Letter to the shareholders and financial statements

2019

TABLE OF CONTENTS

1. INTRODUCTION: page 5

2. GENERAL CONTEXT: page 6

FOREIGN EXCHANGE CRISES: NOMINAL FOREIGN EXCHANGE RATE AND RESERVES

BALANCE OF TRADE

PUBLIC DEBT

LOCAL FINANCIAL SYSTEM

3. MAIN RATIOS: page 13

FINANCIAL POSITION

CHANGES IN SHAREHOLDERS' EQUITY AND PROFIT (LOSS)

FINANCIAL RATIOS

LEASING AND FACTORING MERGER

4. SUSTAINABILITY: page 19

EXPORTING VALUE CHAINS

RENEWABLE ENERGIES

LEADING WOMEN

FUNDING

SUSTAINABLE BOND

SUSTAINABLE FINANCE PROTOCOL

COOPERATION AGREEMENTS

CORPORATE GOVERNANCE

COMPLIANCE

MONEY LAUNDERING

QUALITY

PROCESSES

COMMUNICATION AND MARKETING

ENVIRONMENTAL MANAGEMENT

GENDER EQUITY

CORPORATE VOLUNTEERS

PEOPLE MANAGEMENT AND DEVELOPMENT

TRANSFER

5. COMMERCIAL MANAGEMENT: page 27

LOANS GRANTED

CHANGES IN DISBURSEMENTS

CHANGES IN LOANS DUE TO ECONOMIC ACTIVITY

LOAN DISTRIBUTION BY REGION

MAIN FINANCING LINES

NEW FINANCING LINES

FINANCIAL INSTITUTIONS

MUTUAL GUARANTEE COMPANIES

LEASING

FACTORING

STRUCTURED FINANCING

CAPITAL MARKET

DIGITAL BANKING

FINANCIAL TRANSACTIONS

CERTIFICATES OF DEPOSIT

TRUSTS/MANAGED PORTFOLIO

IT

IT SECURITY

AUDIT

BOARD OF DIRECTORS AND ORGANIZATION STRUCTURE

COMMITTEES

SUPERVISION BODIES

6. CONCLUSION: page 41

PROSPECTS FOR 2020

ACKNOWLEDGEMENTS

LETTER TO THE SHAREHOLDERS FOR 2019

To the Shareholders. In compliance with the provisions of Law No. 19,550, as amended, and the corporate bylaws, we are pleased to submit, for the consideration of the Shareholders' Meeting, the Letter to the Shareholders, Balance Sheet, Statement of Income, Memorandum Accounts, Changes in Shareholders' Equity, Statement of Cash Flows and its Equivalents, Notes and Exhibits, Auditors' Report and Statutory Audit Committee's Report for the fiscal year ended December 31, 2019.

INTRODUCTION

In January 2020, BICE renewed its authorities. This letter to the shareholders was prepared based on the prior-management available information and refers to the fiscal year ended December 31, 2019, a year in which, due to a difficult macroeconomic context and the focus made by previous authorities, BICE was unable to enhance the path of a sustainable development bank and to comply with its financing to strategic and SME sectors.

Within a context in which credit offer shrank, the bank disbursed ARS 34,412 million, 25% less than in the previous year.

Commercial management focused its efforts on the exporting value chains operating in sectors with competitive potential, especially agricultural industry and energy. It also sought to emphasize the work done by the Bank in structured financing management; however, the expected outcome was not achieved, partly due to the abovementioned macroeconomic complications. Operating management merged the Leasing and Factoring business units, which offset the losses shown by the Banking unit.

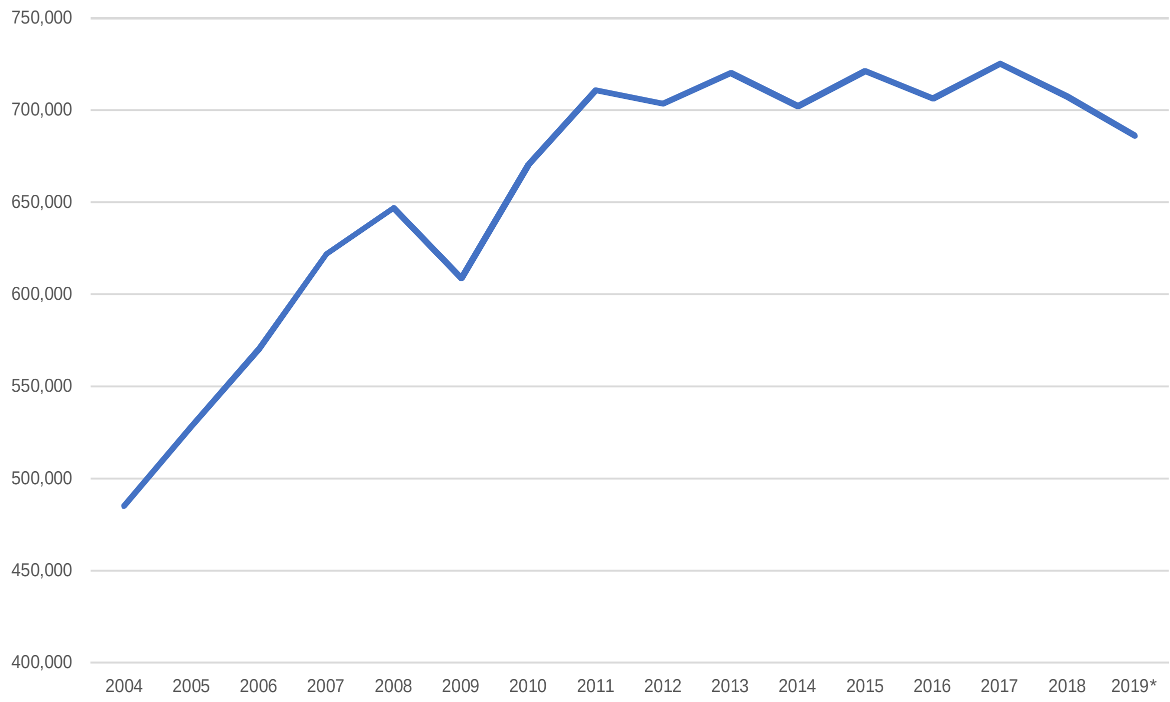
Simultaneously, a funding strategy was implemented, supplementing credit lines and multilateral body agreements with the local capital market. The first ones comprised the lines obtained from GCF (Green Climate Fund) and the FDA (French Development Agency).

GENERAL ECONOMIC CONTEXT

The Argentine economy was subject to a second year of consecutive fall in 2019, of around 2.8%[1]. In the last few years, the activity accumulated a decrease of -5.3%[2] in GDP and -8.7%[3] in GDP per capital.

The reduced activity was mainly caused by recurring foreign exchange crises, which gave way to a strong depreciation in the nominal exchange rate (57.9%[4] in 2019) (December 2018-December 2019), and a pronounced increase of 34% in August. This gave rise to high inflation (53.8% in 2019[5]).

GDP (millions of Argentine pesos, at 2004 prices)



[1] MARKET EXPECTATIONS SURVEY (REM, in Spanish) PUBLISHED BY THE BCRA (CENTRAL BANK OF ARGENTINA).
[2] INDEC (Argentine Statistics and Census Institute) (Q3 2019/Q3 2017).
[3] INDEC (Q3 2019 GDP per capita/Q3 2017 GDP per capita). Variation calculated in real terms.
[4] BCRA: nominal foreign exchange rate as per Communiqué A 3500.
[5] INDEC (Argentine Institute of Statistics and Census)

Macroeconomic variables (2016-2019)

Variable	Dec-16	Dec-17	Dec-18	Dec-19
Annual GDP growth*	-2.1%	2.7%	-2.5%	-2.8%
Annual inflation	35.4%	24.7%	47.6%	53.8%
Foreign exchange rate	15.8	17.7	37.9	59.9
Monetary policy rate	24.8%	28.8%	59.3%	55.0%

*REM (BCRA) estimate. December 2019.Source: BICE based on INDEC and BCRA's REM.

The agricultural sector managed to recover (+25%) as a result of better weather conditions. This, plus the slight increase in learning (0.9%) and mining and quarry exploitation (1.3%), are the three sectors with the highest growth in 2019. There were significant reductions in other sectors: financial intermediation (-12%), fishing (-11%), trade (-9%), industry (-7%) and construction (-6%) (Source: monthly economic activity indicator, INDEC, accumulated figures from January through October 2019).

The industry, however, showed a decrease in all its segments. The manufacture industrial production index showed that food and beverage (-0.7%), petroleum oil refining (-1.4%) and tobacco (-2.4%) decreased by less than 3%, while there were 6 divisions with decreases exceeding 10%. They include the automotive and transportation sector (with 22% and 38% decreases) and machinery and equipment (-16%) (Source: INDEC, accumulated figures from January through November 2019, year-on-year variation).

The decrease in the activity arises from recurring foreign exchange crises faced by Argentina during Q2 2018, which caused a strong inflationary rebound effect that, in turn, generated a decrease in real revenues (-11.5%[6]) and consumption (-4.9%)[7]. In addition, there were no countercyclical leverages: on the one hand, public expenditure was adjusted due to the need to balance fiscal accounts (which reached in 2019 the 0.44% GDP goal[8]) and, on the other hand, exports did not increase considerably (+5.4% growth in 2019[9]), to a large extent due to the little dynamism in the Brazilian economy. The neighboring country grew only by 1.0%[10] from Q3 2019 to Q3 2018, and the Brazilian real devaluation in the second half of 2019 had a negative impact on the competitiveness of Argentine products in that market.

[6] OEDE (Employment and Business Dynamics Observatory) (Ministry of Labor) and INDEC (April 2018-September 2019). Average compensation of private-sector registered workers.
[7] INDEC (Argentine Statistics and Census Institute) (Q3 2019/Q3 2018).
[8] The agreed-upon goal was 0%, but a half percentage point of tolerance was stipulated. (Ministry of Economy).
[9] INDEC 2019/2018 variation.

10 IBGE - Contas Nacionais Trimestrais.

As a result of the activity shrinkage, the country managed to balance the external sector, mainly due to the decrease in imports (see "Balance of trade" below).

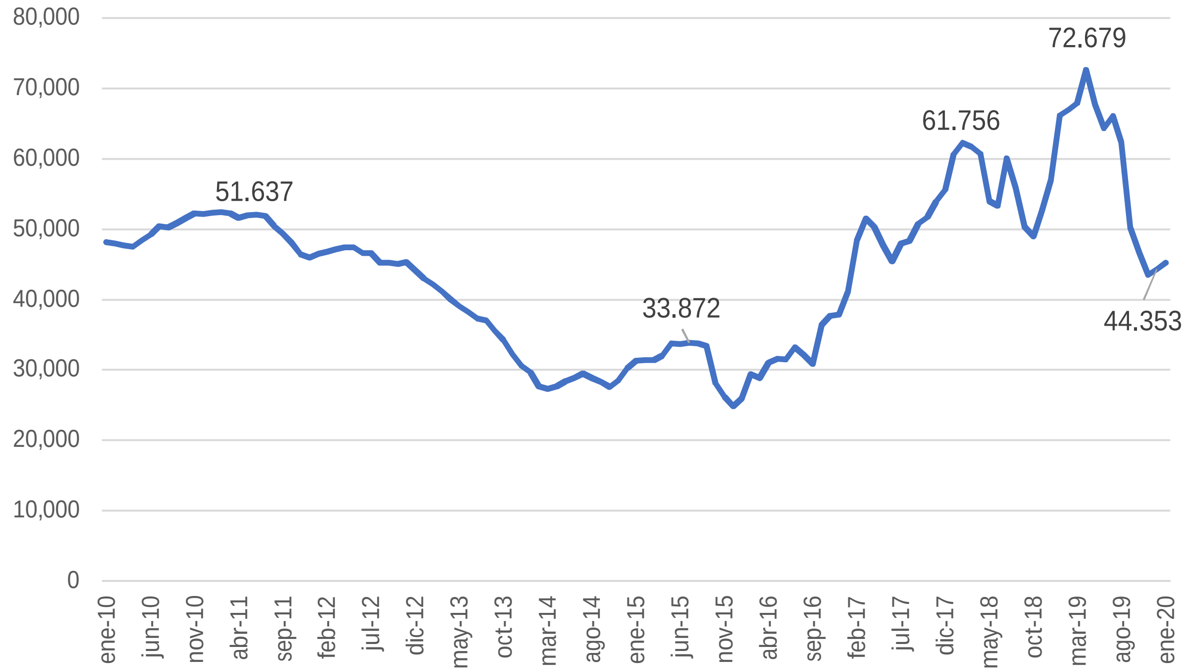
FOREIGN EXCHANGE CRISES: NOMINAL FOREIGN EXCHANGE RATE AND RESERVES

The foreign exchange crisis that began in Q2 2018 and continued in 2019 was the result of the closure of markets for voluntary borrowings to the country, which led the previous administration to seek an agreement with the International Monetary Fund (IMF).

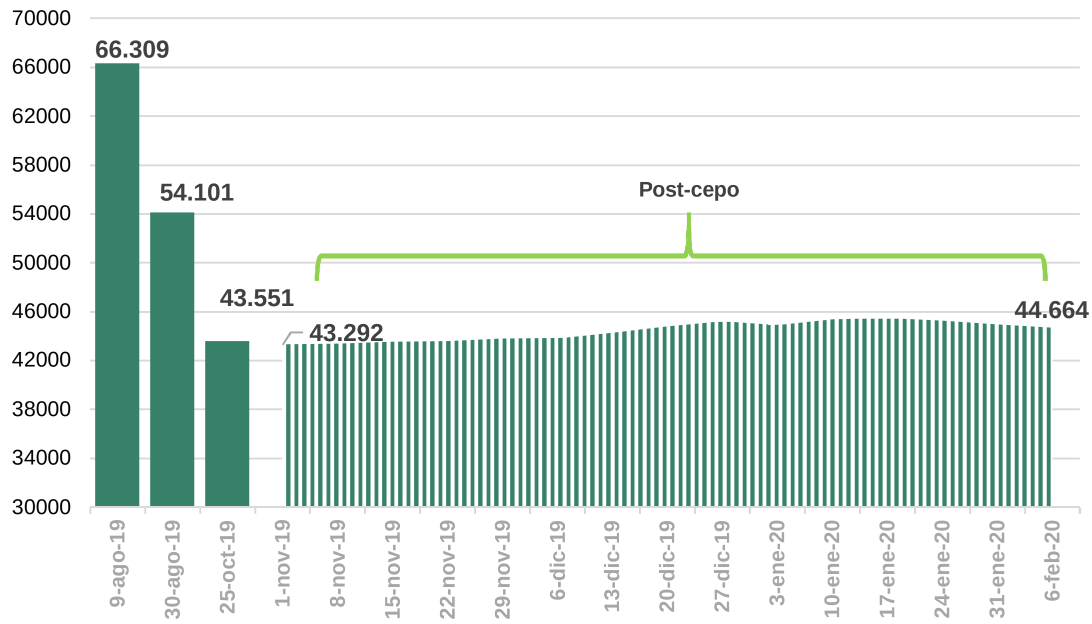
The volatility of nominal and relative prices implied demands from the financial system and the BCRA's reserves. International reserves ended up 2019 in USD 44,353 million, which implied an USD 12.6 million drop as compared to December 2018 and USD 28 million after the maximum reached in April 2019 (as a result of the agreement reached in relation to the IMF loan).

This material reduction has three reasons: debt payments to the National Treasury, the decrease in financial institutions' checking accounts in US dollars at the BCRA, due to the decrease in private deposits, and the sales of US dollars by the BCRA in view of the 2018 and 2019 foreign exchange crises.

International reserves (in millions of USD) 2010 - 2020



International reserves (in millions of USD) from August 2019 through February 2020



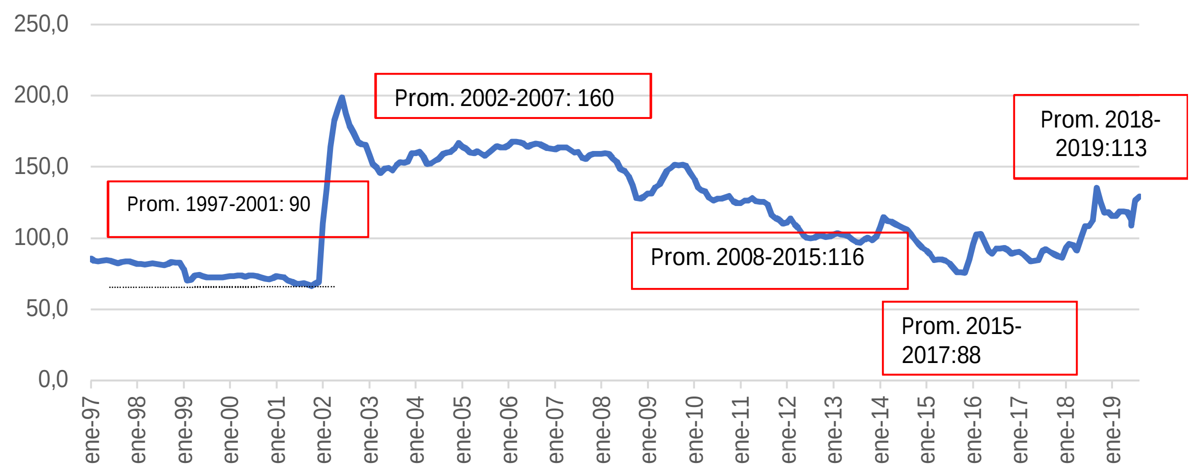
Source: BICE according to the BCRA.

BALANCE OF TRADE

Until December 2019, the commercial surplus accumulated USD 15,991[11] million for the year and 16 months of positive balance. The improvement is closely related to the decrease in imports, which dropped by USD 16,000 million in 2019 (-25% year-on-year variation). Exports increased, though in a lower rate, by USD 3,300 million (+5.4%). This increase is also explained by the growth in exported quantities (+13%).

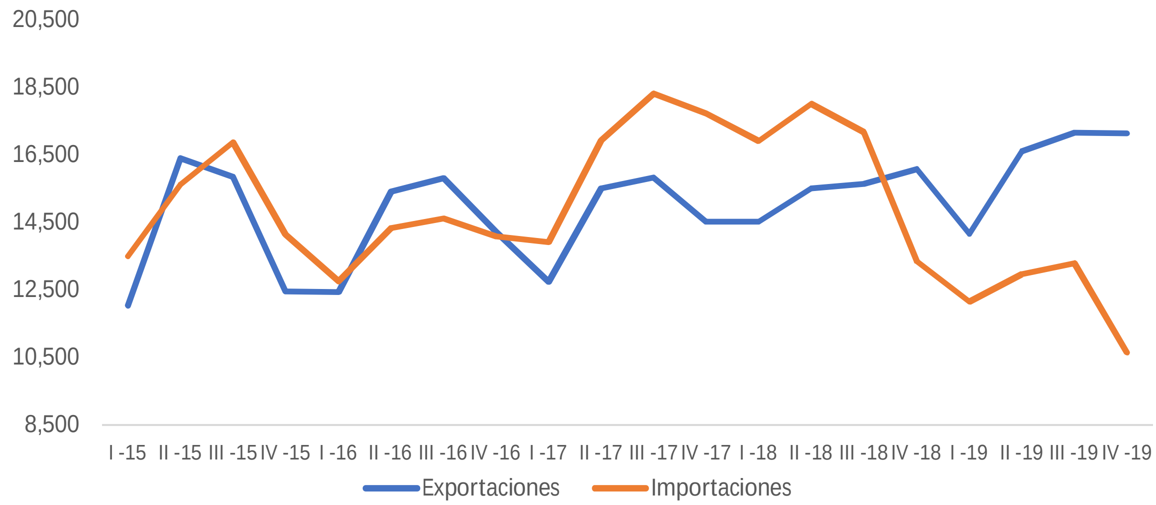
[11] INDEC (Argentine Institute of Statistics and Census)

Multilateral real foreign exchange rate (1997-2019)



Source: BICE according to the BCRA.

Exports and imports (in millions of USD, Q1 2015-Q4 2019)



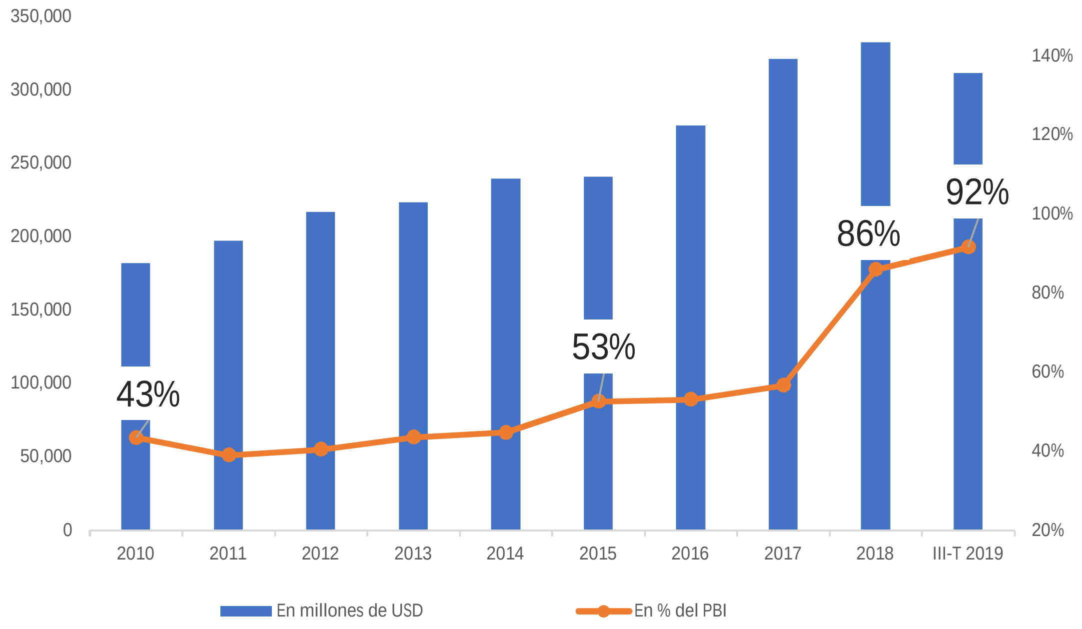
Source: BICE according to the BCRA.

PUBLIC DEBT

The public debt stock of the Argentine administration ended up Q3 2019 in USD 311,000 million, reaching 92% of GDP. The debt showed a material increase in 2016 (+14%) and in 2017 (+17%).

Central administration debt

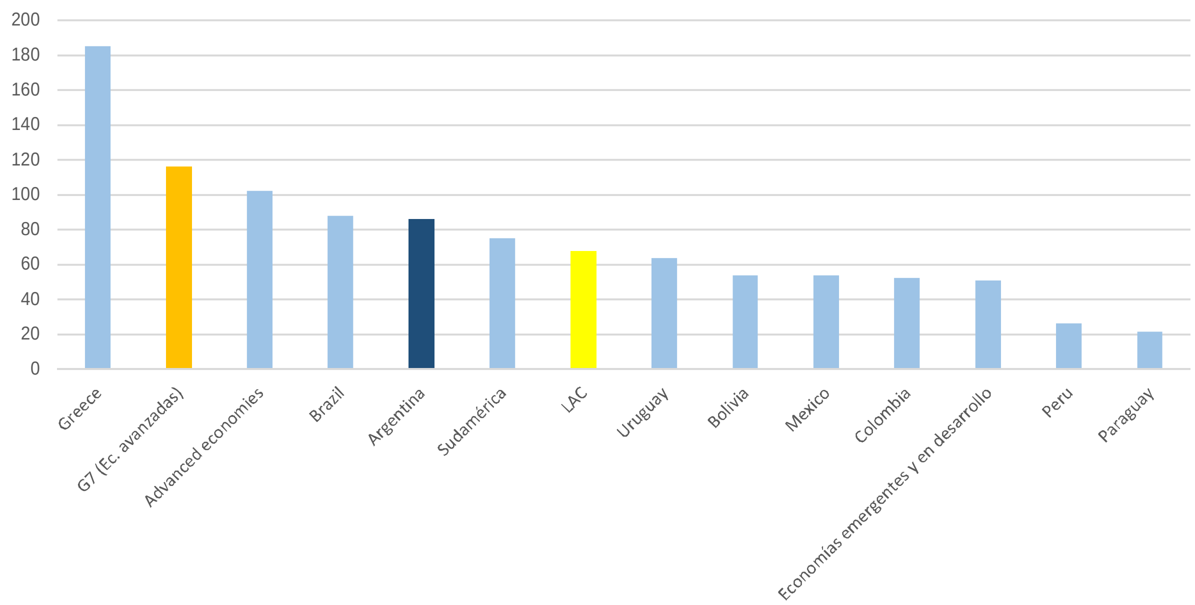
(in millions of USD and GDP percentage)



Source: BICE according to the Argentine Ministry of Economy.

Government general debt

(GDP percentage, 2018)



Source: BICE according to the BCRA.

LOCAL FINANCIAL SYSTEM

From June 2018, the Argentine financial system operated in a challenging context:

1. Liquidity: liquidity –deposit percentage– continued at very high levels: 61% in Argentine pesos and 51% in US dollars.
2. Profitability and capital: system capitalization did not decrease, even though there is a better surplus capital position (from 95% to 77% in August and September).
3. Delinquency: delinquency increased from 2% to 5% (November 2019), with a more pronounced increase in borrowings to companies.

MAIN RATIOS

FINANCIAL POSITION

In December 2019, the Bank's shareholders' equity as of month-end stood at about ARS 13,490.32 million, which is a 3.6% increase with respect to the previous year.

- Finance income amounted to ARS 20,875.57 at the end of 2019, ARS 11,919.01 as compared to last year's total. The increase was 133.08%.
- The disbursement level reached about ARS 34,412.50 million through December. The loan level for 2019 as compared to the 2018 total decreased by 25%.
- The Bank's profitability stood at 4.0%, representing a 54.4% decrease with respect to the 2018 total.
- BICE's loans cover all the economic regions in Argentina.

CHANGES IN SHAREHOLDERS' EQUITY AND PROFIT (LOSS)

In September 2019, the Bank's shareholders' equity as of month-end stood at about ARS 13,490.32 million, which is a 3.61% increase with respect to the previous year.

Statement of financial position		
(figures stated in millions of Argentine pesos)	Dec-19	Dec-18
Cash	4,638.04	8,040.22
Government and private securities	14,210.10	8,509.58
Loans	49,654.93	42,981.67
Other assets	4,412.68	2,414.04
Total assets	72,915.75	61,945.51
Certificates of deposit	27,888.74	24,459.76
Payables arising from financial intermediation	30,223.90	23,286.97
Miscellaneous obligations	1,312.80	1,177.97
Shareholders' equity	13,490.32	13,020.80
Total liabilities and shareholders' equity	72,915.75	61,945.51

Until 2019, BICE's net income for the year amounted to ARS 552.90 million, which is lower than the prior-year figure of ARS 995.15 million.

PROFIT (LOSS)		
(figures stated in millions of Argentine pesos)	2019	2018
Finance income	20,875.57	8,956.56
Finance costs	-13,738.24	-4,767.65
Gross intermediation margin	7,137.34	4,188.91
Service-charge income, net	104.19	63.38
Expenses	-3,216.53	-2,069.60
Allowance for loan losses	-3,656.15	-903.15
Other expense	-69.87	-15.74
Income tax	253.92	-268.66
Net profit	552.90	995.15

The net profit of ARS 552.90 million includes ARS 298.98 million income before taxes.

Finance income amounted to ARS 20,875.57 at the end of 2019, ARS 11,919.01 as compared to last year's total. The increase stood at 133.08%.

Service-charge income amounted to ARS 104.19 million, a 64% increase with respect to the prior year.

Expenses stood at around ARS 3,216.13 million, about ARS 1,146.94 million higher than 2018, showing a 55% increase.

Delinquent customers and their relevant allowances were classified in accordance with the BCRA's regulations.

FINANCIAL RATIOS

FINANCIAL RATIOS		
Ratio	2019	2018
Profitability		
ROE (net profit (loss) to shareholders' equity)	4.21%	8.09%
ROA (net profit (loss) to assets)	0.73%	1.63%
Efficiency		
Commissions/Expenses	10.4%	9.5%
Expenses/Assets	4.34%	3.47%
Equilibrium spread (Expenses - Commissions) / (Loans + capital market)	4.2%	3.0%
Solvency		
Shareholders' equity to liabilities	22.70%	26.61%
Net assets to shareholders' equity	5.41	4.76
Portfolio quality		
Nonperforming portfolio to total financing	8.58%	1.24%
Liquidity		
Liquid assets to deposits (maturing in 365 days)	37.1%	36.3%

CASH FLOWS		
(figures stated in millions of Argentine pesos)	2019	2018
Cash provided by (used in) operating activities	-1,619,329	-8,224,794
Cash provided by (used in) investing activities	-127,616	-141,917
Cash provided by (used in) financing activities	-2,907,685	14,299,223
Financial income (expense) and holding gains (losses)	1,252,451	715,925
Total cash provided or used during the year	-3,402,179	6,648,437

LEASING AND FACTORING MERGER

This year BICE showed for the first time the merger of its subsidiaries BICE Leasing S.A. and BICE Factoring S.A. The process, materialized during the current year, followed these steps:

1. On June 18, 2019, a preliminary merger agreement was signed, whereby the Board of Directors resolved to approve a special statement of financial position as of March 31, 2019, a special consolidated statement of financial position as of March 31, 2019, and the execution of the abovementioned preliminary agreement, subject to the final approval of the Bank's Special General Shareholders' Meeting.

2. On August 6, 2019, the Special General Shareholders' Meeting decided to approve the preliminary merger agreement, the special financial statements mentioned in item 1, and the Bank's merger, whereby the Bank absorbs BICE Leasing S.A. and BICE Factoring S.A., effective as from September 30, 2019,

incorporating the whole equity of the absorbed companies, as well as the activities that are part of their corporate purposes, among other matters.

3. The effective merger date, September 30, 2019, was confirmed by signing the final merger agreement on September 6, 2019.

4. On October 16, 2019, the CNV (Argentine Securities Commission) issued a resolution approving the abovementioned merger, while certain registrations with the IGJ (Argentine regulatory agency of business associations) mentioned in that resolution are still pending.

Equity and financial effects of the merger

This section refers to the merger of Leasing and Factoring and its impact on the Bank's equity and financial position.

	Investment	Factoring	Trusts	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2019
TOTAL ASSETS	34,093,846	1,307,405	927,11	5,987,040	4,736,523	16,716,916	9,146,909	**72,915,749**
TOTAL LIABILITIES	(32,159,673)	(828,730)	(238,862)	(5,987,030)	(49,628)	(11,301,187)	(8,860,319)	**(59,425,429)**

	Investment	Factoring	Trusts	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2018
TOTAL ASSETS	29,188,053	3,842,904	611,449	7,691,346	5,467,190	5,118,038	10,026,527	**61,945,507**
TOTAL LIABILITIES	(22,253,756)	(1,574,717)	(169,978)	(7,691,346)	(2,035,892)	(4,211,822)	(10,987,194)	**(48,924,705)**

	Investment	Factoring	Trusts	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2019
Interest income	8,891,684	1,464,252	22,918	459,104	2,127,590	5,484,728	29,896	18,480,172
Income from adjustments	45,480	-	-	-	-	-	-	45,480
Interest expense	(7,650,752)	(399,565)	-	-	(242,66)	(3,169,228)	(2,276,031)	(13,738,236)
INTEREST INCOME (EXPENSE), NET	**1,286,412**	**1,064,687**	**22,918**	**459,104**	**1,884,930**	**2,315,500**	**(2,246,135)**	**4,787,416**
Commission income	13,911	250	-	3,293	41,394	3,450	77,133	139,431
Commission expense	(736,000)	(3,236) -	-		(3,148)	(19,899)	(8,223)	(35,242)
COMMISSION INCOME (LOSS), NET	**13,175**	**(2,986)**	-	**3,293**	**38,246**	**(16,449)**	**68,910**	**104,189**
Net gain (loss) on financial instruments at fair value through profit or loss	(10,699)	127,675	72,337	-	73,359	305,794	58,775	627,241
Difference in quoted prices of gold and foreign currency	-	-	42,831	-	203	-	723,641	766,675
Other operating income	124,701	158,185	423,23	76,317	156,61	2,509	14,454	956,006
Allowance for loan losses	(2,884,197)	(151,791)	(2,689)	(460,515)	(156,306)	-	(649)	(3,656,147)
NET OPERATING INCOME (EXPENSE)	**(1,470,608)**	**1,195,770**	**558,627**	**78,199**	**1,997,042**	**2,607,354**	**(1,381,004)**	**3,585,380**
Employee benefits	-	(32,679)	(174,908)	-	(56,930)	-	(1,231,976)	(1,496,493)
Administrative expenses	-	(179,551)	(91,168)	-	(170,513)	-	(538,434)	(979,666)
Depreciation and impairment in value of assets	-	(432)	(4,035)	-	(4,756)	-	(60,647)	(69,870)
Other operating expenses	-	(1,004)	(23,196)	-	(187)	-	(715,986)	(740,373)
OPERATING PROFIT (LOSS)	**(1,470,608)**	**982,104**	**265,320**	**78,199**	**1,764,656**	**2,607,354**	**(3,928,047)**	**298,978**
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX								**298,978**
INCOME TAX ON CONTINUING OPERATIONS								**253,922**
TOTAL OTHER COMPREHENSIVE LOSS								**(172,961)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR								**379,939**

	Investment	Factoring	Fideicomisos	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2018
Interest income	4,947,151	959,507	54,331	132,545	131,822	820,978	11,635	7,057,969
Income from adjustments	-	-	-	-	-	-	64	64
Interest expense	(2,284,072)	(211,053)	-	-	(173,960)	(190,496)	(1,908,071)	(4,767,652)
INTEREST INCOME (EXPENSE), NET	**2,663,079**	**748,454**	**54,331**	**132,545**	**(42,138)**	**630,482**	**(1,896,372)**	**2,290,381**
Commission income	10,466	9,802	-	2,629	44,354	-	16,758	84,009
Commission expense	(252,000)	824	-	-	(1,233)	(17,346)	(2,627)	(20,634)
COMMISSION INCOME (LOSS), NET	**10,214**	**10,626**	**-**	**2,629**	**43,121**	**(17,346)**	**14,131**	**63,375**
Net gain (loss) on financial instruments at fair value through profit or loss	-	57,139	60,799	-	161,471	(332,228)	1,997,019	1,944,200
Difference in quoted prices of gold and foreign currency	-	-	5,739	-	31	-	(1,425,795)	(1,420,025)
Other operating income	108,312	18,198	232,39	62,690	942,524	1,688	8,550	1,374,352
Allowance for loan losses	(458,326)	(103,254)	(2,903)	(253,101)	(85,562)	-	(2)	(903,148)
NET OPERATING INCOME (EXPENSE)	**2,323,279**	**731,163**	**350,356**	**(55,237)**	**1,019,447**	**282,596**	**(1,302,469)**	**3,349,135**
Employee benefits	-	(44,022)	(124,323)	-	(72,603)	-	(633,074)	(874,022)
Administrative expenses	-	(169,265)	(49,453)	-	(145,634)	-	(267,603)	(631,955)
Depreciation and impairment in value of assets	-	(338)	(2,422)	-	(4,779)	-	(8,200)	(15,739)
Other operating expenses	-	(597)	(11,688)	-	(4,634)	-	(546,699)	(563,618)
OPERATING PROFIT (LOSS)	**2,323,279**	**516,941**	**162,47**	**(55,237)**	**791,797**	**282,596**	**(2,758,045)**	**1,263,801**

PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX	**1,263,801**
INCOME TAX ON CONTINUING OPERATIONS	**(268,655)**
TOTAL OTHER COMPREHENSIVE INCOME	**58,430**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,053,576**

As to the equity structure after the mergers, one third of BICE's shareholders' equity refers to Leasing's shareholders' equity, while Treasury represents 38%.

As to assets, weighing ratios change considerably. Leasing's assets represent only 4% over total, while investments represent almost 46% over total assets, affected by a significant level of liabilities reaching 54% over total. From a horizontal analysis standpoint, BICE's total assets grew slightly by 18.85%, as compared to a 21.46% increase in liabilities. The main variation is assets was observed in Treasury (+227%) and in Factoring (-66%). The variation in the different channels was heterogeneous as compared to the average. As to liabilities, there was a weighing growth in Treasury (+168%) and a decrease in Leasing's equity interest, with a -97% decrease. Stock closed with hardly ARS 49.6 million.

The most significant aspects are observed in the shareholders' equity structure variations, including the decrease in Investment shareholders' equity (-70%) and the increasing weighing in Treasury. Note again that Leasing holds a 33% interest in BICE's total shareholders' equity, which showed a positive year-on-year variation of 39% in nominal terms.

On a consolidated basis, BICE's shareholders' equity increased slightly by 9.03% in nominal terms, observing a material weakening in real terms as compared to the inflationary impact and the devaluation effect for the period.

With respect to the economic and financial situation compared to the previous year, there was a good performance both in profit (loss) from interest and commissions (core), increasing even more than the inflationary threshold. The negative impact on net profit (loss) for the year was impaired mainly due to the increase in the allowances for loan losses, administrative expenses and employee benefits. The impact of BICE's structure generated a decrease in operating profit (loss) indicators in 2018, from 54% to 10.31% in 2019. Operating income decreased by -60% as compared to 2018. Comprehensive income for the year grew slightly by 3.06% on a nominal year-on-year basis, notwithstanding the 108% nominal growth in revenues.

As to the Bank's businesses, almost 50% of revenues arise from interest and commissions from investment loans, followed by Treasury. The Leasing and Factoring mergers explain almost 20% over total revenues. However, Investment explains 48% of revenues and 55% of total disbursements, while Leasing and Factoring –representing 20% of revenues– have an impact of only 4.71% over total disbursements.

The following conclusion is intended to be drawn from the analysis of the previous chart: BICE's merger with Leasing and Factoring account for 61.02% of total financial profit (loss) for 2019.

SUSTAINABILITY

EXPORTING VALUE CHAINS

BICE implemented a commercial strategy to enhance Argentine exporting drivers, focusing on twelve value chains with potential to generate foreign currency. This comprises fishing, bovines, peanut, wines, citruses, pears and apples, petroleum oil, lithium, pharmaceuticals, biotechnology, accommodation and software.

For each one of them, a value proposal was developed through a holistic analysis based on market information, competitive position and financial needs.

Customized products were proposed, focusing mainly on long-term investment, supplemented by working capital.

Disbursements were made in the value chains in which analysis were concluded and focused proposals were made: ARS 29.47 million and USD 7 million to the wine-producing market, USD 28 million to the peanut sector, USD 8.25 million to the lemon chain, and ARS 2.5 million and USD 7 million to assist the fishing sector.

RENEWABLE ENERGIES

BICE participated in the financing of renewable energy projects of different magnitudes. Fourteen projects awarded through different RenovAr rounds were implemented, comprising the disbursement of USD 56 million.

On the one hand, in the largest projects, such as solar and wind projects involving international sponsors and structures, multilateral banks, foreign banks and export credit agencies participated. On the other hand, in smaller projects (biogas, biomass and hydroelectrical undertakings) of up to 10 MW of power output, BICE was the largest market participant. These cases showed difficulties to access foreign financing, mainly due to the magnitude of transactions.

BICE's active role in the renewable energy field, especially in biomass and biogas cases, allowed obtaining specific financing lines from banks and international agencies for green projects at competitive rates and in the long term. Some examples include the Green Climate Fund (GCF), the FDA (French Development Agency) or the Inter-American Development Bank, which consider these types of projects to be a priority.

LEADING WOMEN

In 2019 BICE continued to promote its "Leading women" program to enable companies led by women to have access to financing, who, according to the World Bank, have a credit access gap of around USD 2,700 million.

The program is aimed at financing companies having at least 51% of shares in the possession of women or at least 25% of shares and women in executive positions. The program has two pillars: the financial product and nonfinancial services, which includes training and networking.
Since the line was launched in March 2018, ARS 410 million were disbursed to 94 women-led companies.

FUNDING

To allow continuity of the financing growth project in the medium and long term, in 2019 BICE kept a sustainable funding plan.

The strategy has three goals: diversifying the sources by increasing the portfolio of deposits in Argentine pesos and US dollars; extending the terms applicable to financial liabilities by issuing new classes of corporate bonds on the capital market, and negotiating and obtaining credit lines from international financial institutions.

Domestic capital market The Board of Directors approved in June the corporate bonds program update and the benchmark terms and conditions for the issuance of Class 9 corporate bonds.

On July 12, the Bank issued Class 9 corporate bonds for ARS 1,500 million at a Badlar (average of rates offered to investors for certificates of deposit) + 0%, receiving offers for more than twice the funds received. On week later, BICE reopened the issuance and received an additional amount of ARS 341 million. Most of the funds were provided by mutual funds.

International agencies' financing programs:

CDB. The commercial relationship with the China Development Bank (CDB) began with the first financial cooperation agreements that allowed BICE to access a commercial line for USD 140 million, which became effective between 2010 and 2012. Subsequently, in 2017 and 2018, it granted a new line for USD 150 million for a term of 7 years.

During 2019, the amortization of those loans was materialized, settling the first agreements in full and amortizing the second agreement for USD 10 million for the first time.

CAF. The Development Bank of Latin America (formerly, CAF (Corporación Andina de Fomento)) has held commercial relationships with BICE for over 10 years.

Every November, an addendum is signed to review the current commercial line. Recently a availability of USD 75 million was reached. As of December 31, the signature of the new addendum to renew the line was pending.

FONPLATA. The Program to Access Productive Financing in Northern Argentina –ARG - 31/2016 Loan Agreement between Argentina and FONPLATA (financial fund for the development of the River Plate Basin)– was approved on June 30, 2017, by virtue of Presidential Decree No. 476/2017, and signed on July 3, 2017, within the sphere of the Ministry of Production. BICE was appointed as the executor, for a loan amount of USD 40 million.

