

## **Banco CMF S.A.**

### **Consolidated financial statements as of December 31, 2021, jointly with the Independent Auditors' Report and the Statutory Audit Committee's Report**

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BANCO CMF S.A		
Registered office: Macacha Güemes 150, City of Buenos Aires, Argentina		
Main business activity: Commercial bank	CUIT (Argentine taxpayer identification number): 30-57661429-9	
Organization date: June 21, 1978		
Data of Registration with Buenos Aires City Public Registry of Commerce	Date	(1) Of the articles of incorporation: June 21, 1978
		(2) Of the latest amendment: August 9, 2016
	Book	Stock Corporations Book: 88 – Vol. A
		Number: 1926
Expiry of the articles of incorporation: June 20, 2077		
Fiscal year: No. 45		
Beginning date: January 1, 2021	Closing date: December 31, 2021	
Capital structure		
Number and characteristics of shares	In Argentine pesos	
	Subscribed	Paid-in
323,900,000 book-entry ordinary shares of ARS 1 face value and entitled to five votes each	323,900,000	323,900,000

JOSÉ A. BENEGAS LYNCH  
Chairman

Bank name: Banco CMF S.A.  
 CUIT (Argentine taxpayer identification number): 30-57661429-9  
 Name of the undersigned auditor: José A. Coya Testón  
 Professional firm: PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
 Report for the year ended 12/31/2021:  
 Type of report: 1– Unqualified audit report

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## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2021, AND 2020

(Figures stated in thousands of Argentine pesos)

ASSETS	Notes	Exhibits	12/31/2021	12/31/2020
<b>Cash and deposits with banks</b>		P	<b>19,413,729</b>	<b>25,350,204</b>
– On hand			1,746,372	2,690,117
– Financial institutions and correspondents			17,667,357	22,660,087
– BCRA (Central Bank of Argentina)			4,906,709	2,854,505
– Other in Argentina and abroad			12,760,648	19,805,582
<b>Debt securities at fair value through profit or loss</b>		A and P	<b>3,583,256</b>	<b>4,052,261</b>
<b>Derivatives</b>	8	P	<b>106,181</b>	<b>8,000</b>
<b>Reverse repo transactions</b>	3	P	<b>5,534,705</b>	<b>13,838,216</b>
<b>Other financial assets</b>	4	P	<b>3,624,297</b>	<b>4,018,739</b>
<b>Loans and other financing</b>		B, C, D, P and R	<b>20,328,707</b>	<b>10,557,892</b>
– BCRA (Central Bank of Argentina)			-	89
– Other financial institutions			4,344,316	1,247
– Nonfinancial private sector and residents abroad			15,984,391	10,556,556
<b>Other debt securities</b>		A and P	<b>6,452,512</b>	<b>17,715,912</b>
<b>Current income tax assets</b>			<b>68,363</b>	<b>-</b>
<b>Financial assets delivered in guarantee</b>	5	P	<b>1,357,805</b>	<b>1,147,722</b>
<b>Investments in equity instruments</b>		A and P	<b>200,571</b>	<b>37,144</b>
<b>Investments in subsidiaries</b>			<b>19,162</b>	<b>21,151</b>
<b>Bank premises and equipment</b>	10	F	<b>1,901,364</b>	<b>1,957,954</b>
<b>Intangible assets</b>			<b>60</b>	<b>196</b>
<b>Deferred income tax assets</b>	14		<b>9,547</b>	<b>214,419</b>
<b>Other nonfinancial assets</b>			<b>172,548</b>	<b>258,086</b>
<b>TOTAL ASSETS</b>			<b>62,772,807</b>	<b>79,177,896</b>

JOSÉ A. BENEGAS LYNCH  
Chairman

# **CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2021, AND 2020**

(Figures stated in thousands of Argentine pesos)

<b>LIABILITIES</b>	<b>Notes</b>	<b>Exhibits</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>Deposits</b>		H, I and P	<b>43,511,450</b>	<b>51,807,323</b>
– Financial sector			4,744	2,089
– Nonfinancial private sector and residents abroad			43,506,706	51,805,234
<b>Liabilities at fair value through profit or loss</b>		I and P	<b>-</b>	<b>128,257</b>
<b>Derivatives</b>	8		<b>150</b>	<b>-</b>
<b>Repo transactions</b>	3		<b>31,887</b>	<b>-</b>
<b>Other financial liabilities</b>	30	I and P	<b>5,656,578</b>	<b>11,903,231</b>
<b>Financing received from financial institutions</b>		I and P	<b>831,553</b>	<b>2,034,723</b>
<b>Corporate bonds issued</b>	31	I and P	<b>-</b>	<b>99,128</b>
<b>Current income tax liabilities</b>	14		<b>34,161</b>	<b>1,037,982</b>
<b>Deferred income tax liabilities</b>	14		<b>250,399</b>	<b>-</b>
<b>Other nonfinancial liabilities</b>			<b>962,664</b>	<b>680,158</b>
<b>TOTAL LIABILITIES</b>			<b>51,278,842</b>	<b>67,690,802</b>
<b>EQUITY</b>				
Capital stock	22		323,900	323,900
Capital adjustments			6,349,646	6,349,646
Appropriated retained earnings			2,533,858	4,601,973
Unappropriated retained earnings (accumulated losses)			1,824,207	(3,014,483)
Other accumulated comprehensive income			411,466	297,633
Profit for the year			13,120	2,884,403
<b>Equity attributable to the subsidiary's owners</b>			<b>11,456,197</b>	<b>11,443,072</b>
<b>Equity attributable to noncontrolling interests</b>			<b>37,768</b>	<b>44,022</b>
<b>TOTAL EQUITY</b>			<b>11,493,965</b>	<b>11,487,094</b>

The accompanying notes 1 through 38 and exhibits A, B, C, D, F, H, I, J, K, L, N, P, Q and R are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED DECEMBER 31, 2021, AND 2020

(Figures stated in thousands of Argentine pesos)

### STATEMENT OF PROFIT OR LOSS

	Notes	Exhibits	12/31/2021	12/31/2020
Interest income		Q	8,697,330	10,709,179
Interest expense		Q	(4,611,423)	(4,677,410)
<b>Interest income, net</b>			<b>4,085,907</b>	<b>6,031,769</b>
Commission income		Q	464,379	481,022
Commission expense			(3,003)	(1,017)
<b>Commission income, net</b>			<b>461,376</b>	<b>480,005</b>
Net gain on financial instruments at fair value through profit or loss		Q	2,407,137	2,409,078
Foreign exchange difference	15		566,084	549,458
Other operating profit	16		578,764	456,565
Loan loss allowance	6		(232,578)	(735,271)
<b>Net operating profit</b>			<b>7,866,690</b>	<b>9,191,604</b>
Employee benefits	11		(1,476,893)	(1,321,909)
Administrative expenses	17		(1,649,483)	(1,517,368)
Depreciation and amortization of assets			(91,062)	(59,989)
Other operating expenses	18		(970,346)	(524,468)
<b>Operating profit</b>			<b>3,678,906</b>	<b>5,767,870</b>
Gain on investments in associates and joint ventures			2,050	(463)
(Loss) from net monetary position			(2,385,736)	(1,507,119)
<b>Profit from continuing operations before income tax</b>			<b>1,295,220</b>	<b>4,260,288</b>
Income tax on continuing operations	14		(557,810)	(1,484,224)
<b>Profit on continuing operations, net</b>			<b>737,410</b>	<b>2,776,064</b>
<b>NET PROFIT FOR THE YEAR</b>			<b>737,410</b>	<b>2,776,064</b>
Net profit for the year attributable to the parent company's owners			732,773	2,770,570
Net profit for the year attributable to noncontrolling interest			4,637	5,494

The accompanying notes 1 through 38 and exhibits A, B, C, D, F, H, I, J, K, L, N, P, Q and R are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR  
THE YEARS ENDED DECEMBER 31, 2021, AND 2020**

(Figures stated in thousands of Argentine pesos)

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

	<b>Notes</b>	<b>Exhibits</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>Net profit for the year</b>			<b>737,410</b>	<b>2,776,064</b>
Foreign exchange differences on conversion of financial statements			(726,922)	114,983
<b>Total other comprehensive income</b>			<b>(726,922)</b>	<b>114,983</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<b>10,488</b>	<b>2,891,047</b>
Total comprehensive income attributable to the parent company's owners			13,120	2,884,403
Total comprehensive income (loss) attributable to noncontrolling interests			(2,632)	6,644

The accompanying notes 1 through 38 and exhibits A, B, C, D, F, H, I, J, K, L, N, P, Q and R are an integral part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

(Figures stated in thousands of Argentine pesos)

Changes	Capital stock	Adjustment s to equity	Other comprehens ive income	Appropriated retained earnings (accumulated losses)			Unappropriated retained earnings (accumulated losses)	Total equity of controlling interests as of 12/31/2021	Total shareholders' equity of noncontrolling interests as of 12/31/2021	Total equity as of 12/31/2021
	Outstanding shares		Foreign exchange differences on conversion of financial statements	Legal reserve	Optional reserves	Statutory/sp ecial reserve due to first-time adoption of IFRS				
— Restated balances at beginning of year	323,900	6,349,646	411,466	1,803,615	2,068,115	730,243	(243,913)	11,443,072	44,022	11,487,094
— Absorption of accumulated losses approved by the Shareholders' Meeting of April 29, 2021 (1)										
- Reversal of reserves					(2,068,115)	-	2,068,115	-	-	-
- Cash dividends (2)	-	-	-	-	-	-	-	-	(3,622)	(3,622)
— Profit for the year, net	-	-	-	-	-	-	732,773	732,773	4,637	737,410
— Other comprehensive loss	-	-	(719,653)	-	-	-	-	(719,653)	(7,269)	(726,922)
— Other changes	-	-	-	-	-	-	5	5	-	5
— Balance at end of year	323,900	6,349,646	(308,187)	1,803,615	-	730,243	2,556,980	11,456,197	37,768	11,493,965

- (1) On April 29, 2021, the General Regular and Special Shareholders' Meeting approved the reversal of the optional reserve for 1,370,142. The Meeting also decided to absorb 2,748,352 from the account Prior-year profit (loss) adjustments due to the first-time application of the restatement of items account in view of the inflation coefficient with 1,835,523 from profit (loss) for the year ended December 31, 2020, plus the unallocated remainder of 251,238 and 661,591 from such reversal. The Meeting also approved to distribute the remainder of the reversed optional reserve for 708,551 to the payment of cash dividends (subject to the BCRA's authorization). It was also decided to allocate 75,415 to Accumulated comprehensive income, as established in Communiqué "A" 6118 or its equivalent in real terms as of April 29, 2020. Note that figures are stated in Argentine pesos as of the December 31, 2020 year-end.

- (2) On April 29, 2021, Metrocorp Valores S.A. held the General Regular Shareholders' Meeting that approved, among other items, cash dividends for 240,000. Note that figures are stated in Argentine pesos as of the December 31, 2020 year-end.

The accompanying notes 1 through 38 and exhibits A, B, C, D, F, H, I, J, K, L, N, P, Q and R are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

(Figures stated in thousands of Argentine pesos)

Changes	Capital stock		Other comprehensive income	Appropriated retained earnings (accumulated losses)				Equity of controlling interests as of 12/31/2020	Equity of noncontrolling interests as of 12/31/2020	Equity as of 12/31/2020
	Outstanding shares	Adjustments to equity	Foreign exchange differences on conversion of financial statements	Legal reserve	Optional reserve	Statutory/special reserve due to first-time adoption of IFRS	Unappropriated retained earnings (accumulated losses) (1)			
– Restated balances at beginning of year	323,900	6,349,646	297,633	1,357,244	1,310,106	730,243	(1,810,104)	8,558,668	37,378	8,596,046
– Distribution of unappropriated retained earnings approved by the Shareholders' Meeting of April 30, 2020 (1)										
– Reserves	-	-	-	446,371	758,009	-	(1,204,380)	-	-	-
– Net profit for the year	-	-	-	-	-	-	2,770,570	2,770,570	5,494	2,776,064
– Other comprehensive income	-	-	113,833	-	-	-	-	113,833	1,150	114,983
– Other changes	-	-	-	-	-	-	1	1	-	1
– Balance at end of year	323,900	6,349,646	411,466	1,803,615	2,068,115	730,243	(243,913)	11,443,072	44,022	11,487,094

- (1) On April 30, 2020, the General Regular and Special Shareholders' Meeting approved the allocation of 500,000 to the payment of cash dividends (subject to BCRA's authorization); 217,218 to the statutory reserve and 368,874 or its equivalent amount in Argentine pesos as of April 29, 2020, to the optional reserve. It was also decided to allocate 629,284 to Accumulated comprehensive income, as established in Communiqué "A" 6118 or its equivalent in real terms as of April 29, 2020.

