**FOREIGN CURRENCY AMOUNTS
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

ITEMS	Head Office	Total as of 12/31/2019	US dollar	Euro	Other	Amount as of 12/31/2018
ASSETS						
Cash and deposits with banks	5,212,716	5,212,716	5,204,821	7,120	775	1,626,821
Debt securities at fair value through profit or loss	139,048	139,048	139,048	-	-	330,672
Derivatives	-	-	-	-	-	213,466
Other financial assets	115	115	115	-	-	26,396
Loans and other financing	752,849	752,849	752,849	-	-	1,212,055
Other debt securities	155,102	155,102	155,102	-	-	96,147
Financial assets delivered in guarantee	69,778	69,778	69,778	-	-	46,716
Investments in associates and joint ventures	1,728,745	1,728,745	1,728,745	-	-	1,064,011
Total assets	8,058,353	8,058,353	8,050,458	7,120	775	4,616,284
LIABILITIES						
Deposits	4,798,057	4,798,057	4,798,057	-	-	3,055,696
Liabilities at fair value through profit or loss	-	-	-	-	-	34,749
Other financial liabilities	88,015	88,015	84,720	3,295	-	71,226
Financing received by the BCRA and other financial institutions	1,528,520	1,528,520	1,528,520	-	-	1,464,098
Other nonfinancial liabilities	4,628	4,628	4,628	-	-	9,503
Total liabilities	6,419,220	6,419,220	6,415,925	3,295	-	4,635,272

(1) This item does not constitute the global net position in foreign currency according to the provisions of Communiqué "A" 4350, as amended and supplemented.

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “N”

**CREDIT ASSISTANCE TO RELATED PARTIES
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Items	Status Normal	Total	
		As of 12/31/2019	As of 12/31/2018
1. Loans and other financing	135,423	135,423	93,606
Overdrafts	1,573	1,573	-
Without preferred guarantees or counter-guarantees	1,573	1,573	-
Other	135,423	135,423	93,606
With “A” preferred guarantees and counter-guarantees	22,708	22,708	65,922
Without preferred guarantees or counter-guarantees	111,142	111,142	27,684
2. Equity instruments	-	-	-
3. Contingent commitments	500	500	-
TOTAL	135,923	135,923	93,606
ALLOWANCES	1,354	1,354	936

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “O”

**DERIVATIVE FINANCIAL INSTRUMENTS
AS OF DECEMBER 31, 2019**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Type of agreement	Purpose of the transactions	Underlying assets	Type of settlement	Negotiation environment or counter-party	Originally agreed-upon weighted monthly average term	Residual weighted monthly average term	Weighted daily average term of settlement of differences	Amount
Repo transactions	Intermediation – own account	Other - Instruments issued by B.C.R.A.	With delivery of underlying asset	MAE	-	-	1	945,994
Forward	Intermediation – own account	Foreign currency	Upon the due date of differences	OTC - Residents in Argentina – Nonfinancial sector	6	2	1	296,480
Future	Intermediation – own account	Foreign currency	Daily settlement of differences	ROFEX	-	-	-	11,979
Future	Intermediation – own account	Foreign currency	Daily settlement of differences	ROFEX	4	2	1	247,366
Forward	Intermediation – own account	Foreign currency	Upon the due date of differences	OTC - Residents in Argentina – Nonfinancial sector	6	1	1	61,093

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT “P”

**SEPARATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2019**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Items	Amortized cost	Fair value through profit or loss		Fair value rank		
		Initially measured at fair value or subsequently under IFRS 9, point 6(7)1	Mandatory measurement	Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and deposits with banks	-	5,802,260	-	5,802,260	-	-
Cash	-	175,666	-	175,666	-	-
Financial institutions and correspondents	-	5,626,594	-	5,626,594	-	-
Other	-	-	-	-	-	-
Debt securities at fair value through profit or loss	-	3,585,997	-	3,585,997	-	-
Derivatives	-	32,987	-	32,987	-	-
Repo transactions	-	945,994	-	945,994	-	-
BCRA	-	945,994	-	945,994	-	-
Other financial assets	21,435	-	-	-	-	-
Loans and other financing	3,538,989	-	-	-	-	-
BCRA	30	-	-	-	-	-
Other financial institutions	11,431	-	-	-	-	-
Overdrafts	1,129,648	-	-	-	-	-
Notes	1,820,948	-	-	-	-	-
Mortgage loans	92,859	-	-	-	-	-
Collateral loans	6,403	-	-	-	-	-
Personal loans	65,758	-	-	-	-	-
Finance leases	3,425	-	-	-	-	-
Other	408,487	-	-	-	-	-
Other debt securities	430,974	-	-	-	-	-
Financial assets delivered in guarantee	-	246,878	-	246,878	-	-
Investments in equity instruments	-	24,039	-	-	24,039	-
Total financial assets	3,991,398	10,638,155	-	10,614,116	24,039	-

JOSÉ A. BENEGAS LYNCH
Chairman

**EXHIBIT “P”
(contd.)**

**SEPARATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2019**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