The general purpose of the program is to support the development of production in the Argentine northern region by enabling access to financing under rate and term competitive conditions for micro-, small- and medium-sized enterprises, which shall be the ultimate beneficiaries of the credit line.

To date, 98% of the loan has been granted, reaching about 350 micro-, small- and medium-sized enterprises in the region.

CREDIT LINE OF THE GREEN CLIMATE FUND (GCF) On April 22, 2019, the Ministry of Economy, the Ministry of Production and Labor, BICE and the IDB signed a loan agreement for USD 100 million aimed at the ""Project for promoting risk mitigation instruments and financing of renewable energy and energy efficiency investments."

The loan is channeled through BICE either directly or through financial institutions, and the ultimate beneficiaries are the Argentine SMEs investing in renewable energy projects (biogas and biomass) and energy efficiency.

This is the first transaction for a financial institution in Argentina belonging to the Green Climate Fund (GCF), whose implementing agency is the IDB. In addition, BICE is the project executor and will cofinance it with USD 60 million added to the USD 100 million to be contributed by the GCF.

CREDIT LINE OF THE FDA (FRENCH DEVELOPMENT AGENCY). On April 8, 2019, the FDA (French Development Agency) signed a credit line agreement with BICE for EUR 100 million at 12 years to finance renewable energy and energy efficiency projects of SMEs and large companies throughout the country. This is the first loan granted by the FDA to an Argentine bank with no sovereign guarantee. During the first 8 months from the facility signature, BICE performed 50% of the line.

FMO. On April 24, BICE and FMO (Netherlands Development Finance Company) signed a credit facility of up to 12 years for USD 30 million, aimed at financing the acquisition of capital goods of Dutch origin. The initiative will enable Argentine companies to acquire capital goods of Dutch origin, which is fundamental to incorporate technology and machinery used in renewable energy generation.

SUSTAINABLE BOND

By late 2018, BICE issued the first sustainable bond in South America; it was fully subscribed by IDB Invest. It amounted to USD 30 million for a 5-year term and it has the maximum guarantee level according to the VIEGEO Eiris consulting firm, which conducted the second third-party opinion.

The issuance is part of BICE's financing strategy as a promoter of products which are socially and environmentally sustainable and which are aimed at controlling the impact of funding over climate change, and at fostering local, economic and social development.

The funds were used for projects having a positive social and environmental impact. From a social standpoint, the Bank supported projects in women-led companies (28), companies from the provinces located in the north of Argentina (54), investments in corporate bonds issued by SMEs (5), and SMEs which have an impact on employment generation (109). From the environmental point of view, funds were used for a renewable energy project (minihydroelectric power station) and an energy efficiency project.

All the companies receiving the BICE sustainable bond are SMEs established in Buenos Aires City and the Buenos Aires Province (36%), the northern region of Argentine (31%), the central region of Argentina (27%) and the Patagonia region (6%). To date, 100% of the bond has been allocated. Financed projects imply an investment exceeding USD 50 million.

In May 2019, BICE received the ALIDE 2019 award in the Green Category as a result of the issuance of the first sustainable bond in Argentina.

SUSTAINABLE FINANCE PROTOCOL

In June 2019, BICE and other 17 public and private banks signed the Sustainable Finance Protocol in Argentina as founding entities. This is a milestone in the promotion of sustainable finance in Argentina, aiming at facilitating and promoting in financial institutions the implementation of the best practices and international policies favoring the integration of economic, social and environmental factors.

COOPERATION AGREEMENTS

Subsidiary agreement with the Argentine Ministry of Production and Labor. BICE was appointed sub-executor agency of the PROCER program to be in charge of subloans to micro-, small- and medium-sized enterprises that are part of value chains, acting as first- and second-level bank and setting the terms and conditions and characteristics of the loans to be granted and the eligibility of projects and credit management.

Agreement with Banco de la Nación Argentina to channel UK Export Finance's (UKEF) financial facility. This agreement channels UK Export Finance's (UKEF) financial facility to identify transactions of common interest to both countries, assisting Argentine companies actively in financing the purchase of goods and services of British origin. It also promotes the direct investments of British companies.

CORPORATE GOVERNANCE

BICE's Board of Directors works hard to make unbiased and independent decisions in keeping with the corporate objectives of fostering the productive investment and foreign trade of Argentine companies and preventing or handling potential conflicts of interest or the adoption of decisions contrary to the Bank's purpose.

BICE reviews the "Report on the degree of compliance with the Corporate Governance Code" every year to analyze proposals and make progress to enhance these practices throughout the Bank.

As from 2016, BICE abides by CNV (Argentine securities exchange commission) regulations as an "issuer" by virtue of its Global Corporate Bond Issuance Program.

COMPLIANCE

BICE has an Integrity Program pursuant to Law No. 27,401, the guidelines established by the Anti-corruption Office and Argentina's good governance guidelines for Argentine companies in which the government holds a majority equity interest.The program consists in a series of policies for preventing, correcting and mitigating corruption risks, and it also implements a channel to report complaints, the "Ethics hotline". Such channel is managed externally since March 2019 to keep the transparency and confidentiality of reports.

In compliance with Presidential Decree No. 650/2019, BICE appointed an “integrity link” to serve as connection between the Bank and the Anti-Corruption Office.

MONEY LAUNDERING

The UPLAyFT (control and prevention of money laundering and terrorism financing unit) continued to enhance the process of its new IT system for controlling and monitoring customer transactions. Due to the merger and incorporation of new products, prevention processes and criteria were consolidated pursuant to current regulatory requirements.

Considering the magnitude of the customer portfolio growth, high compliance standards were kept with respect to information update. BICE also strengthened the processes to verify the use of public funds and achieve even more transparency.

QUALITY

Customer care for financial service users. BICE handled the claims and inquiries made by its customers in agreement with current regulations, evaluating their updates and verifying the compliance. In 2019 there were 32 claims that were responded within the appropriate term, which decreased in June from 20 to 10 business days.

National Database Registry. In agreement with the provisions issued by competent authorities, personal database registrations were renewed pursuant to Law No. 25,263 and its Administrative Order.

Quality Assurance System. In February 2019, IRAM auditors were received, and the Quality Assurance System certification was maintained, according to ISO Standard 9001:2015. Management system activities continued, such as training, process indicator monitoring, quality assessments and process improvement.

Comprehensive management includes:

- Designing, awarding and managing credit lines and programs.
- Setting up and managing trusts.
- Making and managing certificates of deposit and term investments.
- Conducting and managing factoring transactions.
- Carrying out and managing capital market transactions.

PROCESSES

For 2019, BICE focused on the implementation of and training in tools to work in a more cooperative and flexible manner.

It managed to apply the 5S methodology, which allowed classifying, ordering and organizing, cleaning, standardizing and systematizing documentation and the workspace.

By applying a speedy work methodology based on the PDCA (plan–do–check–act) cycle, BICE contributed more dynamism to the different requests received, managing a more effective centralized demand, understanding the needs and following-up and controlling the implementation efficacy subsequently. The result was the analysis, prioritization and management of 65 improvements and 136 adjustments to the organization's processes during the year.

COMMUNICATION AND MARKETING

New website

Contacting customers through the digital channel progressed in line with the new business strategy. To enable navigation focused on infrastructure and exporting value chains, changes were made at a structural and visual level, with a design oriented more clearly to these pillars.

External communications and institutional relations

In 2019, the communication plan observed the business strategy guidelines and sought to position BICE as the Argentine development bank.

For this purpose, different institutional, communication and marketing actions were implemented. Direct marketing campaigns were performed, providing support to the commercial team and promoting product launches.

The corporate identity reflected the change in course, applying the brand image to offices and communication tools. Social networks and the production of audiovisual content promoted the communication of institutional and commercial actions. In particular, successful cases of financed companies in different industries and services with a federal vision, credit programs and significant management milestones were published.

In 2019 the first Sustainability Report (2018) was issued pursuant to the GRI (Global Reporting Initiative) international standards to reflect the most significant economic, social and environmental aspects.

Communication and internal culture

In 2019 the first guidelines to lead BICE to a cooperative, flexible and sustainable culture leveraging the business strategy were developed. The development of management performance indicators and the analysis of climate and communication provided information to carry out an initial diagnosis and measure the impact of the plan executed.

A cultural transformation project ("Impulsamos BICE") was launched during the physical integration of offices through different initiatives. It comprised from the publication of a digital participation microsite to support the cultural change to 15 training courses and different guidance talks on the new culture. The main internal communication development tool was the intranet, redesigned focusing on easy use and more integration with all the pillars of the employer branding, MI BICE. A BICE annual convention was also hosted, where teams presented the management achievements of each area.

ENVIRONMENTAL MANAGEMENT

During this period, a resource responsible management policy was implemented, including these actions:

- Development of an environmental awareness strategy aimed at all BICE's associates.
- Internal training campaigns on the responsible use of resources, waste separation and recycling.
- Coordination with civil community organizations to enhance actions aimed at generating a positive environmental impact.

GENDER EQUITY

In 2019, gender equity and women empowerment were included in the agenda, with initiatives inside BICE and external actions aimed at the community. They include:

- Participation in the Argentine Plan to Grant Equal Opportunities and Rights, promoted by the INAM (Argentine Women Institute).
- Creation of an internal gender table. Organization of training and brainstorming sessions.
- Creation of alliances with organizations, such as "Voces Vitales", allowing to make BICE's strategy more visible.
- Observance of Women's Empowerment Principles (WEPs) (UN Women).
- Continuous adherence to the Leading Women Program, especially with respect to the development of a strategy related to nonfinancial tools aimed at women-led SMEs.

CORPORATE VOLUNTEERS

With the support of BICE's volunteer team and social responsibility initiatives, different positive actions were carried out in vulnerable communities. Some of them included:

- Managing donations to organizations and foundations.
- Performance of the 2nd Blood Donation Campaign along with Hospital Garrahan.
- Sustainable development education: an amount of ARS 1,732,100 was granted through tax credits to finance projects in intermediate-level schools located in different Argentine provinces.
- Strengthening and consolidation of BICE's volunteers' team. Charitable and awareness campaigns.

PEOPLE MANAGEMENT AND DEVELOPMENT

At the end of November 2019, BICE's headcount reached 493 people, showing a 25% increase as compared to the previous year, when headcount reached 393 people. The increase was also affected by the merger of business units.

The average age of staff is 39 years, where 68% is aged 30 to 50. The average seniority is 6 years, 58% of men and 42% of women. In addition, 66% of them are professionals or students. We are also committed to offering equal opportunities and, for that purpose, 2.60% of our staff have different skills.

The organizational structure is consolidated as follows: 10% management positions, 16% intermediate positions and 74% analysis and operating staff.

In addition, BICE Fideicomisos ended the year with a 105 headcount, with an average age of 36 years. The gender distribution was 52% women and 48% men.

Merger. The merger of Leasing and Factoring business units implied the hiring of 81 persons.

Signature of BICE's first salary chart. After months of work with the bank union "La Bancaria", an agreement was reached to determine the first salary chart in the history of BICE, thus setting a better and transparent management of categories. This simplified paychecks, which turned out to be simpler and easier to understand.

Digitization and HR Analytics. In 2019, the area consolidated its digital transformation, implementing under this modality paychecks, employee files and cloud-based signatures. This allowed speeding up processes and eliminating paperwork almost completely.

COMMERCIAL MANAGEMENT

LOANS GRANTED

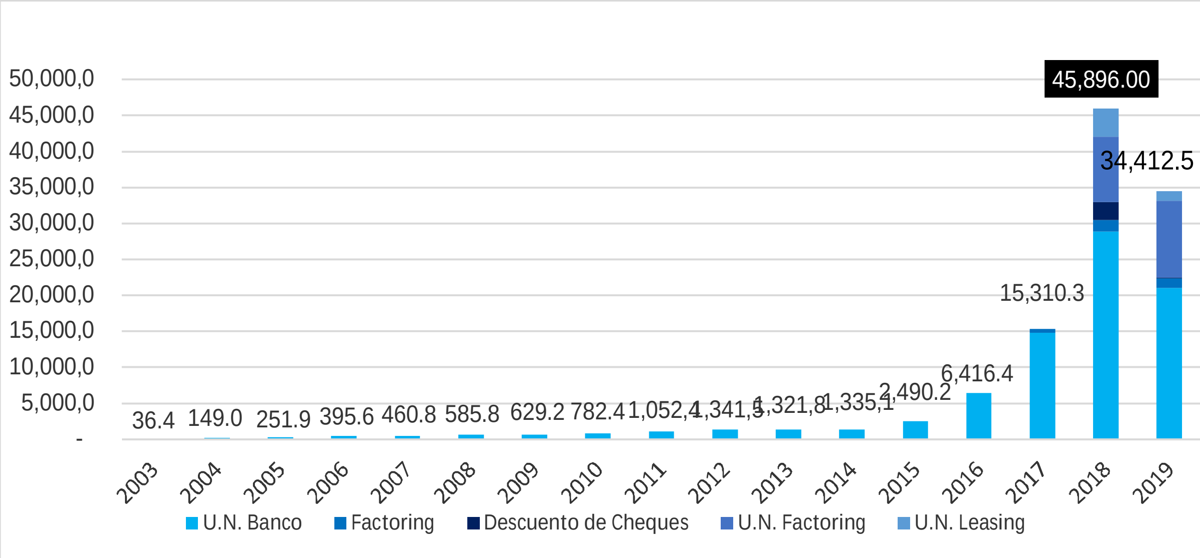
In 2019, BICE Group disbursed credits for about ARS 34,412.50 million, which account for a 25.02% decrease with respect to the prior year[1].

DISBURSEMENTS (figures stated in millions of Argentine pesos)	2019	Equity interest	2018	Equity interest
Investment projects	8,892.8	25.8%	15,475.0	33.7%
- Direct	7,250.9	21.1%	10,263.5	22.4%
- Indirect	1,641.9	4.8%	5,211.5	11.4%
Export financing	10,504.1	30.5%	11,784.9	25.7%
Factoring	1,312.1	3.8%	1,607.30	3.5%
Capital market	1,630.7	4.7%	1,591.20	3.5%
Check discount	55.1	0.2%	2,481.70	5.4%
Banking business unit	22,394.8	65.1%	32,940.1	71.8%
Factoring business unit	10,699.1	31.1%	9,115.4	19.9%
Leasing business unit	1,318.6	3.8%	3,840.5	8.4%
Total	34,412.5	100.0%	45,896.0	100.0%

1. In October 2019, BICE Group will incorporate the Banking business unit to the Bice Factoring and Bice Leasing business units.

CHANGES IN DISBURSEMENTS

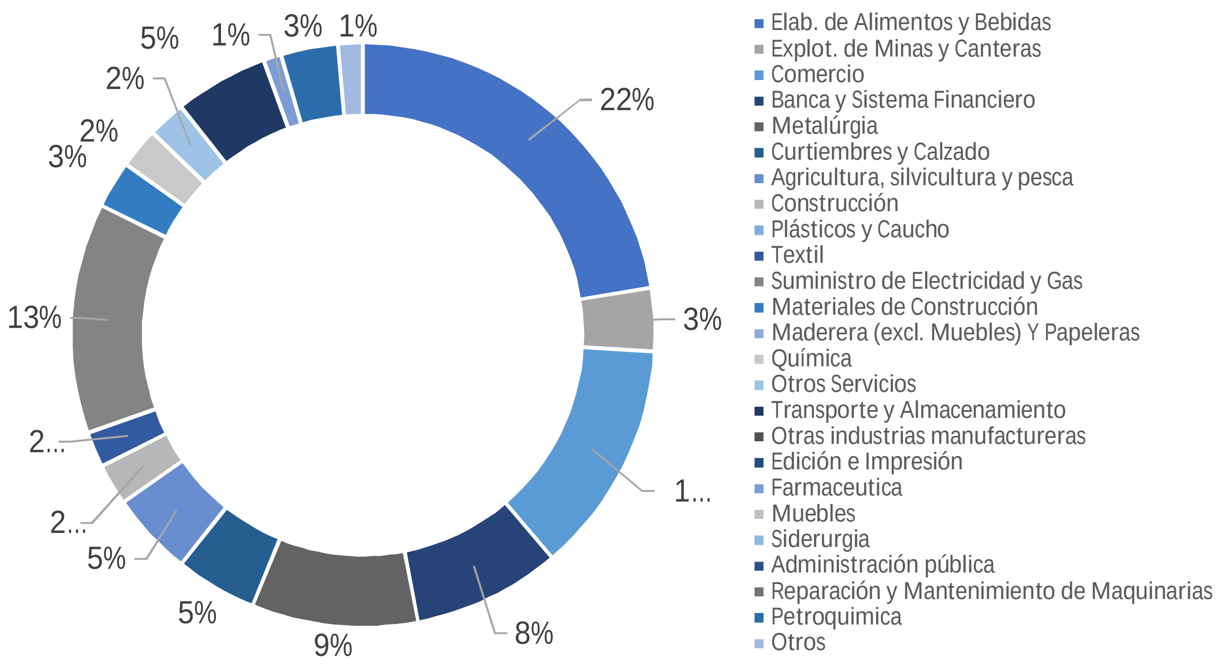
Loans stood at around ARS 34,412.50 million as of December 2019, a total of about ARS 11,483.50 million lower than the prior year.



CHANGES IN LOANS DUE TO ECONOMIC ACTIVITY

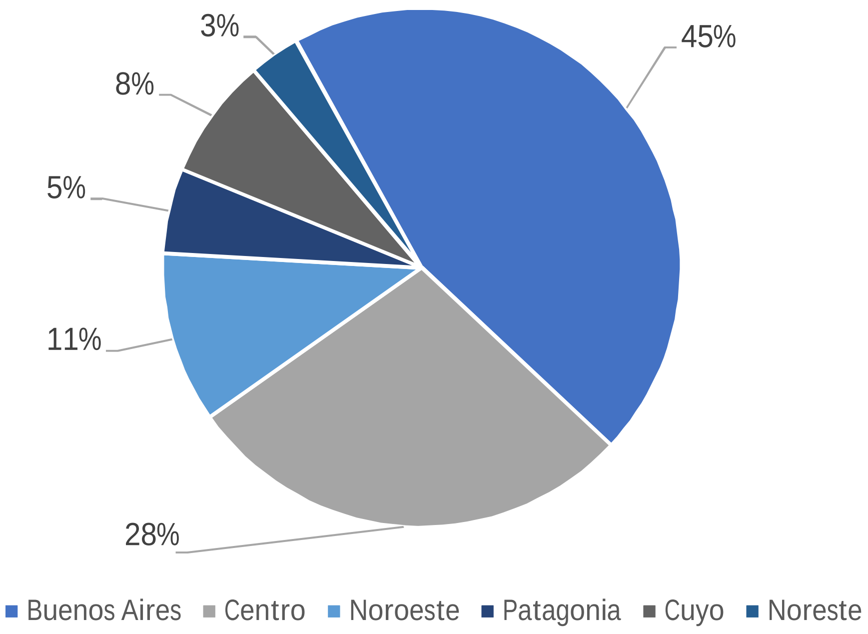
The following chart shows a clear multisector profile in BICE's loans in agreement with the risk diversification policy sought.

BICE's credit portfolio by sector is made up of 48.18% credits granted to companies engaged in or related to labor intensive activities and the development of new environmentally-friendly energy sources (trade, food and beverages, electric power and gas supply), while 27.66% was aimed at crop farming, forestry and fishing, metalworking, transport, banking and the financial system. The remainder is distributed among the activities of the construction, textile, chemistry, wood and pharmacy sectors, among others.



LOAN DISTRIBUTION BY REGION

BICE loans reach all Argentine regional economies, which shows a policy for the search of regional growth.



MAIN FINANCING LINES

INVESTMENT:

SMEs and large companies. Aimed at financing investments projects in goods and services, as well as in productive restructuring and modernization of the economic sectors that boost competitiveness, including the acquisition of new and used capital goods.

- Long term: up to 15 years in Argentine pesos with a 2-year grace period, and up to 10 years in US dollars with a 2-year grace period.
- Special conditions are granted for SMEs, using rate discounts or the placement of concessional finance.

Capital markets. Aimed at financing companies through the capital market to provide another alternative in support of the productive sector, especially SMEs, and to extend the terms.

Related working capital. Aimed at financing the working capital related to an investment project financed, or being financed, by BICE, to complete investment financing.

Capital lease. Aimed at financing the acquisition of personal and real property and intangible assets, whether or not subject to registration, for the different economic activities performed in the sectors producing goods and services.

Capital lease: financial institutions Aimed at financing second-tier banking transactions under capital lease agreements that operate through financial institutions and capital lease companies.

FOREIGN TRADE:

Pre and postexport financing. For assets or services related to Argentine SMEs and large companies. It considers the issuance of international guarantees.

Forfaiting. It allows the exporter to sell its products abroad and grants the purchaser up to a 10-year settlement term. The Argentine companies collect the export value in cash through BICE and the importer assumes the commitment to paying back the Bank.

Foreign trade guarantees. Fulfillment guarantees, performance bonds and bidding guarantees, among others, received and issued from/to abroad.

Logistic hubs. Lines for financing exports to logistic hubs, aimed at increasing sales and improving companies' competitiveness. It intends to reduce the delivery times of the products sold abroad and strengthening the exporting sector. It is subject to a 360-day term which could be extended by another 30 days for financing between 75% and 100% of exports.

FACTORING:

Factoring. Financing of credit instruments, including management collection and credit protection; it allows companies to stabilize cash flows and improve their positioning and competitiveness.

Products involved: deferred checks; discount of: simple invoices, public works certificates and VAT reimbursements to exporters; and advances made for future agreements.

Electronic factoring: During the year, the 100% digital platform continued to be operated for online invoice discount.

NEW FINANCING LINES

Energy efficiency line. Renewable energies (Green Climate Fund). The program is aimed at delivering resources under BICE lines to finance energy efficiency and renewable energy technology projects for SMEs, also reducing their greenhouse effect gas emissions.

Digital inclusion line. ENACOM. This is aimed at financing investment projects for technological update and reconversion, last-mile networks or interconnection to wholesale service networks by bandwidth internet access fixed service providers. Credit parties must be micro-, small- and medium-sized enterprises having a single Argentine digital license and registration related to the value-added service. The companies are required to have the technical validation issued by ENACOM (Argentine Communications Agency).

Line used to finance indirect exporters. Aimed at the agribusiness segments, regional economy producers, the oil and car part industries, among others. Borrowers are required to produce goods or services sold to local companies that use them as part of their export sales, either in the same condition as acquired (in the case of commodities or fresh fruit) or incorporating them into a finished product for export (automobile industry or the industry of entire plants and goodwill).

Line used for import postfinancing. It is used to purchase supplies and intermediate goods forming part of finished products produced by companies and aimed at the domestic or export markets. It is also used to purchase capital goods and the spare parts required for production activities. The borrowers are required to be companies engaged in the production of goods and services, whole sales are aimed at the domestic or foreign markets.

FINANCIAL INSTITUTIONS

Through the second-tier banking, BICE focused on individual transactions for SMEs and large companies and increased its interest in the funding of syndicated loans and renewable energy projects, thus enabling the extension of financing terms by participating financial entities. This role allowed strengthening the strategy to complete markets.

Part of these transactions were financed by multilateral credit institutions to generate the financial inclusion of SMEs in relation to the acquisition of capital goods or investment projects, using second-tier banking with the main Argentine commercial banks as strategic partners to achieve regional capillarity.

Second-tier banking was used to disburse transactions for over ARS 1,641 million, thus extending financing terms.

Mutual guarantee companies

The process for rating, renewing and increasing the caps of mutual guarantee companies continued. At present the quote amounts to about ARS 11,460 million allocated to 36 mutual guarantee companies and guarantee funds, which allows assisting final beneficiaries under this channel.

The strategic alliance with mutual guarantee companies and guarantee funds allowed reaching new SMEs through direct financing, thus enabling financial inclusion. BICE continues to be one of the main monetization banks in the system.

LEASING

During 2019 transactions were monetized for an amount of ARS 1,320 million, reaching as of year-end a total capital lease portfolio of around ARS 4,827 million. Thus, the commercial plan proposed for the year was exceeded.

Regardless of the economic context, BICE became the main entity in the capital lease market, according to the information provided by the Argentina Capital Lease Association.

FACTORING

The volume expected during the year exceeded around ARS 10,699 million, exceeding the business level reached in 2018. With a significant and continuous demand during the first eight months of the year, as from September the context had an impact on the gradual reduction in the level of transactions.

The strategic definition for transactions remained fundamentally as “with recourse”, as the assigned debtor is a government agency. Most of transactions focused on these type of customers.

As to the wide range of products sold, we may mention financing granted by discounted public works certificates and invoice certificates issued to various federal and provincial agencies, and discount of deferred checks related to transactions carried out between private companies.

STRUCTURED FINANCING

The Structured Financing area is in charge of complex financial assistance involving a differential design in each case (amortization structures, guarantee schemes or different tranches according to terms and uses). It comprises the coordination of cofinancing and syndicated transactions, aiming at pushing and driving resources in the financial system.

It approves the extension of financing terms, in many occasions participating in smaller tranches. Thus, it stimulates the offer of financing by articulating efforts with public and private banks, international banks, multilateral agencies and development banks.

CAPITAL MARKET

BICE participates in the domestic capital market as a source of alternative financing for companies, pushing resources towards production investment through the “Guaranteed corporate bonds issued by SMEs” system (ON SIMPLE).

The total amount invested by the bank in 2019 through the “Financing Line involving Securities” was ARS 1,300 million. Out of total transactions, 62% were performed for SMEs, with average terms of 36 months. The investment in corporate bonds for energy infrastructure projects in Argentina stood out.

DIGITAL BANKING

The BICEDigital channel is an environment used to perform financial transactions in a safe and quick manner on the internet. Companies operate using digital signatures; BICE was the first bank to become a digital signature registration authority, under current legal regulations (in the cloud or with a token).

The first product launched by BICEDigital was Electronic Factoring, an easy-to-access 100% digital platform for discounting invoices online, which allows provider companies to obtain liquidity in a quick and safe manner, anticipating the collection of their invoices.

Electronic factoring is carried out under the "without recourse" system, which implies that BICE undertakes the risk of the purchasing company, thus improving the providers' financial ratios. This transaction is carried out without the involvement of notaries public upon notifying the assignments, as this is made online using timestamps. Therefore, the costs associated with invoice discounting are considerably reduced.

With transactions performed since July 2018, to date 3,441 invoices were assigned for a total amount of ARS 1,570 million. A total of 56 companies qualified, 129 suppliers were added, and the related digital signatures were delivered.

In 2019, the development of the digital platform to perform fully-digital foreign trade financing transactions was completed.

Work is being done in relation to Echeq products, the electronic credit invoice plus the digitization of the bank's commercial forms to speed up digital transformation.

FINANCIAL TRANSACTIONS

BICE, as the agent of different markets, performs different transactions regularly in line with its strategic goals as a development bank. For that purpose, it participates in the MAE, BYMA, MATBA-ROFEX and MAV electronic markets, performing repo transactions, purchase and sale of securities, purchase and sale and arbitrage transactions involving foreign currency in spot and forward markets. In addition, the bank participated in Treasury bill bids throughout the year.

To promote financial inclusion, the bank continued to be active in the market of checks guaranteed by different mutual guarantee companies. It also continued to perform non-deliverable forward (NDF) transactions with domestic financial institutions. For this methodology, in Q1 the transactions performed by virtue of ISDA (International Swaps and Derivatives Association) agreements signed with international financial institutions (JP Morgan, Santander, Standard Chartered and Bank of America Merrill Lynch) were settled.

The transactions mentioned arise from liquidity management and financial risk decisions delegated by different committees involved and implemented by the Financial Transactions Board. Thus, considering available alternatives, actions were taken to enhance the return/risk ratio in relation to the financial assets and liabilities portfolio and derivatives for a specific term.

As to certificates of deposits and term investments, after the possibility granted by BCRA Communiqué "A" 6589, which allowed reducing terms to obtain them, BICE increased its presence as borrower of funds in Argentine pesos and US dollars, being a significant quoting entity for institutional investors.

CERTIFICATES OF DEPOSIT

On April 5, 2019, the BCRA enabled through Communiqué "A" 6667 the online certificate-of-deposit system for noncustomers. The purpose of this measures was to promote savings in Argentine pesos through more competitiveness in the market.

BICE became the first Argentine bank to offer this product, assuming a key role as development bank and becoming a key participant in the promotion of this policy.

A total of 9,695 requests were received, out of which 5,250 were implemented as certificates of deposit. This figure represented funds for ARS 1,750 million for BICE.

TRUSTS/MANAGED PORTFOLIO

As of December 31, 2019, the Trusts Unit was organized as the trustee of 64 trust agreements in effect and manager of 18 trusts whereby the Banking unit is a trustee. The total portfolio as of December 2019 amounted to about ARS 847.69 million, five times the portfolio in 2018.

Fideicomisos	Totales Administrados al 2018	Cartera incorporada 2019	Totales Administrados al 2019	Cantidad
Centrales Nucleares	56.350.967	53.793.475	110.144.443	11
Generadores y Transporte	-	-	-	-
Interconexiones	3.764.342	13.541.566	17.305.908	12
Estudios Sector Energético	73.872.071	602.344.494	676.216.564	21
Fibra Óptica	7.168.392	3.077.681	10.246.073	1
Garantía	1.133.706	1.354.497	2.488.202	3
Préstamos	7.606.206	5.697.122	13.303.328	12
Otros	4.942.059	13.051.826	17.993.884	22
Totales	154.837.742		847.698.403	82

Below are the most representative trusts in the portfolio:

Trust Fund for Social Housing. It was created through section 59, Law No. 27,341, within the sphere of the Department of Housing and Environment of the Ministry of the Interior, Public Works and Housing, to finance current social housing and basic infrastructure programs with government and private funds and through international, multilateral or trilateral agencies. The trustor is the Department of Housing and Environment. A total of 26,345 housing units were built in 19 provinces.

FOGAR (Argentine Guarantee Fund). Public fund within the sphere of the Ministry of Production, where BICE Fideicomisos acts as trustee, as appointed by Law No. 27,444 and Administrative Order No. 628/18. The purpose is improving credit access conditions by granting preferred guarantees (BCRA "A" preferred guarantees), either partial or full, through the banks and mutual guarantee companies with which it operates. The investments policy follows the guidelines established by BCRA regulations applicable to "public guarantee funds". In 2019, 19,001 guarantees were granted for about ARS 6,149 million. The guarantees granted during this period amounted to about ARS 3,283 million. The risk fund portfolio reached about ARS 1.08 million, with 32 active entities.

FONDEP (Argentine Fund for Productive Development). Public fund within the sphere of the Ministry of Production, created by Presidential Decree No. 606/2014, as amended by Presidential Decrees Nos. 174/2018 and 439/2018. Its purpose is enabling the access to finance for projects promoting investment in strategic sectors, regional economies and cutting-edge productions through different vehicles, such as direct loans, nonreimbursable contributions, interest rate reductions and other types of instruments). In 2019, the FONDEP moved over ARS 150,000 million in borrowings to the financial system by signing agreements with over 30 banks. It favored 55,000 micro-enterprises and SMEs with rate discounts exceeding ARS 2,500 million.

Fund for exclusive SME financing. It is part of the FONDEP. This tool was created to provide liquidity to financing instruments for SMEs in the capital market, increasing the volume transacted and offering competitive rates. To date debt securities for about ARS 16,251 million were subscribed with different investors (26 insurance companies, the SSN (Argentine insurance regulatory agency) and the SRT (Argentine workers compensation insurance regulatory agency)). This tool favored over 3,000 SMEs and involved transactions exceeding ARS 28,000 million. It holds a 25% share in the market, with a managed portfolio of ARS 6,600 million.

FONDCE (trust fund for the development of the entrepreneurial capital). Created as a management and financial trust by Entrepreneurial Capital Support Law No. 27,349. It is aimed at financing undertakings and entrepreneurial capital institutions registered as such, in the manner and conditions established by the Administrative Order. The SEPYME (Entrepreneurs and Small- and Medium-Sized Department) reporting to the Ministry of Production (former Ministry of Production and Labor) is the enforcement authority and trustor. By virtue of Presidential Decree No. 711/17, BICE was appointed trustee. Subsequently, by virtue of Presidential Decree No. 1165/18, BICE Fideicomisos was appointed successor trustee of the fund.

Portfolio managed by the banking unit:

Fideicomisos	Totales Administrados al 2018	Cartera Incorporada en 2019	Totales Administrados al 2018	Cantidad
Centrales Nucleares	39.737		39.737	1
Generadores y Transporte	46.116		46.116	4
Fibra Óptica	1.162		1.162	6
Infraestructura	266		266	1
	87.280	**0**	**87.280**	**12**

IT

The efforts made during the year were aimed at the Bank's merger projects with the companies BICE Leasing and BICE Factoring, the consolidation of data processing centers, jointly with the subsidiary BICE Fideicomisos, the implementation of the new infrastructure and the transfer to BICE's new central building, the implementation of strategic projects and normal and habitual activities for business development.

Breakdown. As to the changes in BICE's application systems, the following actions were carried out:

- As part of the merger with business units BICE Factoring and BICE Leasing, the customer database was integrated, and Core Banking is the only system used to add and modify customers.

- Within this context, accounting integration was carried out. Its core process allows units to provide information on a daily basis to keep BICE's consolidated financial statements in Core Banking.
- A new module was implemented for the automatic management of BICE's fixed assets inventory.
- A new module was implemented to manage the online requests of certificates of deposit, in management software, integrating it with the website and implementing validation and control workflows.
- As part of the merger with BICE Factoring and BICE Leasing, the providers' module was integrated, thus allowing the management software to become the only providers' database to manage all purchases and payments. In addition, all systems were adjusted, including data warehouse, the integration with other entities and systems, reports, lists and tax reports.
- Intranet was implemented under a new technology.

The following IT projects are worth mentioning:

- Implementation of software for overall risk management and economic capital self-assessment. Expected benefits include the increase in operating efficacy, regulatory compliance and capital enhancement. Scope risks include operating, reputational, rate, liquidity, market, exchange rate, credit and concentration risks. This project was put into production in late October.
- Implementation of software for credit risk management. This system integrates credit risk management in a single platform through the following modules: customer and group electronic file, management of financial statements and estimates, workflow management and credit coordination, reports and indicators. The electronic file module was put into production in September, and the financial statements and estimates module in under development.
- Implementation of software to manage finance and treasury. Module for foreign exchange, futures (ROFEX, NDF and MAE), securities and money market. Foreign exchange and ROFEX and NDF futures modules were put into production before the end of the year, while the rest is planned for the next six-month period.
- Implementation of software for incident and issue management.
- Increase in the operating capacity of the Approval sector through the implementation of testing factory services. The service will start in September.

IT SECURITY

Preventing unauthorized accesses to information. The SAT tool of the Novasys provider was implemented, a security software application allowing to manage critical users and emergency situations, function segregation and server audits. It manages all the users that, in view of their criticality, should receive special treatment in their password policy.

- Expected outcomes: Critical user access control and monitoring, automatic password changes, time and resource enhancement in the event of an audit, process follow-up, such as requests, approvals and execution, sensitive encrypted information.

Consolidation of Bank companies. The following measures were taken to consolidate the IT security of Banco BICE (BB), BICE Factoring (BF), BICE Leasing (BL) and BICE Fideicomisos (FI):

- BB's corporate antivirus (Trend Micro) was installed in BF and BL workstations and servers.
- Current standards in BF and BL were aligned with those of BB.
- Access was granted to BF and BL users to BB's Core Bantotal system.
- BB's firewall was configured to give access to BF and BL users to IT networks.
- The Self Service tool used by BB's network users for self-unblocking was installed for BF and BL users.
- Digital signature service for BF and BL users.

A service level agreement (SLA) was signed to allow BB to provide IT security services to BICE Fideicomisos, including, among other activities:

- Participating in the classification of information assets, assessing confidentiality, availability and integrity matters.
- Setting agreements, rules and service levels in relation to providers' security.
- Verifying and approving company software products.
- Proposing, setting and analyzing the security rules, patches and updates deemed required for services, operating systems, database software, and the business software that forms part of BICE Fideicomisos.
- Making periodic security analyses and assessments to detect new vulnerabilities.
- Performing additions, deletions and changes of user access profiles by service, and reviewing user roles and profiles periodically.
- Providing a response to audit requests.

AUDIT

Quality assurance system. In March 2019, BICE's Internal Audit reviewed successfully the Quality Certificate No. 13 under IRAM 9001:2015 standards, in compliance with the Board of Directors' commitment to implement quality management requirements. With this certification, the whole organization has added value.

IT solution implementation. This year the overall implementation of the IT solution for the management of internal audit good practice was concluded. The Bank incorporated a function that enables the online follow-up of findings between auditors and audited parties. These changes also allowed automating the whole process, considering the traceability of all transactions, generating standardized reports and contributing to the reduction of paperwork. The process of Internal Audit is currently 100% digital.

BOARD OF DIRECTORS AND ORGANIZATION STRUCTURE

In the Unanimous Regular Shareholders' Meeting held on February 27, 2019, directors were appointed for fiscal 2019. Consequently, and after accepting the appointment and distributing the positions in the Board of Directors' Meeting held on February 28, 2019, the Board of Directors was made up of Francisco Adolfo Cabrera (chairperson), Federico Marcelo Cafasso (vicechairperson), Pablo Marcelo García, Carlos Luis Pirovano, Martín Horacio Ottonello, Ignacio Juan Moraco and Anastasia María de los Ángeles Adem.

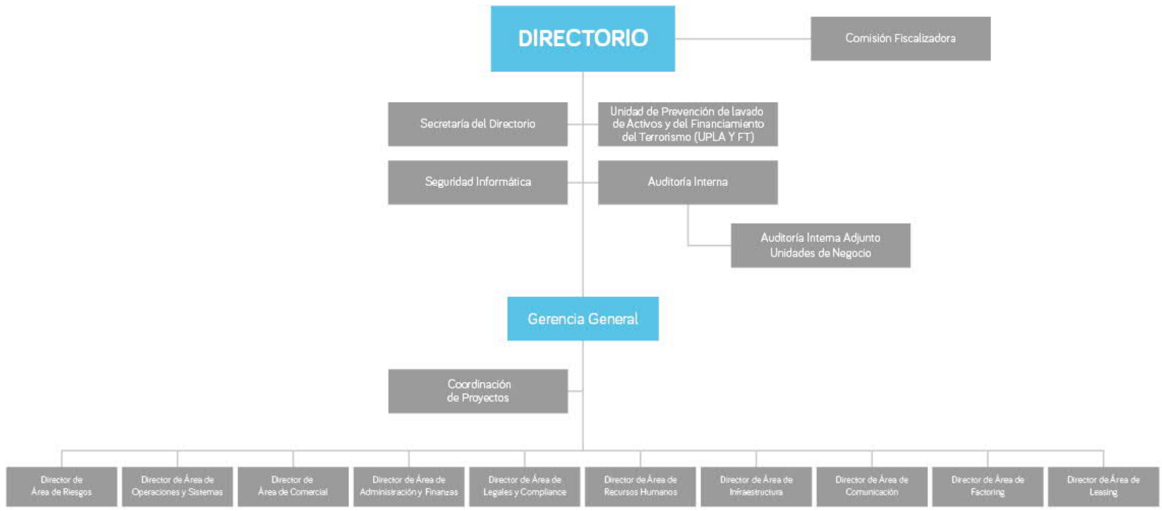
Subsequently, Pablo Marcelo García resigned, which was accepted by the Board of Directors in its meeting of February 28, 2019. Then in the Unanimous Regular and Special Shareholders' Meeting held on March 19, 2019, José Nicanor Trusso Krause Mayol was appointed director for fiscal 2019, who accepted this position in the Board of Directors' Meeting of March 19, 2019.

In the Unanimous Regular Shareholders' Meeting held on August 6, 2019, Rómulo Zemborain was appointed director for fiscal 2019.

Subsequently, in the Unanimous Regular and Special Shareholders' Meeting held on January 24, 2020, and in the in the Regular Shareholders' Meeting held on February 3, 2020, directors were appointed for 2020/2021; in addition, the positions as vicechairperson and chairperson were accepted (January 24, 2020, and February 3, 2020, respectively).

Consequently, the Board of Directors was finally made up of José Ignacio de Mendiguren (chairperson), Miguel Gustavo Peirano (vicechairperson), Fabián Eduardo Musso, Nicolás José Scioli, Carlos Ramón Brown and Raquel Cecilia Kismer.

Afterwards in the Board of Directors' meeting of January 28, 2020, Gabriel Martin Vienni was appointed General Manager to replace José Luis Morea, who resigned on January 6, 2020.



COMMITTEES

BICE created several committees so that the Board of Directors may delegate to a governing body made up of some of its members and representatives of different areas certain matters that may be analyzed and solved independently, notifying the Board of Directors of the decisions made.

Below is a breakdown of BICE's committees in place in 2019: Committee of Lending and Borrowing Transactions, Audit Committee, Committee of Integrity, Anti-Money Laundering and Counter-Terrorism Financing, IT Committee and Comprehensive Risk Management Committee.

SUPERVISION BODIES

As established in its bylaws, BICE's oversight is conducted by a Statutory Audit Committee made up of 3 statutory auditors and 3 alternate statutory auditors proposed by the SIGEN in agreement with section 114 of Law No. 24,156.

The Statutory Audit Commission is made up as follows:

• Statutory auditors: Ariel Maximiliano Bozzano, Graciela M. Gonzalez Escot and Beatriz Celina Gonzalez.

• Alternate statutory auditors: Claudia Ines Siciliano, Damiana Raquel Ponferrada and Norma Mabel Vicente Soutullo.

CONCLUSION

PROSPECTS FOR 2020

In this new year, BICE will endeavor to generate profits through its activities as a development bank, aimed at financing medium- and long-term investment , focusing on Argentine SMEs.