The accompanying notes 1 through 38 and exhibits A, B, C, D, F, H, I, J, K, L, N, P, Q and R are an integral part of these consolidated financial statements.

# **CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021, AND 2020**

(Figures stated in thousands of Argentine pesos)

	<b>Notes</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>Cash flows provided by operating activities</b>			
<b>Profit for the year before income tax</b>		<b>1,295,220</b>	<b>4,260,288</b>
<b>Adjustment due to the total monetary profit (loss) for the year</b>		<b>2,385,736</b>	<b>1,507,119</b>
<b>Adjustments to determine cash flows provided by operating activities:</b>			
Amortization, depreciation and impairment in value		91,062	59,989
Loan loss allowance		232,578	735,271
Monetary losses from cash and cash equivalents		8,405,699	8,003,029
Other adjustments		(6,249,496)	(7,886,442)
<b>Increases/decreases from operating assets, net</b>			
Debt securities at fair value through profit or loss		5,427,321	8,058,885
Derivatives		(98,181)	59,786
Repo transactions		8,768,699	(782,069)
Loans and other financing			
Other financial institutions		(4,293,531)	24,966
Nonfinancial private sector and residents abroad		(508,924)	1,724,347
Other debt securities		11,914,073	(9,363,375)
Financial assets delivered in guarantee		(210,083)	(639,792)
Investments in equity instruments		(163,427)	12,255
Other assets		1,257,908	(715,625)
<b>Increases/decreases from operating liabilities, net:</b>			
Deposits			
Financial sector		2,655	(308)
Nonfinancial private sector and residents abroad		(12,816,570)	5,522,034
Liabilities at fair value through profit or loss		(132,442)	124,219
Derivatives		150	(31,467)
Repo transactions		26,118	(9,307)
Other liabilities		(10,103,565)	(2,722,123)
<b>Income tax payments</b>		<b>(1,106,360)</b>	<b>(1,284,108)</b>
<b>Total operating activities (A)</b>		<b>4,124,640</b>	<b>6,657,572</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED  
DECEMBER 31, 2021, AND 2020 (CONTD.)**

(Figures stated in thousands of Argentine pesos)

	<b>Notes</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>Cash flows provided by investing activities</b>			
<b>Payments:</b>			
Purchase of bank premises and equipment, intangible assets and other assets		69,737	(131,983)
Purchase of liability or equity instruments issued by other institutions		1,989	(204)
Profit/loss from equity interests		(722,240)	108,338
Other payments related to investing activities		(14,626)	40,562
<b>Total investing activities (B)</b>		<b>(665,140)</b>	<b>16,713</b>
<b>Cash flows provided by financing activities</b>			
<b>Payments:</b>			
Unsubordinated corporate bonds		(128,688)	(174,717)
Financing received from financial institutions in Argentina		(1,264,785)	(1,349,695)
Issuance of own equity instruments		(165,000)	(176,691)
<b>Collection:</b>			
BCRA		2,103	40
Other collections related to financing activities		10	(6)
<b>Total financing activities (C)</b>		<b>(1,556,360)</b>	<b>(1,701,069)</b>
<b>Effect of changes in the exchange rate (D)</b>		<b>566,084</b>	<b>549,458</b>
<b>Effect of monetary gains (losses) from cash and cash equivalents (E)</b>		<b>(8,405,699)</b>	<b>(8,003,029)</b>
<b>Total changes in cash flows</b>			
<b>Decrease in cash and cash equivalents, net (A+B+C+D+E)</b>		<b>(5,936,475)</b>	<b>(2,480,355)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>20</b>	<b>25,350,204</b>	<b>27,830,559</b>
<b>Cash and cash equivalents at end of year</b>	<b>20</b>	<b>19,413,729</b>	<b>25,350,204</b>

The accompanying notes 1 through 38 and exhibits A, B, C, D, F, H, I, J, K, L, N, P, Q and R are an integral part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

### 1. GENERAL INFORMATION - BANCO CMF AND ITS SUBSIDIARIES

Banco CMF S.A. (the “Company”) is a *sociedad anónima* (Argentine business association type akin to a stock corporation) duly organized under Argentine laws on June 21, 1978. Its duration term is 99 (ninety-nine) years, expiring in 2077 and may be extended. The current shareholders purchased the Bank in 1990. Subsequently, on April 10, 1996, through Resolution No. 208/96, and on May 5, 1996, through Communiqué “B” No. 6,010, the BCRA (Central Bank of Argentina) approved its transformation into a commercial bank. Finally, on March 23, 1999, through Communiqué “B”, the BCRA approved the corporate name change and the adoption of the current corporate name, Banco CMF S.A.

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

These financial statements comprise Banco CMF and its subsidiaries, which are made up of the following companies:

- I. Metrocorp Valores S.A. is a company registered with the CNV (Argentine Securities Commission) as a comprehensive settlement, clearing and trading agent (ALyC y AN - Integral). This company engages in trading securities in Bolsas y Mercados Argentinos S.A. (BYMA) and Mercado a Término de Rosario (ROFEX), rendering services to the Bank and its customers, broadening the portfolio of products.
- II. CMF Asset Management S.A.U. is a mutual fund managing companies registered with the CNV as a managing agent in charge of mutual funds collective investment products. It manages seven mutual funds. These mutual funds are traded exclusively through the Bank, which, in turn, operates as a custodial agent of collective investment products.
- III. Eurobanco Bank Ltd. is a financial entity located in Bahamas registered under a “Banking and Trust Business” license granted by the Ministry of Finance of The Commonwealth of the Bahamas and overseen by the Central Bank of Bahamas. Banco CMF S.A. controls 99% of the company. It is mainly engaged in the trading of sovereign debt and corporate securities subject to public offer, as well as financing transactions and investments in low-risk financial assets in international markets. The source of financing is its own capital and deposit-taking. In addition, Eurobanco Bank Ltd. keeps a record with the Security Commission of The Bahamas (according to “Section 22 of Security Industry Act, 1999) as a Broker Dealer Class II (see exhibit IV(3)) to purchase and sell securities.

On March 10, 2022, the Board of Directors of Banco CMF S.A. approved the issuance of the accompanying consolidated financial statements.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis for preparation

#### Accounting standards applied

The Bank's consolidated financial statements were prepared in accordance with the information framework established by the BCRA (Communiqué “A” 6114, as supplemented). Such framework is based on International Financial Reporting Standards (IFRS) 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 explained in the following paragraph. These international standards include the IFRS, the International Accounting Standards (IAS) and the interpretations originated by the IFRS Interpretations Committee (IFRIC) or the former Standard Interpretations Committee (SIC).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Considering the temporary exemptions established by the BCRA from the application of current IFRS, the Bank applies the exemption related to impairment in IFRS 9, as established by Communiqué "A" 6114, as amended and supplemented. As part of the process for convergence towards IFRS, the BCRA defined through Communiqués "A" 7181 and 7427 that, as from the years beginning on January 1, 2022, or 2023 (see item B, "New resolutions" in this note), the financial institutions defined as part of "Groups B and C", as per their own regulations, including the Bank, will be required to apply section 5.5 "Impairment" under IFRS 9 "Financial instruments" (items B5.5.1 to B5.5.55), except for public sector disclosures, considering the temporary exemption under Communiqué "A" 6847. Although as of the date of issuance of the Bank's accompanying financial statements, the Bank is quantifying the effects of the application of section 5.5 "Impairment" mentioned above, the Board's Management estimates that they could be material.

Except for that mentioned in the previous paragraph, the accounting policies applied by the Bank comply with the IFRS that are currently approved and applied in preparing these consolidated financial statements in agreement with the IFRS adopted by the BCRA according to Communiqué "A" No. 7411. In general, the BCRA does not allow for the early adoption of any IFRS, unless otherwise specified.

#### Transcription into the Bank's Inventories and Financial Statements Book

As of the date of issuance of these financial statements, they are being transcribed into the Bank's Inventories and Financial Statements Book.

#### Going concern

Bank Management assessed its capacity to continue as a going concern and concluded that it has the resources to continue in the business in the near future. Management is not aware of any material uncertainty that could compromise the Bank's capacity to continue as a going concern. Therefore, these consolidated financial statements were prepared on a going concern basis.

#### Basis of consolidation

These consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as of December 31, 2021.

Subsidiaries are defined as the entities over which the Bank exerts control. Bank controls a company when it is exposed to, or has rights over, variable returns due to its continuous involvement in the investee, and it has the capacity of using the power to direct the investee's operating and financial policies to exert an influence over these returns.

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 still exert control with less than 50% of its equity or may not exert control with more than 50% of a subsidiary's shares.

Upon assessing whether it has control over a subsidiary and, hence, controls its variable returns, the Bank considers all the important facts and circumstances, including:

- The purpose and design of the subsidiary.
- The significant activities, how decisions are made concerning these activities and whether the Bank may manage these activities.
- The contractual agreements as rights to buy, sell and settle.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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(Figures stated in thousands of Argentine pesos)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- If the Bank is exposed to, or has rights over, variable returns of its equity in the subsidiary and it has the power to exert an influence over these returns.

The Bank has no interests in structured entities to be consolidated.

Subsidiaries become wholly consolidated as from the date on which the effective control thereof is transferred to the Bank, and they are no longer consolidated as from the date on which such control ends. These consolidated financial statements include the assets, liabilities, profit or loss and each component of other comprehensive income of the Bank and its subsidiaries. The transactions between related entities are fully eliminated.

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

The subsidiaries' financial statements were prepared as of the same dates and for the same accounting periods as those of Banco CMF S.A, consistently using accounting policies similar to those used by the latter. If applicable, the financial statements of the subsidiaries are adjusted so that the accounting policies used by the group are consistent.

The Bank and its subsidiaries consider the Argentine peso as its functional and disclosure currency. To such end, before the consolidation, the financial statements of its subsidiary Eurobanco Bank Limited, originally issued in US dollars, were converted into Argentine pesos (disclosure currency) using the following method:

- The assets and liabilities were converted at the BCRA's benchmark interest rate effective for such foreign currency at the closing of operations of the last business day of the reporting year.
- Profits for the reporting year were converted into Argentine pesos every month using the BCRA's average benchmark exchange rate.
- The resulting foreign exchange differences are booked as a separate component in equity in the statement of comprehensive income as "Foreign exchange differences on conversion of financial statements".

Furthermore, noncontrolling interests are the portion of profit or loss and equity that does not belong, either directly or indirectly, to the Bank. They are disclosed in these financial statements in a separate line in the statements of financial position, profit or loss, other comprehensive income and changes in equity.

