

CONSOLIDATED STATEMENT OF CASH FLOWS

At December 31, 2018 and 2017

(In thousands of pesos)

ITEMS	Notes	12.31.18	12.31.17
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
<u>Income/(loss) before income tax for the year</u>		<u>6,354,943</u>	<u>6,376,741</u>
<u>Adjustment to obtain the cash flows from operating activities:</u>		<u>(6,049,285)</u>	<u>4,379,996</u>
. Amortization and impairment of assets		547,742	668,681
. Allowance for loan losses		4,816,708	2,167,241
. Charge for other allowances	29	1,181,456	387,354
. Other adjustments		(12,595,191)	1,156,720
. Net Interest Income/Expenses		(9,284,738)	(860,375)
. Gold and Foreign Currency Quotation Difference		(4,969,870)	189,303
. Other transactions		1,659,417	1,827,792
<u>Net (Increases)/Decreases from operating assets:</u>		<u>(139,630,987)</u>	<u>(84,146,989)</u>
. Debt securities at fair value through profit or loss		(88,167,314)	32,039,217
. Derivative Instruments		-	362
. Repo transactions		11,559,535	(3,841,899)
. Loans and Other Financing		(56,949,067)	(65,713,469)
. Non-Financial Public Sector		3,730,280	346,166
. Other Financial Institutions		601,029	(540,364)
. Non-Financial Private Sector and Residents Abroad		(61,280,376)	(65,519,271)
. Other Debt Securities		11,349,468	(44,301,742)
. Financial Assets pledged as Collateral		(2,220,695)	(1,394,738)
. Investments in Equity Instruments		(418,559)	145,381
. Other assets		(14,784,355)	(1,080,101)
<u>Net Increases/(Decreases) from operating liabilities:</u>		<u>244,807,079</u>	<u>98,892,291</u>
. Deposits		217,514,009	84,130,461
. Non-Financial Public Sector		76,228,175	27,599,884
. Financial Sector		164,743	42,755
. Non-Financial Private Sector and Residents Abroad		141,121,091	56,487,822
. Repo transactions		(163,440)	(96,288)
. Other liabilities		27,456,510	14,858,118
<u>Payments for Income Tax</u>		<u>(774,731)</u>	<u>(873,866)</u>
 <u>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</u>		 <u>104,707,019</u>	 <u>24,628,173</u>

See our report dated
March 7, 2019
KPMG

Héctor O. Rodríguez
Deputy General Accountant

Daniel H. Alonso
General Manager

Juan E. Curutchet
President

(Partner)
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Folder No. 40284/2
Tax Payer Identification Number 27 – 21506212-6

CONSOLIDATED STATEMENT OF CASH FLOWS

At December 31, 2018 and 2017

(In thousands of pesos)

ITEMS	Notes	12.31.18	12.31.17
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
<u>Payments:</u>			
. Purchase of property, plant and equipment, intangible assets and other assets		1,904,505	653,171
		1,904,505	653,171
<u>TOTAL CASH FLOWS FROM INVESTING ACTIVITIES</u>		<u>(1,904,505)</u>	<u>(653,171)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
<u>Payments:</u>			
. Argentine Central Bank		610,000	37,410
. Other payments related to financing activities		41,759	37,410
		568,241	-
<u>Collections:</u>			
. Financing from Domestic Financial Institutions		772,946	700,469
. Other collections related to financing activities		772,946	152,337
		-	548,132
<u>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</u>		<u>162,946</u>	<u>663,059</u>
<u>EFFECT OF EXCHANGE RATE CHANGES</u>		<u>(36,551,195)</u>	<u>(5,234,660)</u>
<u>TOTAL CHANGES IN CASH FLOWS</u>		<u>66,414,265</u>	<u>19,403,401</u>
<u>Net Increase in cash and cash equivalents</u>		<u>66,414,265</u>	<u>19,403,401</u>
<u>Cash and cash equivalents at the beginning of the year</u>		<u>56,269,322</u>	<u>36,865,921</u>
<u>Cash and cash equivalents at the end of the year</u>		<u>122,683,587</u>	<u>56,269,322</u>

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