Along with the standardization of the Argentine financial system through a new economic policy promoted by the Argentine Government, BICE is seeking to consolidate as a financing tool for the purpose of the Argentine production growth.

The focus on commercial products will aim at sectors with strong exporting potential and high added value, with a multisector and federal profile. In this sense, BICE will act as domestic and international funding coordinator, leveraged by its unique skills in the domestic financial market.

The Bank's activity will be aligned strongly with and Benefit from the close cooperation with Argentine Government agencies, including the Ministry of Production, pursuant to the Bank's capital stock structure.

The support to key areas for domestic development will be fundamental for estimates, mainly through the credit lines granted to the SME segment, having high impact on employment generation and the enhancement of exporting value chains contributing to a better commercial profile and the international economic insertion of Argentina.

To solve the recurring problem of the balance in payments, Argentina needs to change its production matrix and abandon the primarization of economy by adding more value to production and, especially, to its exports through investment and labor.

Investment banking, of which BICE is the mainstay, has a key role in orienting domestic savings to the activities with more potential to attain those goals. As a result of the global financial crisis triggered by the fall of Lehman Brothers in 2008, investment banking reappeared as instruments used to provide stability, foreseeability and, especially, a strategic vision to domestic economic development. Through commercial management, the bank will try to help thousands of Argentine companies that ceased to be exporters due to public policies discouraging their production activity and lacking financing to recover their former activities.

For its activities, BICE will resort to professional and trained staff, in line with international best practices, promoting synergy in areas and the generation of new businesses. It will keep a management model based on the highest transparence and corporate governance standards, with strong equity and credit quality. This is in compliance with its core role as financial driver of domestic production policies.

ACKNOWLEDGEMENTS

The Board of Directors thanks the work team, the Statutory Audit Committee and the auditors for aiming at BICE's growth.

CONSOLIDATED FINANCIAL STATEMENTS AS OF 12/31/2019

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 12/31/2019

CONTENTS

- ✓ Consolidated statement of financial position
- ✓ Consolidated statement of income
- ✓ Consolidated statement of other comprehensive income
- ✓ Consolidated statement of changes in equity
- ✓ Consolidated statement of cash flows
- ✓ Notes to the consolidated financial statements
- ✓ Exhibits of the consolidated financial statements
- ✓ Independent auditors' report
- ✓ Statutory Audit Committee's report

The quantitative and qualitative report on "Market discipline" is available at www.bice.com.ar

Registered office: Bartolomé Mitre 836. Buenos Aires City
Expiration date of the articles of incorporation: See note 1.5

Name of the undersigned auditors:	Adrián Duilio Dotro and Fernando J. Cóccaro
Professional associations:	Auditoría General de la Nación (Argentine General Accounting Office) and Pistrelli, Henry
Report on consolidated financial statements as of 12/31/2019	Code: 1

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2019, AND 2018

See notes 1 and 3(3) (Figures stated in thousands of Argentine pesos)

ASSETS	Notes/Exhibits	12/31/2019	12/31/2018
CASH AND DEPOSITS WITH BANKS		4,638,044	8,040,223
Cash		60	30
Financial institutions and correspondents			
- BCRA (Central Bank of Argentina)		3,745,836	4,803,375
- Other in Argentina and abroad		892,148	3,236,818
SECURITIES AT FAIR VALUE THROUGH PROFIT	A	572,429	656,192
DERIVATIVES	8	35	-
REPO TRANSACTIONS	5	6,514,866	894,367
OTHER FINANCIAL ASSETS	14	439,754	1,170,253
LOANS AND OTHER FINANCING FACILITIES	B/C	49,654,925	42,981,665
- Nonfinancial government sector		383,907	376,107
- Other financial institutions		8,484,285	9,567,055
- Nonfinancial private sector and foreign residents		40,786,733	33,038,503
OTHER DEBT SECURITIES	A	5,213,556	5,007,247
FINANCIAL ASSETS DELIVERED IN GUARANTEE	4	1,469,459	934,286
CURRENT INCOME TAX ASSETS	17	-	3,091
INVESTMENTS IN EQUITY INSTRUMENTS	A	2,697,101	1,665,483
PROPERTY AND BANK PREMISES	13	359,572	137,633
INTANGIBLE ASSETS	13/G	100,091	27,016
DEFERRED INCOME TAX ASSETS	17	1,098,342	282,441
OTHER NONFINANCIAL ASSETS	14	157,575	145,610
TOTAL ASSETS		72,915,749	61,945,507

The accompanying notes 1 through 35, and exhibits A through D, F through L and N through R are an integral part of these consolidated financial statements.

....
Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

....
LIC. GABRIEL VIENNI
GERENTE GENERAL

....
Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

....
FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

....
ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

....
Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019, AND 2018

See notes 1 and 3(3) (Figures stated in thousands of Argentine pesos)

LIABILITIES	Notes/Exhibits	12/31/2019	12/31/2018
DEPOSITS	H	27,888,735	24,459,762
- Nonfinancial government sector		17,652,871	18,415,547
- Nonfinancial private sector and foreign residents		10,235,864	6,044,215
DERIVATIVES	8	5,600	146,873
OTHER FINANCIAL LIABILITIES	14	10,753,313	6,664,174
FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS	15	15,617,862	12,668,126
CORPORATE BONDS ISSUED	32	3,847,122	3,807,800
CURRENT INCOME TAX LIABILITIES	17	118,792	163,530
PROVISIONS	16/J	125,846	109,415
OTHER NONFINANCIAL LIABILITIES	14	1,068,159	905,025
TOTAL LIABILITIES		59,425,429	48,924,705

SHAREHOLDERS' EQUITY	Notes/Exhibits	12/31/2019	12/31/2018
CAPITAL STOCK	K	11,535,033	11,399,893
CONTRIBUTIONS NOT CONVERTED INTO EQUITY		86,964	17,629
APPROPRIATED RETAINED EARNINGS		1,427,503	563,333
ACCUMULATED LOSSES		-	(15,409)
OTHER ACCUMULATED COMPREHENSIVE INCOME (LOSS)		(114,497)	58,464
PROFIT FOR THE YEAR		551,699	994,475
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S OWNERS		13,486,702	13,018,385
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NONCONTROLLING INTERESTS		3,618	2,417
TOTAL SHAREHOLDERS' EQUITY		13,490,320	13,020,802

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		72,915,749	61,945,507

The accompanying notes 1 through 35, and exhibits A through D, F through L and N through R are an integral part of these consolidated financial statements.

....
Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

....
LIC. GABRIEL VIENNI
GERENTE GENERAL

....
Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

....
FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

....
ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

....
Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31, 2019, and 2018

See notes 1 and 3(3) (Figures stated in thousands of Argentine pesos)

STATEMENTS OF INCOME	Notes/Exhibits	12/31/2019	12/31/2018
- Interest income		18,480,172	7,057,969
- Income from adjustments		45,480	64
- Interest expense		(13,738,236)	(4,767,652)
INTEREST INCOME, NET	Q	4,787,416	2,290,381
- Commission income	19.1	139,431	84,009
- Commission expense		(35,242)	(20,634)
COMMISSION INCOME, NET	Q	104,189	63,375
- Net gain on financial instruments at fair value through profit or loss	Q	627,241	1,944,200
- Difference in quoted prices of gold and foreign currency	19.2	766,675	(1,420,025)
- Other operating income	19.3	956,006	1,374,352
- Allowance for loan losses	R	(3,656,147)	(903,148)
NET OPERATING INCOME		3,585,380	3,349,135
- Employee benefits	19.4	(1,496,493)	(874,022)
- Administrative expenses	19.5	(979,666)	(631,955)
- Depreciation and impairment in value of assets	F/F BIS/G	(69,870)	(15,739)
- Other operating expenses	19.6	(740,373)	(563,618)
OPERATING INCOME		298,978	1,263,801
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX		298,978	1,263,801
INCOME TAX ON CONTINUING OPERATIONS	17	253,922	(268,655)
NET PROFIT FOR THE YEAR		552,900	995,146

NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY'S OWNERS	551,699	994,475
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO NONCONTROLLING INTERESTS	1,201	671

The accompanying notes 1 through 35, and exhibits A through D, F through L and N through R are an integral part of these consolidated financial statements.

....
Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

....
LIC. GABRIEL VIENNI
GERENTE GENERAL

....
Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

....
FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

....
ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

....
Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

CONSOLIDATED CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2019, and 2018

See notes 1 and 3(3) (Figures stated in thousands of Argentine pesos)

OTHER COMPREHENSIVE INCOME (LOSS)	Notes/Exhibits	12/31/2019	12/31/2018
Components of other comprehensive income (loss) not to be reclassified to profit for the year:			
POST-EMPLOYMENT DEFINED BENEFIT PLANS			
- Accumulated actuarial losses from post-employment defined benefit plans	12.3	(25,050)	-
Components of other comprehensive income (loss) to be reclassified to profit for the year:			
GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (IFRS 9, point 4(1)2(a))			
- Net loss on financial instruments at fair value through other comprehensive income (loss)	Q	(85,636)	(14,933)
- Income tax	17	25,691	4,480
GAINS (LOSSES) ON HEDGE INSTRUMENTS - CASH FLOW HEDGE (IFRS 9, 6(1)1)			
- Profit (loss) for the year from the hedge instrument	8	(87,966)	68,883
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		(172,961)	58,430

TOTAL COMPREHENSIVE INCOME	379,939	1,053,576

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT COMPANY'S OWNERS	378,738	1,052,905
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	1,201	671

The accompanying notes 1 through 35, and exhibits A through D, F through L and N through R are an integral part of these consolidated financial statements.

....
Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

....
LIC. GABRIEL VIENNI
GERENTE GENERAL

....
Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

....
FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

....
ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

....
Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY for the years ended December 31, 2019, and 2018

See notes 1 and 3(3) (Figures stated in thousands of Argentine pesos)

Changes	Note	Capital stock	Contributions not converted into equity		Other comprehensive income (loss)			Appropriated retained earnings		Unappropriated retained earnings (accumulated losses)	Total shareholders' equity attributable to controlling interests as of 12/31/2018	Total shareholders' equity attributable to noncontrolling interests as of 12/31/2018	Total shareholders' equity as of 12/31/2018
		Outstanding	Additional paid-in capital	Other	Accumulated gains or losses from post-employment defined benefit plans	Accumulated gains or losses from financial interest at fair value through comprehensive	Accumulated gains or losses from hedge instrument	Legal reserve	Optional reserve				
Amounts at beginning of year		3,416,403	-	-	-	34	-	483,590	-	383,304	4,283,331	-	4,283,331
- Total comprehensive income (loss)													
- Net profit for the year		-	-	-	-	-	-	-	-	994,475	994,475	671	995,146
- Other comprehensive income (loss) for the period		-	-	-	-	(10,453)	68,883	-	-	-	58,430	-	58,430
- Distribution of unappropriated retained earnings approved by the Shareholders' Meeting of March 6, 2018													
- Legal reserve	1.4	-	-	-	-	-	-	79,743	-	(79,743)	-	-	-
- Share dividends	1.4	318,970	-	-	-	-	-	-	-	(318,970)	-	-	-
- Subscription of shares approved by the Shareholders' Meeting or increase in capital assigned		6,656,935	-	-	-	-	-	-	-	-	6,656,935	-	6,656,935
- Conversion into equity of irrevocable contributions		1,007,585	-	-	-	-	-	-	-	-	1,007,585		1,007,585
- Irrevocable contributions for future capital increases received during the year		-	-	17,629	-	-	-	-	-	-	17,629	-	17,629
- Other changes. Shareholders' equity attributable to noncontrolling interests		-	-	-	-	-	-	-	-	-	-	1,746	1,746
Amounts at end of year		11,399,893	-	17,629	-	(10,419)	68,883	563,333	-	979,066	13,018,385	2,417	13,020,802

Changes	Note	Capital stock	Contributions not converted into equity		Other comprehensive income (loss)			Appropriated retained earnings		Unappropriated retained earnings (accumulated losses)	Total shareholders' equity attributable to controlling interests as of 12/31/2019	Total shareholders' equity attributable to noncontrolling interests as of 12/31/2019	Total shareholders' equity as of 12/31/2019
		Outstanding	Additional paid-in capital	Other	Accumulated gains or losses from post-employment defined benefit plans	Accumulated gains or losses from financial interest at fair value through	Accumulated gains or losses from hedge instrument	Legal reserve	Optional reserve				
Amounts at beginning of year		11,399,893	-	17,629	-	(10,419)	68,883	563,333	-	979,066	13,018,385	2,417	13,020,802
- Total comprehensive income (loss)													
- Net profit for the year		-	-	-	-	-	-	-	-	551,699	551,699	1,201	552,900
- Other comprehensive income (loss) for the period		-	-	-	(25,050)	(59,945)	(87,966)	-	-	-	(172,961)	-	(172,961)
- Distribution of unappropriated retained earnings approved by the Shareholders' Meeting of Tuesday, March 19, 2019													
- Legal reserve	1.4	-	-	-	-	-	-	198,895	-	(198,895)	-	-	-
- Optional reserve	1.4	-	-	-	-	-	-	-	665,275	(665,275)	-	-	-
- Share dividends	1.4	114,895	-	-	-	-	-	-	-	(114,895)	-	-	-
- Conversion into equity or capital increase approved by the Shareholders' Meeting	1.4	1	-	-	-	-	-	-	-	(1)	-	-	-
- Irrevocable contributions for future capital increases	1.4	-	-	85,199	-	-	-	-	-	-	85,199	-	85,199
- Conversion into equity of irrevocable contributions	1.4	17,629	-	(17,629)	-	-	-	-	-	-	-	-	-
- Increase in capital stock and additional paid-in capital due	1.2	2,615	1,765	-	-	-	-	-	-	-	4,380	-	4,380
Amounts at end of year		11,535,033	1,765	85,199	(25,050)	(70,364)	(19,083)	762,228	665,275	551,699	13,486,702	3,618	13,490,320

The accompanying notes 1 through 35, and exhibits A through D, F through L and N through R are an integral part of these consolidated financial statements.

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019, AND 2018
See notes 1 and 3(3) (Figures stated in thousands of Argentine pesos)

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	Notes	12/31/2019	12/31/2018
Profit for the year before income tax		298,978	1,263,801
Adjustments to determine cash flows provided by operating activities:		7,883,547	1,523,974
Amortization, depreciation and impairment in value	F/F BIS/G	69,870	15,739
Allowance for loan losses	R	3,656,147	903,148
Other adjustments		4,157,530	605,087
Net increases/decreases from operating assets:		(16,526,626)	(28,889,465)
Securities at fair value through profit or loss		83,763	(342,896)
Derivatives		(35)	1,239,640
Repo transactions		(5,620,499)	(506,592)
Loans and other financing facilities			
Nonfinancial government sector		(7,800)	(187,657)
Other financial institutions		1,093,698	(2,191,582)
Nonfinancial private sector and foreign residents		(10,482,769)	(24,087,891)
Other debt securities		(764,594)	(2,093,596)
Financial assets delivered in guarantee		(535,173)	(854,074)
Investments in equity instruments		(1,031,618)	(875,417)
Other assets		738,401	1,010,600
Net increases/decreases from operating liabilities:		7,257,969	18,985,327
Deposits			
Nonfinancial government sector		(762,676)	10,713,460
Nonfinancial private sector and foreign residents		4,191,649	5,427,749
Derivatives		(141,273)	142,848
Other liabilities		3,970,269	2,701,270
Income tax payments		(533,197)	(450,865)
TOTAL OPERATING ACTIVITIES		(1,619,329)	(7,567,228)

The accompanying notes 1 through 35, and exhibits A through D, F through L and N through R are an integral part of these consolidated financial statements.

....
Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

....
LIC. GABRIEL VIENNI
GERENTE GENERAL

....
Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

....
FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

....
ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

....
Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019, AND 2018
See notes 1 and 3(3) (Figures stated in thousands of Argentine pesos)

CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	Notes	12/31/2019	12/31/2018
Payments:			
Purchase of property and bank premises, intangible assets and other assets		(159,482)	(125,485)
Other payments related to investing activities		-	(26,784)
Collections:			
Sale of property and bank premises, intangible assets and other assets		-	926
Other collections related to financing activities		31,866	17
TOTAL INVESTING ACTIVITIES		(127,616)	(151,326)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Payments:			
Unsubordinated corporate bonds		(2,061,923)	(1,160,286)
BCRA (Central Bank of Argentina)		(923)	(2,969)
Financing received from financial institutions		(934,414)	-
Other payments related to financing activities		(4)	-
Collections:			
Issuance of proprietary equity instruments		4,380	7,682,149
Irrevocable contributions for future capital increases		85,199	-
Financing received from financial institutions		-	7,131,440
TOTAL FINANCING ACTIVITIES		(2,907,685)	13,650,334
EFFECT OF CHANGES IN THE EXCHANGE RATE		1,252,451	716,626
TOTAL CHANGES IN CASH FLOWS		(3,402,179)	6,648,406
(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS, NET		(3,402,179)	6,648,406
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	20	8,040,223	1,391,817
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	4,638,044	8,040,223

The accompanying notes 1 through 35, and exhibits A through D, F through L and N through R are an integral part of these consolidated financial statements.

....
Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

....
LIC. GABRIEL VIENNI
GERENTE GENERAL

....
Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

....
FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

....
ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

....
Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

NOTE 1. CORPORATE INFORMATION

Banco de Inversión y Comercio Exterior S.A. (the "Bank" or "BICE") is a stock corporation organized in Argentina. It was created in 1991 through Presidential Decree No. 2,703 in order to conduct lending, borrowing and service transactions like those provided by commercial development banks as established by Law No. 21,526 as amended, and the provisions issued by the BCRA (Central Bank of Argentina) for this type of financial institutions.

The Bank was organized to act as a financial institution legally organized under Argentine General Business Associations Law and Financial Institutions Law, with its own legal status, different from the Argentine government. Unlike other government banks, the private nature of stock corporations prevails in the Bank's legal structure, and it is subject to the control of various external regulatory agencies (see note 24).

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

The Bank's main activities are described in note 22.

On February 20, 2020, the Bank's Board of Directors approved the issuance of these financial statements.

1.1. The Bank's operations

The Bank's mission is to grant medium- and long-term financing for productive investments and foreign trade, focusing on small- and medium-sized enterprises and regional development.

In its role as development bank, it supplements market activities by extending terms, including new credit parties and structuring the financing of actual investments.

To comply with such task, its management is based on two main objectives:

- Promoting the financing of SMEs.
- Creating a long-term credit market.

BICE follows these guidelines and provides a wide array of products aimed at the productive sector, which it addresses both directly and indirectly.

1.2 Merger

On June 18, 2019, the Bank entered into a preliminary merger agreement, which stipulated the merger of its subsidiaries BICE Leasing S.A. and BICE Factoring S.A. (absorbed companies). On that date, the Bank's Board of Directors resolved to approve a special statement of financial position as of March 31, 2019, a special consolidated statement of financial position for merger purposes as of March 31, 2019, and the execution of the abovementioned preliminary agreement, subject to the final approval of the Bank's Special General Shareholders' Meeting.

On August 6, 2019, the Bank's Special General Shareholders' Meeting decided to approve:

i) the statement of financial position as of March 31, 2019, and the special consolidated statement of financial position for merger purposes as of March 31, 2019;

ii) the Bank's merger, whereby the Bank absorbs BICE Leasing S.A. and BICE Factoring S.A., effective as from September 30, 2019, incorporating the whole equity of the absorbed companies, as well as the activities that are part of their corporate purposes;

iii) the preliminary merger agreement signed by the Bank's and the absorbed companies' legal counsel;

iv) the share swap ratio, whereby BICE will issue 2,615 shares of common stock, each with a face value of 1 thousand and 1 vote per share, to be delivered to the minority shareholders of the absorbed companies; and

v) the capital increase from ARS 11,532,418 thousands to ARS 11,535,033 thousands, by virtue of an approved swap ratio.

In addition, on August 6, 2019, the Special and Ordinary General Shareholders' Meetings of BICE Leasing S.A. and de BICE Factoring S.A. decided to approve, among other matters, the preliminary merger agreement signed with BICE and the dissolution of these companies, as they were absorbed by BICE pursuant to section 94(7), General Business Associations Law No. 19,550, as amended.

In August 2019, the resolution adopted was published in the Official Bulletin[1], as set forth in section 83(3), Law No. 19,550.

The effective merger date, September 30, 2019, was confirmed by signing the final merger agreement on September 6, 2019. That merger implied the incorporation of all of the absorbed companies' assets and liabilities into BICE's equity, as well as registrable assets and other rights and obligations held by them, BICE absorbing all the activities, rights and obligations of BICE Leasing S.A. and BICE Factoring S.A., for legal and tax purposes as of the merger effective date. Furthermore, as this is a corporate reorganization under common control within a group of companies, in which all instances are controlled ultimately by the same party and considering that the business combinations of entities under common control are excluded from the International Financial Reporting Standard (IFRS) 3, for accounting purposes, the Bank decided to recognize the assets, liabilities and income (loss) of absorbed companies retrospectively under the uniting-of-interests method from the beginning of the year of merger

[1] Argentine government daily periodical publishing enacted acts, decrees, administrative orders, as well as resolutions of federal government and municipal agencies, and judicial documents requiring publication, etc. Under Argentine law, legal provisions become effective and binding once they have been published in this bulletin for some specified time as provided by the related statute.

occurrence (January 1, 2019), amending the comparative amounts to disclose the merger as if occurring from the beginning of the comparative period/year, regardless of the merger effective date.

On October 16, 2019, through Joint Resolution No. RESFC-2019-20500-APN-DIR#CNV, the CNV (Argentine Securities Commission) approved the abovementioned merger pursuant to section 82 and subsequent sections under General Business Associations Law No. 19,550, as revised in 1984 and as amended. The merger registration is contingent upon proving the registration of certain administrative acts of BICE pending registration under CNV case files 1602/2018, 1930/2018 and 466/2019 regarding capital increases and by-laws amendments). Consequently, the merger will be registered –pursuant to the chain-of-title principle imposed by the CNV– once these procedures are concluded.

As of the date of approval of these financial statements, case 1602/2018 is concluded and registered with the IGJ and case file 1930/2018 is concluded but pending registration with the IGJ.

1.3. Deposit-taking

On July 30, 2010, through Communiqué "A" 5107, the BCRA established that government-owned development banks aimed at granting medium- and long-term financing for productive investments and foreign trade activities may receive deposits from international credit institutions and investors making deposits in accordance with the regulation on “Deposits and term investments” for amounts not smaller than ARS 2,000 thousands or ARS 1,000 thousands (or the equivalent amount in another currency) for each transaction considered individually and for a term not lower than 180 days or 365 days, respectively.

Through Communiqué “A” 5841, the amounts were increased to ARS 5,000 thousands and ARS 2,500 thousands, respectively. On October 19, 2018, through Communiqué “A” 6589, the BCRA increased this amount to ARS 10,000 thousands for each transaction considered individually in accordance with the standards on deposits and term investments.

On April 5, 2019, by virtue of Communiqué “A” 6667, the BCRA authorized financial institutions to take deposits from customers in Argentine pesos with or without a previous contractual relationship. This process must begin at the BCRA’s website or mobile banking site, debiting amounts from a demand account in Argentine pesos opened in another financial institution. Such communiqué sets forth the guidelines to be implemented for digital term placements.

In addition, Communiqué “A” 6682 set forth that second-degree entities –in the case of public banks– may receive the digital term deposits under Communiqué “A” 6667 under the same conditions previously mentioned.

As of December 31, 2019, and 2018, BICE had term deposits (including accrued interest) amounting to ARS 27,888,735 thousands and ARS 24,459,762 thousands, respectively (see exhibits H and note 18).

1.4. Equity interest

The Bank's capital stock is distributed among various classes of shares in the Ministry of Production, Banco de la Nación Argentina (BNA) and Fundación BNA.

On February 6, 2018, the Shareholders' Meeting decided to approve the contribution made by the BNA and to issue shares of preferred stock in favor of the latter in a total amount of ARS 4,524,568 thousands. Such shares of preferred stock are book-entry shares with a face value of ARS 1 thousand each, with no voting rights, and with fixed, cumulative equity rights equivalent to 1% of the nominal value of the shares of preferred stock issued, to be paid with the annual distribution of dividends up to the value assessed, over the period during which the Ministry of Production or whichever may replace it maintains the usufruct of the shares established by Presidential Decree No. 527/2016. In addition, these will become shares of common stock upon the termination of such usufruct. As of December 31, 2019, and 2018, preferred shares amounted to ARS 4,524,568 thousands (see exhibit K).

On March 6, 2018, the Shareholders' Meeting decided to approve the distribution of earnings for fiscal 2017, created a legal reserve for ARS 79,743 thousands and the remaining amount of earnings standing at ARS 318,970 thousands was converted into equity. It also approved the ARS 2,132,367 thousands irrevocable contribution in cash made by the Ministry of Production on February 8, 2018, thus increasing capital stock to ARS 10,392,308 thousands, representing 5,867,740 shares of common stock and 4,524,568 shares of preferred stock.

On March 28, 2018, the Ministry of Production decided to make an irrevocable contribution to be converted into the Bank's equity involving the liquid and available corpus assets of the Fondo para el Fortalecimiento Operativo Federal (Argentine fund for strengthening health and safety operations) under the PROFEDESS (Argentine fund for strengthening the operations carried out by the health and safety areas) under the terms of section 2 of Presidential Decree No. 137 dated February 20, 2018. Such contribution of ARS 317,067 thousands was received by the Bank on March 28, 2018, and it was approved by the Shareholders' Meeting on April 17, 2018, therefore increasing capital stock to ARS 10,709,375 thousands made up of 6,184,807 shares of common stock and 4,524,568 shares of preferred stock. (See Exhibit K).

By virtue of the powers granted by section 56, Law No. 27,431, the Executive Power, through the Ministry of Production, was empowered to rule on BICE's capitalization by transferring the liquid and available assets making up the corpus assets resulting from the termination of the FONAPYME (Argentine fund for the development of micro-, small- and medium-sized enterprises) and the FOGAPYME (guarantee fund for micro-, small- and medium-sized enterprises), both created by Law No. 25,330, as well as the PROFEDESS (Argentine fund for strengthening the operations carried out by the health and safety areas) created through Urgency Decree No. 1,765 of October 3, 2014.

To such end, on June 29, 2018, the Bank received an irrevocable contribution for ARS 690,518 thousands from the Ministry of Production arising from the liquid funds from the partial settlement of the certificate of participation of the SEPYME (Department of SMEs) in the FONAPYME and approved by the Shareholders' Meeting on September 25, 2018, therefore increasing capital stock to ARS 11,399,893 thousands made up of 6,875,325 shares of common stock and 4,524,568 shares of preferred stock. Such increase is still pending registration.

On November 11, 2018, the Bank received an irrevocable contribution for ARS 17,629 thousands from the Ministry of Production arising from the liquid funds from the partial settlement of the certificate of participation of the SEPYME (Department of SMEs) in the FONAPYME. Such increase is still pending registration.

As of December 31, 2018, the capital stock structure was as follows:

Holder	Shares of common stock (*)	Shares of preferred stock (**)
BNA	51,658	4,524,568
BNA(***)	2,423,714	-
Ministry of Production	4,399,953	-
	6,875,325	4,524,568

On March 19, 2019, the Shareholders' Meeting decided to approve the distribution of earnings for fiscal 2018, created a legal reserve for ARS 198,895 and an optional reserve for ARS 665,275 and the conversion into equity of the remaining amount of earnings for ARS 114,895. Furthermore, the Shareholders' Meeting approved irrevocable contribution made in cash by the Ministry of Production on November 11, 2018, for ARS 17,629 thousands and the unappropriated retained earnings arising from the differences in prior irrevocable contributions made previously by the Ministry for a total amount of ARS 1,thousands, thus increasing capital stock to ARS 11,532,418 thousands, representing 7,007,850 shares of common stock and 4,524,568 shares of preferred stock, while ARS 823,042 thousands was pending registration with the IGJ.

On June 25, 2019, the Bank received an irrevocable contribution from the Ministry of Production for ARS 85,199 thousands from liquid funds available as a result of the settlement of the certificate of participation issued by the Treasury Department in the FONAPYME (Argentine fund for the development of micro-, small- and medium-sized enterprises). Such contribution is pending approval from the Shareholders' Meeting.

On August 6, 2019, the Bank's Shareholders' Meeting decided to approve the share swap ratio resulting from the merger mentioned in note 1(2) above, whereby BICE issued 2,615 shares of common stock, each with a face value of 1 thousand and 1 vote per share, to be delivered to the minority shareholders of the absorbed companies, increasing capital stock to ARS 11,535,033 thousands, by virtue of the approved swap ratio. Such capital increase is pending registration with the IGJ.

Thus, as of December 31, 2019, and as of the date of approval of these financial statements, the capital structure is as follows:

Holder	Shares of common stock (*)	Shares of preferred stock (**)
BNA	52,521	4,524,568
BNA(***)	2,464,217	-
Ministry of Production	4,491,112	-
Fundación Banco de la Nación Argentina(****)	2,615	-
	7,010,465	4,524,568

(*) book-entry shares of common stock face value ARS 1 thousand each and entitled to one vote each.
(**) book-entry shares of preferred stock with a face value of ARS 1 thousand each, with no voting rights, and with fixed, cumulative equity rights equivalent to 1% of the nominal value of the shares of preferred stock issued, to be paid with the annual distribution of dividends up to the value assessed.
(***) book-entry shares of common stock face value ARS 1 thousand each held by Banco de la Nación Argentina in bare ownership, the usufruct and voting rights of which is held by the Ministry of Production. (Resolution No. 847/00-ME and Presidential Decree No. 527/16).
(****) Absorbed companies' minority shareholders. See also note 1.2.

1.5. Expiration date of the articles of incorporation

In compliance with General Business Associations Law, on October 26, 1995, the Special Shareholders' Meeting decided to extend the expiration date of the articles of incorporation, setting it at 99 years as from April 18, 1995.

NOTE 2. ACCOUNTING STANDARDS APPLIED

The Bank's consolidated financial statements were prepared pursuant to BCRA Communiqué "A" 6114 and supplementary regulations, based on International Financial Reporting Standards (IFRS), as 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 mentioned in the next paragraph. Considering the exceptions mentioned in the previous paragraphs, the new set of standards 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).

As to the preparation and presentation of the accompanying financial statements, the Bank considered the following exceptions established by the BCRA (see also "New resolutions. Amendment to the accounting information framework established by the BCRA" in note 3(6)2)

a) Through BCRA Communiqué "A" No. 6114, the BCRA established specific guidelines within this convergence process, among which it was defined: (i) the exception to the application of section 5.5

"Impairment in value" of IFRS 9 "Financial Instruments" (points B5(5)1 through B5(5)55) until the fiscal years beginning January 1, 2020, (ii) that in order to calculate the effective deposit and lending rates required for measurement purposes pursuant to IFRS 9, it will be possible to make an overall estimate –temporarily until December 31, 2019–, of the effective interest rate on a group of financial assets or liabilities with similar characteristics, where applicable. As of the date of the accompanying consolidated financial statements, the Bank and its subsidiary are quantifying the effect of the application of section 5.5 "Impairment in value" mentioned in point (i) above.

b) As of December 31, 2019, the conditions for adjusting for inflation the Bank's consolidated financial statements for the year then ended according to IAS 29 "Financial Reporting in Hyperinflationary Economies" were met. However, due to the reasons detailed in "Measuring unit" in note 3(7), the financial institutions will be required to apply such standard as from the fiscal years beginning on or after January 1, 2020.

These accounting policies comply with the IFRS that are currently approved and applied in preparing these separate financial statements as of December 31, 2019, 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.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Significant accounting policies

The consolidated financial statements of the Bank and its subsidiary for the year ended December 31, 2019, were prepared in accordance with the BCRA's accounting framework established in the previous section "Applied accounting standards".

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 18.

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 accounts valued on a basis other than that mentioned. The measurement methods used in connection with each account are described in note 3(5).

3.2. Figures stated in thousands of Argentine pesos

These consolidated 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.

3.3. Comparative information

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

By virtue of BICE's merger with BICE Leasing S.A. and BICE Factoring S.A mentioned in note 1(2), the comparative information was amended to disclose the merger as if occurring from the beginning of the year, pursuant to the retrospective uniting-of-interests method.

3.4. Basis of consolidation

These financial statements comprise the financial statements of the Bank and its subsidiary as of December 31, 2019.

Subsidiaries are all the entities (including structure entities, if any) over which the Bank has control, which is evidenced by the simultaneous occurrence of the following elements:

- power over the subsidiary, which is related to the rights that give it the ability to direct the relevant activities, i.e., the activities that significantly affect the subsidiary's returns;
- exposure, or rights, to variable returns from its involvement with the subsidiary, and
- the ability to use its power over the subsidiary to affect the amount of the subsidiary's return.

This is generally evidenced by an equity interest involving more than half of the shares with voting rights.

However, under specific circumstances, the Bank can exert control with an interest of less than 50% or may not exert control even holding a 50% interest in a subsidiary. Upon assessing whether it exerts power over a subsidiary, and, hence, controls the variability of its returns, the Bank considers all the relevant events and circumstances, including:

- The purpose and design of the subsidiary.
- The important activities, the decision-making process related to these activities and whether the Bank may lead these activities.
- The contractual agreements as rights to buy, sell and settle.
- Whether the Bank is exposed to, or has rights over, variable returns of its equity in the subsidiary and may affect the variability of these returns.

The subsidiary become wholly consolidated as from the date on which the effective control thereof is transferred to the Bank, and it is no longer consolidated as from the date on which such control ends.

The accompanying consolidated financial statements include the assets, liabilities, income and expenses of BICE Fideicomisos S.A. The transactions between related entities are fully eliminated.

Profit (loss) and each component of "Other comprehensive income (loss)" are attributed to the parent company and to noncontrolling interests, even if this causes the latter to have a negative balance.

Changes in the subsidiary that do not result in the parent losing control of the subsidiary are booked as equity transactions. If the Bank loses control over the subsidiary, it derecognizes the related assets (including goodwill), liabilities, the non-controlling interest and other components of capital, whereas any resulting profit or loss is recognized as a gain or loss, and any investment retained is recognized at fair value at the date when control is lost.

The accounting information related to the subsidiary was prepared as of the same dates and for the same accounting years as those of the Bank, consistently using accounting policies similar to those used by the latter. If applicable, the accounting information on the subsidiary is adjusted so that their accounting policies and those used by the group are consistent.

In addition, the noncontrolling interest represents a portion of profit (loss) and shareholders' equity not attributable, directly or indirectly, to the Bank, and they are disclosed in the accompanying consolidated financial statements under a separate line in the statements of financial position, income statement, statement of other comprehensive income and statement of changes in equity.

As of December 31, 2019, and 2018, the Bank consolidated its financial statements with those of the following company:

Name	Address	Country	Main business activity
BICE Fideicomisos S.A.	25 de Mayo 526. Buenos Aires City	Argentina	Trust management

The capital structure of the subsidiary as of December 31, 2019, and 2018, is shown below:

Subsidiary	Shares		% held by the Bank		% held by the non-controlling interest	
	Type	Number	Capital stock	Votes	Capital stock	Votes
BICE Fideicomisos S.A.	Common	2,821,133	99.46 %	99.46 %	0.54%	0.54%

The total amounts related to the assets, liabilities, shareholders' equity and profit (loss) of the Bank and BICE Fideicomisos as of December 31, 2019, and 2018, are disclosed below:

As of 12/31/2019	Bank	BICE Fideicomisos S.A.	Deletions	Bank - consolidated amount
Assets	72,673,269	958,777	(716,297)	72,915,749
Liabilities	(59,186,567)	(289,157)	50,295	(59,425,429)
Shareholders' equity attributable to the parent company's owners	(13,486,702)	(666,002)	666,002	(13,486,702)
Shareholders' equity attributable to noncontrolling interests	-	(3,618)	-	(3,618)
Net profit for the year	551,699	218,441	(218,441)	551,699
Net profit for the year attributable to noncontrolling interests	-	1,201	-	1,201
Total other comprehensive loss	(172,961)	-	-	(172,961)

....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

As of 12/31/2018	Bank	BICE Fideicomisos S.A.	Deletions	Bank - consolidated amount
Assets	61,778,843	611,449	(444,785)	61,945,507
Liabilities	(48,760,458)	(164,247)	-	(48,924,705)
Shareholders' equity attributable to the parent company's owners	(13,018,385)	(444,785)	444,785	(13,018,385)
Shareholders' equity attributable to non-controlling interests	-	(2,417)	-	(2,417)
Net profit (loss) for the year	994,475	123,016	(123,016)	994,475
Net profit for the year attributable to noncontrolling interests	-	671	-	671
Total other comprehensive income	58,430	-	-	58,430

The Bank's Board of Directors considers that there are no other entities that should be included in the financial statements as of December 31, 2019, and 2018.

3.5. Summary of significant accounting policies

The main valuation and disclosure methods followed in the preparation of these consolidated financial statements as of December 31, 2019, and 2018, were:

3.5.1. Assets and liabilities in foreign currency:

The Bank and its subsidiary consider the Argentine peso as its functional and disclosure currency. Assets and liabilities denominated in foreign currency, basically in US dollars, have been valued at BCRA's benchmark exchange rate effective for the US dollar at the closing of operations of the last business day of each fiscal year.

In addition, assets and liabilities denominated in other foreign currencies were converted at the exchange rates published by the BCRA. Foreign exchange differences were charged to profit (loss) for each year under "Difference in quoted prices of gold and foreign currency".

3.5.2. Financial Instruments:

- Initial recognition and measurement:

The Bank recognizes a financial instrument when it comprises the contractual clauses.

Purchases or sales of financial assets requiring the delivery of assets within the term generally established by regulations or market conditions are booked on the transaction negotiation date, i.e. on the date when the Bank agrees to purchase or sell the asset.

In the initial recognition, financial assets or liabilities were recorded at their fair values. Those financial assets or liabilities that are not booked at fair value through profit or loss were booked at fair value adjusted by the transaction costs that were directly attributable to their purchase or issuance.

Upon initial recognition, the fair value of a financial instrument is normally the transaction price. However, if part of the consideration delivered or received is related to something other than the financial instrument, the Bank and its subsidiary estimate the fair value of the financial instrument. If this fair value is based on a valuation technique that only uses observable market data, any amount additional to the consideration will be an expense or a lower profit, unless it meets the requirements to be recognized as any other type of asset ("day 1" outcomes). Should the fair value be based on a valuation technique that uses nonobservable market data, the Bank will recognize this deferred difference through profit or loss provided that it arises from a change in the factor (including time) that the market participants would consider upon determining the price of the asset or liability, or when the instrument is deleted.

- Subsequent measurement:

Business model:

The Bank established three categories for classifying and measuring its financial statements based on the Bank's business model for managing them, and the characteristics of the contractual flows thereof.

a) Amortized cost: the business purpose is to obtain the contractual cash flows of the financial asset.

b) Fair value through other comprehensive income: the business purpose is to obtain the contractual cash flows of the financial asset and those arising from the sale thereof.

c) Fair value through profit or loss: the business purpose is to generate profit from the purchase and sale of financial assets.

Consequently, the Bank measures its financial assets at fair value, except for those that meet the following two conditions and are thus valued at amortized cost:

- They are held within a business model aimed at obtaining contractual cash flows.
- The contractual conditions of the financial assets give rise, on specific dates, to cash flows only consisting of repayments of principal and interest on the outstanding principal.

The Bank defines its business model at the level that best shows how it manages the groups of financial assets to reach a specific business purpose.

The business model is not assessed by instrument, but a higher level of aggregated portfolios, and it is based on observable factors, such as:

- the liquidity requirements as of a certain date,
- the life, terms and conditions of the instrument, and
- the business model defined by the Bank's Board of Directors.

The assessment of the business model is based on reasonably expected scenarios, without taking into consideration the "worst case" or "stress case" scenarios. If subsequent to initial recognition cash flows are realized in a manner other than that originally expected by the Bank, the Bank does not change the classification of the remaining financial assets.

- Test of payments of principal and interest only:

As part of the classification process, the Bank assesses the contractual terms of its financial assets to identify whether they originate cash flows at certain dates only consisting in repayments of principal and interest on the outstanding principal.

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset upon initial recognition, which may be modified throughout the life of the instrument; for example, if there are any reimbursements of principal, amortization of a premium or discount.

The main components of interest in a loan agreement usually are: time value of money and credit risk.

To perform the characteristics test, the Bank uses its own judgment and considers relevant factors, such as the currency in which the financial asset is stated and the term for which the interest rate was set.

On the contrary, the contractual terms introducing an exposure higher than the minimum to risk or volatility in the contractual cash flows not related to a basic loan agreement do not give rise to contractual cash flows only consisting of repayments of principal and interest on the outstanding amount. In such cases, it is required that financial assets be measured at fair value through profit or loss.

Therefore, financial assets were classified on the basis of the considerations made in the preceding paragraphs under "Financial assets measured at fair value through profit or loss", "Financial assets measured at fair value through other comprehensive income" or "Financial assets at amortized cost". Such classification is disclosed in Exhibit P "Classification of financial assets and liabilities".

- Financial assets and liabilities measured at fair value through profit or loss

This category is divided into two subcategories: financial assets and liabilities held for trading, and financial assets and liabilities designated at fair value from their initial recognition by Management in accordance with IFRS 9, paragraph 6(7)1.

The Bank classifies financial assets or liabilities as held for trading when they have been purchased or issued mainly for obtaining short-term benefits through negotiation activities, or when they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Management only designates an instrument at fair value when one of the following conditions are met: (i) the designation eliminates or reduces significantly the inconsistent treatment that, otherwise, arises from measuring assets or liabilities, or recognizing profit or losses generated by them on a different basis; (ii) assets and liabilities are part of a group of financial assets, which are managed and assessed on a fair value basis in accordance with a documented risk management or investment strategy; or (iii) liabilities include one or more embedded derivatives, unless they do not significantly modify cash flows. Such designation is made on an instrument-by-instrument basis.