As of December 31, 2021 and 2020, the Bank consolidated its financial statements with those of the following companies:

Company	Shares		% to		Activity
	Class	Number	Capital stock	Votes	
Metrocorp Valores S.A.	Ordinary	6,491,430	99%	99%	Comprehensive settlement, clearing and trading agent
Eurobanco Bank Ltd.	Ordinary	2,970,000	99%	99%	Financial institution
CMF Asset Management S.A.U.	Ordinary	5,000,000	100%	100%	Managing agent in charge of mutual funds investment products

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The total amounts related to the assets, liabilities, equity and profit or loss of Banco CMF S.A and each of its subsidiaries as of December 31, 2021 and 2020 are disclosed below:

<u>As of 12/31/2021</u>	<b>Banco CMF</b>	<b>Metrocorp Valores</b>	<b>Eurobanco</b>	<b>CMF Asset</b>	<b>Eliminations</b>	<b>Consolidated</b>
Assets	38,309,772	3,787,827	26,427,469	201,136	(5,953,397)	62,772,807
Liabilities	(26,853,575)	(3,121,841)	(23,316,618)	(11,224)	2,024,416	(51,278,842)
Equity attributable to the parent company's owners	11,456,197	659,326	3,079,743	189,912	(3,928,981)	11,456,197
Equity attributable to noncontrolling interests	-	6,660	31,108	-	-	37,768
Net profit for the year	732,773	405,146	58,620	39,797	(498,926)	737,410
Total other comprehensive income	(719,653)	-	(726,922)	-	719,653	(726,922)
Total comprehensive income attributable to the parent company's owners	13,120	401,095	(661,619)	39,797	220,727	13,120
Total comprehensive income attributable to noncontrolling interests	-	4,051	(6,683)	-	-	(2,632)
<u>As of 12/31/2020</u>	<b>Banco CMF</b>	<b>Metrocorp Valores</b>	<b>Eurobanco</b>	<b>CMF Asset</b>	<b>Eliminations</b>	<b>Consolidated</b>
Assets	43,210,173	6,922,511	34,845,281	167,155	(5,967,224)	79,177,896
Liabilities	(31,767,101)	(6,299,412)	(31,066,129)	(17,041)	1,458,881	(67,690,802)
Equity attributable to the parent company's owners	11,443,072	616,870	3,741,359	150,114	(4,508,343)	11,443,072
Equity attributable to noncontrolling interests	-	6,229	37,793	-	-	44,022
Net profit for the year	2,770,570	473,484	75,779	43,263	(587,032)	2,776,064
Total other comprehensive income	113,833	-	114,983	-	(113,833)	114,983
Total comprehensive income attributable to the parent company's owners	2,884,403	468,748	188,854	43,263	(700,865)	2,884,403
Total comprehensive income attributable to noncontrolling interests	-	4,736	1,908	-	-	6,644

The Bank's Management considers that there are no other entities or structured entities that should be included in the financial statements as of December 31, 2021 and 2020.



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### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### Summary of significant accounting policies

Below are disclosed the main valuation and disclosure methods followed in the preparation of these consolidated financial statements as of December 31, 2021, and 2020.

#### Assets and liabilities in foreign 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 or loss for each year under "Differences in quoted prices of gold and foreign currency".

#### Financial instruments

##### Initial recognition and measurement

The Bank recognizes a financial instrument when it becomes a party to its 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 and its subsidiaries agree 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 subsidiaries estimate the fair value of the financial instrument. If this fair value is based on a valuation technique that uses only observable market data, any amounts additional to the consideration will be a lower profit or expense, unless they meet the requirements to be recognized as any other asset type ("day 1" results). 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 only insofar as it arises from a change in a factor (including time) that the market participants would consider upon determining the price of the asset or liability, or when the instrument is derecognized.

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### Subsequent measurement

##### Business model:

The Bank and its subsidiaries establish three categories for classifying and measuring its debt instruments based on a business model for managing them, and the characteristics of the contractual flows thereof:

- Amortized cost: the business purpose is to obtain the contractual cash flows of the financial asset.
- Fair values 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.
- Fair value through profit or loss: the business purpose is to generate profit from the purchase and sale of financial assets.

Consequently, the Bank and its subsidiaries measure their financial assets at fair value, except for those that meet these two conditions and are therefore valued at amortized cost:

- They are held within a business model which aim is to maintain assets to obtain contractual cash flows.
- The contractual conditions of the financial assets give rise to, in specific dates, cash flows that are only payments of principal and interest on the outstanding capital.

The Bank and its subsidiaries define 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 method for assessing the performance of the business model and the financial assets held within such business model, and the reporting method to key personnel in the Bank and its subsidiaries.
- The risks affecting the performance of the business model (and the financial assets held within such business model) and, in particular, the way of managing these risks.
- The method for compensating key personnel in the Bank and its subsidiaries (for example, if compensation is based on the fair value of the assets managed or collected contractual cash flows).
- The expected frequency, timing and reasons for sales are also important factors.

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 and its subsidiaries, they do not change the classification of the remaining financial assets held within such business model, but rather consider the information to assess the recent purchases or origination.

#### Test of payments of principal and interest only:

As part of the classification process, the Bank assessed 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" was 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.

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

To perform the characteristics test, the Bank and its subsidiaries use their own judgment and consider 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 and its subsidiaries classify 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.

The Board 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 statement of profit or loss under "Net gain (loss) 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 would be booked under other comprehensive income and would not be reclassified through profit or loss. Interest income and expenses, as well as dividends, are charged to "Net gain (loss) 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, classified as level 1, was calculated using the listed prices as of each year-end on active markets, if representative. The main market on which the Bank operates is the Mercado Abierto Electrónico (over-the-counter electronic market). In addition, in the case of dividends, both the MAE and the Mercado a Término de Rosario S.A. (ROFEX) are considered active markets.

If there was no active market, the instruments are classified as L2 instruments and 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 judgments, estimates and assumptions" under this note.

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### Financial assets measured at amortized cost – Effective interest 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 loan loss allowance, if applicable.

Interest income and impairment are disclosed in the statement of profit or loss in "Interest income" and "Loan loss allowance", respectively. The changes in the provision is disclosed in Exhibit R "Adjustment due to losses. Loan loss allowance."

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 this instrument. By applying such method, the Bank identifies the incremental costs that are 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.

#### 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 the related statement of profit or loss for each year under "Interest income", if applicable.

#### Repo transactions (purchases and sales with repurchase agreements):

The purchases (sales) of financial instruments with the nonoptional repurchase commitment at a determined price (repos) are booked in the consolidated statement of financial position as a financing granted (received) 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 statement of profit or loss under "Interest income" and "Interest expense", as the case may be.

#### Loans and other financing:

They are financial assets other than a derivative held by the Bank 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 are booked when funds are disbursed to customers. Subsequent to initial recognition, loans and other financing are valued at amortized cost using the effective interest rate method, less the loan loss allowance. 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 statement of profit or loss under "Interest income". Impairment losses are included in the consolidated statement of profit or loss under "Loan loss allowance" and the changes thereof are disclosed in Exhibit R "Loan loss allowance." The impairment estimate is further explained in section "Accounting judgments, estimates and assumptions" under this note.

The guarantees provided and contingent obligations are disclosed in the notes to the financial statements (off balance) when the documents supporting these credit facilities are issued and are initially recognized at the fair value of the commission received in "Other financial liabilities" in the statement of financial position. After the legal

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

recognition, the liability for each guarantee is booked at the highest value between the commission amortized and the best expense estimate required to settle any financial obligation arising from the financial guarantee.

Any increase in the liability related to a financial guarantee is booked in profit or loss. The commission received is recognized in "Commission income" in the statement of profit or loss based on its amortization using the straight-line method during the term of the financial guarantee offered.

#### Financial liabilities:

After initial recognition, all the financial liabilities are valued at amortized cost using the effective interest method, except for derivative financial instruments and financial liabilities held for trading or designated at fair value. Interest is charged to profit under "Interest expense".

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

#### Derivatives:

##### Forward transactions without delivery of the underlying asset:

They include forward purchases and sales of foreign currency without delivery of the underlying asset traded, which are not designated as hedge relationships but are aimed at reducing the exchange rate risk for expected purchases and sales. Transactions are measured at the fair value of agreements and are performed by the Bank for the purpose of intermediation for its own account. The Bank mainly operates on the Mercado a Término de Rosario S.A. (ROFEX). The fair value estimate is further explained in section "Accounting judgments, estimates and assumptions" under this note. The resulting profit or loss is charged to profit or loss for the year under "Net profit (loss) from financial instruments at fair value through profit or loss".

#### Reclassification of financial assets and liabilities:

The Bank does not 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, 2021 and 2020, the Bank and its subsidiaries made no reclassifications.

#### Finance leases:

The Bank grants borrowings through finance leases, recognizing the current value of lease payments as an asset, which are booked as "Loans and other financing" in the statement of financial position. 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 profit or loss under "Interest income". Impairment losses are included in the statement of profit or loss under "Loan loss allowance" and the changes thereof are disclosed in Exhibit R "Adjustment due to losses. Loan loss allowance."

#### Bank premises and equipment

The Bank and its subsidiaries chose the cost model for all types of assets within the account. These assets are booked 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 booked in the statement of profit or loss. Any material improvement and renovation

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 "Depreciation and impairment in value of assets".

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

#### Intangible assets

Intangible assets purchased separately are initially valued at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization (if finite useful lives are assigned) and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

The intangible assets included in the financial statements of the subsidiary CMF Asset Management S.A.U. have finite lives; therefore, they are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting fiscal year. Changes in the expected useful life or the expected pattern of consumption of the asset is accounted for by changing the amortization period or method, as appropriate, and are treated prospectively as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in "Depreciation and impairment in value of assets".

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

	Development costs
Useful lives (in months)	36
Amortization method	Straight-line
Internally generated or acquired	Acquired

#### Impairment in value of nonfinancial assets:

At least as of each year-end, the Bank and its subsidiaries 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.

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### **2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Since the Bank has assessed and concluded that there are indications of impairment, it estimated the recoverable value of assets (value in use), which exceeds their carrying amount; therefore, it does not have to recognize any adjustment whatsoever for impairment in value.

#### Provisions:

The Bank and its subsidiaries recognize a provision when and only when: (a) the Bank has 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 will be required by the Bank and its subsidiaries 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 Bank's external and internal legal counsel. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When the discount is recognized, the increase in the provision as time elapses is recognized in "Interest expense" in the statement of comprehensive income.

The provisions booked by the Bank and its subsidiaries 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 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.

As of December 31, 2021 and 2020, the Bank and its subsidiaries estimated that no disbursements are likely to be needed to settle other current obligations for these items.

#### Recognition of profit and expenses:

##### 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 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 reported.

##### Borrowing commissions:

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

##### Commissions on services:

These profits are recognized when (or as) the Bank and its subsidiaries fulfill each performance obligation through the transfer of the services committed in exchange for an amount reflecting the consideration to which the Bank and its subsidiaries expect to be entitled in exchange for such services.

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### **2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

At the beginning of each agreement, the Bank and its subsidiaries assess the services committed and identify as a performance obligation each commitment to transfer a different service or a series of different services that are substantially the same and share the same transfer pattern.

#### Nonfinance income and expense:

They are booked based on the recognition conditions established in the conceptual framework, such as the requirement that profit (losses) be accrued.

#### Income tax

Income tax is calculated based on the stand-alone financial statements of Banco CMF S.A. and each of its subsidiaries.

The income tax charge comprises current and deferred income tax. Income tax is recognized in the statement of profit or loss, except for items to be recognized directly in other comprehensive income. In this case, each item is disclosed 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 profit 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 subsidiaries expect to recover or calculate the value of their assets and liabilities as of each year-end.

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.

#### Investment management and trust activities

The Bank and its subsidiaries 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 these financial statements because they are not the Bank's and subsidiaries' assets. Fees arising from these activities are included in the account "Commission income" in the statement of profit or loss.

#### Accounting judgments, estimates and assumptions

Preparing the consolidated financial statements in accordance with IFRS requires that the Bank's Management, together with its subsidiaries, 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.



## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
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### **2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

The most significant estimates included in the accompanying financial statements are related to the loan loss allowance, the measurement of financial instruments at fair value, the provisions, the estimated useful life of fixed assets, the expected recovery amount at the end of its useful life and the income tax charge.

In certain cases, the financial statements prepared in agreement with BCRA Communiqué “A” 6114 require that the assets or liabilities be booked and/or presented at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties at arm’s length between market participants on the principal (or most advantageous) market in an orderly and current transaction. When market prices on active markets are available, they were used as valuation basis. When the market prices on active markets are not available, the Bank and its subsidiaries estimate these values as values based on the best information available, including the use of models and other assessment techniques.

#### Fair value measurement of financial instruments

In the cases 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, discretionary 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 19.

#### Loan loss allowance and provision for contingent commitments

The loan loss allowance was 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 provision-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 is reversed with an impact on profit or loss for the current year.

Impairment losses are included in the statement of profit or loss and the reversals are disclosed in “Other operating profit.” The changes in these losses are disclosed in Exhibit R “Loan loss allowance.”

As of December 31, 2021 and 2020, the Bank has no provisions for contingent commitments.

#### Figures stated in thousands of Argentine pesos

These consolidated financial statements disclose figures stated in thousands of Argentine pesos in terms of purchasing power as of December 31, 2021, and are rounded up to the nearest amount in thousands of Argentine pesos, except when otherwise noted (see “Measurement unit” in this note).

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### **2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

#### Presentation of the consolidated statement of financial position

The Bank files the consolidated statement of financial position in order of liquidity pursuant to the model established in BCRA Comunicado “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 12.

