

City of Buenos Aires, May 13, 2019

## **Securities and Exchange Commissions**

### **RE: Relevant Event – 2018 Income Tax Affidavit.**

To whom it may concern:

The Board of Directors decided at the meeting held today, and after close consideration of Tax Reform prescribed by Law 27.430 and the recent adoption of Law 27.468, to file its income tax affidavit and pay the corresponding tax to the Internal Revenue Service for the 2018 fiscal year, taking into account inflation adjustment proceedings in accordance with section 95 a) and e) of Law 20.628 and amendments thereof.

Whereas, (i) the application of the inflation adjustment prescribed by Law 20.628 has been suspended according to Section 39 of Law 24.073, Section 4 of Law 25.561, Section 5 of Decree-Law N° 214 of the year 2002 and relating provisions; and that (ii) the recent tax reform created the parameters for the enforcement of inflation adjustment as per Title VI of the Income Tax Law, which is not applicable for the year 2018, since the Consumer Price Index has not exceeded 55 % for 2018, according to Law 27.468; therefore, the Board of Directors decided to file a declarative judgment requesting the unconstitutionality the above mentioned rules, because of the confiscatory effect of the particular case.

Moreover, it is hereby informed that our entity has created today a provision for any contingency which may arise from this decision regarding the Income Tax for the fiscal year 2018.

Truly yours,

**BBVA BANCO FRANCES S.A.**