Financial assets and liabilities measured at fair value through profit or loss are booked in the statement of financial position at fair value. Changes in fair value are recognized in the income statement under “Net gain on financial instruments at fair value through profit or loss”, except for the changes in fair value of the liabilities designated at fair value through profit or loss due to changes in own credit risk. Such changes in fair value are booked under other comprehensive income and they are not reclassified through profit or loss. Interest income and expenses, as well as dividends, are charged to “Net gain on financial instruments at fair value through profit or loss” under the terms of the agreement or when the payment right has been established.

The fair value of these instruments is calculated using the listed prices as of each year-end in active markets, if representative.

If there was no active market, valuation techniques were used, including the use of market transactions performed under mutually independence conditions between duly informed and interested parties, provided that they are available, as well as references to the current fair value of another instrument that is substantially similar or the analysis of discounted cash flows. The fair value estimate is further explained in section "Accounting opinions, estimates and assumptions” under this note.

- Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income when: (i) the instrument is held in a business model whose objective is reached by obtaining contractual cash flows and the sale thereof, and (ii) the contractual terms meet the condition whereby cash flows should only consist in repayments of principal and interest on the outstanding principal.

Financial instruments measured at fair value through other comprehensive income are booked in the statement of financial position at fair value. Profit and loss arising from changes in fair value are recognized in the statement of other comprehensive income under "Gains (losses) on financial instruments at fair value through other comprehensive income". Interest income, foreign exchange gains and losses and impairment in value are recognized in profit or loss in the same way as the financial assets measured at amortized value, and are charged to "Interest income", "Difference in quoted prices of gold and foreign currency" and "Allowance for loan losses", respectively.

Upon derecognition, accumulated profit (loss) previously recognized in other comprehensive income are reclassified to the income statement.

- Financial assets measured at amortized cost. Effective interest rate method:

They represent financial assets held to obtain contractual cash flows and the contractual conditions of which give rise, on specific dates, to cash flows only consisting in repayments of principal and interest on the outstanding principal.

Subsequent to initial recognition, these financial assets are booked in the statement of financial position at amortized cost using the effective interest rate method, less the allowance for loan losses, if any.

Interest income and impairment in value are booked in the income statement under "Interest income" and "Allowance for loan losses", respectively. The changes in the allowance is disclosed in Exhibit R "Adjustment due to losses. Allowances for loan losses".

The effective interest rate method uses the rate that allows discounting future cash flows estimated to be paid or received over the life of the instrument or a shorter period, if appropriate, equal to the net carrying amount of the instrument. Upon applying such method, the Bank identifies the basic points of interest, commissions, premiums, discounts and the direct and incremental costs of the transaction as an integral part of the effective interest rate. To such purpose, interest is defined as the consideration for the time value of money and the credit risk associated to the outstanding principal amount over a specified period.

3.5.3. Cash and deposits with banks

They were measured at nominal value, plus accrued interest as of each year-end, if appropriate. Accrued interest was charged to profit (loss) for each year under "Interest income", if any.

3.5.4. Repo transactions (purchases and sales with repurchase agreements):

The purchases of financial instruments of financial instruments with the nonoptional repurchase commitment at a determined price (repos) are booked in the statement of financial position as a financing granted under "Repo transactions".

The difference between the purchase and sale prices of those instruments is recorded as interest, which is accrued over the effective term of transactions using the effective interest rate method and charged to the income statement under "Interest income".

3.5.5. Loans and other financing facilities

They consist of financial assets other than derivatives held by the Bank and its subsidiary in a business model aimed at obtaining contractual cash flows and the contractual conditions of which give rise, on specific dates, to cash flows only consisting in repayments of principal and interest on the outstanding principal.

Loans and other financing facilities are booked when funds are disbursed to customers. Subsequent to initial recognition, loans and other financing facilities are valued at amortized cost using the effective interest rate method, less the allowance for loan losses. Amortized cost is calculated considering any discount or premium incurred upon origination or acquisition, and origination fees, which are part of the effective interest rate.

Interest income are allocated to the income statement under "Interest income". Impairment losses are included in the income statement under "Allowance for losses" and the changes thereof are disclosed in Exhibit R "Adjustment due to losses. Allowances for loan losses." The impairment estimate is further explained in section "Accounting opinions, estimates and assumptions" under this note.

The guarantees granted and contingent obligations are booked in the notes to the financial statements (off-balance sheet) when the documents supporting these credit facilities are issued and they are initially recognized at the fair value of the commission received under "Other financial liabilities" in the statement of financial position. After the initial recognition, the liability for each guarantee was booked at the highest value between the amortized commission and the best estimate of the expense incurred to settle any financial payable arising from the financial guarantee.

Any increase in the liability related to a financial guarantee is booked in profit (loss). The commission received is recognized under "Commission income" in the income statement based on the amortization calculated by the straight-line method during the term of the financial guarantee granted.

3.5.6. Financial liabilities:

After initial measurement, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest is charged to income under "Interest expense".

The classification of the financial liabilities is disclosed in Exhibit P "Classification of financial assets and liabilities".

3.5.7 Equity instruments measured at fair value through profit or loss:

They represent a residual interest in another entity's net assets. These instruments are booked in the statement of financial position at fair value.

Dividends are recognized in the income statement when the right to receive the payment is established.

3.5.8. Derivatives:

Forward transactions without delivery of the underlying asset: includes forward purchases and sales of foreign currency without delivery of the underlying asset traded. Transactions are measured at the fair value of agreements and are performed by the Bank for the purpose of intermediation for its own account, except for those that are designated in hedging relationships (see Note 8). The resulting profit (loss) is charged to income (loss) for each year under "Net gain on financial instruments at fair value through profit or loss".

3.5.9. Derecognition of financial assets and liabilities:

A financial asset (or when a portion of a financial asset or a portion of a group of similar financial assets is applicable) is derecognized when: (i) the contractual rights to the financial asset have expired; or (ii) the Bank has transferred its contractual rights to receive the cash flows generated by the asset, or assumed an obligation to pay the cash flows received to a third party immediately through a transfer agreement.
In certain transfer agreements, the Bank retained its contractual rights to receive the cash flows from a financial asset –the original asset–, but it has assumed the contractual obligation to pay the cash flows to one or more entities (i) but it has no obligation to pay cash flows to the potential beneficiaries unless it collects an equivalent amount from the original asset, (ii) it is prohibited from selling or pledging the asset and (iii) it has an obligation to remit any cash flows collected on behalf of the potential beneficiaries without material delay.

A transfer only qualifies for derecognition if either: (i) the entity has transferred substantially all the risks and rewards of the asset; or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset considering that control is transferred only if the assignee has the practical ability to sell the asset in full to an independent third party and is able to exercise that ability unilaterally without imposing any additional restrictions to the transfer.

If the entity has not transferred or substantially retained all the risks and rewards inherent to the property of a transferred asset, and has retained control over it, so it will continue recognizing the asset transferred provided that it is exposed to changes in the value of the asset transferred.

- When the entity's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the entity's continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the entity could be required to repay ("the guarantee amount").

- When the entity's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the entity's continuing involvement is the amount of the transferred asset that the entity may repurchase. However, in case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

- When the entity's continuing involvement takes the form of a cash-settled option or similar provision on the transferred asset, the extent of the entity's continuing involvement is measured in the same way as that which results from non-cash settled options.

When an entity continues to recognize an asset to the extent of its continuing involvement, the entity also recognizes an associated liability. The associated liability is measured in such a way that the net carrying amount of the transferred asset and the associated liability is: (a) the amortized cost of the rights and obligations retained by the entity, if the transferred asset is measured at amortized cost; or (b) equal to the fair value of the rights and obligations retained by the entity when measured on a stand-alone basis, if the transferred asset is measured at fair value.

In addition, a financial liability is derecognized when the payment obligation specified in the related agreement extinguishes, is settled or expires. When an existing financial liability is replaced by another one of the same borrower under significantly different conditions, or conditions are materially changed, such replacement or change is considered as a derecognition of the original liability and a new liability is recognized. The difference between them is charged to income for each year under "Other operating income".

3.5.10. Reclassification of financial assets and liabilities:

Neither the Bank nor its subsidiary reclassify its financial assets after initial recognition, except under exceptional circumstances, when it changes its business model to manage financial assets as a result of significant external or internal changes to the Bank's operations. Financial liabilities are never reclassified. As of December 31, 2019, and 2018, neither the Bank nor its subsidiary made any reclassifications.

3.5.11. Finance leases:

The Bank and its subsidiary grant loans through finance leases and recognize the current value of lease payments as an asset, which are booked in the statement of financial position under "Loans and other financing facilities".

The difference between the total value receivable and the present value of the financing is recognized as interest to be earned. This revenue is recognized over the lease term using the effective interest rate method, which shows a constant rate of return and charged to income under "Interest income". Impairment losses are included in the income statement under “Allowance for loan losses” and the changes thereof are disclosed in Exhibit R “Adjustment due to losses. Allowances for loan losses.” The impairment estimate is further explained in section "Accounting opinions, estimates and assumptions” under this note.

3.5.12. Bank premises and equipment

The Bank and its subsidiary chose the cost model for all the assets included in this account.

These assets are recorded at their historical acquisition cost, less the related accumulated depreciation and impairment in value, if applicable.

The historical acquisition cost includes expenses directly attributable to the acquisition of assets. Maintenance and repair costs are recorded in the income statement. Any material improvement and renovation is capitalized solely when it is probable that there will be future economic benefits exceeding the return originally evaluated for the asset.

Depreciation was calculated based proportionately to the estimated months of useful life. The assets were fully depreciated in the month of addition, but were not depreciated in the month of retirement. Additionally, at least as of each year-end, the estimated useful lives of the assets are reviewed to detect significant changes therein, which, upon occurrence, will be adjusted through the related adjustment to the depreciation charge. The depreciation charge is recognized in profit (loss) under “Depreciation and impairment in value of assets”.

The residual value of these assets, taken as a whole, does not exceed their recoverable value.

3.5.13. Intangible assets:

Intangible assets include software, licenses and leasehold improvements.

Intangible assets purchased separately are initially valued at cost. Following initial recognition, they are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized and expenditure is reflected in the statement of comprehensive income in the fiscal year in which the expenditure is incurred.

Amortization is calculated on a straight-line basis over the estimated useful lives of the intangible assets by applying annual rates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Below is a summary of the accounting policies applied to the intangible assets:

	Software and licenses	Leasehold improvements
Useful lives	From 2 to 5 years	Based on the lease agreement
Amortization method used	Full month of addition	Full month of addition
Internally generated or acquired	Acquired	Acquired

3.5.14. Investment properties

Investment properties are booked in the statement of financial position measured under “Other nonfinancial assets” and are measured initially at their historical acquisition cost, less the related accumulated depreciation and impairment in value, if applicable.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the year of derecognition under “Other operating income”.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to property, plant and equipment component, the deemed cost for subsequent accounting is the fair value of the asset at the date of change in use. If an item of bank premises and equipment becomes an investment property, the Bank accounts for such asset in accordance with the policy stated under property and bank premises up to the date of change.

3.5.15. Impairment in value of nonfinancial assets:

At least as of each year-end, the Bank and its subsidiary evaluate whether there are events or changes in circumstances that indicate that the value of nonfinancial assets can be impaired or whether there are hints that a nonfinancial asset can be impaired. If there is any hint or when an annual impairment test is required for an asset, the Bank estimates the recoverable value thereof. If the carrying amount of an asset (or cash generating unit) exceeds its recoverable value, the asset (or cash generating unit) is considered impaired and the amount decreases to the recoverable value of the asset.

As of the date of presentation of the financial statements, nonfinancial assets are evaluated as to whether there are any hints that the loss for impairment in value previously recognized may no longer exist or may have decreased. A loss for impairment in value previously recognized is reversed solely if there has been a change in the estimates used to determine the recoverable value of the asset from the recognition of the latter loss for impairment in value. In such a case, the carrying amount of the asset increases to its recoverable value.

The Bank and its subsidiary have made these estimates and, given that the recoverable value of assets (value in use) exceeds their carrying amount, they have determined that no adjustment whatsoever is required to be recognized for impairment in value.

3.5.16. Provisions:

The Bank and its subsidiary recognize a provision when and only when: (a) they have a current obligation, as a result of a past event; (b) it is probable (i.e. more likely than not) that an outflow of resources by the entity or its subsidiary will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the related payable.

In order to assess the provisions, the existing risks and uncertainties were considered taking into account the opinion of the external and internal legal counsel of the Bank and its subsidiary. If the effect of the time value of money is material, provisions are discounted using a current pre-tax market rate that reflects, where appropriate, the risks specific to the liability. Based on the analysis carried out, the Bank booked a provision in the amount considered to be the best estimate of the potential disbursement required to settle the current obligation as of each period/year-end, as appropriate.

The provisions booked by the Bank and its subsidiary are reviewed as of each year-end and adjusted to reflect the best estimate available at all times. Additionally, provisions are allocated to a specific item in order to be used only to cover the disbursements for which they were originally recognized.

In the event that: (a) it is a possible obligation, (b) it is probable that a disbursement of resources by the Bank or its subsidiary will be required to settle the obligation, or (c) its present value can be reliably estimated, the contingent liability is not recognized and it is disclosed in the notes. However, when the disbursement requirement is considered to be remote, no disclosure is made.

3.5.17. Recognition of income and expenses:

a) Interest income and expense:

Interest income and expense are accounted for based on their accrual period, applying the effective interest method, which is explained in “Financial assets measured at amortized cost. Effective interest rate method”.

Interest income includes yields on fixed-income investments and securities, as well as the discount and premium on financial instruments.

Dividends are recognized when they are declared.

b) Borrowing commissions:

Commissions collected and direct incremental costs related to financing granted are deferred and recognized adjusting the effective interest rate thereof.

c) Service commissions, fees, and similar items:

They are recognized when (or as) the Bank meets every performance obligation by transferring the services undertaken for an amount that reflects the consideration that the Bank expects to be entitled in exchange for such services.

At the beginning of each agreement, the Bank assesses the services undertaken and classifies as a performance obligation each commitment to transferring a different service or a series of different services that are substantially equal and share the same transfer pattern.

d) Nonfinancial income and expenses:

They are accounted for based on the conditions of recognition provided for in the conceptual framework, such as the requirement that income (loss) is accrued.

3.5.18. Income tax:

Income tax is assessed based on the Bank's and its subsidiary's separate financial statements.

The income tax charge comprises current and deferred income tax. Income tax is recognized in the income statement, except when the items should be recognized directly in "Other comprehensive income (loss)". In this case, each item is filed before calculating its income tax impact, which is detailed in the related item.

The current income tax charge is related to the addition of charges of the different Group companies, which were determined by applying the tax rate over taxable income pursuant to Income Tax Law, or an equivalent regulation, of the countries in which any subsidiary operates.

Deferred income tax reflects the effects of temporary differences between book and tax amounts of assets and liabilities. Assets and liabilities are measured using the tax rate expected to be applied to taxable profit in the years when these differences are recovered or eliminated. The measurement of deferred assets and liabilities reflects the tax consequences derived from the way in which the Bank and its subsidiary expect to recover or calculate the value of their assets and liabilities as of each period-/year-end, as appropriate.

Deferred income tax assets and liabilities are measured by their nominal amounts without discounting at the tax rates expected to be applied during the year in which the asset is realized or the liability is settled. Deferred assets are recognized when future tax benefits sufficient for the deferred asset to be applied are likely to exist.

3.5.19. Segment reporting:

The Bank considers as a business segment the group of assets and transactions committed in providing services subject to risks and returns that are different from those of other business segments. For those segments there is separate financial information, which is periodically evaluated by those in charge of making the main operating decisions related to the resource assignment and performance evaluation. Segment reporting is disclosed in note 22 to the consolidated financial statements.

3.5.20. Investment management and trust activities:

The Bank and its subsidiary provide custody, administration, investment management and advisory services to third parties that give rise to the holding or placement of assets in their name. These assets and profit (losses) therefrom are not included in the financial statements, since they are not assets owned by any of the two entities. Fees arising from these activities are included in the account “Other operating income" in the income statement.

The information on trust activities is disclosed in note 25 to the consolidated financial statements.

3.5.21. Accounting opinions, estimates and assumptions:

Preparing the financial statements in accordance with IFRS requires that the Management of the Bank and its subsidiary make and consider the significant accounting judgments, estimates and assumptions that affect the reported figures for assets and liabilities, revenues and expenses, as well as the assessment and disclosure of contingent assets and liabilities as of the reporting year-end. The bookings made by the Company are based on the best estimate of the likelihood of different future events occurring. In this sense, the uncertainties related to the estimates and assumptions adopted could result in outcomes that could differ from those estimates and require material adjustments to the reported figures of the assets and liabilities affected.

The most significant estimates included in the accompanying financial statements are related to the allowance for loan losses, the measurement of financial instruments at fair value, the provisions and the income tax charge.

3.5.22. Going concern:

The Bank assessed its capacity to continue as a going concern and it is certain that it has the resources needed to continue as a going concern in the near future. As of the date of these financial statements, there are no uncertainties as to events or conditions that may cast doubts on the possibility that the Bank may continue operating normally as a going concern. Therefore, these financial statements were prepared on a going concern basis.

3.5.23. Fair value measurement of financial instruments:

When the fair value of the financial assets and liabilities booked in the statement of financial position cannot be measured based on the market prices of these assets, the fair value is assessed by using valuation techniques that include a discounted cash flow model.

When possible, the input data used by these models are taken from observable markets; otherwise, discretional judgment is required to determine the fair value. Such judgment includes considering input data such as liquidity risk, credit risk and volatility.

The changes in the assumptions related to these factors could affect the fair value of the financial instruments.

The fair value assessment method is explained in detail in note 21.

3.5.24. Allowance for loan losses and provision for contingent commitments:

They were booked based on the estimated uncollectibility risk of the Bank's credit assistance, which results from assessing borrowers' compliance and the guarantees supporting the related transactions in conformity with BCRA Communiqué "A" 2,950, as supplemented, and the Bank's allowance-setting policies.

In the case of loans with specific allowances that are settled or generate the reversal of allowances booked this year, and if the allowances booked in prior years exceeded those deemed necessary, the surplus in the allowance will be reversed with an impact on income (loss) for the current year.

The method for assessing the allowance for loan losses and other financings is explained with greater detail in note 23.

3.6. New resolutions

3.6.1. Amendments to IFRS adopted by the FACPCE:

As established in BCRA Communiqué "A" 6114, as the new IFRS measures are approved, either by amending or repealing former ones, and once all these changes are adopted through the adoption circulars published by the FACPCE, the BCRA will issue an opinion regarding its approval for financial institutions. In general, the early adoption of IFRS will not be allowed, unless it is specifically mentioned upon adoption. The Bank will adopt the following standards:

- IFRS 3 "Business combination". "Business" definition amendment: this amendment will help entities determine whether an acquisition is a business or a purchase of a group of assets. This new definition emphasizes that the business output is providing goods and services to customers, while the previous definition focused on returns in the form of dividends, lower costs or other economic benefits. This standard applies to the fiscal years beginning on January 1, 2020. The Bank does not expect the application of this standard to exert a material impact on its financial statements.

- IAS 1 "Presentation of financial statements" and IAS 8 "IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors", changes to the definition of "material": the new definition states that the information is material if its omission, misstatement or impropriety could be expected reasonably to affect the decisions made by the main users of the financial statements regarding those financial statements. This definition also clarifies that the materiality will depend on the nature or magnitude of the information or both. The changes replace the "may affect" threshold with "could be expected reasonably to affect". This implies that the materiality assessment should consider only if it is expected to affect reasonably the economic decisions of the main users. This standard applies to the fiscal years beginning on January 1, 2020. The Bank does not expect the application of this standard to exert a material impact on its financial statements.

- IFRS 9/IFRS 7 "Rate benchmark reform". In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes the first stage of work in response to the effects of interbank offered rates (IBOR) in financial reporting.

  The amendments provide temporary relief allowing for hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate.

  The amendments include the relief that applies to all hedge ratios that are directly affected by the abovementioned interest rate benchmark reform. A hedge ratio is affected if the reform generates uncertainty as to the timing or amount of cash flows based on benchmark points of the hedge item or the hedge instrument. The amendments should be applied retrospectively. However, the hedge ratios that were previously "de-designated" cannot be reestablished in the application, and no hedge ratio may be designated with the retrospective benefit. The early application of the standard is allowed and should be disclosed.

These amendments are effective for the years beginning on or after January 1, 2020, and they are not expected to have effects on the Bank's financial statements.

- Amendments to the Conceptual Framework for Financial Reporting:

  The IASB issued a new Conceptual Framework in March 2018. This framework includes some new concepts, provides updated definitions and criteria for recognizing assets and liabilities, and clarifies certain important concepts. The changes to the Conceptual Framework could affect IFRS application in those cases where no standard applies to a transaction or event in particular. This Conceptual Framework applies to the years beginning on or after January 1, 2020. The Bank does not expect to have material effects on its financial statements.

3.6.2. Amendments to the accounting reporting framework established by the BCRA:

The BCRA established the following provisions effective for the years beginning on or after January 1, 2020:

a) Impairment in value of financial assets, as per section 5.5., IFRS 9 (Communiqués "A" 6778, 6847, as amended and supplemented):

   i. the temporary exclusion of debt instruments is established in the nonfinancial public sector, and
   ii. the financial institutions included in Group B, as determined by the BCRA, may choose to use a negative impact prorating methodology calculating the impairment as mentioned in section 5.5. of IFRS 9. If choosing such prorating, it should be performed in 5 years from the quarter ended March 31, 2020.

b) Classification of debt instruments of the nonfinancial public sector (Communiqués "A" 6778, 6847, as amended and supplemented): as of January 1, 2020, financial institutions are allowed to recategorize the instruments related to the nonfinancial public sector and measured at fair value through profit or loss and at fair value through other comprehensive income at amortized cost, using the carrying amount as of that date as value of addition. As to the instruments for which this option is exercised, interest accrual shall be interrupted, provided that the carrying amount exceeds the fair value.

c) Presentation of financial statements in constant currency (Communiqués "A" 6651, 6849, as amended and supplemented): the beginning of the application of the method to restate financial statements into constant currency was defined, as established in IAS 29, and specific provisions were set for financial institutions.

3.7. Measuring 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. Such restatement will be based on a series of indexes prepared and published monthly by the FACPCE that combine the Argentine consumer price index published by the INDEC (Argentine Institute of Statistics and Censuses) as from January 2017 (base month: December 2006) with the domestic wholesale price index published by that same entity through that date, and the changes in the consumer price index for the City of Buenos Aires will be computed for November and December 2015 since the INDEC has not disclosed information on the changes in the wholesale domestic price index.

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:

- 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.

- In brief, the restatement mechanism established in IAS 29 is the following:

- 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. In a hyperinflationary period, keeping monetary assets generates the loss of purchasing power and keeping monetary liabilities generates more purchasing power, provided that those items are not subject to an adjustment mechanism somehow offsetting these effects. Net monetary gains or losses will be included in profit (loss) for the reporting period.

- Nonmonetary items measured at their current values as of the end of the reporting year will not be restated to be disclosed in the statement of financial position, but the adjustment process should be completed to determine the income (loss) generated by holding these nonmonetary items in constant pesos.

- The nonmonetary items measured at a historical cost or current cost of a date prior to the end of the reporting 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 income (loss) for the year for the depreciation of bank premises and equipment and the amortization of intangible assets or any other consumption of nonmonetary assets will be determined based on the new restated amounts.

- The restatement of nonmonetary assets in the current unit of measure as of the end of the reporting 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 income (loss) for the year. If, in addition to the restatement, nonmonetary assets are restated, the deferred tax amount related to the restatement is recognized in income (loss) for the year and the deferred tax amount related to the revaluation (excess of value restated over the restated value) is recognized in other comprehensive income.

- Expenses and revenues are restated as from their booking, except for (1) the income statement 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) income (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.

- 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 financial statements, the Bank is quantifying the effects that would arise from applying IAS 29, but it estimates that they may be material.

NOTE 4. FINANCIAL ASSETS DELIVERED IN GUARANTEE AND RESTRICTED ASSETS

As of December 31, 2019, and 2018, the Bank and its subsidiary delivered as guarantee the financial assets detailed below:

Description	Date of beginning	Purpose of the coverage	Amount guaranteed	Rate	Effective term	Carrying amount as of 12/31/2019
Securities delivered in guarantee for transactions carried out with the BCRA						
- DESARROLLO SAN JUAN program	03/12/2015	Auction	6,000	10%	Up to 15 years	17,970
Securities delivered in guarantee for the program FONDEFIN	04/10/2017	Auction	4,000	11.1%	Working capital: 1 year/investment: 3 to 10 years	11,487
Securities delivered in guarantee for transactions carried out with MAE	05/15/2017	Transaction	N/A	N/A	N/A	4,777
Securities delivered in guarantee for transactions carried out with ROFEX	12/12/2017	Transaction	N/A	N/A	N/A	1,425,405
Lease security deposits in cash	(*)	Rents	N/A	N/A	N/A	9,589
Guarantee account with the BCRA	N/A	Transaction	N/A	N/A	N/A	231
Total						1,469,459

Description	Date of beginning	Purpose of the coverage	Amount guaranteed	Rate	Effective term	Carrying amount as of 12/31/2018
Securities delivered in guarantee for transactions carried out with the BCRA						
- DESARROLLO SAN JUAN program	03/12/2015	Auction	6,000	10%	Up to 15 years	21,282
Securities delivered in guarantee for the program FONDEFIN	04/10/2017	Auction	4,000	11.1%	Working capital: 1 year/investment: 3 to 10 years	8,140
Securities delivered in guarantee for transactions carried out with MAE	05/15/2017	Transaction	N/A	N/A	N/A	5,657
Securities delivered in guarantee for transactions carried out with ROFEX	12/12/2017	Transaction	N/A	N/A	N/A	891,752
Lease security deposits in cash	(*)	Rents	N/A	N/A	N/A	7,224
Guarantee account with the BCRA	N/A	Transaction	N/A	N/A	N/A	231
Total						934,286

(*) Rents effective as of the date of the year.

Bank Management and its subsidiary estimate that there will be no losses as a result of the restrictions on the abovementioned assets.

NOTE 5. REPO TRANSACTIONS

In the regular course of business, the Bank entered into repo transactions. Under IFRS 9, the securities involved in repo transactions received from and delivered to third parties do not meet the requirements for recognition or derecognition, respectively.
As of December 31, 2019, and 2018, the Bank has entered into reverse repo transactions involving government securities and BCRA bills standing at ARS 6,514,866 thousands and ARS 894,367 thousands, maturing on January 2, 2020, and 2019, respectively.

Profit generated by the Bank resulting from the reverse repo transactions entered into during the years ended December 31, 2019, and 2018, amounts to ARS 677,453 thousands and ARS 305,903 thousands, respectively, charged to the "Interest income" account.

NOTE 6. ADJUSTMENT DUE TO LOSSES. ALLOWANCE FOR LOSSES FROM LOANS AND OTHER FINANCING FACILITIES

The changes in this allowance during the years ended December 31, 2019 and 2018 are disclosed in Exhibit R "Adjustment due to losses. Allowance for loan losses". The following tables show the changes in the allowance by portfolio of loans and other financing facilities:

	Commercial loan portfolio	Consumer and housing borrowing portfolio	Total
	Allowance determined individually	Allowance not determined individually	
As of December 31, 2018	709,293	118,823	828,116
Charges (*)	2,735,748	378,886	3,114,634
Reversals	(138,444)	(125,824)	(264,268)
Applications	(120,931)	(5,824)	(126,755)
As of December 31, 2019	3,185,666	366,061	3,551,727

	Commercial loan portfolio	Consumer and housing borrowing portfolio	Total
	Allowance determined individually	Allowance not determined individually	
As of December 31, 2017	203,943	8,448	212,391
Due to incorporation of subsidiaries	1,742	-	1,742
Charges	625,879	110,754	736,633
Reversals	(116,357)	(379)	(116,736)
Applications	(5,914)	-	(5,914)
As of December 31, 2018	709,293	118,823	828,116

(*) During the year, allowances other than the minimum allowances established by BCRA regulations were included for certain customers based on specific situations, which was approved by the Bank's Board of Directors.

NOTE 7. CONTINGENT TRANSACTIONS

To meet customers' specific financial needs, the Bank's credit policy also includes granting sureties, guarantees, letters of credit and documentary credits. To meet customers' specific financial needs, the Bank's credit policy also includes granting sureties, guarantees, letters of credit and documentary credits.

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

Item	12/31/2019	12/31/2018
Standby letters of credit	1,316,592	262,166
TOTAL	1,316,592	262,166

The risks related to the contingent transactions mentioned above are evaluated and monitored under the Bank's credit risk policy mentioned in note 23.

NOTE 8. DERIVATIVE FINANCIAL INSTRUMENTS

The Bank enters into derivative transactions for trading and risk management purposes. 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 to risks associated to the lack of an exchange market where an open position may be closed.

The Bank's exposure resulting from derivative agreements is regularly monitored as part of its general risk management framework. The information on the Bank's objectives and credit risk management policies is included in note 23.

The Bank's derivative financial instruments are described below.

8.1. Forwards and futures:

They are defined as contractual agreements for selling a specific financial instrument at a specific price on a certain future date. Forward contracts are customized agreements traded at an over-the-counter market. While futures contracts are related to transactions involving standardized amounts and performed at a regulated market, subject to daily cash margin requirements. The main differences in the risks associated to this type of contracts are credit risk and liquidity risk.

Forward contracts entail a counterparty credit risk; the Bank is exposed to counterparty credit risk. Credit risk related to futures contracts is considered to be very low because the cash margin requirements help guarantee that these contracts are always honored. Moreover, forward contracts are usually settled at gross amounts; therefore, it is considered that the liquidity risk is higher than that of futures contracts which are settled on a net basis, unless they are settled by delivery. Both types of contracts expose the Bank to market risk.

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.

	12/31/2019		12/31/2018	
	Notional value In thousands of USD	Carrying amount in thousands of ARS	Notional value in thousands of USD	Carrying amount in thousand of USD
Purchase of forward contracts	-	-	11,000	(6,509)
Purchase of forward contracts (due and unsettled)	-	-	13,000	(7,692)
ISDA (International Swaps and Derivatives Association) agreements	-	-	7,000	(6,118)
Forward purchases of foreign exchange without delivery of the underlying asset	-	-	31,000	(20,319)
Sale of NDFs (nondeliverable forwards)	(2,000)	(5,600)	-	-
Sale of forward contracts	(10,000)	1,785	-	-
Forward sales of foreign exchange without delivery of the underlying asset	(12,000)	(3,815)	-	-
Total economic hedge derivatives	(12,000)	(3,815)	31,000	(20,319)
Purchase of NDFs	-	-	62,000	(86,432)
Purchase of forward contracts	5,000	(1,750)	94,000	(40,122)
Total cash from accounting hedge flows	5,000	(1,750)	156,000	(126,554)
Total derivative financial instruments	(7,000)	(5,565)	187,000	(146,873)

The previous table shows the fair value of derivative financial instruments booked as assets or liabilities are disclosed in the statement of financial position. The changes in fair values is charged to income, the breakdown of which is disclosed in exhibit Q "Breakdown of profit (loss)", except for the specific treatment under hedge accounting, if applicable, which are recognized under "Other comprehensive income" in the statement of comprehensive income.

In addition, exhibit O "Derivative financial instruments" provides a breakdown of the transactions carried out by the Bank by homogeneous groups; all the attributes disclosed should agree regardless whether the transactions are lending or borrowing transactions.

The Bank uses derivatives for economic hedge purposes, to reduce its exposure to market risks and offset the potential losses that a liability may incur with the profits that may be obtained by operating with derivatives. This is achieved through the hedging of specific financial instruments, as well as through strategic hedging against the general exposure of the financial position.
The Bank also maintains derivatives to manage the risks initially designated as accounting hedges since they meet the accounting hedging requirements under IFRS 9.

8.2. Accounting hedges

At the beginning of a hedge relationship, the Bank designates and documents the hedge relationship over which it wishes to apply the hedge accounting and the risk management objective and strategy to carry out the hedge. The documentation includes the identification of the hedge instrument, the hedged element or transaction, the nature of the risk covered and the Bank's method to assess the efficiency of the changes in the fair value of the hedge instrument to offset the exposure to changes in the fair value of the hedged item or the cash flows attributable to the risk hedged. These hedges are expected to be highly effective to offset the changes in the fair value or cash flows and are assessed on an ongoing basis to determine whether they were highly effective throughout the reporting periods.

For hedge accounting purposes, hedges are classified into:

a. Fair value hedges

   They mitigate the exposure to changes in the fair value of an asset or liability recognized for accounting purposes, an unrecognized firm commitment (except for the risk of changes in the exchange rate) or an identified portion of such asset, liability or firm commitment that may be attributed to a specific risk and affect comprehensive income (loss) for the year.

b. Cash flow hedges

   They mitigate the exposure to the changes in cash flows that may be attributed to a specific risk associated with a recognized asset or liability or a highly likely transaction or the foreign currency risk of an unrecognized firm commitment. The effective part of the changes in the fair value of the hedge instrument is booked as "Other comprehensive income" in the statement of comprehensive income while profit or loss related to the ineffective portion is recognized in income (loss) for the year.

c. Hedges of a net investment in a foreign transaction

   They mitigate the exposure to changes in the foreign exchange rate on the interest in the net assets of the subsidiaries, associates and joint ventures in a currency other than the Argentine peso.

At the beginning of each transaction, the Bank documents the relationship between the hedge instrument and the items hedged, as well as the objective of the risk management and the hedge strategy for the different hedged transactions. It also documents the measurement of the effectiveness at the beginning of the hedge and its subsequent behavior as to whether the derivatives that are used in hedge transactions are assessed as highly effective.

Hedge accounting is interrupted when the hedging instrument expires, ends, is sold or used, or no longer meets the criteria for booking these hedges. At that time, any accumulated profit or loss related to the hedge instrument booked in "Other comprehensive income (loss)" is held within the same account until the expected transaction takes place. When the hedging transaction is not likely to occur, net accumulated profit or loss recognized in "Other comprehensive income (loss)" is reclassified to profit (loss) for the year.

The hedge effectiveness test is determined prospectively and may be qualitative depending on the degree of complexity of the hedge. In a hedge relationship, the risk component of a financial or nonfinancial instrument may be designated as a hedged item, provided that it is separately identifiable and reliably measurable.

The time value of an option, the forward element of a forward contract and the differential of the foreign exchange rate of a financial instrument may be excluded from the designation of the instrument as a hedge instrument and booked as hedging costs. The possibility of designating groups of items as hedged items –including groups of items with offsetting risk positions (that is, hedges of a net position)– is broadened.

As of December 31, 2019, the Bank has currency forward contracts to mitigate the exchange rate risk of the foreign currency at which certain monetary liabilities are exposed (risk of changes in the exchange rate). These futures contracts were booked as cash flow hedges in agreement with IFRS 9. The breakdown of these transactions is the following:

1. Liabilities hedged

   The liabilities in foreign currency designated as hedges by the Bank as of December 31, 2019, are detailed below. Only capital flows were designated as hedges.

Borrowing line	Date of origin of the liability	Due date of the liability	Designation date of hedge	Liability hedged in thousands of USD
China Development Bank	07/05/2018	10/28/2024	07/23/2018	4,000
China Development Bank	10/26/2017	10/28/2024	09/19/2018	1,000
Total				5,000

   The liabilities in foreign currency designated as hedges by the Bank as of December 31, 2018, amounted to USD 156,000 thousands.

....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

2. Hedge instruments

The financial derivatives designated as hedge instruments effective as of December 31, 2019, and 2018, are detailed below. They were designated as accounting hedges upon the purchase.

Transaction type	Counterparty	Notional value in thousands of USD as of 12/31/2019	Notional value in thousands of USD as of 12/31/2018
Purchase of NDF (nondeliverable forwards)	ICBC	-	20,000
Purchase of NDF (nondeliverable forwards)	BBVA	-	13,000
Purchase of NDF (nondeliverable forwards)	SANTANDER	-	29,000
Purchase of forward contracts	ROFEX	5,000	94,000
Total		5,000	156,000

The Bank implements a long hedge strategy related to the need to acquire an asset (foreign currency in this case) at a future date but locking in the purchase price. To carry out this strategy, the Bank operates with nondeliverable forwards (NDFs) and standardized agreements traded on regulated markets (Rofex). When the term of the contingent liabilities exceeds the term of all the hedging agreements offered on the market, the Bank partially assumes a stack and roll strategy, which consists in renewing the due dates of the hedging agreements that fall due by next-to-nearest contracts. Upon expiry of each hedge, new transactions are performed within 120 business after due date to maintain a relationship between the contingent liabilities and hedge transactions that fulfill the hedging strategy needs.

The reason for not renewing unhedged items as of December 31 is that, considering the domestic market volatility and new regulations, the Bank decided to replace the futures hedging with the purchase of foreign currency on the spot market. The increase in deposits in Argentine pesos, which offset considerably the drop in loans in that currency, enabled acquiring foreign currency to cover the liabilities in foreign currency. As to accounts in US dollars, the decrease in deposits was higher due to the reduction in loans, which allowed channeling the higher liquidity volume in US dollars as a result of the transactions previously mentioned.

3. Hedge effectiveness

Hedge effectiveness is assessed considering the particular characteristics of the currency futures market on which the Bank operates and the strategy adopted to favor a hedge that contemplates these particular characteristics. Some of the characteristics of the hedge strategy were already detailed. To perform such analysis, the Bank adopted dynamic parameters capable of considering all the relevant factors for assessing the hedge effectiveness. These factors will be adjusted quarterly since they depend on the changes in the exchange rate and the futures market. The calculation breakdown of parameters is the following:

- Lower band: It will be 0.4 multiplied by the product of three times the departure of the daily changes, the average days of increase in the exchange rate according to BCRA Communiqué “A” 3500 and the delta of the first agreement further from the current agreement with the longer due date.
- Upper band: It will be 1 multiplied by the product of three times the departure of the daily changes, the average days of decrease in the exchange rate according to BCRA Communiqué “A” 3500 and the delta of the first agreement further from the current agreement with the longer due date.

The value of the portfolio arises from the nominal amounts acquired for futures and the daily price of the futures.

To calculate the future hedge, the Bank estimated an exchange rate and the price of the futures arbitrated with the rates projected in Argentine pesos and US dollars. The Bank also assumed that the number of hedged notional amounts was constant. That is, upon expiry, the notional values expired were renewed by acquiring the futures contract with the closest due date. The bands for the future analysis were maintained constant.

Therefore, since the fundamental conditions of hedging instruments and hedged items, such as nominal amounts, expiries and underlying assets, coincide or are closely aligned to the hedging strategy defined by the Bank, we may conclude that (1) these hedge instruments and hedged items have values that will generally offset each other since they convey the same risk; therefore, there is an economic relationship between the hedged item and the hedging instrument, and (2) considering the futures and debt flows chosen, the effect of the credit risk does not exceed the changes in value that arise from such economic relationship due to the futures and debt flows chosen. Therefore, the hedge relationship meets the hedge effectiveness requirements.

As of December 31, 2019, the profit for changes in the fair value of futures and forwards designated as accounting hedge instruments were recognized in “Other comprehensive income (loss)” for ARS 270,333 thousands. Profit (loss) from the changes in the exchange rate used for valuing the hedged liabilities attributable to the risk covered were also recognized in “Other comprehensive income” as a financial cost for ARS 3,134,400 thousands.

The hedge cost accrued from the differential in the exchange rates of the foreign currency of the financial instruments was recognized in profit for the year and “Other comprehensive income” for ARS 2,776,101 thousands as of December 31, 2019.

As of December 31, 2018, the loss for changes in the fair value of futures and forwards designated as accounting hedge instruments were recognized in “Other comprehensive income (loss)” for ARS 175,572 thousands. Profit (loss) from the changes in the exchange rate used for valuing the hedged liabilities attributable to the risk covered were also recognized in “Other comprehensive income” as a financial cost for ARS 404,435 thousands.

The hedge cost accrued from the differential in the exchange rates of the foreign currency of the financial instruments was recognized in profit for the year and “Other comprehensive income” for ARS 648,890 thousands.

NOTE 9. LEASES

According to IFRS 16, as from the year beginning on January 1, 2019, the Bank and its subsidiary assess all the contracts executed to identify whether they contain a lease, i.e. the right to control the use of an identified asset for a period of time for consideration.

Operating lease commitments: Bank as lessee

The Bank and its subsidiary entered into commercial contracts involving the lease of offices, photocopying machines and a water dispenser. These lease contracts have an average life of one to seven years and contain no restrictions for the Bank and its subsidiary. According to the exemptions allowed by IFRS 16, the Bank and its subsidiary opted not to apply the recognition and measurement standards related to short-term lease contracts and those in which underlying assets have a low value.

As of December 31, 2019, the assets recognized for the right to use the assets identified in the lease contracts previously mentioned amount to ARS 155,257 thousands. Those assets were measured at cost, less any accumulated depreciation and accumulated impairment losses, and were charged to “Bank premises and equipment”. Asset depreciation charges for the year ended December 31, 2019, amounted to ARS 41,905 thousands and are recognized in “Depreciation and impairment in value of assets”.

The liabilities arising from lease contracts as of December 31, 2019, amounted to ARS 253,697 thousands. Those liabilities were measured at the present value of lease payments discounted at their imputed rates, increased by accrued interest, less payments made, and they were charged to “Other financial liabilities”. Interest accrued from those liabilities for the year ended December 31, 2019, amounted to ARS 14,111 thousands and it is recognized in “Other operating expenses”.

Operating lease commitments:

The Bank entered into commercial contracts to lease its investment property, including an item of real property. The noncancellation term of the contract is 2 years.