Financial assets and liabilities are usually informed using gross amounts in the consolidated statement of financial position. These amounts are only offset and reported on a net basis 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 consolidated financial statements were prepared on the basis of their historical amounts, except for the assets disclosed in note 19, which were stated at fair value, considering the comments made in “Measurement unit” in this note.

#### Comparative information

The consolidated statement of financial position, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended December 31, 2021, are presented comparatively with those of the prior year.

The amounts related to the comparative information were restated to consider the changes in the general purchasing power of the Argentine peso so that they are restated into the current measurement unit as of the end of the reporting year (see section “Measurement unit” below).

#### Measurement unit

These consolidated financial statements as of December 31, 2021, were restated into the purchasing power as of that date pursuant to IAS 29 and considering specific BCRA regulations established through Comunicados “A” 6651 and 6849, as amended and supplemented, introducing the mandatory adoption of such method for the financial statements for years beginning as from January 1, 2020, and set December 31, 2018, as the transition date.

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%. Due to different macroeconomic factors, the three-year inflation rate stood above 100%. Moreover, the Argentine government targets and other available projections show that this trend will not be reversed in the short term.

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. To make such restatement, a series of indexes prepared and published monthly by the FACPCE are used, which combine the Argentine consumer price index published by the INDEC (Argentine Institute of Statistics and Censuses) as from January 2017 (base month: December 2016) with the wholesale domestic price index published by the INDEC until that date, computing the changes in the consumer price index for the City of Buenos Aires for November and December 2015 since the INDEC published no information concerning the domestic wholesale price index for these months.

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### **2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

Considering this index, inflation stood at 50.94% and 36.14% for the years ended December 31, 2021, and 2020, respectively.

Below we include a description of the main impacts of using IAS 29 and the process for restating the financial statements established by BCRA Communiqué “A” 6849, as amended and supplemented:

#### **a) Description of the main aspects of the restatement process in the statement of financial position:**

- i. 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 year. In an inflationary period, maintaining monetary assets will lose purchasing power and maintaining monetary liabilities will gain purchasing power, provided that these items are not subject to an adjustment mechanism that somehow offsets these effects. Net monetary gains or losses are included in profit or loss for the reporting period.
- ii. The assets and liabilities subject to adjustment based on specific agreements are adjusted based on such arrangements.
- iii. Nonmonetary items measured at their current values as of the end of the reporting year are not restated to be disclosed in the statement of financial position, but the adjustment process should be completed to determine the profit or loss generated by holding these nonmonetary items in constant pesos.
- iv. The nonmonetary items measured at a historical cost or current cost of a date prior to the end of the reporting year are 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 are then compared to the recoverable values. The charges to profit or 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 are determined based on the new restated amounts.
- v. When finance costs are capitalized under nonmonetary assets, the portion of these costs used to offset the creditor for inflation purposes are not capitalized.
- vi. 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 profit or 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 profit or 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.

#### **b) Description of the main aspects of the process to restate the statement of profit or loss and other comprehensive income:**

- i. Expenses and revenues are restated as from their booking, except for (1) the accounts in the statement of profit or loss 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) profit or 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.
- ii. Profit or loss from the monetary position will be classified based on the item giving rise to it and is presented in a separate line showing the effect of inflation on monetary items.

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### c) Description of the main aspects for the restatement process in the statement of changes in equity:

- (i) As of transition date (December 31, 2018), the Bank applied the following procedures:
  - (a) Equity components, except for those indicated in the previous items, are restated as from the date of their subscription or payment as established by Communiqué “A” 6849 for each item.
  - (b) Appropriated retained earnings and the reserve for the initial application of IFRS were held at nominal value (unrestated legal amount) as of the transition date.
  - (c) Other accumulated comprehensive income was recalculated in real terms as of the transition date.
  - (d) Restated unappropriated retained earnings were assessed as the difference between net assets restated as of the transition date and the rest of equity components at the beginning of the year restated as indicated in the previous paragraphs.
- (ii) Upon the restatement as of the date of transition stated in (i) above, all equity items are restated using the general price index as from the beginning of the period, and each variation in those components is restated as from the contribution date or as from the moment it arose by any other means.

#### d) Description of the main features of the process for restating the statement of cash flows:

- (i) All items are restated into the current unit of measure as of the end of the reporting year.
- (ii) Gain (loss) on cash and cash equivalents is disclosed in the statement of cash flows in a separate line under “Effect of monetary gains (losses) provided by cash” after operating, investing and financing activities.

#### New resolutions

- A. 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 (Argentine Federation of Professional Councils in Economic Sciences, 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 standards and interpretations issued but not yet in effect as of the date of issuance of these financial statements are disclosed below. The Bank will adopt these standards, if applicable, as they become effective:

#### **Amendments to IAS 1: classification of current and noncurrent liabilities**

The IASB published amendments to paragraphs 69 and 76 of IAS 1 to specify the requirements to classify liabilities as current and noncurrent. Those amendments clarify matters related to the right to defer the maturity date of liabilities and regarding the classification of embedded derivatives. It also clarifies that, if a conversion option is classified as liabilities or part of liabilities, the transfer of equity instruments would constitute the settlement of liabilities to classify them as current or noncurrent. These amendments are effective for fiscal years beginning January 1, 2023. The Bank does not expect it to have a material impact on its financial statements.

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### **2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

#### **Amendments to IFRS 3. Reference to the Conceptual Framework**

The amendments are aimed at replacing the references to the previous version of the IASB's Conceptual Framework for the references to its current version issued in March 2018, without implying any material changes to its requirements. The amendments add an exception to the principle of recognition of IFRS 3 to prevent the issue of potential "day 2" profit or loss from liabilities or contingent liabilities that could be within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" or IFRIC 21 "Taxes" if incurred separately. The exception requires that entities apply the IAS 37 or IFRIC 21 criterion instead of the Conceptual Framework to determine if there is a present obligation as of the acquisition date. In addition, a new paragraph is added to IFRS 3, which clarifies that a contingent asset does not qualify for recognition as of the acquisition date. This standard is effective as from January 1, 2022. The Bank does not expect to have a material impact on its financial statements.

#### **Amendments to IAS 16 "Property, Plant and Equipment":**

Income before the intended use. The amendment forbids an entity to deduct from the cost of a PPE item all income received from the sale of these items while the asset is located at the place and under the necessary conditions to operate as expected by management. The Bank recognizes that income from the sale of these items and the costs of producing them in profit or loss. This standard is effective as from January 1, 2022. The Bank does not expect to have a material impact on its financial statements.

#### **Amendments to IAS 37. Onerous Contracts. Cost of Fulfilling a Contract:**

The IASB issued amendments to IAS 37, which specifies the costs that an entity should include when assessing whether a contract is onerous or generates losses. This amendment applies a "direct cost approach." The direct costs related to a contract for the provision of goods or services include both incremental costs and an allocation of direct costs related to contract activities. The impact of these amendments on the entities that applied the incremental cost approach previously is that their provisions will be increased to reflect the inclusion of costs related directly to contract activities, while the entities that recognized losses previously due to contract provisions using the guide under IAS 11 "Construction Contracts" (no longer effective) must exclude the allocation of indirect costs from their provisions. This standard is effective as from January 1, 2022. The Bank does not expect to have a material impact on its financial statements.

#### **Annual improvements (2018-2020 cycle):**

Below is a summary of the amendments arising from the annual improvements (2018-2020 cycle):

- IFRS 1 "First-time Adoption of International Financial Reporting Standards". Subsidiary as a first-time adopter: the amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. This amendment is also applicable to associates and joint arrangements choosing to apply paragraph D16(a) of IFRS 1. This amendment is effective as from January 1, 2022. The Bank does not expect to have a material impact on its financial statements.
- IFRS 9 "Financial Instruments". Fees in the '10 per cent' test for derecognition of financial liabilities: the amendment clarifies which fees an entity includes when it assesses whether the terms of a new or amended financial liability are substantially different from the term of the original financial liability. These fees include only those paid or received between borrower and lender, including the fees paid or received on behalf of the borrower or lender. This amendment is effective as from January 1, 2022. The Bank does not expect to have a material impact on its financial statements.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021**

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### **2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

#### **Amendment to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies:**

These amendments require an entity to disclose its material accounting policies instead of its significant accounting policies. In addition, paragraphs were added to explain how an entity can identify a material accounting policy and to give examples of when an accounting policy is likely to be material. For this purpose, the Board developed a guide with explanations and examples called the ‘four-step materiality process’, described in Practice Statement 2. This standard will be effective as from January 1, 2023. The Bank does not expect it to have a material impact on its financial statements.

#### **Amendment to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. Definition of accounting estimates:**

These amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how an entity uses valuation techniques and inputs to develop accounting estimates. The amendment to this standard clarifies that the effect on an accounting estimate of a change in an input or in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of changes in accounting estimates specified that these changes could result from new information or new developments. Therefore, these changes are not error corrections. This standard is effective as from January 1, 2023. The Bank does not expect it to have a material impact on its financial statements.

#### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 “Insurance Contract”, a new comprehensive accounting standard for insurance contracts, that covers recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4. IFRS 17 applies to all types of insurance contracts (that is, life insurance, general liability insurance, direct insurance and reinsurance), irrespective of the issuer entity. In June 2020, the IASB issued amendments to IFRS 17. These amendments included changing the effective date to 2023. This standard does not apply to the Bank.

#### **Amendment to IAS 12. Deferred tax related to assets and liabilities arising from a single transaction:**

In May 2021, the IASB issued amendments to IAS 12, which restrict the scope of the initial recognition exemption under IAS 12, so as to prevent the application to transactions giving rise to equal deductible and taxable temporary differences. The amendments clarify that when payments settling a liability are deductible for tax purposes, judgement is used to determine whether those deductions may be attributed for tax purposes to the liability recognized in the financial statements or to the related asset component. This judgement is important to determine whether there are any temporary differences in the initial recognition of assets and liabilities. These amendments are effective as from January 1, 2023. The Bank does not expect it to have a material impact on its financial statements.

#### **B. Amendments to BCRA accounting information framework:**

##### **Impairment of financial assets according to section 5(5), IFRS 9 (Communiqués “A” 6778, 6847, 7181, 7427, as amended and supplemented):**

Based on Communiqué “A” 7427, the Bank decided to start applying as from the years beginning on or after January 1, 2023, the expected credit loss methodology, as mentioned in section 5.5. of IFRS 9, to determine the impairment of financial assets, except for financing to the public sector. There is also an option to use a methodology to prorate the negative impact caused by starting to use the impairment calculation as mentioned in section 5(5) of IFRS 9, which must be made in 5 years. The Bank considers that this amendment could have a material impact on its financial statements.

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### 3. REPO TRANSACTIONS

In the regular course of business, the Bank enters into repo transactions. Under IFRS 9, the securities involved in reverse repo transactions received from do not meet the requirements for recognition or derecognition.

As of December 31, 2021, and 2020, the Bank and its subsidiaries have entered into reverse repo transactions involving government and private securities standing at 5,534,705 and 13,838,216, respectively, the expiration dates of which were the immediately following business day of each fiscal year. As of the same dates, the securities received which guarantee reverse repo transactions stand at 5,490,833 and 14,556,215. The assets received in guarantee are booked under off-balance items.

In addition, as of December 31, 2021, the Bank had repo transactions involving Treasury bills for 31,887, maturing on the business day immediately following year-end. In addition, as of the same dates, the securities delivered guaranteeing repurchase agreements stand at 35,686, which are booked under "Financial assets delivered in guarantee". As of December 31, 2020, the Bank and its subsidiaries had no repo transactions.

The profit generated by the Bank and its subsidiaries as a result of the repo transactions carried out over the fiscal years ended December 31, 2021, and 2020, stand at 460,682 and 909,082 (restated amounts), respectively, and they are booked under "Interest income". Moreover, the losses generated by the Bank and its subsidiaries as a result of the repo transactions carried out over the fiscal years ended December 31, 2021, and 2020, stand at 4,356 and 10,720, respectively, and they are booked under "Interest expense".

