

SUPERVISORY COMMITTEE'S REPORT
REPORT ON SEPARATE CONDENSED INTERIM FINANCIAL STATEMENTS

**To the Shareholders, Chairman and Directors of
BANCO HIPOTECARIO S.A.
Registered office: Reconquista 151
City of Buenos Aires
Taxpayer's Code: 30-50001107-2**

Introduction

In accordance with the provisions of subsection 5 of Section No. 294 of the Argentine Business Companies Law No. 19,550, we have reviewed the separate condensed interim financial statements of Banco Hipotecario S.A. (hereinafter, "the Bank") that comprise the separate condensed interim balance sheet as of September 30, 2019, the related separate statements of income and other comprehensive income for the nine and three-month periods ended September 30, 2019 and the separate statements of changes in shareholders' equity and of cash flows for the nine-month period ended on that same date, as well as a summary of the significant accounting policies and all other explanatory information included in the notes and exhibits that supplement them.

The balances and all other information for fiscal year 2018 and interim periods are an integral part of the above-mentioned financial statements and should therefore be considered in connection with these financial statements.

The Board's responsibility

The Bank's Board of Directors is responsible for preparing and presenting the financial statements in conformity with the accounting framework laid down by the Argentine Central Bank (BCRA). The Board of Directors is also responsible for the existence of such internal controls as it deems necessary to allow the preparation of financial statements free from significant misstatements arising from mistakes or irregularities.

Scope of our work

Our work was performed in accordance with standards applicable to statutory auditors currently in force. These standards require statutory auditors to examine the accounting documents detailed in the first paragraph in accordance with auditing standards in force for limited review of financial statements for interim periods and the audit standards issued by the BCRA for limited reviews and include verifying the reasonableness of the significant information contained in the examined documents and whether they are consistent with the remaining information concerning corporate decisions of which we became aware, disclosed in the minutes of the meetings of the Board of Directors and the Shareholders' Meetings, and evaluating the conformity of those decisions with the law and the by-laws insofar as concerns formal and documentary aspects.

For purposes of our professional work involving the accounting documents detailed in the first paragraph, we reviewed the work performed by the Independent Auditor Price Waterhouse & Co S.R.L., in accordance with the auditing standards currently applicable to the limited review of financial statements for interim periods, in conformity with professional accounting standards and the audit standards issued by the BCRA. Said review included verifying the planning of the work, as well as the nature, scope and timing of the procedures applied and the results of the limited review performed by said firm of professional services. A limited review mainly consists in applying analytical procedures to the accounting information and make inquiries to those in charge of accounting and financial matters. This review is performed to a substantially lesser extent than an audit of financial

statements, the purpose of which is to render an opinion on the financial statements taken as a whole. Therefore, not all the procedures necessary to render an opinion on the Bank's separate condensed interim financial position, separate comprehensive income and separate cash flow. The independent auditors issued their Report on November 5, 2019, the content of which we share. Given that it is not the Supervisory Committee's duty to perform management controls, the examination did not span the business criteria and decisions of the Company's various areas, as these matters are solely within the purview of the Board of Directors.

Conclusion

On the basis of our work, there has been nothing that could have led us to believe that the separate condensed interim financial statements mentioned in the first paragraph of this report have not been prepared in all their significant aspects in accordance with the accounting framework laid down by the BCRA.

Emphasis Paragraph

Without changing our conclusion, as stated in Note 2, the attached separate condensed interim financial statements have been prepared in accordance with the accounting framework set forth by the Argentine Central Bank. Said regulations differ from the professional accounting standards in force. The impact on said financial statements as a result of the different valuation and presentation criteria has been identified by the Bank in said note.

Paragraph on other matters

Without changing our opinion, we draw attention to the fact that these separate condensed interim financial statements were prepared in accordance with the accounting framework set forth by the BCRA, and that said framework significantly and generally differs from the professional accounting standards in force (International Financial Reporting Standards (IFRS) adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE)).

These differences lie in that the accounting framework set forth by the BCRA does not provide for the application of item 5.5 "Impairment" of IFRS 9 "Financial Instruments", nor of International Accounting Standard No. 29 "Financial reporting in hyperinflationary economies". The Bank has not quantified these differences in a note to these financial statements. The separate condensed interim financial statements should be read, for their correct interpretation, in the light of these circumstances.

Report on compliance with currently applicable rules and regulations

In compliance with the applicable rules and regulations, we report that:

- a) the Bank's separate condensed interim financial statements arise from accounting records which, in their formal aspects, are kept in accordance with statutory provisions;
- b) the Bank's separate condensed interim financial statements as of September 30, 2019, have been transcribed unto the "Inventory and Balance Sheet" book and, insofar as concerns our field of competence, are in compliance with the provisions of the Argentine Business Companies Law and the relevant resolutions issued by the BCRA and the Argentine Securities Commission;
- c) we have read the information summary and the additional information to the notes to the separate condensed interim financial statements required under Section 12, Chapter III, Title IV of the rules issued

by the Argentine Securities Commission, on which we have no comments to make as concerns our field of competence;

- d) We have read the information provided in Note 23 to the separate condensed interim financial statements as of September 30, 2019 in connection with the minimum requirements imposed by the Argentine Securities Commission in terms of Minimum Shareholders' Equity and Counterbalancing entry on which we have no comments to make as concerns our field of competence.
- e) We are in compliance with the provisions of Section 294 of the Argentine Business Companies Law.

In addition, any member of the Supervisory Committee is authorized to sign this report on behalf of the entire body.

City of Buenos Aires, November 5, 2019.

RICARDO FLAMMINI
SUPERVISORY COMMITTEE
STATUTORY AUDITOR