The minimum payments for non-cancellable operating lease contracts are as follows:

Term	12/31/2019
Up to 1 year	45,239
From 1 to 3 years	77,357
Mas de 3 años	24,437
Total	147,033

Finance lease commitments and lease options:

The Bank entered into financial lease contracts related to machinery and vehicles. The carrying amount of the assets incorporated under finance leases as of December 31, 2019, and 2018, stands at ARS 5,079,344 thousands and 4,805,038 thousands, respectively. These assets are subject to tax as collateral for the related finance leases.

The following chart shows the reconciliation between the total gross investment of all finance leases and the current value of the minimum payments receivable:

	Amounts as of 12/31/2019		Amounts as of 12/31/2018	
Term	Total investment	Current value of minimum payments	Total investment	Current value of minimum payments
From 1 to 5 years	6,746,331	5,079,344	6,257,453	4,896,036
Total	6,746,331	5,079,344	6,257,453	4,896,036

As of December 31, 2019, and 2018, accumulated allowances for loan losses stand at ARS 440,022 thousands and ARS 114,101 thousands, respectively.

NOTE 10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Neither the Bank nor its subsidiary have any investments in associates or joint ventures as of the date of the accompanying financial statements.

NOTE 11. RELATED PARTIES

A related party is any person or entity that is related to BICE and its subsidiary:

- has control or joint control over the Bank or its subsidiaries;
- has significant influence over the Bank or its subsidiaries;

- is a member of the key management personnel of the reporting entity or of a parent of the Bank or its subsidiaries;
- is a member of the same group.

Under IAS 24, key management personnel are individuals having authority over and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly. Based on such definition, the Bank considers that key personnel as of December 31, 2019, and 2018, are made up of Board members and the General Manager.

Below is a breakdown of the transactions entered into with related parties.

	12/31/2019	12/31/2018
Ministry of Production		
Loans and other financing	234,621	214,868
Other financial assets	-	11,342
Other financial liabilities	(10,056,673)	(6,299,205)
BNA		
Cash and deposits with banks	870,904	3,215,378
Loans and other financing	3,072,294	18,087
Financing obtained from the BCRA and other financial institutions	(1,950,331)	(2,321,929)
Other financial liabilities	(90,491)	(45,246)
Pellegrini		
Other financial assets	161,639	779,996
Nación Servicios S.A.		
Other nonfinancial liabilities	-	(50)
Nación Seguros		
Other nonfinancial assets	3,386	499
Other nonfinancial liabilities	-	(2)
Key personnel		
Other nonfinancial assets	36,053	25,783
Other nonfinancial liabilities	(49,326)	(30,288)

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

There are no Board members holding executive positions at the Bank or its subsidiary, so they do not receive any other type of compensation, and neither the Bank's policy nor the subsidiary's policies include granting equity interests in the company as compensation or any other benefits.
Neither the Bank nor its subsidiary entered into any transactions with their Board of Directors or granted any loans to its members, nor are there any transactions proposed involving those subjects.

Profit (loss) arising from transactions entered into with related parties are broken down below:

	Accumulated as of 12/31/2019	Accumulated as of 12/31/2018
Ministry of Production		
Interest income	293,070	130,373
Interest expense	(279,578)	(70,773)
Service-charge income	562	331
BNA		
Interest income	13,405	17
Interest expense	(361,915)	(311,298)
Commission expense	(164)	(742)
Allowance for loan losses	(653)	-
Pellegrini		
Net gain on financial instruments at fair value through profit or loss	201,425	218,185
Nación Seguros S.A.		
Commission income	39,092	42,918
Administrative expenses	(2,619)	(3,217)
Nación Servicios		
Net gain on financial instruments at fair value through profit or loss	-	425
Administrative expenses	(5,050)	(4,025)
Nación Seguros de Retiro S.A.		
Interest expense	(25,840)	-
Key personnel		
Administrative expenses	(52,554)	(44,713)
Beneficios al personal	(6,039)	(7,666)

Neither the Bank nor its subsidiary have granted share-backed loans to directors or other key management personnel. The compensation of key management personnel comprising salaries and wages, fees and bonuses, stands at ARS 58,593 thousands and ARS 52,379 thousands as of December 31, 2019, and 2018, respectively.

As of December 31, 2019, and 2018, the loans to employees amounted to ARS 7,308 thousands and ARS 2,367 thousands, respectively.

NOTE 12. EMPLOYEE BENEFITS PAYABLE

12.1. Short-term benefits

As from the end of 2018, the Bank and its subsidiary started to grant a bonus/variable compensation to its employees based on the fulfillment of certain organizational, area and personal targets. Should the Bank and its subsidiary fail to meet the minimum expected targets, it will pay no compensation whatsoever. As of the date of the accompanying consolidated financial statements, the Bank and its subsidiary paid the 2018 bonus in April 2019 and booked a provision for the 2019 bonus.

The amounts payable to employee on account of short-term benefits are as follows:

	12/31/2019	12/31/2018
Salaries and payroll taxes	48,680	36,412
Accrual for vacation days not taken	82,234	61,777
Performance bonus accrual	199,097	92,810
Total short-term benefits	330,011	190,999

12.2. Long-term benefits

The Bank grants a long-term benefit which consists in granting points as part of a benefit program as an award for 5, 10 or 20 years of service.

The accrual booked for the abovementioned benefits is broken down below:

	12/31/2019	12/31/2018
5-year award	147	-
10-year award	4,958	836
20-year award	6,537	1,133
Total long-term benefits	11,642	1,969

12.3. Post-employment benefits

The Bank grants a post-employment benefit consisting in granting the employee, upon obtaining the retirement benefit, a special termination bonus consisting of eight gross salaries; in addition, the employee continues to receive the prepaid medical coverage over the twelve months subsequent to obtaining the social security benefit. As a requirement, the worker must have worked at BICE continuously over the last 10 years.

The resulting liability is exposed to the risks arising from the inflation rate, the interest rate and the changes in life expectancy.

The accrual booked for the abovementioned benefit is broken down below:

	12/31/2019	12/31/2018
Post-employment benefit (Exhibit J)	103,253	35,670
Total post-employment benefits	103,253	35,670

The following table shows the reconciliation between post-employment benefit amounts as of the beginning and end of the year:

Amount as of 12/31/2018	Income for the year	Other comprehensive income for the year	Payments	Amount as of 12/31/2019
35,670	42,533	25,050	-	103,253

12.4 Key assumptions used in measuring the present value of benefit obligations.

The main key assumptions used in determining the liabilities arising from post-employment benefit plans are as follows:

	12/31/2019	12/31/2018
	%	%
Discount rate:		
Post-employment benefits plan – Nominal rate	46.62%	32.0%
Post-employment benefits plan – Actual rate	3.25%	3.25%
Future salary increases		
Post-employment benefits plan – Nominal rate	45.12%	27.85%
Post-employment benefits plan – Actual rate	2.20%	2.20%
Healthcare cost increase rate	42.0%	27.85%

To calculate the benefit (both for men and women) a 5% annual turnover rate is considered for ages 20 through 55 and the GAM 94 mortality table with no improvement factors.

Sensitivity analysis in light of the changes in the key assumptions used in measuring the present value of benefit obligations

Below is an example of a quantitative sensitivity analysis showing a change in a significant key assumption as of December 31, 2019:

Assumptions	Real discount rate3.25%		Real future salary increases 2.20%	
Sensitivity Level	Increase +10%	Decrease - 10%	Increase +10%	Decrease - 10%
Impact on the net benefit obligation	-3.01%	+3.18%	+1.69%	-1.63%

Assumptions	Life expectancy	
Sensitivity Level	Increase 1 year	Decrease 1 year
Impact on the net benefit obligation	0.44%	-0.44%

The abovementioned sensitivity analyses have been determined based on a method that extrapolates the impact on the net benefit obligation resulting from reasonably possible changes in the key assumptions used as of each reporting year-end.

NOTA 13. FIXED ASSETS

13.1. Bank premises and equipment

The account includes the tangible assets owned by the Bank and its subsidiary.

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

13.2. Investment properties

The account includes the investment properties owned by the Bank and its subsidiary.

The changes in these assets as of December 31, 2019, and 2018, are disclosed under exhibit F bis "Changes in investment properties".

13.3. Intangible assets

The account includes the intangible assets owned by the Bank and its subsidiary, used for its specific activity.
The changes in these assets as of December 31, 2019, and 2018, are disclosed under Exhibit G "Changes in intangible assets".

NOTE 14. OTHER ASSETS AND LIABILITIES

14.1. Financial assets

"Other financial assets" carried by the Bank break down as follows:

Item	Original currency	12/31/2019 Payables in original currency	12/31/2019 Payables in ARS	12/31/2018 Payables in original currency	12/31/2018 Payable in ARS
Investment in financial assets	ARS	21,356	21,356	675,405	675,405
Investment in financial assets	USD	2,342	140,283	2,766	104,591
Disbursement to be received. FONPLATA	USD	-	-	300	11,342
Sundry receivables	USD	270	16,152	604	22,850
Sundry receivables	ARS	381,436	381,452	460,247	460,247
Subtotal other financing assets			559,243		1,274,435
Allowance for loan losses (exhibit R)			(119,489)		(104,182)
Total other financing assets			439,754		1,170,253

14.2. Financial liabilities:

The other financial liabilities carried by the Bank break down as follows:

Item	Original currency	12/31/2019 Payables in original currency	12/31/2019 Payable in ARS	12/31/2018 Payables in original currency	12/31/2018 Payable in ARS
Productive Transformation Department - PROCER	ARS	503,822	503,822	503,822	503,822
Productive Transformation Department - FONCER	ARS	136,309	136,309	136,309	136,309
Finance Fund for Developing the Río de la Plata Basin – FONPLATA (Ministry of Production)	USD	42,576	2,550,071	39,795	1,504,574
Banco Europeo de Inversiones (BEI) line – (Ministry of Production)	USD	73,206	4,384,655	70,966	2,683,091
World Bank line (Ministry of Production)	USD	29,053	1,740,106	28,039	1,060,113
Fontar (Argentine technological fund)	ARS	484	484	1,265	1,265
Administration of the program to boost the competitiveness of regional economies					
- In Argentine pesos	ARS	218,015	218,015	80,717	80,717
- In US dollars	USD	8,744	523,695	8,744	330,579
Finance leases (Note 9)					
- In Argentine pesos	ARS	649	649	-	-
- In US dollars	USD	4,225	253,048	-	-
Liabilities for preferred shares in favor of Banco Nación Argentina	ARS	90,491	90,491	45,246	45,246

.... Mr. DANIEL ALBERTO FUENTES ADMINISTRATION MANAGER	.... LIC. GABRIEL VIENNI GENERAL MANAGER	.... Mr. JOSÉ IGNACIO DE MENDIGUREN CHAIRPERSON
SIGNED FOR IDENTIFICATION PURPOSES WITH THE REPORT DATED February 20, 2020 PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L. C.P.C.E.C.A.B.A. Vol. 1 Fo. 13	SIGNED FOR IDENTIFICATION IDENTIFICATION PURPOSES WITH THE REPORT DATED February 20, 2020	SIGNED FOR IDENTIFICATION IDENTIFICATION PURPOSES WITH THE REPORT DATED February 20, 2020 AGN (Argentine General Accounting Office)
.... FERNANDO J. CÓCCARO Partner Certified Public Accountant (U.B.A.) C.P.C.E.C.A.B.A. Vol. 200 Fo. 12	.... ARIEL MAXIMILIANO BOZZANO ON BEHALF OF STATUTORY AUDIT COMMITTEE	.... Mr. ADRIÁN DUILIO DOTRO CERTIFIED PUBLIC ACCOUNTANT (UNLZ) Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

Subtotal other financing liabilities	10,401,345	6,345,716
Other financial liabilities	351,968	318,458
Total other financing liabilities	10,753,313	6,664,174

14.3 Nonfinancial assets

"Other nonfinancial assets" carried by the Bank break down as follows:

Item	Original currency	12/31/2019		12/31/2018	
		Payables in original currency	Payable in ARS	Payables in original currency	Payable in ARS
Directors' and statutory auditors' fee advances	ARS	45,180	45,180	31,638	31,638
Advances to personnel	ARS	7,308	7,308	2,367	2,367
Advance payments	ARS	24,034	24,034	39,741	39,741
Prepayments for the purchase of assets	ARS	32,533	32,533	11,130	11,130
Investment properties (Exhibit F BIS)	ARS	25,136	25,136	25,671	25,671
Tax withholdings and additional withholdings	ARS	22,189	22,189	34,222	34,222
Subtotal other nonfinancial assets			156,380		144,769
Other nonfinancial assets			1,195		841
Total other nonfinancial assets			157,575		145,610

14.4. Nonfinancial liabilities

The other nonfinancial liabilities carried by the Bank break down as follows:

Item	Original currency	12/31/2019		12/31/2018	
		Payables in original currency	Payable in ARS	Payables in original currency	Payable in ARS
Directors' fees accrual	ARS	51,019	51,019	33,102	33,102
Statutory auditors' fees accrual	ARS	9,085	9,085	6,718	6,718
Bonus collected in advance	ARS	132,288	132,288	143,820	143,820
Collections made in advance	ARS	48,090	48,090	60,905	60,905
Interest collected in advance	ARS	80	80	-	-
Short-term employee benefits (Note 12(1))	ARS	330,011	330,011	190,999	190,999
Long-term employee benefits (Note 12(2))	ARS	11,642	11,642	1,969	1,969
Other taxes payable	ARS	251,645	251,645	267,518	267,518
Other creditors	ARS	75,406	75,406	80,970	80,970
Other creditors	USD	2,619	156,841	2,846	107,614
Subtotal other nonfinancial liabilities			1,066,107		893,615
Other nonfinancial liabilities			2,052		11,410
Total other nonfinancial liabilities			1,068,159		905,025

NOTE 15. FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS

The financing received breaks down as follows:

Creditor	Original currency	12/31/2019 Payables in original currency	12/31/2019 Carrying amount	12/31/2018 Payables in original currency	12/31/2018 Amount Accounting
China Development Bank (CDB)	USD	140,629	8,422,956	165,588	6,260,618
International Development Bank (IDB)	USD	8,120	486,340	37,908	1,433,250
International Development Bank (IDB) – sustainable bond	USD	29,663	1,776,653	29,801	1,126,729
Foreign Trade Bank of Latin America	USD	-	-	30,342	1,147,181
Development Bank of Latin America (CAF)	USD	-	-	10,009	378,419
Agencia Francesa de Desarrollo (AFD)	EUR	44,399	2,981,582	-	-
Banco de la Nación Argentina	ARS	1,950,331	1,950,331	2,321,929	2,321,929
Total financing obtained from the BCRA and other financial institutions			15,617,862		12,668,126

NOTE 16. PROVISIONS

It includes the amounts estimated to meet current obligations that are probable.
Exhibit J "Changes in provisions" shows the changes in provisions over the year ended December 31, 2019. The increases in provisions in Exhibit J include the increase in the amount discounted as a result of the passage of time and the effect of the change in the discount rate.

As of December 31, 2019, the main provisions are as follows:

- Provision for contingencies: Including the following provisions:

  ✓ Provision for court expenses arising from the turnover tax claim for the 2002-2004 period: Related to the provision for fees that may be set for the professionals involved in Case No. 14656/2009 (accountant expert witness and Buenos Aires City’s legal counsel). It is estimated that such amount may be set and the payment requested over the course of this year (ARS 5,532 thousands).

  ✓ Other contingencies totaling ARS 17,061 in relation to provisions for labor lawsuits filed against the Bank.

- Provision for post-employment defined benefit plans: related to the provision for post-employment benefits detailed in Note 12(3).

The provision booked for the probable estimate of the amount to be disbursed for the differences arising from the inspection made by the AGIP (Buenos Aires City Public Revenue Agency) on the turnover tax base for tax years 2014-2016 was applied because, by virtue of Record No. 1116, BICE's Board of Directors approved the Bank joining the "Special system to amend tax obligations due on July 31, 2019", established by Law No. 6,195. Joining that system implied the full remittance of compensatory and punitive interest for amended obligations, as well as the remittance of formal or monetary fines.

In the opinion of the Bank's Management and its legal counsel, there are no significant effects other than those disclosed in these consolidated financial statements, the amounts and payment terms of which were recorded based on the current value of those estimates, as well as the probable date of their final resolution.

NOTE 17. INCOME TAX

17.1. 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.

In the consolidated financial statements, the tax asset (current and deferred) of a Group entity may not be offset with the tax liability (current and deferred) of another Group entity because they are related by income tax borne by different taxpayers who do not hold the legal right before tax authorities to pay or receive any amounts to settle the net position.

The current income tax assets/liabilities disclosed in the statement of financial position break down as follows:

	BICE	Absorbed companies		BICE	Position as of
Income tax		BICE Leasing	BICE Factoring	Fideicomisos	12/31/2019
Income tax prepayments	6,192	116,761	93,213	1,988	218,154
Other credits	11,406	12,195	73,753	1,179	98,533
Income tax accrual	-	(303,847)	(214,098)	(15,844)	(533,789)
Minimum presumed income tax	94,890	-	-	3,420	98,310
Net (liabilities)/assets as of 12/31/2019	112,488	(174,891)	(47,132)	(9,257)	(118,792)

Income tax	BICE	Absorbed companies: BICE Leasing	Absorbed companies: BICE Factoring	BICE Fideicomisos	Position as of 12/31/2018
Income tax prepayments	82,676	22,859	51,060	8,165	179,366
Other credits	8,775	2,354	34,514	14	55,657
Income tax accrual	(8,368)	(269,891)	(176,797)	(5,152)	(484,814)
Minimum presumed income tax	89,288	-	-	64	89,352
Net (liabilities)/assets as of 12/31/2018	172,371	(244,678)	(91,223)	3,091	(160,439)

As of December 31, 2019, and 2018, net deferred tax assets amounted to ARS 1,098.342 thousands and ARS 282,441 thousands, respectively. The deferred tax assets and liabilities included in the statement of financial position are as follows:

	12/31/2019	12/31/2018
Deferred tax assets:		
Loans – Initial loss	275,261	258,492
Allowances/Provisions	1,291,125	302,212
Employee Benefits	49,037	26,995
Financial instruments	-	27,649
Adjustment for inflation (*)	471,415	-
Provisions	15,856	22,514
Other	1,347	63,097
Total deferred assets	2,104,041	700,959
Deferred tax liabilities:		
Foreign currency	(39,913)	(28,409)
Financial instruments	(280,297)	(29,342)
Investments in equity instruments	(610,767)	(326,598)
Bank premises and equipment	(74,722)	(34,169)
Total deferred liabilities	(1,005,699)	(418,518)
Deferred tax assets, net	1,098,342	282,441

(*) Net amount of ARS 746,741 thousands accrual since, as of the date of issuance of the financial statements, part of the adjustment is not expected to be recovered.

The changes in deferred tax assets/liabilities, net, as of December 31, 2019, and 2018 is summarized as follows:

	BICE	Absorbed companies: BICE Leasing	Absorbed companies: BICE Factoring	BICE Fideicomisos	Position as of 12/31/2019
Deferred tax assets at beginning of year, net	143,901	87,984	42,481	8,075	282,441
Deferred tax through profit or loss	394,386	214,746	150,891	30,187	790,210
Deferred tax through other comprehensive income	25,691	-	-	-	25,691
Deferred assets as of 12/31/2019	563,978	302,730	193,372	38,262	1,098,342

....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

	BICE	Absorbed companies		BICE Fideicomisos	Position as of 12/31/2018
		BICE Leasing	BICE Factoring		
Deferred tax assets at beginning of year, net	(17,835)	78,025	17,204	1,542	78,936
Deferred tax through profit or loss	157,256	9,959	25,277	6,533	199,025
Deferred tax through other comprehensive income	4,480	-	-	-	4,480
Deferred assets as of 12/31/2018	143,901	87,984	42,481	8,075	282,441

The income tax charge shown in the income statement differs from the income tax charge that would result if all profits had been subject to the current tax rate.

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.

	12/31/2019	12/31/2018
Book income before income tax net of the effect of other comprehensive income	298,978	1,263,801
Other comprehensive income before income tax	(198,652)	53,950
Total comprehensive income before income tax	100,326	1,317,751
Statutory income tax rate	30%	30%
Tax on accounting profit	(30,098)	(395,325)
Long-term differences:		
Nondeductible expenses (Law No. 24,475)	(8,548)	(459)
Adjustment due to change in tax rate	-	39,094
Investments in equity instruments	29,700	26,550
Other equity interests	44,389	61,614
Other adjustments	(47,685)	11,823
(Shortfall)/excess in the prior-year income tax accrual	(2,499)	(7,472)
Allowance for NOLs	(445,406)	-
Tax adjustment for inflation	477,847	-
Absorbed companies' long-term differences	261,913	-
Total income tax charge to income (loss)	279,613	(264,175)

The income tax charge disclosed in the statement of profit or loss breaks down as follows:

....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

	BICE	Absorbed companies: BICE Leasing	Absorbed companies: BICE Factoring	BICE Fideicomisos	Position as of 12/31/2019
Current income tax charge	-	(303,847)	(214,098)	(15,844)	(533,789)
Deferred tax charge for the year	394,386	214,746	150,891	30,187	790,210
(Shortfall)/excess in the prior-year income tax accrual	(6,496)	1,500	-	2,497	(2,499)
Deferred tax charge through other comprehensive income	25,691	-	-	-	25,691
Total income tax charge to income (loss)	413,581	(87,601)	(63,207)	16,840	279,613

	BICE	Absorbed companies: BICE Leasing	Absorbed companies: BICE Factoring	BICE Fideicomisos	Position as of 12/31/2018
Current income tax charge	(8,368)	(269,900)	(176,788)	(5,152)	(460,208)
Deferred tax charge for the year	157,256	9,959	25,277	6,533	199,025
(Shortfall)/excess in the prior-year income tax accrual	(7,987)	452	-	63	(7,472)
Deferred tax charge through other comprehensive income	4,480	-	-	-	4,480
Total income tax charge to income (loss)	145,381	(259,489)	(151,511)	1,444	(264,175)

As of December 31, 2019, the Bank estimated income tax NOLs and, consequently has accumulated NOLs for ARS 445,406 thousands to offset future taxable income, which were not recognized in books since, as of the date of issuance of the accompanying financial statements, they are not deemed to be recovered.

Tax period	Total NOLs	Statute of limitations
2019	445,406	2024

17.2. Minimum presumed income tax

In fiscal 1998, Law No. 25,063 established minimum presumed income tax for a ten-year term. After subsequent extensions, such tax was abrogated by Law No. 27,260, whereby minimum presumed income tax ceased to be effective as from period 2019. This tax was supplementary to income tax because, while the latter was levied on taxable profit for the year, minimum presumed income tax was a minimum levy determined by applying the current 1% rate on the potential income of certain productive assets. Therefore, the Bank's tax obligation had to be equal to the higher of the two taxes. The law that gave rise to this tax sets forth that they had to consider as taxable profit 20% of their taxable assets, previously deducting those assets defined as noncomputable.

However, if minimum presumed income tax exceeds income tax in a given tax year, such excess may be computed as a payment on account of any income tax in excess of minimum presumed income tax that may occur in any of the following ten years, once NOLs have been used.

As of December 31, 2019, no minimum presumed income tax was assessed because it was abrogated; only ARS 98,310 remains in this regard, as assessed in 2018.

17.3. Tax reform

Note 17(3) to the already issued consolidated financial statements as of December 31, 2018, describes the information on the tax reform.

17.4. Tax adjustment for inflation

Tax Reform Laws No. 27,430 and No. 27,541, amended by Law No. 27,468, establishes the following provisions concerning the tax adjustment for inflation for the years beginning January 1, 2018:

a) this adjustment will apply in the fiscal year in which the variation in the domestic general consumer price index exceeds 100% during the 36 months prior to the end of the year calculated;

b) this adjustment will be applicable when the change in such index from the beginning until the end of the first, second and third years as from January 1, 2018, exceeds 55%, 30% and 15%, respectively;

c) the effect of the positive or negative adjustment for inflation related to the first, second and third years as from January 1, 2018, is charged as follows: one third in that tax period, and the two remaining thirds, in equal parts, in the two immediately subsequent tax periods;

d) the positive or negative adjustment for inflation related to the first and second years as from January 1, 2019, must be charged as follows: one sixth to the tax year in which the adjustment is assessed, and the remaining five sixths, to the immediately subsequent tax periods; and

e) in the case of the tax years beginning on or after January 1, 2021, 100% of the adjustment may be deducted in the year of assessment.

As of December 31, 2019, the parameters set by Income Tax Law to apply the tax adjustment for inflation are met, and the effects of the application of this adjustment pursuant to law have been included in booking current and deferred income tax.

17.5. Corporate income tax rate

Law No. 27,541 suspended –up to and including the tax years beginning as from January 1, 2021– the corporate income tax rate reduction established by Law No. 27,430, setting a 30% rate for the suspension period. As from the years beginning on January 1, 2022, the rate will be 25%.

NOTE 18. 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

	Past due/ with no Due date	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	Total 12/31/2019
Cash and deposits with banks	4,638,044	-	-	-	-	-	-	4,638,044
Debt securities at fair value through profit or loss	26,928	-	30,059	21,517	165,927	131,515	196,483	572,429
Derivatives	-	35	-	-	-	-	-	35
Repo transactions	-	6,514,866	-	-	-	-	-	6,514,866
Other financial assets (not including allowances)	559,243	-	-	-	-	-	-	559,243
Loans and other financing (not including allowances)	3,547,673	8,383,489	4,269,033	4,437,090	4,894,441	8,833,600	18,841,326	53,206,652
- Nonfinancial government sector	2,224	243,879	16,362	24,559	49,183	47,700	-	383,907
- Other financial institutions	363	357,822	636,874	988,153	1,745,502	2,319,730	2,521,550	8,569,994
- Nonfinancial private sector and foreign residents	3,545,086	7,781,788	3,615,797	3,424,378	3,099,756	6,466,170	16,319,776	44,252,751
Other debt securities (not including allowances) (*)	253,862	60,175	256,868	491,479	2,824,508	1,022,358	848,923	5,758,173
Financial assets delivered in guarantee (*)	17,476	-	120	2,625	1,426,162	329	22,747	1,469,459
Investments in equity instruments	2,697,101	-	-	-	-	-	-	2,697,101
Allowances	(4,215,833)	-	-	-	-	-	-	(4,215,833)
TOTAL ASSETS	7,524,494	14,958,565	4,556,080	4,952,711	9,311,038	9,987,802	19,909,479	71,200,169
Deposits	-	13,559,764	6,238,885	8,090,086	-	-	-	27,888,735
- Nonfinancial government sector	-	8,962,672	1,895,269	6,794,930	-	-	-	17,652,871
- Nonfinancial private sector and foreign residents	-	4,597,092	4,343,616	1,295,156	-	-	-	10,235,864
Derivatives	-	5,600	-	-	-	-	-	5,600
Other financial liabilities	-	1,513,943	55,628	30,699	300,749	1,204,176	7,648,118	10,753,313
Financing obtained from the BCRA and other financial institutions	-	40,463	88,952	1,015,359	991,666	3,285,786	10,195,636	15,617,862
Corporate bonds issued	-	425,624	5,764	954,926	-	2,460,808	-	3,847,122
TOTAL LIABILITIES	-	15,545,394	6,389,229	10,091,070	1,292,415	6,950,770	17,843,754	58,112,632

(*) Including reprofiled instruments as per Presidential Decrees No. 596/2019 and No. 49/2019 (see note 34).

Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

LIC. GABRIEL VIENNI
GENERAL MANAGER

Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

	Past due/ with no Due date	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	Total 12/31/2018
Cash and deposits with banks	8,040,223	-	-	-	-	-	-	8,040,223
Debt securities at fair value through profit or loss	458	-	7,216	-	62,036	112,310	474,172	656,192
Repo transactions	-	894,367	-	-	-	-	-	894,367
Other financial assets (not including allowances)	1,077,486	196,949	-	-	-	-	-	1,274,435
Loans and other financing (not including allowances)	1,858,750	3,241,989	5,047,544	5,818,283	4,665,674	7,744,967	15,432,574	43,809,781
- Nonfinancial government sector	2,159	221,621	10,838	15,974	31,310	63,800	30,405	376,107
- Other financial institutions	93	473,457	568,432	856,878	1,614,823	3,063,985	3,086,024	9,663,692
- Nonfinancial private sector and foreign residents	1,856,498	2,546,911	4,468,274	4,945,431	3,019,541	4,617,182	12,316,145	33,769,982
Other debt securities (not including allowances)	176	792,530	293,236	2,037,638	578,813	768,456	558,438	5,029,287
Financial assets delivered in guarantee	24,816	-	704,585	187,168	1,203	2,207	14,307	934,286
Investments in equity instruments	1,665,483	-	-	-	-	-	-	1,665,483
Allowances	(954,338)	-	-	-	-	-	-	(954,338)
TOTAL ASSETS	11,713,054	5,125,835	6,052,581	8,043,089	5,307,726	8,627,940	16,479,491	61,349,716
Deposits	-	10,990,398	5,739,023	7,730,341	-	-	-	24,459,762
- Nonfinancial government sector	-	7,949,998	3,947,044	6,518,505	-	-	-	18,415,547
- Nonfinancial private sector and foreign residents	-	3,040,400	1,791,979	1,211,836	-	-	-	6,044,215
Derivatives	-	24,591	93,532	28,750	-	-	-	146,873
Other financial liabilities	-	782,911	19,961	9,263	2,014	120,682	5,729,343	6,664,174
Financing obtained from the BCRA and other financial institutions	-	779,342	1,342,003	1,208,734	1,030,687	1,399,728	6,907,632	12,668,126
Corporate bonds issued	-	185,320	51,005	-	1,848,255	961,000	762,220	3,807,800
TOTAL LIABILITIES	-	12,762,562	7,245,524	8,977,088	2,880,956	2,481,410	13,399,195	47,746,735

.... Mr. DANIEL ALBERTO FUENTES ADMINISTRATION MANAGER	.... LIC. GABRIEL VIENNI GENERAL MANAGER	.... Mr. JOSÉ IGNACIO DE MENDIGUREN CHAIRPERSON
SIGNED FOR IDENTIFICATION PURPOSES WITH THE REPORT DATED February 20, 2020 PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L. C.P.C.E.C.A.B.A. Vol. 1 Fo. 13	SIGNED FOR IDENTIFICATION IDENTIFICATION PURPOSES WITH THE REPORT DATED February 20, 2020	SIGNED FOR IDENTIFICATION IDENTIFICATION PURPOSES WITH THE REPORT DATED February 20, 2020 AGN (Argentine General Accounting Office)
.... FERNANDO J. CÓCCARO Partner Certified Public Accountant (U.B.A.) C.P.C.E.C.A.B.A. Vol. 200 Fo. 12	.... ARIEL MAXIMILIANO BOZZANO ON BEHALF OF STATUTORY AUDIT COMMITTEE	.... Mr. ADRIÁN DUILIO DOTRO CERTIFIED PUBLIC ACCOUNTANT (UNLZ) Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

NOTE 19. BREAKDOWN OF ACCOUNTS

19.1. Commission income

	Accumulated as of 12/31/2019	Accumulated as of 12/31/2018
Performance obligations satisfied at a point in time		
- Commissions for early repayment	2,926	835
- Commissions on loans granted	-	9,323
- Commissions on bank account debits	2,303	307
- Commissions on collection management	41,395	44,354
- Other fees	12,380	9,904
Performance obligations met over time		
- Commissions for foreign-trade transactions	80,427	19,286
	139,431	84,009

19.2 Difference in quoted prices of gold and foreign currency

	Accumulated as of 12/31/2019	Accumulated as of 12/31/2018
Conversion into Argentine pesos of assets and liabilities in foreign currency	348,449	(1,743,738)
Foreign exchange gains (losses)	418,226	323,713
	766,675	(1,420,025)

19.3. Other operating income

	Accumulated as of 12/31/2019	Accumulated as of 12/31/2018
Allowances reversed	287,866	157,761
Profit from investment properties and other nonfinancial assets	8,402	2,622
Recovered receivables	2,327	-
Rents	2,425	1,500
Punitive interest	229,172	959,121
Revenues from trust management	422,945	234,250
Other	2,869	19,098
	956,006	1,374,352

19.4. Employee benefits

	Accumulated as of 12/31/2019	Accumulated as of 12/31/2018
Compensation	(960,816)	(576,328)
Payroll taxes	(177,248)	(107,748)
Severance pay and employee bonuses	(30,601)	(35,555)
Services and benefits provided to employees	(285,295)	(146,436)
Post-employment benefits. Defined benefits	(42,533)	(7,955)
	(1,496,493)	(874,022)

19.5. Administrative expenses

	Accumulated as of 12/31/2019	Accumulated as of 12/31/2018
Entertainment, travel & living expenses	(19,152)	(12,876)
Administrative services hired	(1,016)	(529)
Security services	(5,201)	(2,851)
Directors' and statutory auditor's fees	(80,703)	(46,649)
Other professional fees	(130,897)	(53,476)
Insurance	(19,296)	(11,939)
Rents	(84,767)	(71,443)
Stationery and office supplies	(1,767)	(2,168)
Electric power and communications	(34,075)	(17,704)
Advertising and publicity	(8,707)	(7,516)
Taxes	(368,983)	(301,568)
Maintenance, conservation and repair expenses	(71,970)	(38,078)
Other	(153,132)	(65,158)
	(979,666)	(631,955)

19.6. Other operating expenses

	Accumulated as of 12/31/2019	Accumulated as of 12/31/2018
Contribution to the deposit guarantee fund	(54,259)	(25,131)
Finance leases taken (Note 9)	(14,111)	-
Turnover tax	(666,877)	(522,640)
Other	(5,126)	(15,847)
	(740,373)	(563,618)

....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

NOTE 20. ADDITIONAL INFORMATION ABOUT THE STATEMENT OF CASH FLOWS

The Bank and its subsidiary presented the cash flows for its transactions using the indirect method. The Bank and its subsidiary consider cash and cash equivalents as part of the "Cash and deposits with banks" account.

NOTE 21. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES

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 and its subsidiary are going concerns.

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. In conclusion, the fair value could not indicate the net realizable or settlement value.

To disclose the method for determining the fair value, financial instruments are classified based on the hierarchy of the valuation techniques, as summarized as below.

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. The Bank considers the markets as active only if there are sufficient negotiation activities concerning the volume and liquidity of identical assets and liabilities and when there are binding and executable listed prices available as of each fiscal period-end.

- 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, such as interest rates and performance curves, implicit volatilities and credit differentials. Moreover, L2 input data may need to be adjusted depending on specific factors related to the assets or liabilities, such as the condition or location of the asset and the extent to which input data are related to the items that are comparable to assets or liabilities. However, if these adjustments are based on nonobservable input data that are material for the entire measurement, the Bank classifies these instruments as L3.

- 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 "Classification of financial assets and liabilities" shows the fair value measurement hierarchy of the Bank's financial assets and liabilities.

Financial assets and liabilities not booked at fair value

Below is a description of the methodologies, input and assumptions used in determining the fair value of the financial instruments not booked at fair value in the accompanying financial statements.

- Assets and liabilities which fair value is similar to the carrying amount: for financial assets and liabilities that are liquid or have short-term maturities (less than three months), it is considered that the carrying amount is similar to the fair value.

- Fixed-rate financial instruments: the fair value of financial assets was determined by discounting future cash flows at the current market rates offered for each year for financial instruments of similar characteristics. The estimated fair value of fixed-interest rate deposits was determined discounting future cash flows by using market interest rates for deposits with similar maturities to those of the Bank's portfolio.

- Listed assets: The fair value was determined based on the market prices.

- Other financial instruments: In the case of financial assets and liabilities that are liquid and with short-term maturity, it is estimated that their fair value is similar to their carrying amount.

As of December 31, 2019, and 2018, the Bank did not change the methods, inputs and assumptions used in estimating the fair values of the financial instruments.

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

	12/31/2019				
		Fair value			
Financial assets	Carrying amount	Level 1	Level 2	Level 3	Total fair value
Cash and due from the BCRA (Central Bank of Argentina)	3,745,896	3,745,896	-	-	3,745,896
Due from other financial institutions	892,148	892,148	-	-	892,148
Repo transactions	6,514,866	6,514,866	-	-	6,514,866

Other financial assets	217,855	-	309,426	-	309,426
Loans and other financing	49,654,925	-	35,883,704	-	35,883,704
Other debt securities	5,119,992	2,036,526	2,665,309	-	4,701,835
Financial assets delivered in guarantee	1,435,225	1,043,149	-	-	1,043,149
Deposits	27,888,735	-	28,024,168	-	28,024,168
Financing obtained from financial institutions and other financial liabilities	26,371,175	-	29,973,707	-	29,973,707
Corporate bonds	3,847,122	-	4,008,660	-	4,008,660

	12/31/2018				
		Fair value			
Financial assets	Carrying amount	Level 1	Level 2	Level 3	Total fair value
Cash and due from the BCRA (Central Bank of Argentina)	4,803,405	4,803,405	-	-	4,803,405
Due from other financial institutions	3,236,818	3,236,818	-	-	3,236,818
Repo transactions	894,367	894,367	-	-	894,367
Other financial assets	390,257	390,257	-	-	390,257
Loans and other financing	42,981,665	-	46,195,046	-	46,195,046
Other debt securities	4,860,969	2,669,876	2,762,245	-	5,432,121
Financial assets delivered in guarantee	899,207	913,329	-	-	913,329
Financial liabilities					
Deposits	24,459,762	-	24,474,214	-	24,474,214
Financing obtained from financial institutions and other financial liabilities	19,332,300	-	18,296,009	-	18,296,009
Corporate bonds	3,807,800	-	4,503,549	-	4,503,549

The Managements of the Bank and its subsidiary have not identified any further indicators of impairment in value of its financial assets as a result of differences in their fair value.

NOTE 22. SEGMENT REPORTING

For management purposes, the Bank defined the following business segments over which there is differentiated financial information, taking into account the nature of their risks and returns.

- Investment financing: it groups the transactions related to:

  - ✓ investment financing, productive security agreements, working capital associated to investment projects,
  - ✓ special financial inclusion lines, asset-based financing facilities, regional economies and specific sectors,
  - ✓ project finance and structured products,
  - ✓ second-tier leasing and
  - ✓ capital market.

Foreign trade financing: it groups the transactions related to:

  - ✓ Pre- and post-export financing
  - ✓ Long-term export financing (forfaiting)
  - ✓ Issuance of guarantees for foreign trade transactions

Working capital financing through factoring: it groups factoring transactions for companies.

- Capital lease transactions: it groups the capital lease transactions performed by the Bank.

- Trust management: it groups the trust management transactions where BICE and its subsidiary act as a trustee.

- Treasury transactions: it groups the transactions involving government and private securities.

- Other not elsewhere classified: it includes core functions, as well as the items which may not be directly attributed to a particular segment.

The Bank does not disclose any information by geographic segment because there are no exploitations in economic environments with significantly different risks and profits.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The performance of the segment is assessed based on operating profit (loss) and measured consistently with profit and loss in the financial statements. However, income tax is managed comprehensively and it is not allocated to business segments.

Considering the nature of the business segments described above, the Bank has not determined any internal prices or costs/revenues to be allocated in connection with funding or fund placement, as applicable, between the various segments.

As of December 31, 2019, and 2018, there are no transactions with individual customers representing 10% or more of the Bank’s total revenues.
The following tables disclose information in connection with the Bank's business segments.