### 4. OTHER FINANCIAL ASSETS

	12/31/2021	12/31/2020
Receivables from spot sales pending settlement	3,103,737	3,595,756
Nonfinancial receivables from the spot sales of government securities pending settlement	362,930	316,528
Private securities and mutual funds. Measurement at fair value through profit or loss	121,173	78,375
Other	36,457	28,081
	<b>3,624,297</b>	<b>4,018,739</b>

### 5. FINANCIAL ASSETS DELIVERED IN GUARANTEE AND RESTRICTED ASSETS

As of December 31, 2021 and 2020, the Bank and its subsidiaries delivered as guarantee the financial assets detailed below:

Description	Carrying amount	
	12/31/2021	12/31/2020
<b>Banco CMF S.A.</b>		
From transactions with the BCRA	668,666	569,385
From transactions with the MAE	639,323	568,562
From transactions with ROFEX	1,336	1,614
Por operaciones de pase pasivo – Títulos Públicos e Instrumentos de regulación monetaria a valor razonable	35,686	-
<b>Metrocorp Valores S.A.</b>		
From transactions with ROFEX	257	172
From transactions with Bolsas y Mercados Argentinos S.A.	10,996	7,989
From transactions with the MAE	1,541	-
<b>Total</b>	<b>1,357,805</b>	<b>1,147,722</b>

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### 5. FINANCIAL ASSETS DELIVERED IN GUARANTEE AND RESTRICTED ASSETS (Contd.)

The Bank carries 1,336 in custody account No. 33,976 created as an initial guarantee on Mercado a Término de Rosario S.A. (ROFEX). Its subsidiary Metrocorp Valores S.A. carries 257 in custody account No. 16,170. This guarantee was created as an initial guarantee to operate on the market and for future transactions.

Besides, as of December 31, 2021, the Bank has in custody account No. 33,976 opened by Banco CMF S.A. with Mercado a Término de Rosario S.A. (ROFEX) –booked in “Other debt securities”– 1.40% CER-adjustable Treasury bonds in Argentine pesos, maturing on March 25, 2023, (TX23) for 473,029 created as guarantee for futures transactions in foreign currency carried out on such market effective as of year-end.

As of December 31, 2021, the Bank has 10,275 in account No. 273 on the MAE to guarantee the transactions to operate on the MAE effective as of year-end, trading session CPC1, and securing futures trading with central counterparty clearing on the MAE, trading session CPC2 for 629,048 made up of USD 10,275 and 1.50% CER-adjustable Treasury bonds in Argentine pesos, maturing on March 25, 2024 (TX24) for 618,773.

In addition, as of December 31, 2021, its subsidiary Metrocorp Valores S.A. has in account No. 9080, principal No. 2001, held by the Bank at Caja de Valores S.A., Step Up Argentine bonds in US dollars maturing on July 9, 2030 (GD30) for 290,278; Step Up Argentine bond in US dollars maturing in 2030 (AL30) for 211,250; Step Up Argentine bond in US dollars maturing in 2038 (AE38) for 146,114; US Treasury Bill ZCP maturing on May 5, 2022 for 102,750; US Treasury Bill ZCP maturing on January 20, 2022 for 308,250; and US Treasury Bill ZCP maturing on September 8, 2022, for 30,825 as surety bonds with BYMA (Bolsas y Mercados Argentinos S.A.), effective as of year-end.

Besides, as of December 31, 2021, its subsidiary Metrocorp Valores S.A., pursuant to section 45, Law No. 26,831, and its administrative order, established in CNV regulations (as revised in 2013, as amended), has 10,996 on BYMA as a contribution for the creation of CNV guarantee fund II.

As of December 31, 2021, its subsidiary Metrocorp Valores S.A. has 220,444 in account No. 14 on the MAE to guarantee futures trading with central counterparty on the MAE, trading session CPC2, made up of USD 1,541 and 1.40% CER-adjustable Treasury bonds in Argentine pesos, maturing on March 25, 2023 (TX23) for 218,903, booked in “Debt securities at fair value through profit or loss”.

The Bank's Management believes that there will be no losses for the restrictions on the abovementioned assets.

### 6. LOAN LOSS ALLOWANCE. ALLOWANCE FOR LOSSES FROM LOANS AND OTHER FINANCING FACILITIES

The changes in provisions from loans and other financing facilities are disclosed in exhibit R in these consolidated financial statements.

The net loan losses arising from loans and other financing break down below:

	12/31/2021	12/31/2020
Loan loss allowance	232,578	735,271
Provisions reversed and receivables recovered (Other operating profit)	(163,405)	(43,898)
Loan losses from loans and other financing, net of recoverable amounts	<u>69,173</u>	<u>691,373</u>

### 7. CONTINGENT TRANSACTIONS

To meet customers' specific financial needs, the credit policy adopted by the Bank and its subsidiaries also includes granting sureties, guarantees, letters of credit and documentary credits. Although these transactions are not recognized in the statement of financial position because they entail an additional responsibility for the Bank and its



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### 7. CONTINGENT TRANSACTIONS (Contd.)

subsidiaries, they expose it to credit risks additional to those recognized in the statement of financial position and therefore, they are an integral part of the total risk assumed by the Bank and its subsidiaries.

As of December 31, 2021 and 2020, the Bank's contingent transactions are as follows:

	12/31/2021	12/31/2020
Guarantees provided	1,050,067	2,573,102
Obligations arising from for foreign-trade transactions – Letters of credit	1,099,888	1,045,896
<b>Total</b>	<b>2,149,955</b>	<b>3,618,998</b>

These credit facilities are initially recognized at the fair value of the proportion received in "Other financial liabilities". The risks related to the aforementioned contingent transactions are valued and monitored under the Bank's and its subsidiaries' credit risk policy mentioned in note 34.

### 8. DERIVATIVE FINANCIAL INSTRUMENTS

The Bank and its subsidiaries enter into derivative transactions for trading 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 and its subsidiaries to risks associated to the lack of an exchange market where an open position may be closed. The exposure of the Bank and its subsidiaries resulting from derivative agreements is regularly monitored as part of its general risk framework. The information on the Bank's and subsidiaries' objectives and credit risk management policies is included in note 34.

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 the end of the twelve months or year, as applicable; they are not indicative of the market risk or the credit risk, and they are booked as off-balance items. It also includes the fair value consisting in the value in Argentine pesos of the underlying asset (US dollar). The "Derivatives" account in the statement of financial position discloses the amounts pending settlement arising from the related derivatives. The changes in fair values were charged to profit or loss; a breakdown is provided in note 19.

Derivatives financial assets (amounts in thousands of ARS)	12/31/2021		12/31/2020	
	Notional value	Fair value	Notional value	Fair value
Forward foreign currency purchase transactions without delivery of the underlying asset - MAE	15,250	1,566,938	15,100	1,917,848
Forward foreign currency purchase transactions without delivery of the underlying asset - Private	1,000	102,750	200	25,402
Forward foreign currency purchase transactions without delivery of the underlying asset - ROFEX	1,600	164,400	100	12,702
Forward foreign currency sales transactions without delivery of the underlying asset - MAE	-	-	(14,900)	(1,892,446)
Forward foreign currency sale transactions without delivery of the underlying asset - Private	(8,650)	(888,788)	(400)	(50,804)
Forward foreign currency sale transactions without delivery of the underlying asset - ROFEX	(9,200)	(945,300)	(7,100)	(901,771)
<b>Total derivatives</b>	<b>-</b>	<b>-</b>	<b>(7,000)</b>	<b>(889,069)</b>

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### 8. DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

In the case of the Bank and its subsidiaries, forwards and futures are defined as contractual agreements for buying or 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. Futures contracts are related to transactions involving standardized amounts and performed on a regulated market with central counterparty clearing (secured). The Bank and its subsidiaries, in general, are subject to daily cash margin requirements and guarantees for the transactions conducted through the Mercado Abierto Electrónico (MAE) and Mercado a Término de Rosario (ROFEX). The main differences in the risks associated to forward and future contracts are credit risk and liquidity risk. Forward contracts carry counterparty risk; the Bank has credit exposure to the counterparties of the contracts entered into privately and those carried out on the MAE. Credit risk related to futures contracts is considered to be lower because the cash margin requirements and guarantees help guarantee that these contracts are always honored. In addition, forward contracts entered into on the MAE involve daily price differences. Private contracts have higher liquidity risk and expose the Bank to market risk, but the Bank and its subsidiaries are subject to credit risk.

The derivatives held by the Bank are futures or forwards conducted at the MAE and/or ROFEX and are generally related to natural hedges of borrowing positions with foreign financing lines and international institutions. The Bank does not apply hedge accounting because transactions carried out on local markets do not involve terms that meet with the Bank's needs. Moreover, the Bank and its subsidiaries maintain positions related to the products offered to their customers. The Bank and its subsidiaries only operate with forward currency derivatives without the delivery of the underlying asset within internal and regulatory limits.

### 9. RELATED PARTIES

A related party is any person or entity that is related to the entity:

- has control or joint control over the entity;
- has significant influence over the entity;
- is a member of the key management personnel of the entity or of a parent of the entity;
- is a member of the same group;
- is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The Bank regards the members of the Board of Directors, top management and management as key personnel under IAS 24.

As of December 31, 2021 and 2020, the transactions performed with related parties break down as follows:

	Amount as of 12/31/2021	Amount as of 12/31/2020
<b>Loans</b>	<b>1,360,418</b>	<b>1,096,045</b>
Notes	590,835	633,309
Overdrafts	-	461,981
Other loans	769,083	-
Guarantees provided	500	755
<b>Deposits</b>	<b>917,505</b>	<b>4,587,158</b>

As of December 31, 2021 and 2020, loans to employees, including those granted to managers, stand at 3,979 and 1,438, respectively.

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

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### 9. RELATED PARTIES (Contd.)

The Group has granted no share-backed loans to directors or other key management personnel

The compensation of key management personnel comprising salaries, wages and bonuses, stands at 227,028 and 237,907 as of December 31, 2021, and 2020, respectively. It should be noted that there are no other benefits available to key management personnel.

In addition, as required by Law No. 19,550, as of December 31, 2021 and 2020, the equity amounts related to the transactions performed with companies under section 33 of the abovementioned law are as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Assets - Loans and other financing</b>		
Eurobanco Bank Ltd.	590,835	-
Metrocorp Valores S.A.	499,514	461,981
<b>Assets - Other financial assets</b>		
Metrocorp Valores S.A.	564,217	-
<b>Assets – Derivatives</b>		
Metrocorp Valores S.A.	1,000	-
<b>Liabilities - Deposits</b>		
CMF Asset Management S.A.U.	18,984	4,358
Metrocorp Valores S.A.	164,981	334,930
<b>Liabilities – Derivatives</b>		
Metrocorp Valores S.A.	13,125	-

In addition, profit (loss) arising from the fiscal years ended as of December 31, 2021 and 2020, regarding the transactions carried out with these companies are as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Profit – Interest income</b>		
Metrocorp Valores S.A.	15,986	63,288
CMF Asset Management S.A.U.	-	5,514
<b>Profit (loss) - Foreign exchange difference</b>		
Metrocorp Valores S.A.	(45,344)	29,865
<b>Profit – Other operating profit</b>		
Metrocorp Valores S.A.	1,532	2,184
CMF Asset Management S.A.U.	1,715	2,296

Off-balance items are related to transactions carried out with Metrocorp Valores S.A. as of December 31, 2021, and 2020, and stood at 1,028,947 and 1,441, respectively.

### 10. BANK PREMISES AND EQUIPMENT

The account includes the tangible assets (premises and equipment) owned by the Bank, used for its specific activity.

The changes in these assets as of December 31, 2021 and 2020, are disclosed under Exhibit F "Changes in bank premises and equipment".

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### 11. EMPLOYEE BENEFITS

The following chart summarizes the items making up the net expenses related to employee benefits recognized in the statement of profit and loss.

