

CONSOLIDATED STATEMENT OF CASH FLOWS

AT DECEMBER 31, 2019 AND 2018

(In thousands of pesos - Translation of Financial Statements originally issued in Spanish)

ITEMS	Notes	12.31.19	12.31.18
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Income/(loss) before income tax for the year</u>		<u>10,054,308</u>	<u>6,354,943</u>
<u>Adjustment to obtain the cash flows from operating activities:</u>		<u>8,824,988</u>	<u>3,969,063</u>
. Amortization and impairment of assets		988,253	547,742
. Allowance for loan losses		13,927,748	4,816,708
. Charge for other allowances	31	5,501,720	1,181,456
. Other adjustments		(11,592,733)	(2,576,843)
. Net Interest Income/Expenses		(18,029,825)	(9,284,738)
. Gold and Foreign Currency Quotation Difference		3,007,264	5,048,478
. Other transactions		3,429,828	1,659,417
<u>Net Increases/(Decreases) from operating assets:</u>		<u>(47,408,225)</u>	<u>(81,084,729)</u>
. Debt securities at fair value through profit or loss		11,550,386	(88,151,548)
. Repo transactions		(34,679,502)	11,579,349
. Loans and Other Financing		(1,218,739)	947,189
. Non-Financial Public Sector		(2,112,554)	4,171,276
. Other Financial Institutions		24,984	716,727
. Non-Financial Private Sector and Residents Abroad		868,831	(3,940,814)
. Other Debt Securities		(9,285,922)	11,349,468
. Financial Assets pledged as Collateral		(3,050,503)	(1,672,213)
. Investments in Equity Instruments		(1,955,711)	(418,559)
. Other Assets		(8,768,234)	(14,718,415)
<u>Net Increases/(Decreases) from operating liabilities:</u>		<u>(14,587,285)</u>	<u>103,931,261</u>
. Deposits		(23,860,425)	77,187,873
. Non-Financial Public Sector		(42,544,766)	40,712,165
. Financial Sector		119,058	164,743
. Non-Financial Private Sector and Residents Abroad		18,565,283	36,310,965
. Repo transactions		(292,929)	(171,658)
. Other liabilities		9,566,069	26,915,046
<u>Payments for Income Tax</u>	36	<u>(878,232)</u>	<u>(774,731)</u>
<u>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</u>		<u>(43,994,446)</u>	<u>32,395,807</u>

See our report dated
February 27, 2020
KPMG

Héctor O. Rodríguez
Deputy General Accountant

Rubén O. González Ocantos
General Manager

Juan M. Cuattromo
President

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AT DECEMBER 31, 2019 AND 2018

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ITEMS	Notes	12.31.19	12.31.18
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
<u>Payments:</u>			
. Purchase of property and equipment and intangible assets		<u>(2,783,814)</u>	<u>(1,660,784)</u>
		(2,783,814)	(1,660,784)
<u>Collections:</u>			
. Sale of property and equipment and intangible assets		<u>171,012</u>	<u>202,733</u>
		171,012	202,733
<u>TOTAL CASH FLOWS FROM INVESTING ACTIVITIES</u>		<u>(2,612,802)</u>	<u>(1,458,051)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
<u>Payments:</u>			
. Argentine Central Bank		<u>(1,728,065)</u>	<u>(631,494)</u>
. Financing from Domestic Financial Institutions		(23,438)	(41,759)
. Other payments related to financing activities		(1,089,098)	-
		(615,529)	(589,735)
<u>Collections:</u>			
. Financing from Domestic Financial Institutions		-	<u>772,946</u>
		-	772,946
<u>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</u>		<u>(1,728,065)</u>	<u>141,452</u>
<u>EFFECT OF EXCHANGE RATE CHANGES</u>		<u>31,255,483</u>	<u>35,335,057</u>
<u>TOTAL CHANGES IN CASH FLOWS</u>		<u>(17,079,830)</u>	<u>66,414,265</u>
<u>Net Increase/(Decrease) in cash and cash equivalents</u>		<u>(17,079,830)</u>	<u>66,414,265</u>
<u>Cash and cash equivalents at the beginning of the year</u>		<u>122,683,587</u>	<u>56,269,322</u>
<u>Cash and cash equivalents at the end of the year</u>		<u>105,603,757</u>	<u>122,683,587</u>

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