	Investment	Factoring	Trusts	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2019
TOTAL ASSETS	34,093,846	1,307,405	927,110	5,987,040	4,736,523	16,716,916	9,146,909	72,915,749
TOTAL LIABILITIES	(32,159,673)	(828,730)	(238,862)	(5,987,030)	(49,628)	(11,301,187)	(8,860,319)	(59,425,429)

	Investment	Factoring	Trusts	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2018
TOTAL ASSETS	29,188,053	3,842,904	611,449	7,691,346	5,467,190	5,118,038	10,026,527	61,945,507
TOTAL LIABILITIES	(22,253,756)	(1,574,717)	(169,978)	(7,691,346)	(2,035,892)	(4,211,822)	(10,987,194)	(48,924,705)

	Investment	Factoring	Trusts	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2019
Interest income	8,891,684	1,464,252	22,918	459,104	2,127,590	5,484,728	29,896	18,480,172
Income from adjustments	45,480	-	-	-	-	-	-	45,480
Interest expense	(7,650,752)	(399,565)	-	-	(242,660)	(3,169,228)	(2,276,031)	(13,738,236)
INTEREST INCOME (EXPENSE), NET	1,286,412	1,064,687	22,918	459,104	1,884,930	2,315,500	(2,246,135)	4,787,416
Commission income	13,911	250	-	3,293	41,394	3,450	77,133	139,431
Commission expense	(736)	(3,236)	-	-	(3,148)	(19,899)	(8,223)	(35,242)
COMMISSION INCOME (LOSS), NET	13,175	(2,986)	-	3,293	38,246	(16,449)	68,910	104,189
Net gain (loss) on financial instruments at fair value through profit or loss	(10,699)	127,675	72,337	-	73,359	305,794	58,775	627,241
Difference in quoted prices of gold and foreign currency	-	-	42,831	-	203	-	723,641	766,675
Other operating income	124,701	158,185	423,230	76,317	156,610	2,509	14,454	956,006
Allowance for loan losses	(2,884,197)	(151,791)	(2,689)	(460,515)	(156,306)	-	(649)	(3,656,147)
NET OPERATING INCOME (EXPENSE)	(1,470,608)	1,195,770	558,627	78,199	1,997,042	2,607,354	(1,381,004)	3,585,380
Employee benefits	-	(32,679)	(174,908)	-	(56,930)	-	(1,231,976)	(1,496,493)
Administrative expenses	-	(179,551)	(91,168)	-	(170,513)	-	(538,434)	(979,666)
Depreciation and impairment in value of assets	-	(432)	(4,035)	-	(4,756)	-	(60,647)	(69,870)
Other operating expenses	-	(1,004)	(23,196)	-	(187)	-	(715,986)	(740,373)
OPERATING PROFIT (LOSS)	(1,470,608)	982,104	265,320	78,199	1,764,656	2,607,354	(3,928,047)	298,978
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX								298,978
INCOME TAX ON CONTINUING OPERATIONS								253,922
TOTAL OTHER COMPREHENSIVE LOSS								(172,961)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR								379,939

	Investment	Factoring	Fideico-misos	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2018
Interest income	4,947,151	959,507	54,331	132,545	131,822	820,978	11,635	7,057,969
Income from adjustments	-	-	-	-	-	-	64	64
Interest expense	(2,284,072)	(211,053)	-	-	(173,960)	(190,496)	(1,908,071)	(4,767,652)
INTEREST INCOME (EXPENSE), NET	2,663,079	748,454	54,331	132,545	(42,138)	630,482	(1,896,372)	2,290,381
Commission income	10,466	9,802	-	2,629	44,354	-	16,758	84,009
Commission expense	(252)	824	-	-	(1,233)	(17,346)	(2,627)	(20,634)
COMMISSION INCOME (LOSS), NET	10,214	10,626	-	2,629	43,121	(17,346)	14,131	63,375
Net gain (loss) on financial instruments at fair value through profit or loss	-	57,139	60,799	-	161,471	(332,228)	1,997,019	1,944,200
Difference in quoted prices of gold and foreign currency	-	-	5,739	-	31	-	(1,425,795)	(1,420,025)
Other operating income	108,312	18,198	232,390	62,690	942,524	1,688	8,550	1,374,352
Allowance for loan losses	(458,326)	(103,254)	(2,903)	(253,101)	(85,562)	-	(2)	(903,148)
NET OPERATING INCOME (EXPENSE)	2,323,279	731,163	350,356	(55,237)	1,019,447	282,596	(1,302,469)	3,349,135
Employee benefits	-	(44,022)	(124,323)	-	(72,603)	-	(633,074)	(874,022)
Administrative expenses	-	(169,265)	(49,453)	-	(145,634)	-	(267,603)	(631,955)
Depreciation and impairment in value of assets	-	(338)	(2,422)	-	(4,779)	-	(8,200)	(15,739)
Other operating expenses	-	(597)	(11,688)	-	(4,634)	-	(546,699)	(563,618)
OPERATING PROFIT (LOSS)	2,323,279	516,941	162,470	(55,237)	791,797	282,596	(2,758,045)	1,263,801
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX								1,263,801
INCOME TAX ON CONTINUING OPERATIONS								(268,655)
TOTAL OTHER COMPREHENSIVE INCOME								58,430
TOTAL COMPREHENSIVE INCOME FOR THE YEAR								1,053,576

NOTE 23. RISK MANAGEMENT AND CORPORATE GOVERNANCE

Risks are inherent in the Bank’s activities and are managed through a process for the continuous identification, measurement and control thereof, subject to limits and other risk controls. This risk management process is critical for the Bank's profitability.

BICE will be managed and administered by a Board of Directors made up of 8 (eight) directors, which will be appointed for a term of 2 (two) fiscal years, and such directors may be reelected indefinitely. As of the date of the accompanying financial statements, the Board of Directors is made up of 8 directors.

The Board of Directors is in charge of performing management functions in the Bank and making the related decisions. It is in charge of executing the decisions made at the Shareholders' Meetings, developing the tasks especially delegated by the shareholders, and establishing a business strategy, as well as approving the general and specific policies to ensure proper business management. Its objectives are, among others, coordinating and supervising that the operating performance is consistent with institutional objectives, facilitating the performance of business with efficiency, control and productivity, for the purpose of generating permanent improvement in administrative and commercial processes.

Risk management structure:

Additionally, the Bank has structured its risk control based on the Board of Directors' supervision. The Board of Directors is in charge of approving the Bank's effective strategies and policies, provides the general risk management principles and approves the risk control policies for specific areas such as operating, market, liquidity, market and interest and operating rate. The Board of Director's involvement in the issues addressed by the different committees entail a decrease in the risks that may arise in the course of business.

The abovementioned structure comprises different separate and independent committees. A breakdown of the committees and the functions performed by each of them is included in note 24 to the consolidated financial statements.

The Bank has implemented an overall risk management process pursuant to Communiqué "A" 5398 as amended, which is also in line with the good banking practices recommended by the Basel Committee.

Risk Management is in charge of the comprehensive management of the risks faced by the Bank, acting independently from the business areas.

In addition, the Comprehensive Risk Management Committee is made up of three directors appointed by the Board of Directors, the General Manager and the Directors of Risk, Commerce and Administration and Finance.

The main purposes of this Committee are:

- Proposing the Board of Directors the guidelines and policies for comprehensively managing risk, as well as the potential amendments thereof;

- Determining the exposure limits to the various risk types broken down by business units, risk factor, or the cause or origin.

- Analyzing the cases or special circumstances whereby the exposure limits of the approved risk types may be exceeded.

- Communicating the corrective actions proposed by the technical areas for managing risk and reporting the measures implemented to the Board of Directors.

- Approving the communication strategies aimed at disseminating all the information inherent in comprehensive risk management throughout the organization.

- Also, learning about each risk position and compliance with the policies set.

The Bank's risk management function is undergoing an adaptation process to the regulatory requirements set by Basel III and by the BCRA. Based on these guiding principles, a series of procedures and processes that allow identifying, measuring and valuing the risks to which the Bank is exposed have been defined, always seeking consistency with the Bank's business model.

Risk management processes are communicated to the whole entity. They are in line with the guidelines set by the Bank's Board of Directors and top management which, through various committees, define the general objectives expressed in goals and limits to the business units in charge of managing risks.

The MIS risk management information system provides the Board of Directors and top management with relevant information on the risk profile and the Bank's capital requirements in a clear, accurate and timely manner. This information includes the exposure to all risks, including those arising from off-balance sheet transactions; that is to say, transactions not booked in the statement of financial position. In addition, the management function includes the assumptions and limits inherent in specific risk measures.

Based on the previous paragraph, the main aspects of the Bank's risk management process are:

- Maintaining a segregation of duties so that negotiation, measurement and control activities are performed and reported with sufficient independence and accounted for based on the responsibilities defined in the Bank's Mission and Functions Manual.

- IMMM process (identification, measurement, monitoring and risk mitigation).

- The business impact analysis (BIA) allows identifying the Bank's critical subprocesses to focus efforts on the development of continuity alternatives in the event of an operating contingency. It also allows identifying the resources to carry out these critical processes, such as persons, IT applications, vendors and tools required, thus cooperating in improving the business continuity plan and the system contingency plan.

- Contingency plans. including an IT contingency plan, a business continuity plan and periodic tests.

- Issuing a risk report prior to launching new products, processes or systems.

- Updating the policies related to credit risk management, liquidity risk, market risk policies, and documenting strategic risk and reputational risk policies.

- Reviewing the existing risk tolerance limits based on the assessment of the main risks faced by the Bank. The limits are monitored periodically and the results are informed to the Bank's Comprehensive Risk Management Committee and Board of Directors.

- Generating periodic reports to identify, measure, monitor and mitigate the most significant risks, and reporting the results to the Bank's Board of Directors and top management.

- Drafting the Capital Self-Assessment Report to determine the sufficiency of the economic capital required by the Bank for each risk identified based on the standardized method described in point 5(4) of BCRA Communiqué "A" 6397, as supplemented.

- Preparing and executing stress tests to measure scenarios of various degrees of severity, for the purpose of assessing the potential impact of stress situations and preparing contingency actions to manage the various risks.

- Internal control
    - Procedural standards
    - Internal Audit

Risk measurement and reporting systems:

Risks are supervised and controlled primarily based on the limits established by the Bank. These limits reflect the Bank's business strategy and market environment, as well as the risk level the Bank is ready to accept, with further focus on the industries selected. In addition, the Bank controls and measures the full risk it bears as regards the full risk exposure as to all types of risks and activities.

BICE identified the most significant risks to which it is exposed; it has appointed a person to manage them; it has policies and procedures and specific committees which assess the exposure to risk, and a Board of Directors which assesses the risk appetite.

As to comprehensive risk management, periodic presentations are made before the Comprehensive Risk Management Committee in connection with risk monitoring, the changes in the main variables affecting the risks, and whether the Bank acts within the approved limits.

Excessive risk concentration:

To avoid excessive risk concentrations, the Bank's policies and procedures include specific guidelines to focus on keeping a diversified portfolio. The identified credit risk concentrations are controlled and managed accordingly. The selective coverage is used at the Bank to manage risk concentrations both in terms of relationships and industry.

In addition, it should be noted that the Bank complies with the provisions established by the BCRA regarding the maximum limits to the financing granted to specific debtor groups in order to atomize the portfolio, thus reducing credit risk concentration.

The main risk types to which the Bank is exposed are related to:

Credit risk

The credit risk is the existing risk regarding the possibility for the Bank to incur a loss because one or several customers or counterparties fail to meet their contractual obligations.

To manage and control credit risk, the Bank establishes limits on the risk amount it is willing to accept in order to monitor the related indicators.

In addition, the Board of Directors approves the Bank's credit policy and credit assessment in order to provide a framework for the creation of businesses to attain an adequate relationship between the risk assumed and profitability. The Bank has procedure manuals containing guidelines in the matter in compliance with current regulations and the limits established. Below are the objectives of those manuals:

- Maintaining credit risk management policies consistent with a strategic planning that considers the risk appetite of the institution as well as the applicable internal and external regulations.

- Segregating duties so that origination, measurement and control tasks are performed and reported with a sufficient independence level.

- Defining methods that capture all material risk credit sources.

- Communicating uncollectibility situations to top management and to all the instances relevant in the decision-making process in a timely manner.

- Maintaining a contingency plan considering the various stress scenarios.

- Achieving proper portfolio segmentation by type of client and economic sector.

- Boosting the use of the risk analysis and assessment tools that best adjust to the customer's profile.

- Setting consistent standards for granting loans, following conservative parameters based on the customer's solvency, cash flows and profitability in the case of companies, and revenues and equity in the case of individuals.

- Setting limits to individual powers for granting loans depending on the amount, promoting the existence of specific committees that, according to their sphere of competence, will be in charge of defining assistance levels.

- Optimizing the quality of risks assumed, having appropriate guarantees according to the loan term and the level for the risk involved;

- Monitoring the loan portfolio and the level of customers' compliance permanently.

Credit risk is monitored by the Risk Management area. Such management is in charge of reviewing and managing credit risk, including environmental and social risks for all types of counterparties.

To evaluate the credit risk, based on the credit analysis and proposal prepared by the business officer, the Bank has established a credit quality review process aimed at the early identification of potential changes in the debtors' credit solvency. Debtors' limits are established using a credit risk classification system which assigns a risk classification to each of them. Such classifications are subject to periodic reviews.

Based on the above, the area in charge analyzes the customer's credit and repayment capacity and issues a report in which, among other aspects, mentions the main risks to which the company is exposed and that may affect its payment capacity and findings regarding any litigation deriving from the legal regulations of the financial system or from commercial activities, such as disqualifications, requests for bankruptcy, and litigation in progress. The purpose of the credit quality review process is to allow the Bank to evaluate the potential loss resulting from the risks to which it is exposed and to take corrective measures.

Based on the risk report, the business officer prepares a customer credit rating proposal, including the analysis of loans, other receivables, contingent obligations and guarantees granted, which is sent to the area in charge of analyzing it and granting the related loan, based on the current Manual of Powers and Credit Policy.

LEVEL OF APPROVAL	TOTAL EXPOSURE AMOUNT
Committee of Lending and Borrowing Transactions	Up to ARS 100,000,000
Board of Directors	Higher than ARS 100,000,000

It is noteworthy that the Bank uses the request for guarantees for its financing facilities to mitigate the credit risk. The main guarantees received are related to mutual guarantee companies, mortgages and pledges. The Bank has the obligation to return the guarantees received to their holders at the end of the guaranteed financing.

The Bank's Credit Risk Management monitors the market value of guarantees and requests appraisal revaluations, if applicable.

The classification and periodical monitoring of customers permit to protect the quality of assets and to take corrective actions in advance in order to maintain the Bank's equity.

The main considerations to assess the impairment in value of loans include if there are principal or interest payments past due over 90 days or if there is any known difficulty in the counterparties' cash flows, reduced credit ratings or breach of the original terms of the agreement. The Bank assesses the impairment in value in two areas: allowances individually evaluated and allowances collectively evaluated.

The guarantees granted, letters of credit and obligations for foreign trade transactions are assessed and an allowance is booked in the same manner as that of the loan portfolio. The credit risk in these transactions is defined as the likelihood of occurrence of a loss because one of the parties to a contingent transaction does not comply with the terms set out in the agreement. The risk for credit losses is represented by the amounts established in the respective instrument agreements.

The financing facilities granted to the nonfinancial government sector and financing facilities with a term of less than 30 days granted to financial sector customers are excluded from the analyses of allowances.

The Bank classifies all its financing facilities into five risk categories, depending on the degree of the risk of default in payment of each loan.

The following are the classes used by the Bank, specifying the appropriate characteristics of each of them.

Debtor classification standards

The classification of the Bank's debtors is made up of six categories which entail different provision levels, also considering the guarantees supporting the various transactions. Such classifications are established by the Bank based on objective or subjective assessments, depending on the portfolio where each debtor is placed based on BCRA regulations.

Exhibit B shows the changes in financing facilities broken down by situation and guarantee level.

In addition, Exhibit R to the accompanying financial statements disclose the allowances for loan losses at beginning and end of year, also disclosing the increases, reversals and uses.

Collateral and other credit enhancements

The amount and type of guarantee required for financing facilities granted depend on an assessment of the counterparty's credit risk. The guidelines are implemented according to the capacity of acceptance of the types of guarantee and valuation metrics.

The main types of guarantees obtained are as follows:

- Guarantees granted by mutual guarantee companies,
- mortgage on real property and security agreements related to private parties' property, and
- joint and several bonds.

The Bank monitors the market values of guarantees to assess whether the allowance for loan losses is sufficient and requests additional guarantees in conformity with the credit agreements involved.

It is the Bank's policy to dispose of such guarantees to reduce or settle uncollected amounts.

Loan quality by sector

The Bank manages the quality of loans through ratings established by the BCRA and calculates the impairment thereof as mentioned in the note to the accompanying financial statements. Below is a breakdown of the Bank's loans based on their situation and impairment.

	Neither delinquent nor impaired	Delinquent, not impaired	Impaired			Total as of 12/31/2019
	Situation 1	Situation 2	Situation 3	Situation 4	Situation 5	
Corporate Banking	37,516,651	792,464	414,560	2,717,450	1,885,439	43,326,564
Financial sector	15,177,702	-	-	-	-	15,177,702
	53,294,353	792,464	414,560	2,717,450	1,885,439	58,504,266

	Neither delinquent nor impaired	Delinquent, not impaired	Impaired			Total as of 12/31/2018
	Situation 1	Situation 2	Situation 3	Situation 4	Situation 5	
Corporate Banking	34,569,373	2,940,718	333,251	266,630	146,248	38,256,220
Financial sector	8,847,101	-	-	-	-	8,847,101
	43,416,474	2,940,718	333,251	266,630	146,248	47,103,321

The following is an analysis of the Bank's financial assets by business activity before and after considering the guarantees received. This classification includes the corporate bonds and the residual values of the debt securities related to financial trusts.

	12/31/2019			
Main business activity	Gross exposure	%	Net of guarantees	%
Monetary intermediation	8,273,721	14.14%	8,270,022	22.11%
Foreign organization and body services	6,415,397	10.97%	6,410,976	17.14%
Power generation, transmission and distribution	5,362,254	9.17%	4,897,405	13.09%
Motor vehicle transportation service	2,998,053	5.12%	76,002	0.20%
Temporary crops	2,018,236	3.45%	171,572	0.46%
Infrastructure works for transportation	1,842,665	3.15%	991,200	2.65%
Crude oil	1,483,592	2.54%	1,479,108	3.95%
Wholesale of agricultural products and animals	1,355,498	2.32%	1,068,005	2.86%
Milling, starch	1,349,246	2.31%	548,515	1.47%
Beef and byproducts	1,100,836	1.88%	445,581	1.19%
Public administration services	1,063,181	1.82%	379,441	1.01%
Construction	880,316	1.50%	463,175	1.24%
Food production	842,170	1.44%	367,840	0.98%
Financial services, except for financial institutions	817,708	1.40%	817,708	2.19%
Wholesale on commission or consignment	770,822	1.32%	411,580	1.10%
Manufacture of chemicals (NPC)	761,510	1.30%	613,852	1.64%
Dairy production	752,471	1.29%	633,573	1.69%
Basic chemical substances	723,946	1.24%	316,883	0.85%
Animal breeding	658,848	1.13%	51,179	0.14%
Supplementary transport services	649,986	1.11%	622,472	1.66%
Aircraft manufacturing	647,421	1.11%	632,231	1.69%
Manufacturing of non-metallic minerals not elsewhere classified	570,782	0.98%	253,416	0.68%
Other activities	17,165,607	29.34%	7,480,728	20.00%
Total	58,504,266		37,402,464	

....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

	12/31/2018			
Main business activity	Gross exposure	%	Net of guarantees	%
Monetary intermediation	9,306,580	19.76%	9,306,580	30.85%
Construction	2,579,223	5.48%	2,336,078	7.74%
Financial services, except for financial institutions	1,513,208	3.21%	1,513,208	5.02%
Motor vehicle transportation service	2,224,361	4.72%	1,435,033	4.76%
Wholesale of agricultural products and animals	1,568,490	3.33%	1,323,830	4.39%
Public administration services	1,283,363	2.72%	1,283,363	4.25%
Crude oil	1,119,691	2.38%	1,119,691	3.71%
Vehicles	1,008,388	2.14%	1,008,388	3.34%
Product retail	1,123,686	2.39%	956,386	3.17%
Yarns and fabrics	1,041,991	2.21%	868,517	2.88%
Power generation, transmission and distribution	885,825	1.88%	866,073	2.87%
Aircraft manufacturing	815,740	1.73%	806,404	2.67%
Temporary crops	1,846,251	3.92%	720,862	2.39%
Food production	1,219,311	2.59%	716,359	2.37%
Production of leather goods and saddlery	567,436	1.20%	554,486	1.84%
Investments funds and companies, and financial institutions	521,204	1.11%	521,204	1.73%
Vegetable oils and fats	572,481	1.22%	512,836	1.70%
Beverage production	839,376	1.78%	500,694	1.66%
Manufacturing of nonmetallic minerals	718,927	1.53%	462,140	1.53%
Infrastructure works for transportation	682,687	1.45%	454,846	1.51%
Wholesale on commission or consignment	706,443	1.50%	419,750	1.39%
Dairy production	548,295	1.16%	407,322	1.35%
Auxiliary financial services, except insurance	573,440	1.22%	364,594	1.21%
Other activities	13,836,924	29.37%	1,705,733	5.65%
Total	47,103,321		30,164,377	

Credit risk management in investments in financial assets

The Bank evaluates the credit risk identified of each of the financial assets invested. These instruments mainly comprise Argentine government securities and Treasury bills maturing in the short term; the Bank's purpose is to keep them as assets as a guarantee of liquidity.

Below is the exposure percentage by issuer calculated on the total financial assets.

	12/31/2019		12/31/2018	
Argentine federal government sector	2,588,061	45 %	2,955,151	52 %
Government sector – Buenos Aires City	-	- %	36,100	1 %
Peru bonds (Par bonds)	110,844	2 %	69,688	1 %
Private sector	3,087,080	53 %	2,602,500	46 %

As of the date of the accompanying financial statements, the payments related to National Treasury bills were rescheduled, maturing on August 31, 2020.

Liquidity risk

Liquidity risk is defined as the risk of imbalances occurring between marketable assets and payable liabilities (“mismatches” between payments and collections) that could affect the Bank's ability to meet all of its current and future financial obligations, taking into consideration the different currencies and settlement terms of its rights and obligations, without incurring significant losses.

The Bank has liquidity policies in place, the purpose of which is managing such liquidity effectively, optimizing costs and diversifying funding sources, in addition to maximizing the return on placements by managing liquidity in a prudent manner, ensuring sufficient funds for business continuity and complying with effective regulations.

In order to reduce the liquidity risk deriving from the uncertainty that the Bank may be exposed to with respect to its capacity to honor the financial commitments assumed with its customers in due time and manner, a policy has been established, the main aspects of which are as follows:

- Balancing strategic liquidity with profitability objectives by implementing proper investment and financing strategies.

- As regards funding, applying the proper measures to mitigate the concentration of funding sources, such as staggering maturity dates and safeguarding liquid assets for possible unexpected withdrawals, among other aspects.

- Establishing policies consistent with strategic planning, considering the risk appetite of the institution, as well as the applicable internal and external regulations.

- Maintaining a segregation of duties so that negotiation, measurement and control activities are performed and reported with sufficient independence and accounted for based on the responsibilities defined in the Bank’s Mission and Functions Manual.

- Defining measurement methods capturing all material risk sources and reflecting the expected cash flow behavior.

- Communicating illiquidity situations to top management and to all the instances relevant in the decision-making process in a timely manner. Communication and reporting levels:

  - General Management
  - Committee of Lending and Borrowing Transactions
  - Comprehensive Risk Management Committee
  - Board of Directors

- Maintaining a sufficient amount of high-quality liquid assets, free from any encumbrances, to satisfy daily liquidity and/or funding requirements.

- Maintaining a contingency plan considering the various stress scenarios.

- Continuously assessing and improving the liquidity management policy as regards measurement approaches, limits structure and procedures implemented in order to satisfy the requirements of a dynamic financial and commercial context. At least once a year, or when market conditions so require, the liquidity management framework should be reviewed in full, proposing the necessary adjustments to the Risk Management Committee and subsequently to the Board of Directors.

The Bank has also implemented a series of risk measurement and control tools, including regularly monitoring liquidity gaps broken down by currency, as well as various liquidity ratios.

Risk Management regularly monitors compliance of the different levels set by the Board of Directors in relation to liquidity risk, which include minimum levels of liquidity, maximum concentration levels allowed by type of deposit and by type of customer, among others.

In the event of a liquidity crisis, the Bank has a contingency plan with the following actions:

a) Sale of high-liquidity assets that form part of the reserve held of 5% of total liabilities, as previously mentioned;
b) Repo transactions with the BCRA with assets issued thereby, which are held in the Bank's portfolio;

c) Limiting any new credit assistance; and

d) Requesting financial assistance from the BCRA in the event of illiquidity. Current BCRA rules set forth the criteria to grant financial assistance to financial institutions in the event of illiquidity problems.

The following table shows the changes in the quick ratio.

COMPONENT	12/31/2019	12/31/2018
High-quality liquid assets	5,622,374	7,147,807
Deposits with the BCRA	3,745,836	4,803,375
Debts securities issued by the Argentine government	1,876,538	2,344,432
Cash outflows (weighted value)	5,331,315	4,560,223
Operational deposits	1,716,817	1,056,010
Nonoperational deposits	3,614,498	3,504,213
Cash inflows (weighted value)	5,674,859	1,620,824
Funds from small- and medium-sized enterprises and micro-enterprises (MiPyMEs)	3,820,208	88,371
Non-financial wholesale funding	574,080	927,626
Amounts receivable from financial institutions	444,093	604,827
Depósitos operativos en otras entidades	836,478	-
TOTAL STOCK OF HQLA	5,622,373	7,147,807
Total cash outflows, net	1,332,829	2,939,398
Liquidity coverage ratio (%)	4,22	2,43

The Bank discloses in Exhibit D “Loans and other financing facilities breakdown by term" and in Exhibit I "Breakdown of financial liabilities by the remaining terms" to the accompanying financial statements the breakdown by due date of financial assets and liabilities, respectively.

The following tables show the breakdown by contractual maturity considering the total amounts upon their due date of the Bank’s contingent obligations:

	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	Between 5 and 10 years	Beyond 10 years	Total as of 12/31/2019
CORREDOR PANAMERICANO I SA	-	-	770,801	-	-	-	770,801
CORREDOR PANAMERICANO II SA	-	-	545,791	-	-	-	545,791
Total	-	-	1,316,592	-	-	-	1,316,592

....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	Between 5 and 10 years	Beyond 10 years	Total as of 12/31/2018
NUCLEOELECTRICA ARGENTINA SA	262,166	-	-	-	-	-	262,166
Total	262,166	-	-	-	-	-	262,166

For the abovementioned commitments, there are guarantees issued by the Treasury Department as counter-guarantee, so the impact on liquidity will be mitigated when the government sureties are collected.

Market risk

Market risk is defined as the possibility of suffering losses in positions on and off the Bank's balance sheet as a result of the adverse fluctuations in the market prices of different assets.

Market risks include interest rate, exchange and price risks. They are exposed to general and specific market changes, as well as to changes in the volatility of prices, such as interest rates, credit margins, foreign exchange rates, and the prices of shares and securities, among others.

The Bank determines the market risk exposure arising from the fluctuation in the value of portfolios of investments for trading, which result from changes in market prices, the Bank's net positions in foreign currency, and government and private securities with normal quoted prices.

These risks arise from the size of the Bank’s net positions and/or the volatility of the risk factors involved in each financial instrument.

The Bank has policies regarding market risk management which establish the process for monitoring and controlling the risks arising from changes in the listed prices of financial instruments in order to optimize the risk/return ratio using adequate limits structure, as well as management tools and models.

The Bank also established policies for diversifying funding sources, preventing deposit concentration, as well as identifying key risk factors (interest rate, exchange rate, and price volatility, among others).

The risks to which the investment portfolios are exposed are monitored and reported to the Committee of Lending and Borrowing Transactions.

The main policies approved by the Board of Directors in connection with market risk are as follows:

- The Bank does not carry out any trading transactions involving its listed government securities.

- The government securities portfolio is maintained as a guarantee of liquidity, and it is used as set forth in the liquidity risk contingency plan. The Finance Management may perform purchase and sale transactions involving government securities to leverage investment or divestment contexts based on the arbitrage conditions related to existing market yields, without disregarding the safeguard measures that should be taken into account to guarantee liquidity.

The measurement is made using the Value at risk (VaR) as a tool to assess the economic capital required to address market risk losses arising from the Bank's exposure in connection with assets listed on the capital market (including the portfolio of listed government securities and the foreign currency position).

Value at risk	12/31/2019 (thousands of ARS)	12/31/2018 (thousands of ARS)
Position in foreign currency	10,390	17,489
Argentine government bonds	31,633	131,905
Total	42,023	149,394

The breakdown of the portfolio of government securities and their valuation is detailed in Exhibit A.

Sensitivity to interest rate changes:

The interest rate risk is defined as the potential occurrence of changes in the bank's financial condition as a result of interest rate fluctuations with adverse consequences in net financial income and its economic value. The Bank reviews periodically the sensitivity analysis of variations in interest rates considering asset and liability positions accruing interest and the local currency and foreign currency segments.

Sensitivity analysis of the changes in rates as of 12/31/2019		
Change	Badlar - Annual impact in thousands of ARS	Libor - Annual impact in thousands of ARS
-1.00%	(71,526)	50,103
-0.50%	(35,763)	25,051
0.50%	35,763	(25,051)
1.00%	71,526	(50,103)

Sensitivity analysis of the changes in rates as of December 31, 2018		
Change	Badlar - Annual impact in thousands of ARS	Libor - Annual impact in thousands of ARS
-1.00%	(68,050)	73,284
-0.50%	(34,025)	36,642
0.50%	34,025	(36,642)
1.00%	68,050	(73,284)

The sensitivity analysis is a static approach as of those dates and discloses that in the event of an increase in the rates in Argentine pesos, its immediate impact on the Bank's profit could be positive. However, since there is a gap in terms because the liabilities in Argentine pesos at fixed interest rates have a residual term that is shorter than that of the financial assets in Argentine pesos at a fixed interest rate (including the assets at variable rate with a cap, which, in the context of the current rates work as a fixed rate), an interest rate increase could exert the opposite effect in the mid term. In other words, like liabilities at a fixed rate, they should be renewed at market rates to cover the financing of long-term assets; this rise could have a negative effect on the Bank's profit.

BICE's Board of Directors approved the following policies for managing interest rate risk:

- Segregating duties so that negotiation, measurement and control activities are performed and reported with sufficient independence and accounted for based on the responsibilities defined in the Bank's Mission and Functions Manual.

- Using measurement methods that consider all material risk sources and show the behavior of the values subject to interest rate risk.

- Communicating interest rate risk to top management and to all the instances relevant in the decision-making process in a timely manner. Communication and reporting levels:

    - General Management
    - Committee of Lending and Borrowing Transactions
    - Comprehensive Risk Management Committee
    - Board of Directors

- Maintaining an interest rate risk contingency plan considering the various stress scenarios.

- Continuously assessing and improving the interest rate risk management policy as regards measurement approaches, limits structure and procedures implemented in order to satisfy the requirements of a dynamic financial and commercial context. At least once a year, or when market conditions so require, the interest rate risk management framework should be reviewed in full, proposing the necessary adjustments to the Comprehensive Risk Management Committee and subsequently to the Board of Directors.

- On an annual basis, in developing BICE's strategy and business plan, the Planning Head coordinates tasks with the Finance Management to identify the risks inherent in the business strategy related to the Bank's interest rate risk and ensure that they are in agreement.

Foreign currency exchange rate risk:

The Bank is exposed to fluctuations in foreign currency exchange rates in its financial position and cash flows. The larger proportion of assets and liabilities kept are related to US dollars.

Foreign exchange risk is reported in a timely manner to top management and to all instances relevant to the decision-making process, in accordance with the reporting levels indicated in the market risk assessment, since it is part of such process.

In addition, to obtain a coverage that may allow the Bank to mitigate and transfer the risk arising from the changes in the US dollar exchange rate, the Bank decided to execute foreign exchange hedge agreements (futures/forwards) with other financial institutions.

These foreign exchange hedge agreements are documented through MAE and ROFEX, or with other financial institutions (over the counter through framework agreements for performing derivative transactions).

Such agreements are characterized by:

a. MAE/Rofex. Agreements are guaranteed by the market's clearing house and the prices are public. In these markets, the differences between the market values and those contractually agreed are offset on a daily basis.

b. OTC (over the counter: non-institutionalized markets). OTC markets are markets whereby each party should seek a counterparty for performing its transaction and the agreement clauses are freely negotiated between the parties. In these agreements, the settlement of the differences mentioned in the previous section is not usually made until the expiration of the agreement.

The foreign currency position includes assets and liabilities reflected in pesos at the exchange rate as of the closing dates mentioned below. An institution's open position comprises assets, liabilities and memorandum accounts stated in foreign currency, where an institution assumes the risk. Any devaluation / revaluation of those currencies would affect the Bank's income statement.

The assets and liabilities making up the foreign currency position as of December 31, 2019, and 2018, are disclosed in exhibit L to the accompanying financial statements.

Foreign exchange sensitivity analysis of assets and liabilities in foreign currency:

CHANGE HYPOTHESIS	12/31/2019 Change in the exchange rate	12/31/2019 Exchange rate	12/31/2019 Annual impact in thousands of ARS	12/31/2018 Change in the exchange rate	12/31/2018 Exchange rate	12/31/2018 Annual impact in thousands of ARS
Appreciation of the Argentine peso with respect to the US dollar	0,05	59,845	203	0,05	37,758	8,020
	0,01	59,885	41	0,01	37,798	1,604
Depreciation of the Argentine peso with respect to the US dollar	0,10	59,995	(406)	0,10	37,908	(16,041)
	0,30	60,195	(1,218)	0,30	38,108	(48,122)

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and/or internal systems, or from external events. This definition includes legal risk but excludes strategic and reputational risk.

In this context, the legal risk –which may be endogenous or exogenous to the Bank– comprises, among other aspects, the exposure to penalties or other economic consequences or otherwise, resulting from the Bank's failure to comply with regulations and contractual obligations.

In addition, the Bank implemented an operational risk management system which follows the guidelines established by BCRA Communiqué "A" 5398 as amended; in addition, Communiqué "A" 5272 set out a minimum capital requirement in connection with this item effective as from February 1, 2012.

The purpose of BICE's operational risk management is to identify, measure, monitor and mitigate such risk. Certain tools are used to identify the risk, expert judgment to weigh it, and management and risks indicators to monitor it. There is an internal control environment for all transactions aimed at mitigating the risk and, where applicable, the risk is transferred.

The Board of Directors defined that the operational risk should be kept within tolerable levels.

As to operational losses, form 2010 through 2019, there are 174 events recorded in the Events Database, the purpose of which is to analyze and perform a follow-up on the cases, implementing or improving controls, as well as retrieving statistical data.

The following tables show the events related to business processes and those supporting them.

Processes	Management	Accumulated from 2019 through 2017	Booked in:	
			2019	2018
Business	Finance	9	-	1
	Trusts	3	2	-
	Commercial	6	2	-
Support	Administration	97	13	35
	IT	2	1	-
	Legal	2	-	1
	Operations	1	-	-
	Risks	2	-	-
	Human resources	50	9	14
	Institutional relationships	1	-	-
	Secretariat to the Board of Directors	1	-	-
Total		174	27	51

The operational risk management system is formed by:

a) Organizational structure: The Bank has a Risk Management area in charge of operational risk.

b) Policies: The Bank has an Operational Risk Management Policy approved by the Board of Directors defining the main concepts, roles and responsibilities of the Board of Directors, the Comprehensive Risk Management Committee, the Risk Area Administration, the Risk Management and of all the areas involved in managing such risk.

c) Procedures: the Bank has a procedure to "record operational losses", which established the guidelines to book those losses, as from the opening of specific accounting items, thus allowing the automatic inclusion of the operating losses recorded in those items in the related database.

   In addition, the Bank has a procedure that establishes the guidelines to prepare risk self-assessments and, in the event of risks exceeding allowed tolerance levels, guidelines to establish risk indicators and action plans.

d) Systems: the Bank has a comprehensive system that allows managing all the tasks involved in risk management: risk self-assessments, risk indicators and actions plans, as well as the management of the operating losses database.

e) Databases: The Bank has an operational risk event database prepared pursuant to the guidelines established in Communiqué "A" 4904, as supplemented.

   The information contained in the database is used to calculate the operational risk economic capital using advanced measurement methods (Monte Carlo method), also considering external data and the expert judgment of the persons in charge of managing this risk.

Reputational risk

The policies and procedures approved by the Board of Directors are as follows:

- The structure in charge of this risk involves different areas, since all areas should manage this risk within their field of competence.

- Segregating duties so that negotiation, origination, measurement and control tasks are performed and reported with a sufficient independence level.

- Using measurement methods that consider all material risk sources.

- Communicating reputational risk to top management and to all the instances relevant in the decision-making process in a timely manner. Communication and reporting levels:

  - General Management or that replacing it
  - Comprehensive Risk Management Committee
  - Board of Directors

- Maintaining an adequate contingency plan to address a potential crisis which may affect BICE and other risks.

- The events classified as moderate, significant or invalidating are managed by the Crisis Committee. Reputational risks classified as acceptable or tolerable are managed by the area where the event arises.

- Continuously assessing and improving the reputational risk management policy, periodically improving the policies and procedures implemented to monitor this risk adequately. Reviewing the framework for managing this risk in full at least once a year, proposing the necessary adjustments to the Comprehensive Risk Management Committee and subsequently to the Board of Directors.

The Bank's Management permanently monitors the changes in the economic variables mentioned in the risks described above to define the possible course of action and identify the potential impact on its equity and financial situation that should be disclosed in the financial statements of future periods.

NOTE 24. CORPORATE GOVERNANCE TRANSPARENCY POLICY

Presidential Decree No. 2,703/1991 established the creation of the Bank to act as a legally organized financial institution under the provisions of Law No. 19,550 as amended, with its own legal capacity, different from the Argentine government. Thus, notwithstanding the fact that its shareholders are public in nature (the Argentine government through the Ministry of Production, which currently manages the government's interest in the Bank as per the amendment introduced by Presidential Decree No. 13/2015 to the Law on Ministries, the Bank was organized as a sociedad anónima (Argentine business association type akin to a stock corporation) subject to private law, precisely to ensure that its commercial activities are carried out as quickly as possible. This is reflected both in its by-laws and in the authorization duly granted by the BCRA to act as a "C" category commercial bank through Board of Directors Resolution No. 65 dated February 21, 1992.

In this regard, the Bank's purpose is to conduct lending and borrowing transactions, and to provide the services inherent to second-tier commercial banks, in accordance with the provisions established by Laws No. 21,526 and 24,144, or those which may amend or replace them in the future, as well as by all the other provisions established by the BCRA for this type of financial entities.

An amendment to BCRA regulations (Communiqué "A" No. 5,107, 5,841 and 6,581) authorized government banks aimed at providing medium- and long-term financing for productive investments and foreign trade to receive deposits from international credit institutions and from investors making deposits in accordance with the regulations on "Term deposits and investments", for amounts not lower than ARS 10,000 thousands (or their equivalent in other currency) considered individually for each transaction and for a term not shorter than 365 days. Thus, by virtue of this regulation, second-tier banks, such as the Bank, are authorized to receive deposits subject to the abovementioned restrictions.

The current purpose is to finance productive investment, infrastructure and foreign trade for companies located in Argentina, directly or through other financial entities.
In accordance with the policies and objectives defined by the Board of Directors jointly with the Credit and Lending Transactions Committee, the Bank offers several credit lines available to the market, such as the prefinancing and financing of assets for regional economies and manufactured goods of agricultural and industrial origin, which represent a high percentage of Argentine exports, and the financing of activities aimed at commercially promoting and disseminating information about Argentina abroad. In the field of productive investment, which represents most of total placements, financing is granted for the purchase of capital goods aimed at various sectors of the economic activity, as well as for investment, reorganization or industrial restructuring and/or modernization projects involving several activities, and finance leases.

The Bank's shareholding structure, according to the Shareholders' Meeting dated September 25, 2019, is made up as follows:

1) 2,464,217 book-entry shares of common stock of ARS 1 thousand each, the bare ownership of which is held by Banco de la Nación Argentina, and the usufruct and right to vote over these shares, by the Ministry of Production and Labor;

2) 52,521 book-entry shares of common stock of ARS 1 thousand each owned by Banco de la Nación Argentina;

3) 4,491,112 book-entry shares of common stock of ARS 1 thousand each owned by the Argentine government through the Ministry of Production and Labor;

4) 2,615 book-entry shares of common stock of ARS 1 thousand each owned by Fundación Banco de la Nación Argentina (see note 1.2);

5) 4,524,568 book-entry shares of preferred stock of ARS 1 thousand each owned by Banco de la Nación Argentina, not entitled to any votes, and entitled to non-transferable, cumulative dividends equivalent to 1% of the face value of the issued preferred shares, which will be paid with the annual distribution of dividends up to the specified amount.

Accordingly, as of the date of issuance of the financial statements, the Bank's current capital stock stands at ARS 11,535,033 thousands, which has been fully subscribed and paid-in, ARS 825,658 thousands of which is still pending registration with the IGJ.

BICE's capital structure is detailed in note 1(4) to the consolidated financial statements.

Board structure and operating policies:

The Bank is managed and administered by a Board of Directors made up of up to eight directors (at present, six appointed directors) which are appointed for a term of two fiscal years, and such directors may be reelected indefinitely. Eight alternate directors may be appointed; they will replace the Directors in the order established by the Shareholders' Meeting in the event of absence, resignation, leave of absence, incapacity, inability or death, upon acceptance by the Board of Directors of the reason for the replacement, in the cases where this cause is temporary.

To be appointed as such, the directors or alternate directors should provide evidence of their ability and experience in connection with financial activities. The following persons may not act as directors:

1) those included in the grounds for inability established by the legal provisions in effect;

2) those who are part of or depend from management or are statutory auditors of private sector banks or financial entities and

3) those who are part of legislative or legal bodies from the federal, provincial or municipal spheres and in full and active performance of the legislative or court office.

Directors and alternate directors are appointed by the Regular Shareholders' Meeting. In addition, the appointment of new directors should be authorized by the BCRA; however, they may take office if the authorization proceedings are underway in such entity, and their designation will be deemed ad referendum of the related authorization, notwithstanding the validity of the acts in which they may take part during such period.

The Board of Directors appoints among its members a Chairperson and an Executive Vice Chairperson for a one-year term of office, and they may stand for reelection.

Under current BCRA regulations, it is understood that a member of the Bank's Board of Directors is not deemed to be independent if any of the following conditions are met:

1) when there is a control relationship according to the guidelines set out in points 1(1) and 1(2) of Exhibit I to Communiqué "A" No. 2,140;

2) when the member performs executive functions or performed such functions over the last year, and

3) this person is the spouse or relative by consanguinity up to the second degree, or by affinity up to the first degree, of the persons meeting the conditions stated in the foregoing points.

Considering the Bank's shareholding structure, as a bank of the public sector, whereby no director may have an equity interest in the Bank and no director performs executive functions or performed such functions over the last year, all of the Bank's directors are deemed to be independent. All the Bank's directors are independent to perform their duties in agreement with article 13, Section III, Chapter III, Title II of CNV standards.

Board of Directors' structure for 2019:

The Bank's Board of Directors was made up as follows:

Chairperson:	Francisco Adolfo Cabrera	Directors:	Carlos Luis Pirovano
Vice-Chairperson:	Federico Marcelo Cafasso		Martín Horacio Ottonello
			Ignacio Juan Moraco
			Anastasia María de los Angeles Adem
			José Nicanor Trusso Krause Mayol
			Rómulo Zemborain

In the Regular Shareholders' Meeting dated November 28, 2017, the terms of office of directors García, Pirovano, Robles, Ottonello and Morea were renewed for fiscal years 2018 and 2019, who accepted their appointments to the positions in the Board of Directors' Meeting dated January 23, 2018.