#### Short-term benefits

	<u>12/31/2021</u>	<u>12/31/2020</u>
Salaries & wages, annual statutory bonus and payroll taxes	1,423,798	1,297,552
Vacation accrual	32,545	3,458
Severance pay, bonuses and other employee benefits	20,550	20,899
	<u>1,476,893</u>	<u>1,321,909</u>

### 12. 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, 2021 and 2020:

		<u>Reduction in assets and liabilities as of 12/31/2021</u>					
<u>Item</u>	<u>Without due date</u>	<u>Up to 1 month</u>	<u>From 1 to 3 months</u>	<u>From 3 to 6 months</u>	<u>From 6 to 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
<b>ASSETS</b>							
Cash and deposits with banks	19,413,729	-	-	-	-	-	19,413,729
Debt securities at fair value through profit or loss	-	1,437,450	-	119,319	416,246	1,610,241	3,583,256
Derivatives	-	106,181	-	-	-	-	106,181
Reverse repo transactions	-	5,534,705	-	-	-	-	5,534,705
Other financial assets	-	3,624,297	-	-	-	-	3,624,297
Loans and other financing	176	9,115,450	4,196,111	1,813,200	2,516,084	2,687,686	20,328,707
Other debt securities	-	3,206,142	-	17,113	49,800	3,179,457	6,452,512
Financial assets delivered in guarantee	1,357,805	-	-	-	-	-	1,357,805
Investments in equity instruments	200,571	-	-	-	-	-	200,571
<b>TOTAL</b>	<b>20,972,281</b>	<b>23,024,225</b>	<b>4,196,111</b>	<b>1,949,632</b>	<b>2,982,130</b>	<b>7,477,384</b>	<b>60,601,763</b>
<u>Item</u>	<u>Without due date</u>	<u>Up to 1 month</u>	<u>From 1 to 3 months</u>	<u>From 3 to 6 months</u>	<u>From 6 to 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
<b>LIABILITIES</b>							
Deposits	20,310,848	17,358,708	563,998	1,511,291	1,577,519	2,189,086	43,511,450
Derivatives	-	-	-	150	-	-	150
Repo transactions	-	31,887	-	-	-	-	31,887
Other financial liabilities	-	5,608,558	6,462	4,996	18,281	18,281	5,656,578
Financing received from the BCRA and other financial institutions	-	4,076	447,482	1,875	94,530	283,590	831,553
<b>TOTAL</b>	<b>20,310,848</b>	<b>23,003,229</b>	<b>1,017,942</b>	<b>1,518,312</b>	<b>1,690,330</b>	<b>2,490,957</b>	<b>50,031,618</b>

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### 12. ANALYSIS OF FINANCIAL ASSETS TO BE RECOVERED AND FINANCIAL LIABILITIES TO BE SETTLED (Contd.)

Item	Without due date	Reduction in assets and liabilities as of 12/31/2020					Total
		Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 12 months	
ASSETS							
Cash and deposits with banks	25,350,204	-	-	-	-	-	25,350,204
Debt securities at fair value through profit or loss	-	971,500	359,422	3,835	375,665	2,341,839	4,052,261
Derivatives	-	8,000	-	-	-	-	8,000
Reverse repo transactions	-	13,838,216	-	-	-	-	13,838,216
Other financial assets	-	4,018,739	-	-	-	-	4,018,739
Loans and other financing	69,268	4,592,820	2,067,762	912,347	2,076,467	839,228	10,557,892
Other debt securities	-	9,382,050	1,684,238	3,648,318	1,268,910	1,732,396	17,715,912
Financial assets delivered in guarantee	1,147,722	-	-	-	-	-	1,147,722
Investments in equity instruments	37,144	-	-	-	-	-	37,144
TOTAL	26,604,338	32,811,325	4,111,422	4,564,500	3,721,042	4,913,463	76,726,090
LIABILITIES							
Deposits	24,092,550	21,185,953	2,279,320	55,104	694,156	3,500,240	51,807,323
Liabilities at fair value through profit or loss	-	128,257	-	-	-	-	128,257
Other financial liabilities	-	11,741,703	85	23,505	27,594	110,344	11,903,231
Financing received from the BCRA and other financial institutions	-	2,928	477,800	2,830	600,311	950,854	2,034,723
Corporate bonds issued	-	-	99,128	-	-	-	99,128
TOTAL	24,092,550	33,058,841	2,856,333	81,439	1,322,061	4,561,438	65,972,662

### 13. SEGMENT REPORTING

For management purposes, the management of the Bank and its subsidiaries determined that it has only one segment related to the banking business. In this regard, management oversees the profit (loss) of the segment to make decisions in connection with resource allocation and performance assessment, which is measured based on the profits or losses arising from the financial statements.

### 14. INCOME TAX

#### a) Tax adjustment for inflation:

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

- i. This variation will apply to the year in which the variation in the general consumer price index exceeds 100% during the 36 months prior to the end of the year calculated;
- ii. in the first, second and third year beginning as from January 1, 2018, the procedure will apply if the variation of this index calculated from the first of those years through the closing of each year exceeds 55%, 30% and 15% for the first, second and third year of application, respectively;

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### 14. INCOME TAX (Contd.)

- iii. the effect of the positive or negative tax adjustment for inflation, as the case may be, for the first, second and third years beginning as from January 1, 2018, is charged one third in that fiscal period and the remaining two thirds should be assigned in equal parts to the immediate tax periods;
- iv. the effect of the positive or negative tax adjustment for inflation for the first and second years beginning as from January 1, 2019, is charged one sixth in the fiscal year in which the adjustment is determined and the remaining five sixths should be assigned to the immediate tax periods; and
- v. For the years beginning as from January 1, 2021, 100% of the adjustment may be deducted in the year in which it is determined.

As of December 31, 2021, the parameters set forth by Income Tax Law to make the tax adjustment for inflation and the effects from the application of this adjustment were considered upon booking current and deferred income tax according to law.

b) Income tax corporate rate:

Law No. 27,630, enacted on June 16, 2021, by virtue of Presidential Decree No. 387/2021, established for the tax years beginning on or after January 1, 2021, a plan of staggered tax rates of 25%, 30% and 35% to be applied progressively according to the level of net taxable income accumulated at each year-end.

c) The deferred tax assets and liabilities in the statement of financial position are as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Deferred tax assets:</b>		
Securities	23,873	-
Other financial assets	-	4,750
Loans and other financing	126,475	310,055
Accrued expenses	171	2,429
Currency valuation adjustment	-	(139)
Deferral of the tax adjustment for inflation	247,377	368,003
<b>Total deferred assets (a)</b>	<u><b>397,896</b></u>	<u><b>685,098</b></u>
<b>Deferred tax liabilities:</b>		
Securities	-	12,860
Other financial assets	-	1,966
Currency valuation adjustment	4,363	9,864
Bank premises and equipment	634,385	445,989
<b>Total deferred liabilities (b)</b>	<u><b>638,748</b></u>	<u><b>470,679</b></u>
<b>Deferred tax (liabilities)/assets, net (a-b)</b>	<u><b>(240,852)</b></u>	<u><b>214,419</b></u>

The changes in deferred tax liabilities (assets), net, as of December 31, 2021, and 2020, is summarized as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Deferred tax assets (liabilities) at beginning of year	214,419	(65,425)
Deferred tax variation	(455,271)	279,844
<b>Deferred tax (liabilities)/assets at end of year</b>	<u><b>(240,852)</b></u>	<u><b>214,419</b></u>

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

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### 14. INCOME TAX (Contd.)

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.

	<u>12/31/2021</u>	<u>12/31/2020</u>
Accounting profit before income tax	1,295,220	4,260,288
Statutory income tax rate (*)	42.88%	30%
Tax on accounting profit	555,390	1,278,086
Permanent differences:	2,420	206,138
Total income tax	<u>557,810</u>	<u>1,484,224</u>

(\*) As of December 31, 2021, it represents the annual average of the estimated effective tax rate applied to pre-tax income for the year, according to the changes incorporated by Law No. 27,630.

As of December 31, 2021, the Bank booked current income tax assets for 68,363. The Bank and its subsidiaries book current income tax liabilities for 34,161 and 1,037,982 as of December 31, 2021, and 2020, respectively.

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.

### 15. FOREIGN EXCHANGE DIFFERENCE

	<u>12/31/2021</u>	<u>12/31/2020</u>
Foreign exchange difference arising from assets and liabilities in foreign currency	(15,338)	(148,504)
Gain from forward purchases and sales of foreign currency	262,743	168,122
Gain from the purchase and sale of foreign currency	318,679	529,840
	<u>566,084</u>	<u>549,458</u>

### 16. OTHER OPERATING PROFIT

	<u>12/31/2021</u>	<u>12/31/2020</u>
Commissions on services	345,130	295,245
Provisions reversed and receivables recovered	163,405	43,898
Commission on investments in mutual guarantee companies	34,532	5,692
Rentals	14,563	15,758
Profit on other receivables from financial intermediation	13,879	76,029
Lease of safe-deposit boxes	6,054	1,744
Punitive interest	1,201	3,737
Profit from investment properties and other nonfinancial assets	-	14,462
	<u>578,764</u>	<u>456,565</u>

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### 17. ADMINISTRATIVE EXPENSES

	12/31/2021	12/31/2020
Directors' and statutory auditor's fees	489,717	449,767
Other fees	388,872	354,044
Taxes	162,104	153,959
Software	106,710	30,314
Administrative services hired	118,552	138,598
Maintenance, conservation and repair expenses	40,598	41,326
Electric power and communications	22,902	24,800
Insurance	16,640	9,188
Security services	28,750	39,556
Entertainment, traveling and living expenses	17,449	13,307
Stationery and office supplies	6,815	7,828
Advertising	7,503	6,309
Rentals	1,019	1,375
Other	241,852	246,997
	<b>1,649,483</b>	<b>1,517,368</b>

### 18. OTHER OPERATING EXPENSES

	12/31/2021	12/31/2020
Turnover tax	742,885	332,279
Contribution to the deposit guarantee fund	35,489	41,498
Market fees	28,223	28,226
Donations	12,412	14,204
For-profit agreement charges	10,247	24,828
Interest on lease liabilities	-	3,085
Charge for other provisions	-	190
Other	141,090	80,158
	<b>970,346</b>	<b>524,468</b>

### 19. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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 is a going concern.

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.



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### 19. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES (Contd.)

#### 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.
- 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.
- 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, "Categories of financial assets and liabilities" shows the fair value hierarchy for financial assets and liabilities measured at fair value in the statement of financial position.

#### Description of the measurement process

The fair value of these instruments classified as level 1 was calculated using the listed prices as of the end of the period or year, as the case may be, on active markets, if representative. At present, the two main markets on which the bank operates for government and private securities are the BYMA and the MAE. Furthermore, both the MAE and the ROFEX are considered active markets for derivatives.

In addition, for certain instruments classified as L2 that do not have an active market, certain 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.

Moreover, certain assets and liabilities included in this classification were valued using the listed prices identified for identical instruments on "less active markets".

As of December 31, 2021 and 2020, the Bank did not change the techniques adopted or assumptions used in estimating the fair values of the financial instruments.

#### Changes in fair value levels

The Bank monitors the availability of market information to assess the classification of the different fair value hierarchies of the financial instruments and the subsequent assessment of transfers between L1, 2 and 3 as of each year-end.

As of December 31, 2021, and 2020, the Bank has booked no transfers between L1, L2 or L3.

#### Financial assets and liabilities not booked at fair value in the statement of financial position

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

- *Assets which fair value is similar to the carrying amount:* For financial assets and liabilities that are liquid or have short-term maturities (less than six months), it is considered that the carrying amount is similar to the fair value. It also applies to deposits in savings and checking accounts.

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### 19. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES (Contd.)

- **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 and no estimates on the future variable component were made. 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.

- **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. It also applies to deposits in savings and checking accounts, among others.

The following tables show a comparison between the carrying amount and the fair value of financial instruments not booked at fair value as of December 31, 2021 and 2020:

Financial assets	12/31/2021				
	Carrying amount	Fair value			Total fair value
		Level 1	Level 2	Level 3	
Reverse repo transactions	5,534,705	5,534,705	-	-	5,534,705
Other financial assets	3,624,297	3,624,297	-	-	3,624,297
Loans and other financing	20,328,707	-	-	20,364,984	20,364,984
Other debt securities	6,452,512	-	6,506,701	-	6,506,701
<b>TOTAL ASSETS</b>	<b>35,940,221</b>	<b>9,159,002</b>	<b>6,506,701</b>	<b>20,364,984</b>	<b>36,030,687</b>
<b>Financial liabilities</b>					
Deposits	43,511,450	-	43,509,439	-	43,509,439
Repo transactions	31,887	31,887	-	-	31,887
Other financial liabilities	5,656,578	-	5,683,043	-	5,683,043
Financing received from financial institutions	831,553	-	800,079	-	800,079
<b>TOTAL LIABILITIES</b>	<b>50,031,468</b>	<b>31,887</b>	<b>49,992,561</b>	<b>-</b>	<b>50,024,448</b>

Financial assets	12/31/2020				
	Carrying amount	Fair value			Total fair value
		Level 1	Level 2	Level 3	
Reverse repo transactions	13,838,216	-	13,838,216	-	13,838,216
Other financial assets	4,018,739	4,018,739	-	-	4,018,739
Loans and other financing	10,557,892	-	-	9,932,507	9,932,507
Other debt securities	17,715,912	-	17,715,912	-	17,715,912
<b>TOTAL ASSETS</b>	<b>46,130,759</b>	<b>4,018,739</b>	<b>31,554,128</b>	<b>9,932,507</b>	<b>45,505,374</b>

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### 19. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES (Contd.)