		Fair value through profit or loss		Fair value rank		
Items	Amortized cost	Initially measured at fair value or subsequently under IFRS 9, point 6(7)1	Mandatory measurement	Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits	10,735,777	-	-	-	-	-
Financial sector	1,166	-	-	-	-	-
Nonfinancial private sector and foreign residents	10,734,611					
Checking accounts	2,990,805	-	-	-	-	-
Savings accounts	6,551,740	-	-	-	-	-
Certificates of deposit and term investments	1,191,297	-	-	-	-	-
Other	769	-	-	-	-	-
Derivatives	-	15,313	-	15,313	-	-
Other financial liabilities	202,604	-	-	-	-	-
Financing received by the BCRA and other financial institutions	1,570,735	-	-	-	-	-
Corporate bonds issued	86,060	-	-	-	-	-
Total financial liabilities	12,595,176	15,313	-	15,313	-	-

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT "Q"

**BREAKDOWN OF STATEMENT OF INCOME
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Items	12/31/2019	12/31/2018
Interest and adjustment from application of the effective interest rate on financial assets measured at amortized cost		
Interest income		
From government securities	3,485,033	239,608
From private securities	395,956	487,973
From loans and other financing		
Financial sector	-	92
Personal loans	93,269	125,024
Overdrafts	782,856	597,773
Notes	916,488	937,287
Mortgage loans	55,131	17,929
Collateral loans	17,920	12,605
Other	130,230	140,863
Finance leases	33,704	39,111
From repo transactions	161,217	16,541
Other	13,736	2,421
Total	6,085,540	2,617,227
Interest expense		
From deposits		
Checking accounts	(2,303,800)	(550,553)
Savings accounts	(5,363)	(1,773)
Certificates of deposit and term investments	(615,825)	(333,452)
From repo transactions	(15,364)	(114,152)
Other financial institutions	(147,254)	(109,753)
Other financial liabilities	-	-
From corporate bonds	(230,031)	(294,186)
Total	(3,317,637)	(1,403,849)
Total interest and adjustments by application of rate measured at amortized cost	2,767,903	1,213,378
Arising from the measurement of financial instruments at fair value through profit or loss		
(Loss) profit from government securities	(79,258)	143,931
Profit from the sale or deletion of financial assets at fair value	-	1,986
Profit from private securities	-	52
(Loss) profit from investments in equity instruments	-	-
(Loss) gain on derivatives	-	-
Subtotal	(79,258)	145,969
Total arising from the measurement at fair value through profit or loss	(79,258)	145,969

JOSÉ A. BENEGAS LYNCH
Chairman

**EXHIBIT “Q”
(contd.)**

**BREAKDOWN OF STATEMENT OF INCOME
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Items	12/31/2019	12/31/2018
Commission income		
Commission related to receivables	25,138	19,430
Commissions for foreign exchange transactions	18,022	8,824
Commissions for collection management services	19,354	14,438
Commission for guarantees granted	15,206	12,731
Commissions related to liabilities	14,972	11,728
Commissions related to negotiable securities	933	2,243
Total commission income	93,625	69,394

JOSÉ A. BENEGAS LYNCH
Chairman

EXHIBIT "R"

**VALUE ADJUSTMENT FOR CREDIT LOSSES – ALLOWANCES FOR UNCOLLECTIBILITY RISK
AS OF DECEMBER 31, 2019 AND 2018**

(Translation of separate financial statements originally issued in Spanish – see note 36)
(Figures stated in thousands of Argentine pesos)

Items	Amounts at beginning of year 12/31/2018	Increases (1)	Decreases		12/31/2019	12/31/2018
			Reversals	Uses		
Loans and other financing	253,169	199,370	27,959	44,136	380,444	253,169
Other financial institutions	5,994	414	5,366	-	1,041	5,994
Nonfinancial private sector and foreign residents	247,175	198,956	22,593	44,136	379,403	247,175
Overdrafts	49,204	75,269	-	9,074	115,399	49,204
Notes	100,903	80,531	5,975	-	175,459	100,903
Mortgage loans	4,686	4,629	-	-	9,315	4,686
Collateral loans	650	220	290	-	580	650
Personal loans	33,685	3,000	16,328	9,064	11,294	33,685
Other	58,047	35,307	-	25,998	67,356	58,047
Capital leases	2,155	4,827	-	-	6,982	2,155
Contingent	-	1,262	-	-	1,262	-
Private securities	1,161	1,255	297	-	2,119	1,161
CHANGES IN ALLOWANCES	256,485	206,714	28,257	44,136	390,807	256,485

(1) Including the loss from the revaluation of the loan loss provision related to the financing portfolio in US dollars, which is disclosed under "Foreign exchange difference".

Booked based on the estimated uncollectibility risk of the loan portfolio and the guarantees supporting the related transactions, and taking into account BCRA Communiqué "A" 2,950, as supplemented (including the amendments introduced by Communiqué "A" 3,918, as supplemented) and the Bank's policies for setting up provisions.

JOSÉ A. BENEGAS LYNCH
Chairman