In the Regular and Special Shareholders' Meeting dated July 3, 2018, Francisco Adolfo Cabrera was appointed as director for fiscal years 2018 and 2019, who accepted his appointment at the subsequent Board of Directors' Meeting. Finally, on the Board of Directors' Meeting held on July 3, 2018, and based on the decisions made in the last meeting, the positions of Chairperson and Executive Vice Chairperson were assigned to Cabrera and García, respectively, who accepted the appointments. On the Board of Directors' Meeting held on December 13, 2018, the resignations submitted by Robles and Morea as directors were accepted and the latter was appointed as the Bank's General Manager.

Mr. Federico Marcelo Cafasso, Mr. Ignacio Juan Moraco and Ms. Anastasia María de los Ángeles Adem were appointed as directors until the end of 2019 and accepted their appointments to the positions on the Regular Shareholders' Meeting held on February 27, 2019. Subsequently, during the Board of Directors' meeting held on February 28, 2019, the resignation submitted by the director Pablo García was accepted, and Federico Marcelo Cafasso was appointed vice-chairperson.

During the Regular and Special Shareholders' Meeting held on March 19, 2019, José Nicanor Trusso Krause Mayol was appointed director for 2019, and he accepted such position during the Board of Directors' meeting held on that date.

Finally, during the Regular Shareholders' Meeting held on August 6, 2019, Rómulo Zemborain was appointed director for 2019, and he accepted such position during the Board of Directors' meeting held on that date.

Current Board of Directors' structure:

As of the date of approval of these financial statements, the Bank's Board of Directors is made up as follows:

Chairperson:	José Ignacio de Mendiguren	Directors:	Fabián Eduardo Musso
Vice-Chairperson:	Miguel Gustavo Peirano		Carlos Ramón Brown
			Nicolás José Scioli
			Raquel Cecilia Kismer

During the Regular and Special Unanimous Shareholders' Meeting held on January 24, 2020, Miguel Gustavo Peirano, Fabián Eduardo Musso, Carlos Ramón Brown, Nicolás José Scioli and Raquel Cecilia Kismer were appointed as directors to hold office in 2020 and 2021, who accepted the positions for which they were appointed during that meeting. Subsequently, during the Board of Directors' meeting held on that same date, Miguel Gustavo Peirano was appointed vice-chairperson for a term of one year.

During the Regular Shareholders' Meeting held on February 3, 2020, José Ignacio de Mendiguren was appointed as director and chairperson to hold office in 2020 and 2021.

Audit:

As provided for in the by-laws, the Bank is audited by a Statutory Audit Committee made up by three statutory auditors and three alternate statutory auditors proposed by the SIGEN (Argentine general auditing office) in accordance with Law No. 24,156, section 114.

The Statutory Audit Commission is made up as follows:

Statutory Auditors:	Mabel González Escot Celina Gonzalez Ariel Maximiliano Bozzano	Alternate Statutory Auditors:	Norma Mabel Vicente Soutullo Claudia Ines Siciliano Damiana Raquel Ponferrada

Board Committees:

Several committees are also set up so that the Board of Directors may delegate to a collegiate body made up of some of its members and representatives of the various areas of the Bank certain issues that they may analyze and solve independently, notifying the Board of Directors of the decisions made.

In December 2018, the Board of Directors approved the proposal to simplify the committees aimed at redesigning the structure of duties assigned to the committees and implementing a streamlined quality model to reduce the bureaucracy and delegate the functions to the line, as well as implement a scalation and approval process by digitizing documents and adopting the digital signature.

Below is a breakdown of the Bank's Committees and their members:

Committee	Members	Competencies
IT Committee	It is composed of three directors, the General Manager, the IT & Operations Director, the Systems Manager and the Head of IT Security.	This is the Committee in charge of supervising the proper operation of the IT environment and contributing to improving its efficiency; as well as approving, assessing and reviewing the IT security plan and the IT and Information Systems Plan, ensuring that the IT systems and the related technologies meet the Bank's business needs, and that they are aligned with the Bank's strategic plans, among other duties.

Committee	Members	Competencies
Comprehensive Risk Management Committee	It is comprised by three directors appointed by the Board of Directors, the General Manager and the Directors of Risk, Commerce, and Administration & Finance.	It approves the methods for identifying, measuring, monitoring, limiting, controlling, reporting and surveying the different types of risk to which it is exposed and the potential amendments; approves the methods for implementing hedging, remedial and corrective policies; conducts a follow-up of the comprehensive management of credit, market, liquidity and/or assets and liabilities, operating, compliance and reputational risks, among others. It also examines and escalates the Business Continuity Plan, to the Board of Directors, among others.
Audit Committee	It is composed of three directors appointed in accordance with BCRA regulations and a person in charge of Internal Audit. The members making up the Statutory Audit Committee should be invited to all the meetings held by this Committee. These meetings may also be attended by external auditors and the officials that the Committee may deem necessary to deal with a particular issue, as applicable.	It periodically assesses the proper operation of the internal control systems defined at the Bank. It assesses the reports and findings made by Internal and External Audit and the enforcement agency, and follows up on the implementation of the recommendations received. One of its functions is to ensure that the Bank has the appropriate means to promote proper decision-making and compliance with internal and external regulations. It implements training programs so that its members may have a good knowledge base to perform their work.
Committee of Integrity, Anti-Money Laundering and Counter-Terrorism Financing	It is comprised by three directors appointed by the Board of Directors, the Compliance Officer, the General Manager, the Legal & Compliance Director and the Head of Anti-Money Laundering.	It plans, coordinates and enforces compliance with the anti-money laundering and terrorism financing policies drafted and approved by the Board of Directors; analyzes the reports on unusual, suspicious or unnecessarily complex transactions; assesses and approves the related in-house training program; analyzes and escalates to the Board of Directors the policies comprising the Integrity Program; enforces compliance with the aforementioned program, and annually analyzes and escalates to the Board of Directors the Corporate Governance Code, the Ethics Code and other policies related to the Integrity Program, among others.

Committee	Members	Competencies
Committee of Lending and Borrowing Transactions	It is made up of three directors appointed by the Board of Directors, the General Manager and the Directors of Risk, Commerce, Administration and Finance and Infrastructure.	It carries out the duties established in the Bank's Manual of Powers and suggests that the Board of Directors issue and/or amend the policies included in the Bank's Manual of Risk at its discretion or based on the proposals made by the Risk Director. It analyzes and suggests that the Board of Directors issue financial policies to manage short-term and long-term resources and investments in emerging funds, as well as the potential sources of financing and their potential early repayments. It considers the Bank's financial planning and its involvement as a trustor in the Argentine federal government sector and/or the private sector.

The Bank's General Manager is appointed by the Board of Directors. The designation of the General Manager or of the person performing those functions is subject to the assessment of this person's background by the BCRA.

The Bank's Top Management is made up of the General Management led by Gabriel Martín Vienni, who was appointed by the Bank's Board of Directors during its meeting held on January 28, 2020, to hold office as from February 1, 2020, subject to the approval of the BCRA.

Among other aspects, senior management is responsible for:

1) implementing the strategies and policies approved by the Board of Directors;

2) developing processes to identify, assess, monitor, control and mitigate the risks faced by the Bank;

3) implementing appropriate internal control systems and monitoring the effectiveness thereof, periodically reporting goal achievement to the Board of Directors;

4) ensuring that the Bank's activities are consistent with the business strategy, the policies approved by the Board of Directors and the risks to be undertaken;

5) implementing the policies, procedures, processes and controls necessary to manage transactions and risks in a thorough and prudent manner, meeting the strategic goals set by the Board of Directors and ensuring that it receives relevant, complete and timely information that it would allow it to assess operations and analyze whether the responsibilities assigned are effectively met;

6) monitoring the various areas in a manner consistent with the policies and procedures set out by the Board of Directors. One of top management's key roles will be to establish, under the policies set out by the Board of Directors, an effective internal control system.

7) assigning responsibilities to the Bank's personnel without disregarding its obligation of controlling how they are performed, and establishing an organizational structure that promotes accountability;

8) presenting the results of its operations at the Bank to the Board of Directors;

9) effectively using the work performed by the internal and external audit areas and the functions related to the internal control system; and

10) understanding the Bank's operating structure.

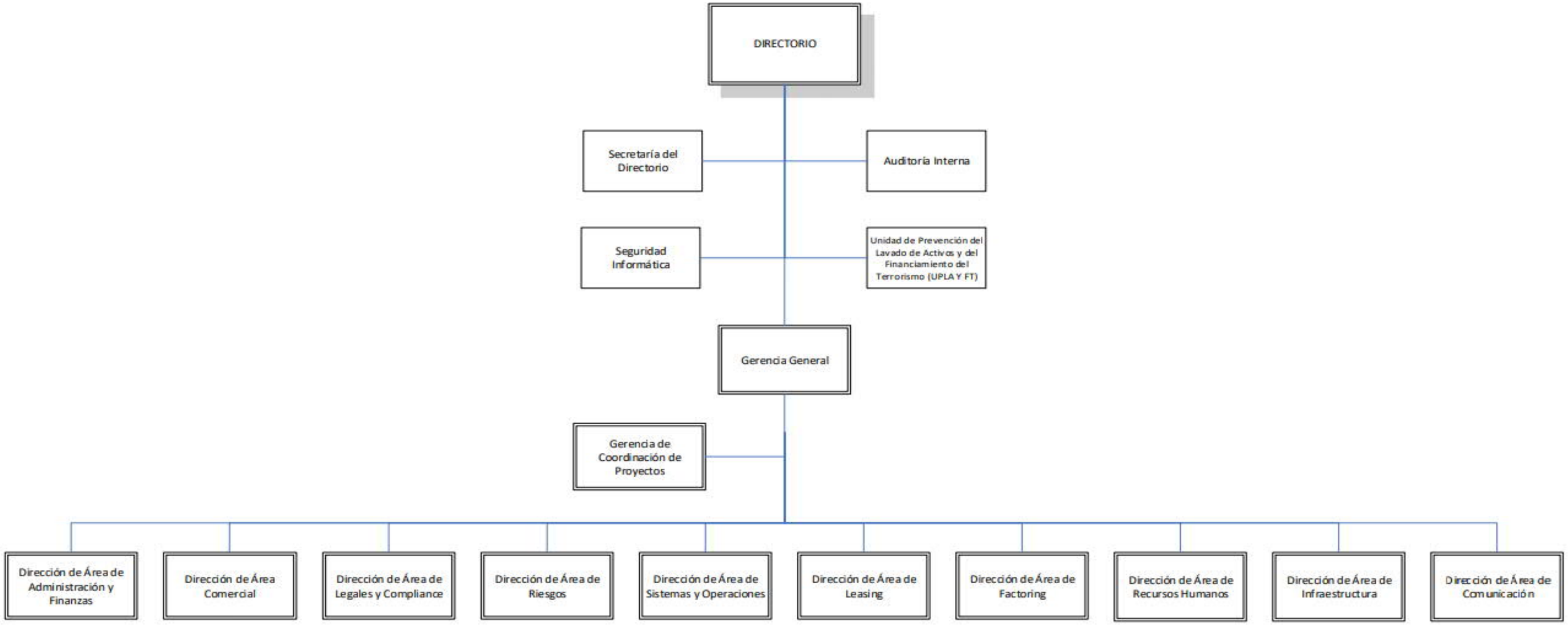
The following areas report to the General Management

- Commercial management
- Legal and compliance management
- Administration and finance management
- Risk management
- IT and operations management
- Human resources management
- Infrastructure management
- Communication management
- Capital lease management
- Factoring management
- Project management

In addition, the following areas report to the Board of Directors:

- Secretariat to the Board of Directors
- UPLAyFT (control and prevention of money laundering and terrorism financing unit)
- IT security
- Internal Audit

The Bank's organizational structure is represented in the general organizational chart approved by Board of Directors' Meetings Minutes No. 1,082 dated November 8, 2018, which is included below:



....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

As to the Code of Ethics implemented at the Bank, it describes the minimum behavior and conduct principles that all Bank members should follow. This Code is supplementary to the Corporate Governance Code as to the composition of the Bank's Corporate governance management, notwithstanding the regulations applicable to the directors in their capacity as government officials, to which the Code also supplements.

Such Code specifies all the Bank's policies in connection with conflicts of interest, which should be followed by all Bank members.

The Code of Ethics is based on the following principles:

- compliance with current laws and regulations;
- honesty and professional and personal integrity;
- avoiding conflicts of interest with the Bank;
- maintaining information confidentiality and security and
- fair and equal treatment with all individuals having a relationship with the Bank.

Concerning the economic incentive policy granted to employees, the Bank's Board of Directors approved a program of objective bonuses that contemplate an annual variable pay.

As to its role as financial agent of the non-financial government sector, the Bank has acted within the framework of BCRA regulations and as established in section 4(c) of its by-laws.

In addition, the Bank has been offering trust services as an institutionalized product. The experience earned by the Bank regarding trust services –as trustor, organizer and/or trustee– enables it to provide advisory services to current or potential customers in structuring and operating different types of trusts.

The current trust portfolio and the trusts being structured are very broad and their customer profile is as follows:

- Large, medium and small companies
- Principal and contractors of public works, especially in the energy sector
- Argentine federal and provincial governments

To be positioned as a referent in the trust management field, the Bank has a Trust Management area addressing all matters concerning the management and administration thereof.

Such management and administration is carried out using a work scheme involving detailed procedural regulations, control by opposition, automation of functions and operational risk analyses prior to launching a new business.

NOTE 25. TRUST ACTIVITIES

The amounts as of December 31, 2019, and 2018, arise from the trusts' accounting records as of such dates.

The obligations arising from the various trusts will be exclusively met with the corpus assets. The Bank's and its subsidiary's responsibility as trustee is limited to complying with Law on Trusts No. 24,441 and the related trust agreement, and it will not be liable with its own assets except in the case of gross negligence or willful misconduct in meeting its obligations, which should be resolved by a definitive court judgment issued by a competent court.

BICE acts as a trustee of the following trusts and in no case is liable with its own assets, as provided for by Law No. 24,441, as amended.

Trust name	Trust type	Trustor's name	Amount of corpus assets	
			12/31/2019 (*)	12/31/2018
Fondo para el Desarrollo de Energías Renovables	Management trust	Argentine government through the Ministry of Energy and Mining	491,230,810	306,084,515
Fideicomiso Central Termoeléctrica Vuelta de Obligado	Trust for works	C,A,M,M,E,S,A,	13,227,785	17,723,640
Fideicomiso de Administración de Obras de Transporte para el Abastecimiento Eléctrico	Trust for works	C,A,M,M,E,S,A,	9,909,643	4,821,632
Fideicomiso Central Termoeléctrica Guillermo Brown	Trust for works	C,A,M,M,E,S,A,	5,985,014	9,537,110
Fideicomiso Central Termoeléctrica Timbúes	Trust for works	C,A,M,M,E,S,A,	5,129,597	5,126,015
Fideicomiso Central Termoeléctrica Manuel Belgrano	Trust for works	C,A,M,M,E,S,A,	5,396,690	4,725,476
Fideicomiso Central Hidroeléctrica Punta Negra	Payment management trust	Energía Provincial Sociedad del Estado	2,694,412	1,768,659
Fondo Fiduciario para la Protección Ambiental de los Bosques Nativos (FOBOSQUE)	Administrative and financial trust	Department of Environment and Sustainable Development	1,484,030	841
Fideicomiso PROICSA componentes I a III	Loan trust	Former Ministry of Agriculture, Livestock and Fishing	767,761	579,008
Fideicomiso de Garantía y Cesión de Garantía	Guarantee trust	Energía Argentina S,A, and CAMMESA	607,004	434,520
Other	-	-	1,823,818	2,285,877
TOTAL			538,256,564	353,087,293

BICE Fideicomisos S.A. acts as a trustee of the following trusts and in no case is liable with its own assets, as provided for by Law No. 24,441, as amended.

Trust name	Trust type	Trustor's name	Amount of corpus assets	
			12/31/2019 (*)	12/31/2018
Fideicomiso Financiero de Financiamiento - Cammesa	Financial trust	C.A.M.M.E.S.A.	60,569,621	29,574,708
Fideicomiso Financiero de Obra Gasoducto Sur 2006 - 2008	Financial trust	Transportadora Gas del Sur S.A	49,964,941	11,448,947
Fideicomiso Financiero de Obra Gasoducto Norte 2006 - 2008	Financial trust	Transportadora Gas del Norte S.A	33,397,259	14,799,791
Fideicomiso Financiero y de Administración Serie I - Enarsa - Barragan	Financial trust	Energía Argentina S.A.	26,683,015	12,909,051
Fideicomiso Financiero Nasa Serie I	Financial trust	Nucleoeléctrica Argentina S.A	25,085,505	25,597,858
Fideicomiso de Administración Fondo Argentino de Hidrocarburos	Management trust	Ministry of Economy and Public Finance	15,473,620	7,114,953
Fideicomiso Financiero de Financiamiento - Albanesi	Financial trust	Rafael Albanesi S.A.	14,142,228	2,570,773
Fideicomiso Financiero y de Administración FONDEAR	Financial trust	Estado Nacional a través del Ministerio de Producción de la Nación	8,589,952	4,429,229
Fideicomiso Financiero y de Administración Serie I - Enarsa - Brigadier Lopez	Financial trust	Energía Argentina S.A	8,542,824	6,810,789
Fideicomiso de Administración Argentina Digital	Management trust	Argentine government through the ENACOM (Argentine communications agency)	10,245,501	7,168,392
Other	-	-	52,783,818	30,054,496
TOTAL			305,478,284	152.478.987

(*) The financial statements as of December 31, 2019, of the abovementioned trusts have not been audited yet.

NOTA 26. ADMINISTRATION OF THE PROGRAM TO BOOST THE COMPETITIVENESS OF REGIONAL ECONOMIES (PROCER)

On March 27, 2018, the Technical Cooperation Agreement was signed between the Coordination Underdeparment of the Ministry of Production and BICE, whereby BICE shall act since April 15, 2018, as the financial agent and manage all the financing facilities related to the PROCER, assigned as from that date. This entails collecting the amounts owed by the financial entities and managing the guarantees to secure such payables. In both cases, BICE collects a percentage commission, which is discounted from the amount payable to the Ministry of Production booked as liabilities.

The assets managed as of December 31, 2019, and 2018, are:

	12/31/2019	12/31/2018
- Amounts payable to the Ministry of Production for collections made	218,015	80,717
- Amounts payable to the Ministry of Production for amounts received upon the transfer of the administration	523,695	330,579
- Assets managed	476,164	440,528
- Amount of guarantees managed (government securities)	512,840	468,112

NOTE 27. DEPOSIT GUARANTEE INSURANCE

Law No. 24,485, published on April 18, 1995, and Presidential Decree No. 540/95 of the same date, created a limited and mandatory Deposit Guarantee Insurance System for valuable consideration designed to provide coverage for risks inherent in bank deposits, as a subsidiary and supplementary protection to the one offered by the system of bank deposit privileges and protection created by Financial Institutions Law.

Such law created the company "Seguro de Depósitos Sociedad Anónima" (SEDESA) for the exclusive purpose of managing the deposit guarantee fund, the shareholders of which, as amended by Presidential Decree No. 1,292/96, shall be the BCRA with at least one share, and the trustees of the trust agreement created by financial institutions in the proportion established by the BCRA based on their contributions to the deposit guarantee fund. Such company, where the Bank does not hold any equity interest, was created in August 1995.

This system will comprise the deposits made in Argentine pesos and foreign currency with the institutions involved in checking accounts, savings accounts, certificates of deposit or other types determined by the BCRA, up to the amount of ARS 1,000 thousands, and meeting the requirements of Presidential Decree No. 540/95 and further requirements established by the enforcement authority.

The system will not include: (a) transferable term deposits which ownership has been acquired by way of endorsement, even when the last endorsee is the original depositor; (b) deposits offering incentives or compensation other than an interest rate and, as the case may be, the amount accrued by application of the CER (benchmark stabilization coefficient), whichever the name or system adopted; (c) deposits which offer interest rates higher by than 1.3 times the deposit interest rate or the benchmark rate plus 5 percentage points, which are periodically reported by the BCRA; d) financial institutions' deposits with other intermediaries, including the certificates of deposit acquired through secondary negotiation; (e) deposits made by persons related, either directly or indirectly, to the bank, according to BCRA current or future regulations; (f) time deposits of securities, acceptances or guarantees; (g) frozen balances arising from deposits and other excluded transactions.

BICE is a second-tier commercial bank authorized as from July 2010, by BCRA regulations, to take deposits from certain investors, as explained in note 1(3). In October 2010, the Bank started taking deposits under the defined conditions and as from December 2010, it complies with the regular paying in of the contribution to the deposit guarantee system.

NOTE 28. RESTRICTIONS ON EARNINGS DISTRIBUTION

a) As established by the BCRA, 20% of income (loss) for the year plus/less prior-year income (loss) adjustments, the transfers of other comprehensive income to unappropriated retained earnings and less the accumulated loss as of the previous year-end, if any, shall be allocated for setting up the legal reserve. Consequently, the upcoming Shareholders' Meeting shall be required to apply ARS 110,340 thousands out of unappropriated earnings to increase such legal reserve.

b) Through its Communiqué "A" 6464, the BCRA established the general proceeding for distributing earnings. Under this Communiqué, a distribution may be made provided that certain situations are not met, such as receiving financial assistance from the BCRA due to illiquidity, shortages in paying in minimum capital requirements or be subject to sections 34 and 35 bis of Financial Institutions Law (sections referring to adjustment or corrective plans and to the Bank's restructuring), among other conditions specified in the abovementioned communiqué which should be complied with.

Furthermore, as established by BCRA Communiqué "A" 6768, the distribution of earnings approved by the Bank's Shareholders' Meeting may only become effective once the BCRA's SEFyC (Financial Institutions and Foreign Exchange Regulatory Agency) issues its authorization, as it will evaluate, among other aspects, the potential effects of applying IFRSs as per Communiqué "A" 6430 (item 5.5 of IFRS 9, Impairment in the value of financial assets) and restating the financial statements as per Communiqué "A" 6651.

In addition, earnings may only be distributed provided that there is income after deducting on a non-accounting basis from the unappropriated retained earnings and from the optional reserve for future distribution of earnings: (i) the amounts related to the legal and statutory reserves that should be set, (ii) the total debit balances of each of the items included in "Other comprehensive income", (iii) the amount arising from the revaluation of property and bank premises, intangible assets and investment property, (iv) with respect to the instruments valued at amortized cost, the net positive difference between the value at amortized cost and the fair value of the BCRA's government debt and/or regulation instruments, (v) the adjustments identified by the BCRA's SEFyC (Financial Institutions and Foreign-Exchange Entities Superintendence) or by the external auditor which have not been booked, and (vi) certain deductibles granted by the BCRA. In addition, the distribution of earnings may not include income arising from the first-time application of IFRS, which should be included as a special reserve.

Lastly, the Bank should verify whether upon effecting the proposed distribution of earnings, a capital equivalent to 2.5% of risk-weighted assets has been maintained in addition to the minimum capital requirement established by the regulation, and it should be paid-in with tier 1 common capital net of deductible items.

c) Under CNV General Resolution No. 593, the Shareholders' Meeting in charge of analyzing the annual financial statements will be required to establish a specific use for the Company's retained earnings, whether through the actual distribution of dividends, the capitalization thereof through the delivery of bonus shares, the creation of voluntary reserves additional to the legal reserve or a combination of any of these applications."

In compliance with the above and based on the distribution approved by BICE's Regular Shareholders' Meeting held on March 19, 2019, ARS 198,895 thousands was allocated to increase the legal reserve and ARS 665,275 thousands, to create an optional reserve. Moreover, such Meeting approved a distribution of share-based dividends amounting to ARS 114,895 thousands.

NOTE 29. COMPLIANCE WITH REQUIREMENTS TO ACT AS THE VARIOUS CATEGORIES OF AGENTS DEFINED BY THE CNV

29.1. BICE

Under Resolution No. 2,144 dated September 19, 2014 (notified to BICE on October 8, 2014), amended By Resolution No. 2,479 dated May 5, 2015 (notified to BICE on May 14, 2015), both issued by the Agents and Markets Management of the CNV, BICE was definitively registered as settlement and clearing agent and own trading agent in the Agents and Markets Registry of such agency, under the guidelines set by Interpretation Criterion No. 55/2014 (settlement and clearing agent and own trading agent – direct participant) to undertake, only with own funds, transactions involving all the corporate bonds allowed to settlement and clearing agents and own trading agents (not limited to the futures and options transactions established by the abovementioned criterion).

In addition, BICE joins the issuers' system, as authorized by the corporate bonds program through CNV Resolution No. 1,847 dated July 28, 2016. Lastly, by CNV resolution dated November 16, 2017, BICE was registered with the Financial Trusts Registry.

Regarding BICE's operations, as of December 31, 2019, shareholders' equity stands at ARS 13,486,702 thousands, exceeding the minimum shareholders' equity required by CNV regulations as revised in 2013.

The liquid contra account amounts to ARS 12,000 thousands, under the requirements established in Exhibit I, Chapter I, Markets, included in Title VI of CNV regulations, as revised. It is made up of the daily closing balance of checking account No. 0004916703 held by BICE at the BCRA, which stands at ARS 24,270 thousands as of December 31, 2019.

29.2. BICE Fideicomisos

Based on CNV Resolution No. 495/06, the Company registered with the Registry of Ordinary Public Trustees and the Registry of Financial Trustees, and submitted the relevant information to revalidate the registration thereof as managing agent in charge of mutual funds collective investment products according to the requirements established by such agency.

By virtue of Resolution No. 622/13 amended by General Resolution No. 617/2016 of such agency, and according to the requirements established, the minimum shareholders' equity required to act as financial trusts and non-financial trusts stands at ARS 6,000 thousands which is lower to the Company's shareholders' equity.

In addition, the minimum equity requirement stands at ARS 3,000 thousands, which is met by the Company and is made up as follows:

Description	Number	Valuation	Amount as of 12/31/2019
Assets made up of Argentine instruments			
Argentine government bonds in USD 8% 2020 – AO20	1,130,867	33,7	38,110
Total			38,110

NOTE 30. CNV RESOLUTION NO. 629

In compliance with CNV Resolution No. 629, the documentary support related to all of BICE's accounting and management transactions as from October 1, 2019, through the date of issuance of these financial statements, the accounting books and all corporate books are stored in the registered place of business.

Any other documentary support prior to such date is stored by the company AdeA S.A., which warehouse is located at provincial highway No. 36, km 31,500, town of Bosques, district of Florencio Varela, province of Buenos Aires.

NOTE 31. MINIMUM CASH REQUIREMENTS

31.1. Minimum cash requirement compliance accounts

Under BCRA regulations, as of the date of issuance of these financial statements, BICE has taken deposits; therefore, its computable items are made up of such amounts and those from other payables arising from financial intermediation subject to minimum cash requirements. The amounts are paid in through the accounts opened at the BCRA and the liquidity bills (LELIQ) deposited in account 30060 of the CRYL (Department for the Registration and Settlement of Public Debt Instruments).

As of December 31, 2019, the minimum cash required and paid in, in thousands of Argentine pesos, are as follows:

Currency	Minimum cash requirements in thousands of ARS	Paying in of minimum cash requirements in thousands of ARS	BCRA current account
ARS	659,634	679,585	00300
US dollar	31,982	50,044	80300
Euros	-	56	11300

31.2. Minimum capital requirement

Below is a summary of the minimum consolidated capital requirements broken down by credit risk, market risk and operational risk for December 2019, together with the payment thereof (computable equity) at month-end.

Item	12/31/2019
Consolidated computable equity	13,433,375
Minimum capital requirement	
Market risk	238,117
Operational risk	213,498
Credit risk	5,225,938
Excess amount earmarked	7,755,822

NOTA 32. CORPORATE BONDS ISSUANCE

On March 17, 2016, the Unanimous Regular and Special Shareholders' Meeting approved the creation of the Program for issuing simple corporate bonds not convertible into shares for a maximum total amount outstanding at any given time of up to USD 150 million (or its equivalent in other currencies). The Special Shareholders' Meeting dated January 17, 2017, resolved to increase the amount earmarked for such program, from a nominal amount of USD 650,000 thousands (or the equivalent amount in other currencies) to a nominal amount of USD 800,000 thousands (or the equivalent amount in other currencies) to be issued in one or more classes and/or series, considering the possibility of re-issuing the classes and/or series which were amortized without exceeding the program's total amount. The increase was approved by the CNV on April 12, 2017, through Resolution No. 18,607.

On May 15, 2018, the Board of Directors decided to approve the issuance and placement of corporate bonds for a nominal value not exceeding USD 400,000 thousands by initial public offering. Such corporate bonds may be issued in one or more classes and/or series under the Program and the issuance terms that may be established for issuing and placing those shares. The Company will use all of the net proceeds arising from the placement of corporate bonds in compliance with the provisions of section 36, Corporate Bonds Law No. 23,576 as amended.

An update of the program's prospectus was also approved. This update will allow requesting approval from the CNV of the latest accounting information available on the Company and obtaining the IPO authorization to issue corporate bonds under the program. On August 16, 2018, the CNV approved this prospectus.

On June 18, 2019, the Board of Directors decided to approve the update of simple corporate bonds comprehensive program for a nominal value not exceeding USD 800,000 thousands, or its equivalent in other currencies, and approve the issuance and placement through a public offer of Class IX corporate bonds for a nominal value not exceeding ARS 1,500,000 thousands, as part of the program. In addition, on July 16, 2019, the Class IX reopening was approved for an additional amount of ARS 1,800,000 thousands.

Below are the classes of corporate bonds issued by the Bank:

	Series I		Series II	
	Class I	Class II	Class III	Class IV
Amount issued	509,000 mi	491,000 mi	615,000 mi	540,588 mi
Applicable rate	Badlar	Badlar	Badlar	Badlar
Applicable margin	Nominal 2% p.a.	Nominal 3.25% p.a.	Nominal 3.25 % p.a.	Nominal 3.75% p.a.
Issue date	08/16/2016	08/16/2016	12/19/2016	12/19/2016
Amortization and maturity date	02/16/2018	08/16/2019	06/19/2018	12/19/2019
Term	1.28 years	2.11 years	1.30 years	2.21 years

	Series III		Series IV	
	Class V	Class VI	Class VII	Class VIII
Amount issued	277,419 mi	961,000 mi	816,667 mi	783,333 mi
Applicable rate	Badlar	Badlar	TM20	TM20
Applicable margin	Nominal 2.75 % p.a.	Nominal 3.50% p.a.	Nominal 2.50% p.a.	Nominal 3.10% p.a.
Issue date	06/27/2017	06/27/2017	01/18/2018	01/18/2018
Amortization and maturity date	12/27/2018	06/27/2020	07/18/2019	01/18/2021
Term	1.32 years	2.26 years	1.28 years	2.16 years

	Series V
	Class IX
Amount issued	1,841,600 mi
Applicable rate	Private Badlar
Applicable margin	0%
Issue date	07/16/2019
Amortization and maturity date	01/16/2021
Term	1.16 years

In compliance with section 36, Corporate Bonds Law and with other applicable regulations, the Issuer will earmark the net income arising from the placement of corporate bonds to (i) working capital in Argentina, (ii) investments in physical assets located in Argentina, (iii) capital contributions in subsidiaries or affiliates, as long as the latter use the funds arising from such contributions as described above, (iv) refinancing payables, or (v) granting loans for any of the purposes described above, following the technical ratios and other provisions included in the applicable BCRA regulations and complying with section 36, Corporate Bonds Law.

Notwithstanding the above and the possibility of using the proceeds for any of the purposes described above, by virtue of the Bank's capacity as financial institution, the funds will be primarily used to grant loans, as described in point (v) of the preceding paragraph.
In addition, and particularly in connection with Class 1, 3, 5 and 7 corporate bonds, the Issuer decided that all of the funds arising from their placement will be only used to grant loans which beneficiaries meet the requirements

to be regarded as "PYMES CNV", in accordance with article 1, section I, Chapter VI, Title II of CNV Regulations, and they will, in turn, use the funds received to making working capital contributions and/or investments in physical assets located in Argentina, as provided for by the last paragraph of section 35, Corporate Bonds Law.

Corporate bonds were issued in compliance with all the terms and requirements established by Law No. 23,576 on Corporate Bonds, Law No. 26,831 on Capital Markets, and CNV Regulations as revised in 2013 and as amended.

As of December 31, 2019, and 2018, the breakdown of the series of issued corporate bonds in effect is as follows:

Breakdown	Face value in thousands of ARS	Amount as of 12/31/2019 Thousands of ARS (*)	Amount as of 12/31/2018 Thousands of ARS (*)
Class II	491,000	-	521,167
Class IV	540,588	-	548,123
Class VI	961,000	964,378	963,620
Class VII	816,667	-	906,469
Class VIII	783,333	861,623	868,421
Class IX	1,841,600	2,021,121	-
Total		3,847,122	3,807,800

(*) Related to the amortized cost of each class as of the cutoff date.

As of December 31, 2019, Classes I, II, III, IV, V and VII are amortized and settled.

NOTE 33. PENALTIES APPLIED TO THE FINANCIAL INSTITUTION AND SUMMARY PROCEEDINGS INITIATED BY THE BCRA

As of the date of issuance of these financial statements, no penalties have been applied to the Bank or to its subsidiary by the enforcement agencies, nor has it been subject to summary proceedings initiated by the BCRA.

NOTE 34. CHANGES IN THE ARGENTINE 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.

On August 28, 2019, the Federal Executive issued Presidential Decree No. 596/2019, which established payment obligations in relation to Argentine short-term public debt securities, will be settled following this schedule: 15% upon maturity, as per the original terms and conditions of issuance; 25% of the amount due plus interest, 90 calendar days after the previous payment; and the remaining 60% plus interest, 180 calendar days after 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.

From the tax point of view, note 17 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.

NOTE 35. SUBSEQUENT EVENTS

As of the date of approval of the accompanying financial statements, no other events have occurred other than those disclosed in the preceding notes.

EXHIBIT A

CONSOLIDATED BREAKDOWN OF GOVERNMENT AND PRIVATE SECURITIES
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Item	IDENTIFICATION	HOLDINGS				POSITION WITHOUT OPTIONS	OPTIONS	FINAL POSITION
		FAIR VALUE	FAIR VALUE LEVEL	CARRYING AMOUNT 12/31/2019	CARRYING AMOUNT 12/31/2018			
SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		572,429		572,429	656,192	572,429	-	572,429
- Argentine								
- Private securities								
- Garantizar SGR	8003	420,810	2	420,810	365,962	420,810	-	420,810
- Cuyo Aval SGR	8004	37,360	2	37,360	33,589	37,360	-	37,360
- Acindar Pymes SGR	8005	11,821	2	11,821	33,807	11,821	-	11,821
- Government securities								
- Argentine government bond in USD 2020 - AO20	5468	42,783	1	42,783	74,500	42,783	-	42,783
- Argentine Treasury bond in pesos 2020 - TC20	4502	21,516	1	21,516	-	21,516	-	21,516
- 8th series consolidation bonds 2020 - PR15	2571	20,932	1	20,932	-	20,932	-	20,932
- Argentine Government bond in pesos 2038 - PARP	45695	10,758	1	10,758	7,694	10,758	-	10,758
- Argentine Government bond in pesos 2045 - CUAP	45697	6,449	1	6,449	4,941	6,449	-	6,449
- Argentine government bond - BONAR 2024 - AY24	5458	-	-	-	42,562	-	-	-
- TD CABA23 2028$ - CAB23	32976	-	-	-	36,100	-	-	-
- Fixed-rate Argentine Treasury Bond in ARS maturing in 2020	5330	-	-	-	30,300	-	-	-
- Argentine government bond in USD - BONAR 2024 - AY24	5458	-	-	-	5,515	-	-	-
- Other		-	-	-	21,222	-	-	-
OTHER DEBT SECURITIES NET OF ALLOWANCES		4,701,835		5,213,556	5,007,247	5,213,556	-	5,213,556
Allowances for loan losses		-		(544,617)	(22,040)	(544,617)	-	(544,617)
OTHER DEBT SECURITIES		4,701,835		5,758,173	5,029,287	5,758,173	-	5,758,173
Measured at fair value through profit or loss		93,564		93,564	146,278	93,564	-	93,564
- Argentine								
- Government securities								
- Argentine government bond in USD - BONAR 2024 - AY24	5458	93,564	1	93,564	146,278	93,564	-	93,564
Measured at amortized cost		4,608,271		5,664,609	4,883,009	5,664,609	-	5,664,609
- Argentine								
- Government securities								
- Treasury bills in USD maturing on 08.30.19 (*)	5283	758,521	1	876,537	-	876,537	-	876,537
- Treasury bills in USD maturing on 02.28.20 (*)	5342	300,000	1	342,376	-	342,376	-	342,376
- Argentine Government bond Dual - AF20	5486	232,525	1	312,604	-	312,604	-	312,604
- Treasury bills in USD maturing on 12.20.19 (*)	5334	189,513	1	287,449	-	287,449	-	287,449
- Treasury bills in USD maturing on 02.14.20 (*)	5339	165,648	1	228,507	-	228,507	-	228,507

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT A (Contd.)

CONSOLIDATED BREAKDOWN OF GOVERNMENT AND PRIVATE SECURITIES
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Item	IDENTIFICATION	HOLDINGS				POSITION WITHOUT OPTIONS	OPTIONS	FINAL POSITION
		FAIR VALUE	FAIR VALUE LEVEL	CARRYING AMOUNT 12/31/2019	CARRYING AMOUNT 12/31/2018			
- Argentine (contd.)								
- Private securities (contd.)								
- Treasury bills in USD maturing on 09.27.19 (*)	5286	99,183	1	137,287	-	137,287	-	137,287
- Treasury bills in USD maturing on 09.13.19 (*)	5285	55,993	1	67,349	-	67,349	-	67,349
- Treasury bills in USD maturing on 05.10.19	5272	-	-	-	1,040,469	-	-	-
- Treasury bills in USD maturing on 01.25.19	5249	-	-	-	727,698	-	-	-
- Treasury bills in USD maturing on 06.14.19	5275	-	-	-	370,054	-	-	-
- Other		139,950		139,950	483,918	139,950	-	139,950
- Private securities								
- ON YPF Energía Eléctrica SA s1	54191	443,724	2	607,543	-	607,543	-	607,543
- VD Fideicomiso Financiero Vicentin Export 8 CL "A"	54123	505,864	2	542,033	-	542,033	-	542,033
- VD Fideicomiso Financiero NASA Serie II "A" u$s	37935	350,293	2	350,293	269,168	350,293	-	350,293
- ON Vista Oil&Gas	54346	154,416	2	280,661	-	280,661	-	280,661
- ON Generación Mediterránea s3	54492	178,053	2	243,430	-	243,430	-	243,430
- ON Plaza Logística SRL CL1	53110	183,621	2	240,121	151,575	240,121	-	240,121
- ON Red Surcos SA s2	53305	125,998	2	143,631	90,666	143,631	-	143,631
- ON Asociados Don Mario SA s4	52719	73,725	2	110,390	92,896	110,390	-	110,390
- ON John Deere Credit Cia Fin SA	52858	62,726	2	77,930	49,193	77,930	-	77,930
- ON Roch SA CL5	54166	50,484	2	61,692	-	61,692	-	61,692
- Other		427,150	-	503,982	1,537,684	503,982	-	503,982
- Foreign								
- Government securities								
- Peru bonds (Par Bond) 3% maturing on 03.07.2027	7434	110,884	2	110,844	69,688	110,844	-	110,844
INVESTMENTS IN EQUITY INSTRUMENTS		-		2,697,101	1,665,483	2,697,101	-	2,697,101
Measured at fair value through profit or loss		-		2,697,101	1,665,483	2,697,101	-	2,697,101
- Argentine								
- Garantizar S.A.	80003	-	2	41,209	38,085	41,209	-	41,209
- Cuyo Aval S.A.	80004	-	2	1,086	687	1,086	-	1,086
- Mercado Abierto Electrónico (over-the-counter electronic market)	80005	-	2	7,237	5,235	7,237	-	7,237
- Foreign								
- CAF	80006	-	2	2,647,569	1,621,476	2,647,569	-	2,647,569

(*) Including the instruments reprofiled pursuant to Presidential Decrees Nos. 596/2019 and 49/2019 (see note 34).