Financial liabilities	Carrying amount	12/31/2020			
		Fair value			Total fair value
		Level 1	Level 2	Level 3	
Deposits	51,807,323	-	51,795,456	-	51,795,456
Other financial liabilities	11,903,231	-	12,112,177	-	12,112,177
Financing received from financial institutions	2,034,723	-	1,745,895	-	1,745,895
Corporate bonds issued	99,128	-	88,763	-	88,763
<b>TOTAL LIABILITIES</b>	<b>65,844,405</b>	<b>-</b>	<b>65,742,291</b>	<b>-</b>	<b>65,742,291</b>

### 20. LEASES

The Bank, in its capacity as lessor, entered into finance lease agreements under the usual characteristics for this type of transactions, and there are no differences from the general agreements signed on the Argentine financial market. Effective lease agreements do not account for significant amounts of all the financing granted to the Bank.

As of December 31, 2021 and 2020, finance lease transactions amount to 307,639 and 73,791, respectively.

On January 13, 2016, the IASB issued IFRS 16 that replaces IAS 17 “Leases” for fiscal years beginning January 1, 2019. This standard was adopted by the BCRA through Communiqué “A” 6560. The new standard introduces a single lessee accounting model requiring lessees to recognize assets and liabilities for all leases. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The standard mainly affects operating lease accounting in which the Bank participates as a lessee. Regarding lessor accounting, IFRS 16 maintains substantially all the accounting requirements established in IAS 17. Consequently, lessors continue classifying leases into operating and finance leases, and book each type differently.

#### Operating lease commitments. Bank as lessee:

The Bank entered into a commercial lease agreement involving multifunctional equipment. This lease option agreement has an average life of one to five years and contains no restrictions for the Bank. According to the exemptions allowed by IFRS 16, the Bank 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, 2021, and 2020, the amount of recognized right-of-use assets identified in lease agreements amount to 69,284 and 83,270, respectively. These assets were charged in “Bank premises and equipment.”

Liabilities from lease agreements as of December 31, 2021, and 2020, amount to 44,623 and 55,159. These liabilities were measured at the present value of lease payments discounted at their imputed interest rate, increased by interest accrued less payments made, and were charged to “Other financial liabilities.” Interest accrued for such liabilities for the year ended December 31, 2020, amount to 3,085 and are recognized in “Other operating expenses.”

	12/31/2021	12/31/2020
Up to 1 year	11,033	18,042
From 1 to 5 years	33,100	65,228
<b>Total</b>	<b>44,133</b>	<b>83,270</b>

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### **21. ADDITIONAL INFORMATION ABOUT THE STATEMENT OF CASH FLOWS**

The statement of cash flows shows the changes in cash and cash equivalents arising from operating, investing and financing activities over the fiscal year. In preparing this statement, the Bank used the indirect method in the case of operating activities, and the direct method for investing and financing activities.

The Bank considers cash and cash equivalents as part of the "Cash and deposits with banks" account. In preparing the statement of cash flows, the following items are considered:

- Operating activities: They are related to the normal activities conducted by the Bank and its subsidiaries, as well as other activities that may not be classified as investing or financing activities.
- Investing activities: They are related to the acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: They are related to the activities that bring about changes in the size and breakdown of equity and the liabilities that do not comprise operating or investing activities.

### **22. CAPITAL STOCK**

The Bank's issued, registered and paid-in capital stock as of December 31, 2021, and 2020, stands at 323,900 shares of common stock with 5 votes each.

### **23. DEPOSIT GUARANTEE INSURANCE**

Law No. 24,485 and Presidential Decree No. 540/1995 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 was organized in August 1985, where the Bank holds 0.3300% equity interest in agreement with the percentages disclosed by BCRA Comunicado "B" No. 12,152 on April 14, 2021.

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, and meeting the requirements of Presidential Decree No. 540/1995 and further requirements established by the enforcement authority.

The system will not include: a) financial institutions' deposits with other intermediaries, including the certificates of deposit acquired through secondary negotiation; b) deposits made by persons related, either directly or indirectly, to the Bank, according to BCRA current or future regulations; c) time deposits of securities, acceptances or guarantees; d) deposits made after July 1, 1995, for which the interest rate agreed upon exceeded by two annual percentage points the BCRA deposit rate for equivalent certificates of deposit, effective on the date before the day the deposit was made. The BCRA may change the benchmark rate established in this section, and e) other deposits to be excluded by applicable authorities.

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### 24. TRUST BUSINESS

On July 6, 2017, through Resolution No. 18,837, the CNV (Argentine Securities Commission) established the Bank's registration as financial trustee No. 64 in the registry kept by the former regulated by section 7, Chapter IV, Title V of CNV standards (as revised in 2013, as amended).

In no case shall the trustee be liable with its own assets or for an obligation deriving from the performance as trustee. Such obligations do not imply any type of indebtedness or commitment for the trustee and they will be fulfilled only through trust assets. Moreover, the trustee will not charge the corpus assets or dispose of them beyond the limits established in the related trust agreements. The commissions earned by the Bank due to its performance as trust agent are calculated under the terms and conditions of the agreements.

The Bank acted as trust agent of the following trusts, settled as of the date of issuance of the accompanying financial statements:

Financial trust	Contract date	Settlement date	CNV approval	Issuance date	Assets under custody as of 12/31/2021
Red Surcos VII	March 5, 2020	February 28, 2021	-	-	582,805
Red Surcos VIII	June 30, 2020	May 31, 2021	-	-	483,945
Red Surcos IX	July 16, 2020	September 7, 2020	August 20, 2020	August 28, 2020	627,378
Red Surcos X	August 13, 2020	September 7, 2020	October 19, 2020	October 27, 2020	451,468
Red Surcos XI	September 22, 2020	July 31, 2021	November 20, 2020	December 3, 2020	455,488
Red Surcos XII	October 28, 2020	July 31, 2021	January 14, 2021	January 25, 2021	-
Red Surcos XIII	November 12, 2020	July 31, 2021	February 18, 2021	February 26, 2021	-

The Bank and its subsidiaries also act as trust agents of the following financial trusts:

Financial trust	Contract date	CNV approval	Issuance date	Assets under custody as of 12/31/2021
Red Surcos XIV	November 12, 2020	April 30, 2021	May 10, 2021	113,009
Red Surcos XV	March 17, 2021	June 14, 2021	June 28, 2021	361,207
Red Surcos XVI	April 9, 2021	July 13, 2021	July 21, 2021	404,064
Red Surcos XVII	May 18, 2021	July 30, 2021	August 12, 2021	418,915
Red Surcos XVIII	June 15, 2021	August 20, 2021	August 31, 2021	427,967
Red Surcos XIX	June 28, 2021	June 28, 2021	September 27, 2021	402,175
Red Surcos XX	July 28, 2021	November 9, 2021	November 16, 2021	380,107
Red Surcos XXI	September 9, 2021	January 17, 2022	January 27, 2022	290,860
Bond Backed Securities 2023	June 28, 2021	July 22, 2021	August 10, 2021	912,338

Besides, Eurobanco Bank Ltd. acted as a trust agent by placing funds received from third parties. According to each trust agreement, such parties appoint the Bank as their trust agent and instruct it to deliver and pay the related amounts to money related to the deposits made to the lender. They also require such delivery and payments to be made to the lender or that the Bank place funds in its own name but on the exclusive account of depositors at their own risk.

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### 24. TRUST BUSINESS (Contd.)

As of December 31, 2021, and 2020, Eurobanco Bank Ltd. performed trust transactions amounting to USD 588 and USD 559, respectively.

### 25. MUTUAL FUNDS

On May 24, 2017, through Resolution No. 18,707, the CNV established the Bank's registration in the registry kept by the former as a custody agent of mutual funds collective investment products (AC PIC FCI) No. 25 .

On August 1, 2017, the Fundcorp Performance and Fundcorp Performance Plus funds started to operate, and the Bank acts as the custody agent of mutual funds collective investment products. In addition, on April 20, 2018, two new funds, Fundcorp Long Performance and Fundcorp Long Performance Plus, started operating.

In addition, on July 10, 2019, two new funds, Fundcorp Liquidez and Fundcorp Liquidez Plus, started operating.

On September 17, 2020, the creation of "Fundcorp Capital" open-ended mutual investment fund was approved and, subsequently, on January 26, 2021, the change of name to "Fundcorp Capital Fondo Común de Inversión Abierto Pymes" was approved. On April 5, 2021, it was approved by the CNV. The mutual shares of that fund began to be subscribed as from May 10, 2021.

As of December 31, 2021, the Bank, in its capacity as depositary company, held membership interests of the Performance, Performance Plus, Long Performance, Long Performance Plus, Fundcorp Liquidez, Fundcorp Liquidez Plus and Fundcorp Capital Fondo Común de Inversión Abierto Pymes funds in custody as per the following breakdown:

Fund	Equity	Number of mutual fund shares
Fundcorp Performance	556,330	158,700
Fundcorp Performance Plus (*)	286	1,005
Fundcorp Long Performance	768,122	173,381
Fundcorp Long Performance Plus (*)	252	576
Fundcorp Liquidez	6,430,419	3,124,420
Fundcorp Liquidez Plus (*)	-	-
Fundcorp Capital Fondo Común de Inversión Abierto Pymes	173,681	137,993

(\*) The information related to equity is stated in thousands of US dollars.

### 26. COMPLIANCE WITH CNV REGULATIONS

In compliance with the provisions to act in the different agent categories defined by the CNV:

For the transactions conducted by Banco CMF S.A.

Considering the transaction currently conducted by Banco CMF S.A., and according to the different agent categories established by CNV regulations (as revised according to General Resolution No. 622/2013, as amended), the Bank is registered with the CNV as a financial trust agent ("FF"); as a comprehensive settlement and clearing agent and negotiation agent No. 63 ("ALyC y AN – Integral"), and as a custody agent of mutual funds collective investment products ("AC PIC FCI"). CNV General Resolution No. 821/2019 establishes for settlement and clearing agent and negotiation agents a minimum equity of 470,350 (four hundred seventy thousand and three

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### **26. COMPLIANCE WITH CNV REGULATIONS (Contd.)**

hundred fifty) purchasing value units adjusted by the CER () under Law No. 25,827, and for financial trust agents a minimum equity of 950,000 (nine hundred and fifty thousand) purchasing value units adjusted by the CER under Law No. 25,827. As of December 31, 2021, the purchasing value unit stood 97.51 (source: BCRA).

Moreover, the equity of Banco CMF S.A. exceeds the minimum equity required by such regulation, which amounts to 138,499 as of December 31, 2021, as well as the minimum statutory equity of 50% of the minimum equity, which stands at 69,250 and is made up by assets available in BCRA checking account No. 319 in Argentine pesos booked under "Financial institutions and BCRA correspondents - Checking account denominated in Argentine pesos.

For the transactions conducted by Metrocorp Valores S.A.

CNV General Resolution No. 821/2019 introduced changes in the minimum requirement for settlement and clearing agent and negotiation agents, establishing a minimum equity equal to 470,350 (four hundred seventy thousand and three hundred and fifty) purchasing value units adjusted by CER under Law No. 25,827. As of December 31, 2021, the purchasing value unit stood 97.51 (source: BCRA).

The Bank carries equity that exceeds the minimum requirements pursuant to the aforementioned standard, amounting to 45,864. In addition, the Company has a liquid contra account that exceeds the liquid contra account required of 50% of the minimum equity in eligible assets set forth by the CNV, made up of ARS 21,369 and 3,043 available in checking account in US dollars No. 60560/1 and in checking account in Argentine pesos No. 10554/5, both of them opened with Banco CMF S.A., respectively.

For the transactions carried out by CMF Asset Management S.A.U.

Considering the transaction currently made by CMF Asset Management S.A.U., and according to the different agent categories established by CNV regulations (as revised in General Resolution No. 622/2013, as amended), this bank is registered with the CNV as a managing agent in charge of mutual funds collective investment products ("AD PIC FCI").