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT B

CONSOLIDATED CLASSIFICATION OF LOANS AND OTHER FINANCING FACILITIES BY SITUATION AND GUARANTEES RECEIVED
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

ITEM	12/31/2019	12/31/2018
COMMERCIAL PORTFOLIO		
Performing		
- With “A” preferred guarantees and counter-guarantees	1,530,866	1,810,912
- With “B” preferred guarantees and counter-guarantees	7,080,207	6,748,805
- Without preferred guarantees or counter-guarantees	31,921,631	25,799,924
	40,532,704	34,359,641
Subject to special monitoring		
In observation		
- With “B” preferred guarantees and counter-guarantees	71,160	716,396
- Without preferred guarantees or counter-guarantees	-	1,291,859
	71,160	2,008,255
In negotiation or with refinancing agreements		
- With “B” preferred guarantees and counter-guarantees	16,080	434,448
- Without preferred guarantees or counter-guarantees	214,968	280,090
	231,048	714,538
Troubled		
- With “A” preferred guarantees and counter-guarantees	22,102	-
- With “B” preferred guarantees and counter-guarantees	125,463	182,631
- Without preferred guarantees or counter-guarantees	46,500	121,637
	194,065	304,268
With high risk of insolvency		
- With “A” preferred guarantees and counter-guarantees	13,208	-
- With “B” preferred guarantees and counter-guarantees	556,990	163,732
- Without preferred guarantees or counter-guarantees	1,859,734	100,236
	2,429,932	263,968
Irrecoverable		
- With “A” preferred guarantees and counter-guarantees	279,907	-
- With “B” preferred guarantees and counter-guarantees	635,236	20,476
- Without preferred guarantees or counter-guarantees	760,723	107,288
	1,675,866	127,764
TOTAL COMMERCIAL PORTFOLIO	45,134,775	37,778,434
CONSUMER AND HOME-MORTGAGE PORTFOLIO		
Performing		
- With “A” preferred guarantees and counter-guarantees	5,735,415	4,727,930
- With “B” preferred guarantees and counter-guarantees	4,345,920	1,976,931
- Without preferred guarantees or counter-guarantees	2,080,313	2,351,972
	12,161,648	9,056,833
Low risk		
- With “A” preferred guarantees and counter-guarantees	102,403	8,894
- With “B” preferred guarantees and counter-guarantees	235,197	138,502
- Without preferred guarantees or counter-guarantees	152,656	70,529
	490,256	217,925
Medium risk		
- With “A” preferred guarantees and counter-guarantees	13,726	-
- With “B” preferred guarantees and counter-guarantees	134,586	1,257
- Without preferred guarantees or counter-guarantees	72,183	27,726
	220,495	28,983
High risk		
- With “A” preferred guarantees and counter-guarantees	12,548	-
- With “B” preferred guarantees and counter-guarantees	123,735	2,662
- Without preferred guarantees or counter-guarantees	151,235	-
	287,518	2,662
Irrecoverable		
- With “A” preferred guarantees and counter-guarantees	8,003	-
- With “B” preferred guarantees and counter-guarantees	59,050	5,368
- Without preferred guarantees or counter-guarantees	142,520	13,116
	209,573	18,484
TOTAL CONSUMER AND HOME-MORTGAGE PORTFOLIO	13,369,490	9,324,887
GRAND TOTAL	58,504,265	47,103,321

Loans and other financing facilities. IFRS ADJUSTMENTS	(819,299)	(840,192)
Other debt securities. Corporate bonds/debt securities	(3,161,722)	(2,191,182)
Loans and other financing facilities. ALLOWANCES FOR LOAN LOSSES	(3,551,727)	(828,116)
Off-balance items. GUARANTEES GRANTED	(1,316,592)	(262,166)
TOTAL LOANS AND OTHER FINANCING FACILITIES	49,654,925	42,981,665

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

EXHIBIT C

CONSOLIDATED CONCENTRATION OF LOANS AND OTHER FINANCING FACILITIES
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Number of customers	FINANCING			
	12/31/2019		12/31/2018	
	Outstanding balance	% over total portfolio	Outstanding balance	% over total portfolio
10 largest customers	15,605,902	27%	10,434,753	22%
50 next largest customers	17,405,822	30%	11,578,976	25%
100 next largest customers	9,194,179	16%	7,388,985	16%
Remaining customers	16,298,362	27%	17,700,607	37%
Total	58,504,265	100%	47,103,321	100%

Loans and other financing facilities. IFRS ADJUSTMENTS	(819,299)	(840,192)
Other debt securities. Corporate bonds/debt securities	(3,161,722)	(2,191,182)
Loans and other financing facilities. ALLOWANCES FOR LOAN LO	(3,551,727)	(828,116)
Off-balance items. GUARANTEES GRANTED	(1,316,592)	(262,166)
TOTAL LOANS AND OTHER FINANCING FACILITIES	49,654,925	42,981,665

....
Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

....
LIC. GABRIEL VIENNI
GERENTE GENERAL

....
Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

....
FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

....
ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

....
Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

EXHIBIT D

CONSOLIDATED LOANS AND FINANCING-FACILITIES BREAKDOWN BY TERM
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

December 31, 2019

Item	Past-due portfolio	Terms remaining to maturity						
		1 month	3 months	6 months	12 months	24 months	Over 24 months	Total
Nonfinancial government sector	2,224	244,058	17,495	25,977	51,054	48,384	-	389,192
Financial sector	363	377,425	886,507	1,359,022	2,313,097	2,988,631	2,869,976	10,795,021
Nonfinancial private sector and foreign residents	3,549,683	7,963,943	4,117,660	4,260,085	4,584,018	9,267,922	24,180,378	57,923,689
TOTAL	3,552,270	8,585,426	5,021,662	5,645,084	6,948,169	12,304,937	27,050,354	69,107,902

December 31, 2018

Item	Past-due portfolio	Terms remaining to maturity						
		1 month	3 months	6 months	12 months	24 months	Over 24 months	Total
Nonfinancial government sector	2,159	221,725	12,137	17,783	34,788	67,081	30,844	386,517
Financial sector	93	577,647	1,589,203	1,762,678	3,235,972	5,588,310	4,844,612	17,598,515
Nonfinancial private sector and foreign residents	1,856,498	3,264,420	5,159,988	6,238,026	4,973,772	8,226,883	19,210,717	48,930,304
TOTAL	1,858,750	4,063,792	6,761,328	8,018,487	8,244,532	13,882,274	24,086,173	66,915,336

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT F

CONSOLIDATED CHANGES IN PROPERTY AND BANK PREMISES
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Item	Original value at beginning of period	Total estimated useful life in years	Additions	Retirements	Depreciation				Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
					Accumulated	Retirement	For the year	At end		
MEASUREMENT AT COST										
- Real property	120,684	Between 46 and 50	3,771	-	(3,351)	-	(2,096)	(5,447)	119,008	117,333
- Furniture and fixtures	11,905	5	27,998	(2,344)	(6,837)	2,344	(2,386)	(6,879)	30,680	5,068
- Machinery and equipment	35,519	5	49,044	(419)	(21,057)	419	(9,404)	(30,042)	54,102	14,462
- Vehicles	1,485	5	-	-	(715)	-	(245)	(960)	525	770
- Rights to use leased real property (*)	-	(**)	197,162	-	-	-	(41,905)	(41,905)	155,257	-
TOTAL PROPERTY AND BANK PREMISES to 12/31/2019	169,593		277,975	(2,763)	(31,960)	2,763	(56,036)	(85,233)	359,572	137,633
TOTAL PROPERTY AND BANK PREMISES to 12/31/2018	125,370		44,396	(173)	(23,815)	173	(8,318)	(31,960)	-	137,633

(*) The original value is related to assets recognized for the right to use lease contracts pursuant to IFRS 16 (see note 9).
(**) According to the term of each lease contract.

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT F BIS

CONSOLIDATED CHANGES IN INVESTMENT PROPERTIES
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Item	Original value at beginning of period	Total estimated useful life in years	Depreciation			Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
			Accumulated	For the year	At end		
MEASUREMENT AT COST							
- Real property	26,741	50	(1,070)	(535)	(1,605)	25,136	25,671
TOTAL INVESTMENT PROPERTIES to 12/31/2019	26,741		(1,070)	(535)	(1,605)	25,136	25,671
TOTAL INVESTMENT PROPERTIES to 12/31/2018	26,741		(535)	(535)	(1,070)	-	25,671

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT G

CONSOLIDATED CHANGES IN INTANGIBLE ASSETS
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Item	Original value at beginning of period	Total estimated useful life in years	Additions	Retirements	Depreciation				Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
					Accumulated	Retirement	For the year	At end		
MEASUREMENT AT COST										
- Licenses	44,317	2 to 5	19,818	(2,901)	(18,109)	2,901	(9,714)	(24,922)	36,312	26,208
- Other intangible assets	2,297	(*)	66,556	(2,041)	(1,489)	2,041	(3,585)	(3,033)	63,779	808
TOTAL INTANGIBLE ASSETS to 12/31/2019	46,614		86,374	(4,942)	(19,598)	4,942	(13,299)	(27,955)	100,091	27,016
TOTAL INTANGIBLE ASSETS to 12/31/2018	31,228		17,100	(1,714)	(12,712)	-	(6,886)	(19,598)	-	27,016

(*) According to the term of each lease contract.

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT H

CONSOLIDATED DEPOSIT CONCENTRATION
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Number of customers	DEPOSITS			
	12/31/2019		12/31/2018	
	Outstanding balance	% over total portfolio	Outstanding balance	% over total portfolio
10 largest customers	24,503,171	88%	22,150,752	91%
50 next largest customers	3,385,564	12%	2,309,010	9%
TOTAL	27,888,735	100%	24,459,762	100%

....
Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

....
LIC. GABRIEL VIENNI
GERENTE GENERAL

....
Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

....
FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

....
ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

....
Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

EXHIBIT I

CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES BY REMAINING TERM
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

December 31, 2019

Item	Terms remaining to maturity						Total
	1 month	3 months	6 months	12 months	24 months	Over 24 months	
Deposits	13,655,001	6,467,264	8,303,045	-	-	-	28,425,310
- Nonfinancial government sector	9,033,881	1,931,331	6,916,805	-	-	-	17,882,017
- Nonfinancial private sector and foreign residents	4,621,120	4,535,933	1,386,240	-	-	-	10,543,293
Derivatives	5,600	-	-	-	-	-	5,600
Other financial liabilities	1,814,691	117,116	65,309	444,691	1,454,920	9,114,192	13,010,919
Financing obtained from the BCRA and other financial institutions	47,183	145,476	1,234,680	1,399,291	3,986,518	11,704,794	18,517,942
Corporate bonds issued	426,233	56,454	1,290,130	-	3,443,330	-	5,216,147
TOTAL	15,948,708	6,786,310	10,893,164	1,843,982	8,884,768	20,818,986	65,175,918

December 31, 2018

Item	Terms remaining to maturity						Total
	1 month	3 months	6 months	12 months	24 months	Over 24 months	
Deposits	11,128,233	5,789,387	7,919,968	-	-	-	24,837,588
- Nonfinancial government sector	8,064,880	3,968,986	6,592,206	-	-	-	18,626,072
- Nonfinancial private sector and foreign residents	3,063,353	1,820,401	1,327,762	-	-	-	6,211,516
Derivatives	24,591	93,532	28,750	-	-	-	146,873
Other financial liabilities	782,911	141,621	340,286	108,030	352,302	6,974,152	8,699,303
Financing obtained from the BCRA and other financial institutions	802,504	1,448,593	1,439,749	1,410,396	2,103,304	7,698,608	14,903,154
Corporate bonds issued	185,320	122,929	228,447	2,220,661	1,286,670	816,102	4,860,129
TOTAL	12,923,559	7,596,062	9,957,200	3,739,087	3,742,276	15,488,862	53,447,046

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT J

CONSOLIDATED CHANGES IN PROVISIONS
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Breakdown	Amounts at beginning of year	Increases	Decreases		Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
			Reversals	Applications		
PROVISIONS						
- Provisions for contingencies	73,745	3,809	(20,050)	(34,911)	22,593	73,745
- Provision for post-employment benefits	35,670	67,583	-	-	103,253	35,670
TOTAL 12/31/2019	109,415	71,392	(20,050)	(34,911)	125,846	109,415
TOTAL 12/31/2018	86,244	26,123	-	(2,952)	-	109,415

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT K

CONSOLIDATED CAPITAL STRUCTURE
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

December 31, 2019 (*)							
Shares				Capital stock			
Class	Number	Nominal vote per share	Votes per share	Issued Outstanding	Pending issuance or distribution	Paid-in	Not paid-in
Book-entry shares of common stock	6,184,807	1,000	1	6,184,807	825,658	7,010,465	-
Book-entry shares of preferred stock. Cumulative dividend equi	4,524,568	1,000	-	4,524,568	-	4,524,568	-
Total	10,709,375			10,709,375	825,658	11,535,033	-

December 31, 2018 (*)							
Shares				Capital stock			
Class	Number	Nominal vote per share	Votes per share	Issued Outstanding	Pending issuance or distribution	Paid-in	Not paid-in
Book-entry shares of common stock	3,111,927	1,000	1	3,111,927	3,763,398	6,875,325	-
Book-entry shares of preferred stock. Cumulative dividend equi	-	1,000	-	-	4,524,568	4,524,568	-
Total	3,111,927			3,111,927	8,287,966	11,399,893	-

(*) See note 1.

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT L

CONSOLIDATED FOREIGN CURRENCY AMOUNTS
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

ACCOUNTS	Head Office and Argentine branches	Total as 12/31/2019	Total as 12/31/2019 (by currency)		Total as 12/31/2018
			Euro	US dollar	
ASSETS					
CASH AND DEPOSITS WITH BANKS	4,072,546	4,072,546	26,882	4,045,664	6,878,475
SECURITIES AT FAIR VALUE THROUGH PROFIT	2,119	2,119	-	2,119	98,023
OTHER FINANCIAL ASSETS	156,435	156,435	-	156,435	138,783
LOANS AND OTHER FINANCING FACILITIES	24,806,118	24,806,118	-	24,806,118	12,055,274
- Nonfinancial government sector	141,614	141,614	-	141,614	148,599
- Other financial institutions	2,697,721	2,697,721	-	2,697,721	686,598
- Nonfinancial private sector and foreign residents	21,966,783	21,966,783	-	21,966,783	11,220,077
OTHER DEBT SECURITIES	4,835,372	4,835,372	-	4,835,372	4,093,847
FINANCIAL ASSETS DELIVERED IN GUARANTEE	1,469,176	1,469,176	-	1,469,176	933,264
INVESTMENTS IN EQUITY INSTRUMENTS	2,647,569	2,647,569	-	2,647,569	1,621,476
OTHER NONFINANCIAL ASSETS	847	847	-	847	567
TOTAL ASSETS	37,990,182	37,990,182	26,882	37,963,300	25,819,709
LIABILITIES					
DEPOSITS	(16,014,266)	(16,014,266)	-	(16,014,266)	(15,579,911)
- Nonfinancial government sector	(12,964,478)	(12,964,478)	-	(12,964,478)	(12,475,711)
- Nonfinancial private sector and foreign residents	(3,049,788)	(3,049,788)	-	(3,049,788)	(3,104,200)
DERIVATIVES	-	-	-	-	(6,118)
OTHER FINANCIAL LIABILITIES	(9,787,159)	(9,787,159)	(127)	(9,787,032)	(5,832,392)
FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS	(13,667,531)	(13,667,531)	(2,981,582)	(10,685,949)	(10,330,420)
OTHER NONFINANCIAL LIABILITIES	(156,841)	(156,841)	-	(156,841)	(107,614)
TOTAL LIABILITIES	(39,625,797)	(39,625,797)	(2,981,709)	(36,644,088)	(31,856,455)

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT N

CREDIT ASSISTANCE TO RELATED PARTIES
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Item	Performing	Subject to special monitoring/Low risk	Troubled/Medium risk		With high risk of insolvency		Irrecoverable	Irrecoverable according to BCRA regulations	Total	
			Not yet due	Past due	Not yet due	Past due			12/31/2019	12/31/2018
1. Loans and other financing facilities										
- Other										
Without preferred guarantees or counter-guarantees	3,103,327	-	-	-	-	-	-	-	3,103,327	460,345
TOTAL	3,103,327	-	-	-	-	-	-	-	3,103,327	460,345
ALLOWANCES FOR LOAN LOSSES	31,033	-	-	-	-	-	-	-	31,033	4,603

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT O

CONSOLIDATED DERIVATIVE FINANCIAL INSTRUMENTS
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Type of agreement	Purpose of the transactions	Type of hedge	Underlying asset	Type of settlement	Negotiation environment or counter-party	Originally agreed-upon average weighted term (*)	Residual average weighted term (*)	Average weighted term of settlement of differences (**)	Amount as of 12/31/2019	Amount as of 12/31/2018
Repo transactions	Intermediation for own account	Other	Argentine government securities	With delivery of underlying asset	(electronic over-the-counter ma	-	-	3	6,514,866	894,367
Forward contracts in foreign currency										
Forward purchases	Hedge in foreign currency	Fair value hedge	Foreign currency	Upon maturity of differences	OTC residents in Argentina. Financial sector	-	-	-	-	2,679,424
Forward sales	Hedge in foreign currency	Fair value hedge	Foreign currency	Upon maturity of differences	OTC residents in Argentina. Financial sector	8	1	231	124,400	-
ROFEX futures. Purchases	Hedge in foreign currency	Fair value hedge	Foreign currency	Daily settlement of differences	ROFEX	5	1	1	311,000	4,997,241
ROFEX futures. Sales	Hedge in foreign currency	Fair value hedge	Foreign currency	Daily settlement of differences	ROFEX	8	1	1	186,600	-
Forward purchases	Hedge in foreign currency	Fair value hedge	Foreign currency	With settlement of differences	OTC foreign residents. Financial sector	-	-	-	-	216,572

(*) Stated in months
(**) Stated in days

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON NUESTRO INFORME
DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU
IDENTIFICACIÓN CON EL INFORME
DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

EXHIBIT P

CONSOLIDATED CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2019, AND 2018

(Figures stated in thousands of Argentine pesos)

Diciembre 31, 2019

ITEMS	Amortized cost	Fair value through other comprehensive income	Fair value through profit		Fair value hierarchy		
			Initially designated in accordance with IFRS 9, point 6(7)1	Mandatory measurement	Level 1	Level 2	Level 3
CASH AND DEPOSITS WITH BANKS	4,638,044	-	-	-	-	-	-
Cash	60	-	-	-	-	-	-
Financial institutions and correspondents	4,637,984	-	-	-	-	-	-
- BCRA (Central Bank of Argentina)	3,745,836	-	-	-	-	-	-
- Other in Argentina and abroad	892,148	-	-	-	-	-	-
SECURITIES AT FAIR VALUE THROUGH PROFIT	-	-	572,429	-	102,438	469,991	-
DERIVATIVES	-	-	-	35	35	-	-
REPO TRANSACTIONS	6,514,866	-	-	-	-	-	-
OTHER FINANCIAL ASSETS	217,855	-	-	221,899	221,899	-	-
LOANS AND OTHER FINANCING FACILITIES	49,654,925	-	-	-	-	-	-
- Nonfinancial government sector	383,907	-	-	-	-	-	-
- Other financial institutions	8,484,285	-	-	-	-	-	-
- Nonfinancial private sector and foreign residents	40,786,733	-	-	-	-	-	-
- Notes	20,510,828	-	-	-	-	-	-
- Mortgage loans	7,480,422	-	-	-	-	-	-
- Collateral loans	2,082,909	-	-	-	-	-	-
- Financial leases	4,559,852	-	-	-	-	-	-
- Other	6,152,722	-	-	-	-	-	-
OTHER DEBT SECURITIES	5,119,992	93,564	-	-	93,564	-	-
FINANCIAL ASSETS DELIVERED IN GUARANTEE	1,435,225	22,747	11,487	-	34,234	-	-
INVESTMENTS IN EQUITY INSTRUMENTS	-	-	-	2,697,101	-	2,697,101	-
TOTAL FINANCIAL ASSETS	67,580,907	116,311	583,916	2,919,035	452,170	3,167,092	-
DEPOSITS	27,888,735	-	-	-	-	-	-
- Nonfinancial government sector	17,652,871	-	-	-	-	-	-
- Nonfinancial private sector and foreign residents	10,235,864	-	-	-	-	-	-
DERIVATIVES	-	-	-	5,600	5,600	-	-
OTHER FINANCIAL LIABILITIES	10,753,313	-	-	-	-	-	-
FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS	15,617,862	-	-	-	-	-	-
CORPORATE BONDS ISSUED	3,847,122	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	58,107,032	-	-	5,600	5,600	-	-

Diciembre 31, 2018

ITEMS	Amortized cost	Fair value through other comprehensive income	Fair value through profit		Fair value hierarchy		
			Initially designated in accordance with IFRS 9, point 6(7)1	Mandatory measurement	Level 1	Level 2	Level 3
CASH AND DEPOSITS WITH BANKS	8,040,223	-	-	-	-	-	-
Cash	30	-	-	-	-	-	-
Financial institutions and correspondents	8,040,193	-	-	-	-	-	-
- BCRA (Central Bank of Argentina)	4,803,375	-	-	-	-	-	-
- Other in Argentina and abroad	3,236,818	-	-	-	-	-	-
SECURITIES AT FAIR VALUE THROUGH PROFIT	-	-	656,192	-	222,834	433,358	-
REPO TRANSACTIONS	894,367	-	-	-	-	-	-
OTHER FINANCIAL ASSETS	390,257	-	-	779,996	779,996	-	-
LOANS AND OTHER FINANCING FACILITIES	42,981,665	-	-	-	-	-	-
- Nonfinancial government sector	376,107	-	-	-	-	-	-
- Other financial institutions	9,567,055	-	-	-	-	-	-
- Nonfinancial private sector and foreign residents	33,038,503	-	-	-	-	-	-
- Notes	21,511,246	-	-	-	-	-	-
- Mortgage loans	5,376,911	-	-	-	-	-	-
- Collateral loans	1,407,208	-	-	-	-	-	-
- Financial leases	4,694,826	-	-	-	-	-	-
- Other	48,312	-	-	-	-	-	-
OTHER DEBT SECURITIES	4,860,969	146,278	-	-	146,278	-	-
FINANCIAL ASSETS DELIVERED IN GUARANTEE	899,207	26,939	8,140	-	35,079	-	-
INVESTMENTS IN EQUITY INSTRUMENTS	-	-	-	1,665,483	-	1,665,483	-
TOTAL FINANCIAL ASSETS	58,066,688	173,217	664,332	2,445,479	1,184,187	2,098,841	-
DEPOSITS	24,459,762	-	-	-	-	-	-
- Nonfinancial government sector	18,415,547	-	-	-	-	-	-
- Nonfinancial private sector and foreign residents	6,044,215	-	-	-	-	-	-
DERIVATIVES	-	-	-	146,873	146,873	-	-
OTHER FINANCIAL LIABILITIES	6,664,174	-	-	-	-	-	-
FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS	12,668,126	-	-	-	-	-	-
CORPORATE BONDS ISSUED	3,807,800	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	47,599,862	-	-	146,873	146,873	-	-

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

EXHIBIT Q

CONSOLIDATED BREAKDOWN OF PROFIT (LOSS)

For the years ended December 31, 2019, and 2018

(Figures stated in thousands of Argentine pesos)

Item	12/31/2019		12/31/2018	
	Financial income (expense), net		Financial income (expense), net	
	Initially designated in accordance with IFRS 9, point 6(7)1	Mandatory measurement	Initially designated in accordance with IFRS 9, point 6(7)1	Mandatory measurement
From financial assets at fair value through profit or loss				
Profit from government securities	240,819	-	279,173	-
Profit from derivative financial instruments	-	51,030	-	1,274,805
- Forward transactions	-	51,030	-	1,274,805
Investments in equity instruments	-	335,392	-	390,222
TOTAL	240,819	386,422	279,173	1,665,027

Interest and adjustments due to the application of the effective interest rate on financial assets and liabilities measured at amortized cost	12/31/2019	12/31/2018
	Financial income (expense)	Financial income (expense)
Interest income		
Cash and deposits with banks	25,561	17
Private securities	468,387	329,920
Government securities	4,799,475	580,518
Loans and other financing facilities	12,554,776	5,841,675
- To the financial sector	3,727,670	2,865,167
- Notes	4,677,674	1,969,944
- Mortgage loans	1,449,936	811,601
- Collateral loans	278,271	61,038
- Financial leases	2,127,591	131,822
- Other	293,634	2,103
Repo transactions	677,453	305,903
- BCRA (Central Bank of Argentina)	596,369	104,132
- Other financial institutions	81,084	201,771
TOTAL	18,525,652	7,058,033
Interest expense		
Deposits	(7,495,270)	(1,869,765)
- Certificates of deposit and term investments	(7,495,270)	(1,869,765)
Financing obtained from the BCRA and other financial institutions	(4,893,112)	(1,336,925)
Repo transactions	(923)	(1,341)
- BCRA (Central Bank of Argentina)	(923)	(1,341)
Other financial liabilities	(33,934)	(45,246)
Corporate bonds issued	(1,314,997)	(1,514,375)
TOTAL	(13,738,236)	(4,767,652)

Interest and adjustments due to the application of the effective interest rate on financial assets measured at fair value through profit or loss	12/31/2019		12/31/2018	
	Profit (loss) for the year	Other comprehensive	Profit (loss) for the year	Other comprehensive income (loss)
Government debt securities	17,431	(85,636)	3,059	(14,933)
TOTAL	17,431	(85,636)	3,059	(14,933)

Commission income	12/31/2019	12/31/2018
Commissions from receivables	17,359	10,567
Commissions on loan commitments and financial guarantees	250	9,802
Commissions for collection management services	41,395	44,354
Commissions from foreign exchange transactions	80,427	19,286
TOTAL	139,431	84,009

Commission expense	12/31/2019	12/31/2018
Other	(35,242)	(20,634)
TOTAL	(35,242)	(20,634)

....
Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

....
LIC. GABRIEL VIENNI
GERENTE GENERAL

....
Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

....
FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

....
ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

....
Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

EXHIBIT R

ADJUSTMENT DUE TO LOSSES. ALLOWANCES FOR LOAN LOSSES
AS OF DECEMBER 31, 2019, AND 2018
(Figures stated in thousands of Argentine pesos)

Breakdown	Amounts at beginning of year	Increases	Decreases		Balance at end of the year 12/31/2019	Balance at end of the year 12/31/2018
			Reversals	Applications		
Other financial assets	104,182	15,388	-	(81)	119,489	104,182
Loans and other financing facilities						
Other financial institutions	96,637	22,420	(33,348)	-	85,709	96,637
Nonfinancial private sector and foreign residents						
Notes	460,077	2,198,478	(104,699)	(90,629)	2,463,227	460,077
Mortgage loans	94,714	156,987	(36,614)	(8,519)	206,568	94,714
Collateral loans	60,634	220,526	(66,416)	-	214,744	60,634
Financial leases	114,101	373,559	(21,773)	(25,865)	440,022	114,101
Other	1,953	142,664	(1,418)	(1,742)	141,457	1,953
Other debt securities	22,040	526,125	(3,548)	-	544,617	22,040
TOTAL 12/31/2019	954,338	3,656,147	(267,816)	(126,836)	4,215,833	954,338
TOTAL 12/31/2018	510,495	903,148	(157,761)	(301,544)	-	954,338

The allowance for loan losses is set considering the portfolio's uncollectibility risk.

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON NUESTRO INFORME DE FECHA 20 DE FEBRERO DE 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 13

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020

FIRMADO A LOS EFECTOS DE SU IDENTIFICACIÓN CON EL INFORME DE FECHA 20 DE FEBRERO DE 2020
AUDITORIA GENERAL DE LA NACION

FERNANDO J. CÓCCARO
Socio
Contador Público - U.B.A.
C.P.C.E.C.A.B.A. T°200 F°12

ARIEL MAXIMILIANO BOZZANO
POR COMISIÓN FISCALIZADORA

Dr. ADRIÁN DUILIO DOTRO
CONTADOR PÚBLICO (U.N.L.Z.)
T° 290 F° 172 C.P.C.E.C.A.B.A.

Cr. DANIEL ALBERTO FUENTES
GERENTE DE ADMINISTRACIÓN

LIC. GABRIEL VIENNI
GERENTE GENERAL

Dr. JOSÉ IGNACIO DE MENDIGUREN
PRESIDENTE

SUMMARY OF EVENTS AS OF December 31, 2019
(figures stated in thousands of Argentine pesos)

This summary of events was prepared on the basis of the consolidated financial statements as of December 31, 2019, in accordance with the accounting information framework established by the BCRA (Central Bank of Argentina).

During the year ended December 31, 2019, the Bank and its subsidiary earned a net income before taxes of ARS 298,978,000, which is ARS 964.823,000 lower than net income earned in the same period of 2018, which stood at ARS 1,263,801,000.

The decrease in income as related to the end of 2018 is mainly due to the increase in the allowance for loan losses due to the portfolio impairment, which was neutralized partially by the increase in the interest margin and the improvement in foreign exchange differences.

In preparing the financial statements as of December 31, 2019, the Bank applied the basis for presentation and consolidation, the accounting policies, the significant accounting judgments, estimates and assumptions described in notes 2 and 3 to the consolidated financial statements.

Until the year ended December 31, 2017, the Bank prepared its financial statements according to the standards issued by the BCRA; therefore, it only includes as comparative information that related to the year beginning on January 1, 2018, as the previous periods were not prepared based on Communiqué “A” 6324, as amended.

As mentioned in note 1(2), on August 6, 2019, the Shareholders’ Meeting decided to approve the special statement of financial position as of March 31, 2019, the special consolidated statement of financial position for merger purposes as of March 31, 2019, and the execution of the preliminary merger agreement and, in particular, the swap ratio concerning the merger between BICE (absorbing company) and BICE Leasing S.A. and BICE Factoring S.A. (absorbed companies).

On October 16, 2019, the CNV approved the merger previously mentioned pursuant to section 82 and subsequent sections, General Business Associations Law No. 19,550, as amended in 1984 and supplemented.

1. EQUITY STRUCTURE / CHANGES IN THE MAIN ACCOUNTS OF THE STATEMENT OF FINANCIAL POSITION

	12/31/2019	12/31/2018
Cash and deposits with banks	4,638,044	8,040,223
Debt securities at fair value through profit or loss	572,429	656,192
Derivatives	35	-
Repo transactions	6,514,866	894,367
Other financial assets	439,754	1,170,253
Loans and other financing facilities	49,654,925	42,981,665
Other debt securities	5,213,556	5,007,247
Financial assets delivered in guarantee	1,469,459	934,286
Current income tax assets	-	3,091
Investments in equity instruments	2,697,101	1,665,483
Bank premises and equipment	359,572	137,633
Intangible assets	100,091	27,016
Deferred income tax assets	1,098,342	282,441
Other nonfinancial assets	157.575	145.610
Total assets	72.915.749	61.945.507

....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

SUMMARY OF EVENTS AS OF DECEMBER 31, 2019
(figures stated in thousands of Argentine pesos)

	12/31/2019	12/31/2018
Deposits	27,888,735	24,459,762
Derivatives	5,600	146,873
Other financial liabilities	10,753,313	6,664,174
Financing obtained from the BCRA and other financial institutions	15,617,862	12,668,126
Corporate bonds issued	3,847,122	3,807,800
Current income tax liabilities	118,792	163,530
Provisions	125,846	109,415
Other nonfinancial liabilities	1,068,159	905,025
Total liabilities	59,425,429	48,924,705
Shareholders' equity attributable to the parent company's owners	13,486,702	13,018,385
Shareholders' equity attributable to non-controlling interests	3,618	2,417
Total liabilities and shareholders' equity	72,915,749	61,945,507

2. INCOME-STATEMENT STRUCTURE/CHANGES IN THE MAIN INCOME-STATEMENT ACCOUNTS

	Accumulated as of 12/31/2019	Accumulated as of 12/31/2018
Interest income, net	4,787,416	2,290,381
Commission income, net	104,189	63,375
Net gain on financial instruments at fair value through profit or loss	627,241	1,944,200
Difference in quoted prices of gold and foreign currency	766,675	(1,420,025)
Other operating income	956,006	1,374,352
Allowance for loan losses	(3,656,147)	(903,148)
Employee benefits	(1,496,493)	(874,022)
Administrative expenses	(979,666)	(631,955)
Depreciation and impairment in value of assets	(69,870)	(15,739)
Other operating expenses	(740,373)	(563,618)
Income tax on continuing operations	253,922	(268,655)
Net profit for the period	552,900	995,146
Actuarial losses for the year from post-employment defined benefit plans	(25,050)	-
Gains (losses) for the year on hedge instruments	(87,966)	68,883
Net loss on financial instruments at fair value through other comprehensive income (loss)	(85,636)	(14,933)
Income tax	25,691	4,480
Other comprehensive income (loss)	(172,961)	58,430
Total comprehensive income	379,939	1,053,576
Total comprehensive income attributable to the parent company's owners	378,738	1,052,905
Total comprehensive income attributable to noncontrolling interests	1,201	671

....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

SUMMARY OF EVENTS AS OF DECEMBER 31, 2019
(figures stated in thousands of Argentine pesos)

3. CASH FLOW STRUCTURE

	12/31/2019	12/31/2018
Cash flows provided by operating activities	(1,619,329)	(7,567,228)
Cash flows provided by investing activities	(127,616)	(151,326)
Cash flows provided by financing activities	(2,907,685)	13,650,334
Effect of changes in the exchange rate	1,252,451	716,626
Total cash (used)/provided during the year	(3,402,179)	6,648,406

4. CHANGES IN DISBURSEMENTS(*)

In fiscal 2019, disbursements stood up at ARS 30,217,399,000, while in fiscal 2018 it amounted to ARS 45,711,699,000, which represents a 33.90% decrease in the level of disbursements.

5. RATIOS

	12/31/2019	12/31/2018
Liquidity		
Current assets / current liabilities	126.81%	114.04%
Solvency (Shareholders' equity to total liabilities)		
Shareholders' equity / liabilities	22.70%	26.61%
Leverage (number of times)	5.41	4.76
Net assets / Shareholders' equity		
Fixed assets-to-equity capital ratio		
Noncurrent assets / Total assets	41.85%	41.03%
Profitability		
ROE (Profit (loss) for the year / average shareholders' equity)	4.21%	8.09%
ROA (Profit (loss) for the year / assets)	0.73%	1.63%
Efficiency		
Expenses / average assets	4.33%	3.47%
Portfolio quality		
Non-performing portfolio / financing	8.58%	1.24%

....
Mr. DANIEL ALBERTO FUENTES
ADMINISTRATION MANAGER

....
LIC. GABRIEL VIENNI
GENERAL MANAGER

....
Mr. JOSÉ IGNACIO DE MENDIGUREN
CHAIRPERSON

SIGNED FOR
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020

SIGNED FOR IDENTIFICATION
IDENTIFICATION PURPOSES WITH THE REPORT
DATED February 20, 2020
AGN (Argentine General Accounting Office)

....
FERNANDO J. CÓCCARO
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 Fo. 12

....
ARIEL MAXIMILIANO BOZZANO
ON BEHALF OF STATUTORY AUDIT COMMITTEE

....
Mr. ADRIÁN DUILIO DOTRO
CERTIFIED PUBLIC ACCOUNTANT (UNLZ)
Vol. 290. Fo. 172 C.P.C.E.C.A.B.A.

6. PROSPECTS FOR THE FISCAL YEAR (*)

The goals set by BICE's Board of Directors for next fiscal year are aimed at continuing to consolidate the bank's position as a development bank focused on medium- and long-term financing of productive investments and foreign trade, and seizing business opportunities through the incorporation of the new related companies. We will continue with our commercial growth strategy, creating new products and financing sources to widen BICE´s regional scope, developing a long-term financing market and increasing BICE's financial leverage. All this in accordance with its significant expansion potential arising from its increased equity structure.

Therefore, we are expanding as Argentina's development bank, offering new financial products both to medium- and small- enterprises directly, and to financial institutions though underlying loans that promote productive development projects.

Our business benefits from our close cooperation with the Argentine government, which arises from our shareholding structure and our key role in the country's productive and commercial strategy.

Finally, the Bank's Board of Directors and the General Special Shareholders' Meeting approved and implemented during the current year the merger of Banco BICE S.A. (absorbing company) and BICE Leasing S.A. and BICE Factoring S.A. (absorbed companies), which will continue to carry out their unified businesses at the Bank.

Pistrelli, Henry Martin y Asociados S.R.L.
25 de Mayo 487- C1002ABI
Buenos Aires, Argentina

Tel: (54 -11) 4318-1600/4311-6644
Fax: (54 -11) 4318-1777/4510-2220
www.ey.com/ar

Auditoría General de la Nación

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, Chairman and Directors of
BANCO DE INVERSIÓN Y COMERCIO EXTERIOR S.A.
C.U.I.T. (Argentine taxpayer identification number): 30-65112908-3
Registered office: Bartolomé Mitre 836
City of Buenos Aires

I. Report on financial statements

Introduction

1. We have audited the accompanying consolidated financial statements of BANCO DE INVERSIÓN Y COMERCIO EXTERIOR S.A. (the "Bank") and its subsidiary, which comprise: (a) the consolidated statement of financial position as of December 31, 2019, (b) the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the year then ended, and (c) a summary of the significant accounting policies and other explanatory information (notes 1 through 35 and exhibits A through D, F through L and N through R).

Responsibility of the Bank's Management and Board of Directors in connection with the financial statements

2. The Bank's Board of Directors is responsible for the preparation and fair presentation of the financial statements mentioned in paragraph 1 in conformity with the accounting framework established by the BCRA (Central Bank of Argentina) which, as indicated in note 2 to those financial statements, is based on International IFRS (Financial Reporting Standards) as 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 established by the BCRA and explained in such note. The Bank's Board of Directors and Management are also responsible for the internal control they may deem necessary to allow the consolidated financial statements to be prepared free from material misstatements, whether due to errors or irregularities.

Pistrelli, Henry Martin y Asociados S.R.L.
25 de Mayo 487- C1002ABI
Buenos Aires, Argentina

Tel: (54 -11) 4318-1600/4311-6644
Fax: (54 -11) 4318-1777/4510-2220
www.ey.com/ar

Auditoría General de la Nación

Auditor's responsibilities

3. Our responsibility is to express an opinion on the financial statements mentioned in paragraph 1 based on our audit. We have performed our work in conformity with the auditing standards established by FACPCE Technical Resolution No. 37 and with the "Minimum standards on external audits" issued by the BCRA. Such standards require that we comply with the ethical requirements and that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material deviations.

   An audit comprises the application of procedures to obtain judgmental evidence regarding figures and the information disclosed in financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to errors or irregularities. In making these risk assessments, the auditor considers the Bank's internal control relevant to the preparation and fair presentation of the financial statements in order to design the appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Board of Directors and by the Bank's Management, as well as evaluating the overall presentation of the financial statements.

   We believe that the judgmental evidence we have obtained is sufficient and appropriate for our audit opinion.

Opinion

4. In our opinion, the financial statements mentioned in paragraph 1 present fairly, in all material respects, the financial position of BANCO DE INVERSIÓN Y COMERCIO EXTERIOR S.A. and its subsidiary as of December 31, 2019, as well as the results of its operations, changes in shareholders' equity and cash flows for the year then ended, in conformity with the accounting information framework established by the BCRA mentioned in paragraph 2.

Pistrelli, Henry Martin y Asociados S.R.L.
25 de Mayo 487- C1002ABI
Buenos Aires, Argentina

Tel: (54 -11) 4318-1600/4311-6644
Fax: (54 -11) 4318-1777/4510-2220
www.ey.com/ar

Auditoría General de la Nación

Emphasis on certain aspects disclosed in the financial statements and other matters

5. We would like to draw attention to the information contained in the following notes to the financial statements mentioned in paragraph 1:

   (a) Note 2 "Applied accounting standards", where the Bank states that (a) the BCRA established specific provisions for financial institutions as to the application of section 5.5 "Impairment" under IFRS 9 "Financial instruments", and (b) is quantifying the effect of the full application of that standard on the financial statements, and it estimates that the effect could be material. This issue does not change the opinion stated in paragraph 4, but it should be taken into account by the users of IFRS for interpreting the accompanying financial statements mentioned in the paragraph 1.

   (b) Note 3.7. "Measuring unit", which (a) explains that although as of December 31, 2019, the conditions mentioned in IAS 29 to restate the financial statements into constant currency are met, BCRA Communiqué "A" 6651 does not allow for such restatement temporarily; (b) it describes the main impacts that would be derived from the application of IAS 29 and mentions that although the Bank is quantifying the effects of IAS 29 on the financial statements mentioned in paragraph (1), it estimates that they are material, and (c) it warns that the lack of recognition of the changes occurred in the general purchasing power of the currency could distort the accounting information, and should be considered upon interpreting the information included by the Bank in the financial statements mentioned in paragraph (1) on the financial position, income and cash flows. This issue does not modify the opinion mentioned in paragraph 4 but we expressly state that although the financial statements mentioned in paragraph (1) were prepared to make a fair presentation pursuant to the accounting information framework established by the BCRA, the practices within this information framework concerning the measuring unit do not allow us to make a fair presentation according to professional accounting standards.

Pistrelli, Henry Martin y Asociados S.R.L.
25 de Mayo 487- C1002ABI
Buenos Aires, Argentina

Tel: (54 -11) 4318-1600/4311-6644
Fax: (54 -11) 4318-1777/4510-2220
www.ey.com/ar

Auditoría General de la Nación

Other matters

6. We also issued a separate report on the financial statements of BANCO DE INVERSIÓN Y COMERCIO EXTERIOR S.A. as of the same date and for the same period indicated in paragraph 1.

II. Report on other legal and regulatory requirements

In compliance with current legal requirements, we further report that:

a) The financial statements mentioned in paragraph 1 above are being transcribed from the Inventory and Financial Statements Book and, as regards our area of competence, they comply with current regulations.

b) The Bank's financial statements, except as mentioned in the previous paragraph, result from books kept, in all material respects, pursuant to current legal requirements and conditions established by the IGJ (Argentine regulatory agency of business associations) Authorization No. 06722 dated January 24, 2008.

c) As part of our work, the scope of which is described in paragraph 3, we have reviewed points 1 through 3 and 5 of the Summary of Events and the supplementary information to the notes to the financial statements for the year ended December 31, 2019, required by the CNV prepared by the Bank's Board of Directors, and on which we have no observations within our field of competence.

d) As of December 31, 2019, the payable to the Argentine Social Security System arising from the Bank's accounting records stands at ARS 28,371,687, none of which was due and payable as of that date.

Pistrelli, Henry Martin y Asociados S.R.L.
25 de Mayo 487- C1002ABI
Buenos Aires, Argentina

Tel: (54 -11) 4318-1600/4311-6644
Fax: (54 -11) 4318-1777/4510-2220
www.ey.com/ar

Auditoría General de la Nación

e) As of December 31, 2019, as stated in note 29 to the financial statements mentioned in paragraph 1, the Bank carries shareholders' equity and a contra account to eligible assets that exceed the minimum amounts required by relevant CNV regulations for these items.

City of Buenos Aires,
February 20, 2020

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.RL.
C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13

AGN (Argentine General Accounting Office)

Fernando J. Cóccaro
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 200 – Fo. 12

Mr. Adrián Dulio Dotro
Certified Public Accountant (UNLZ)
C.P.C.E.C.A.B.A. Vol. 290 – Fo. 172