CNV General Resolution No. 792/2019 introduced changes in the minimum equity requirement, establishing a minimum equity equal to 150,000 (one hundred and fifty thousand) purchasing value units adjusted by the CEL under Law No. 25,827, to be increased in an amount equal to 20,000 (twenty thousand) purchasing value units per additional fund managed. The liquid contra account in eligible assets remains at 50% of the net equity required. As of December 31, 2021, the purchasing value unit stood 97.51 (source: BCRA).

In addition, this bank's equity exceeds the minimum equity required by such regulation, which stands at 28,278 as of December 31, 2021, and the minimum statutory guarantee amounts to 14,139 is made up of mutual fund shares of "Fundcorp Performance", "Fundcorp Performance Plus", "Fundcorp Long Performance", "Fundcorp Long Performance Plus", "Fundcorp Liquidez", "Fundcorp Liquidez Plus" and Fundcorp Capital Fondo Común de Inversión Abierto Pymes".

### **27. SAFEKEEPING OF DOCUMENTATION, ISSUER COMPANIES - CNV GENERAL RESOLUTION NO. 629/2014 AND CNV GENERAL RESOLUTION NO. 632/2014**

On August 14, 2014, and September 18, 2014, the CNV issued General Resolutions No. 629/14 and 632/14 (the "Resolutions"), respectively, which establish that issuer companies should archive the documentary support for their management and accounting transactions in appropriate spaces ensuring their preservation and inalterability.

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### 27. SAFEKEEPING OF DOCUMENTATION, ISSUER COMPANIES - CNV GENERAL RESOLUTION NO. 629/2014 AND CNV GENERAL RESOLUTION NO. 632/2014 (Contd)

The Bank's criterion is to deliver to third parties for safekeeping certain documentary support regarding its management and accounting transactions of a certain age, understood to be of dates prior to the last completed fiscal year. To comply with the requirements established in the Resolutions, the Bank entrusts Iron Mountain S.A., domiciled in Av. Amancio Alcorta 2482, Buenos Aires City, with the abovementioned documentation for safekeeping. Based on the information provided by the hired company, the documentation received was deposited in its warehouses located in: (I) Parque Patricios plant: (Av. Amancio Alcorta 2482, Buenos Aires City), (II) Barracas plant: (Azara 1245, Buenos Aires City), and (III) Ezeiza plant: (San Miguel de Tucumán 601, Ezeiza).

Furthermore, the Bank entrusts the archiving of certain management and accounting records and documents of a certain age, as indicated previously, to ADDOC Administración de Documentos S.A., domiciled at Avenida Del Libertador 5.936, Piso 5° "B", Buenos Aires City, which has a warehouse located in Av. Luis Lagomarsino 1750 (former RN 8 Km 51,200), Pilar, Buenos Aires Province.

The Bank keeps the documentation given for safekeeping to the abovementioned companies available to the CNV at all times and in its registered place of business.

### 28. ACCOUNTS THAT IDENTIFY COMPLIANCE WITH MINIMUM CASH AND CAPITAL REQUIREMENTS

#### Minimum cash

The items computable by Banco CMF S.A. (the requirement is only for the Argentine financial institution under BCRA requirements) to fulfill the minimum cash requirement in effect for December 2021 are broken down below; the closing amounts of the related accounts are as follows:

<u>Item</u>	<u>BANCO CMF S.A.</u>	
	<u>In Argentine pesos</u>	<u>In foreign currency</u>
Cash and deposits with banks		
– Amounts held in BCRA accounts	1,543,363	3,363,346
Financial assets delivered in guarantee:		
– BCRA special guarantee accounts	554,100	114,566

#### Minimum capital requirement

Below is a summary of the minimum capital requirements broken down by credit risk, market risk and operational risk measured on consolidated basis together with the payment thereof (computable equity) in accordance with BCRA applicable standards for December 2021.

<u>Item</u>	<u>Banco CMF and subsidiaries</u>
<b>Computable equity</b>	<b>11,251,315</b>
Minimum capital requirement	
Market risk	461,160
Operational risk	122,342
Credit risk	2,214,980
<b>Requirement surplus</b>	<b>8,452,833</b>



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### 29. PENALTIES APPLIED TO THE FINANCIAL INSTITUTION AND SUMMARY PROCEEDINGS INITIATED BY THE BCRA AND THE CNV

On January 8, 2015, the BCRA issued Comunicado “A” 6324 requesting that a note to the financial statement should detail all administrative and/or disciplinary penalties and all criminal penalties ordered by a trial court ruling that were imposed or initiated by the BCRA, the UFI (Financial Information Unit), the CNV and the SSN (Argentine insurance regulatory agency), as well as provide information on the summary proceedings initiated by the BCRA, regardless of its significance.

To date, the Bank does not have administrative and/or disciplinary penalties or criminal penalties ordered by a trial court.

Consequently, to meet the BCRA’s information requirements, we detail below the summary proceedings initiated as of the date of issuance of these financial statements:

Summary proceedings No. 1566. Date of notification of the summary proceedings: February 5, 2020. Imputed charge: Alleged noncompliance with the regulation on the truthfulness of accounting bookings for failing to book transactions as repo transactions. Defendants: Banco CMF S.A. This penalty was rated 2 by the BCRA as “low seriousness”. On April 27, 2021, the Financial Institutions and Foreign Exchange Regulatory Agency issued a resolution in the case file under analysis and decided to impose a fine to Banco CMF for 1,200, as per section 41(3), Financial Institutions Law No. 21,526.

Summary proceedings No. RRFCO-2020-126-APN-DIR. Date of notification of the summary proceedings: July 17, 2020. Imputed charge: potential failure to comply with sections 117(b), Law No. 26,831; section 2(a) and (b), Chapter III, Title XII, CNV Regulations (as revised in 2013, as amended); section 4 and 16(1), MAE Program Rules, and section 59, Law No. 19,550, in force at the time of the events under analysis.

The Bank and its legal counsel estimate that the applicable regulations in force were interpreted reasonably and expect a null or minimum effect in this regard.

### 30. OTHER FINANCIAL LIABILITIES

	12/31/2021	12/31/2020
Payables from spot purchases pending settlement	3,589,904	5,842,777
Miscellaneous not subject to minimum cash amount	1,344,718	454,651
Financial payables from other spot purchases pending settlement	198,000	-
Collections and other transactions on account and behalf of others	192,377	5,037,031
Miscellaneous subject to minimum cash amount	103,758	125,304
Other	227,821	443,468
	<b>5,656,578</b>	<b>11,903,231</b>

### 31. ISSUANCE OF CORPORATE BONDS

On September 1, 2012, the Bank’s Special General Shareholders’ Meeting approved a global program for the issuance of nonconvertible corporate bonds pursuant to Law No. 23,576, as supplemented, and the CNV regulations for a maximum outstanding amount at any time of up to a face value of ARS 500,000,000 or its equivalent in other currencies.

On September 28, 2012, through Resolution No. 16,923, the CNV authorized the Bank to join the public offering system and create a program to list publicly nonconvertible corporate bonds, the main terms and conditions of which

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### **31. ISSUANCE OF CORPORATE BONDS (Cont.)**

are included in the Program's offering circular dated October 3, 2012. Its summarized version was published in the Daily Bulletin of the Buenos Aires Stock Exchange on the same date.

On September 8, 2015, the Bank's Special General Shareholders Meeting approved the increase in the amount for the global program for the issuance of short-, medium- or long-term, subordinated or unsubordinated, secured or unsecured corporate bonds nonconvertible into shares and denominated in Argentine pesos for a maximum outstanding amount of ARS 500,000,000 (or its equivalent in other currencies) to ARS 1 billion (or its equivalent in other currencies), and the extension of the term of the program for five more years or the longer term provided for by applicable regulations. On November 5, 2015, the CNV authorized this increase.

On April 24, 2018, the Bank's Special General Shareholders' Meeting approved the adjustment of the prospectus and the increase in the global program amounts for the issuance of short-, medium- or long-term, subordinated or unsubordinated, secured or unsecured corporate bonds denominated in Argentine pesos for a maximum outstanding amount of ARS 1 billion (or its equivalent in other currencies) up to ARS 3 billion (or its equivalent in other currencies), or any other amount as determined by the Bank's Board of Directors.

The Board of Directors, at its meeting held on June 8, 2018, decided to increase the program maximum amount up to an additional amount of ARS 500,000,000; therefore, the total program outstanding amount will be ARS 1.5 billion (or its equivalent in other currencies) at all times. On September 11, 2018, the CNV authorized this increase.

As part of the abovementioned program, the Bank issued corporate bond classes No. 1 through 13.

On February 8, 2018, the CNV approved the pricing supplement of classes Nos. 12 and 13 of simple corporate bonds (not convertible into shares) with a variable rate (simple mathematical average of the interest rate for certificates of deposit equal to or higher than ARS 20 million for periods ranging between 30 and 35 days for Argentine private banks published by the BCRA during the period that begins on the seventh business day prior to the beginning of each interest accrual period and ends on the seventh business day prior to the date of payment of the related interest, including the first day but excluding the last) plus a cutoff margin of 3.00% and 3.50%, annual base, for Class No. 12 and No. 13, respectively; however, it was established that in the first interest accrual period, the interest rate to be paid for both classes shall not be lower than the minimum interest rate of 26.75% for a total face value of up to ARS 400,000,000.

In addition, the issuance of Class No. 13 was made effective on February 19, 2018, for a face value of ARS 150,000,000 and with interest payable quarterly in arrears as from the issuance date. The abovementioned funds, net of issuance expenses, were used to grant loans pursuant to BCRA regulations. The terms and conditions of the corporate bonds were approved by the Special Shareholders' Meeting on December 7, 2016, and by the Board of Directors in its meeting held on January 9, 2018. The corporate bond supplement was published in the Buenos Aires stock exchange bulletin on February 8, 2018. Principal and interest amounts were fully repaid on the maturity date, February 19, 2021.

On April 30, 2020, due to current market needs and to provide the Bank with a larger capacity of indebtedness, the Special Shareholders' Meeting approved (i) the change in the program's currency from Argentine pesos to US dollars (or its equivalent in other currencies); and (ii) the increase in maximum amount of corporate bonds that may be issued and the maximum outstanding amount at any time during the program from ARS 1.5 billion (one point five billion Argentine pesos) to USD 25,000,000 (twenty-five million US dollars) or the equivalent amount in other currencies. Moreover, even though the program will expire on November 5, 2020, it was extended for 5 (five) more years or the longer term provided for by applicable regulations.

As of December 31, 2020, unsubordinated corporate bonds issued stand at 226,412 as principal and 9,701 as interest, respectively. In addition, as of December 31, 2020, from the total unsubordinated corporate bonds, the Bank had repurchased 136,946, respectively.

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### 31. ISSUANCE OF CORPORATE BONDS (Cont.)

On May 19, 2021, the Bank's Board of Directors' Meeting approved the adjustment of annual accounting, financial and commercial information on the program involving corporate bonds not convertible into shares for a face value of up to USD 25,000,000, authorized by the CNV for the fiscal year ended December 31, 2020.

Furthermore, given the convenience of streamlining the Bank's financing alternatives, the Special Shareholders' Meeting approved the amendment of the plan's terms and conditions to include the possibility of issuing corporate bonds with clauses to adjust purchasing value units or housing units (UVI, by its Spanish acronym) or other units that may replace them or be issued in the future. These changes will apply to corporate bonds issued after the approval of the program amendment by the CNV and the remainder terms and conditions will remain in full force.

### 32. OFF-BALANCE AMOUNTS

In addition to that mentioned in note 8 and the amounts disclosed in exhibit B, the Bank and its subsidiaries book different transactions in off-balance accounts according to BCRA regulations.

The main off-balance accounts are made up as follows:

	12/31/2021	12/31/2020
Custody of government securities and other assets owned by third parties	67,668,239	75,072,072
Futures and call options purchased and put options sold	15,327,876	4,804,197
Trust activity	3,771,089	2,672,944
Reverse repo transactions involving government securities and monetary regulation instruments	5,490,833	14,556,215
Preferred guarantees received from customers	3,490,299	3,636,761
Checks to be debited	801,628	1,032,391

### 33. RESTRICTION ON DISTRIBUTION OF EARNINGS

For the transactions conducted by Banco CMF S.A.

- a) Pursuant to BCRA regulations, 20% of profit or loss for the year, plus/less prior-year profit (loss) adjustments, the transfers of other comprehensive income to unappropriated retained earnings (accumulated losses) less accumulated losses as of the previous year-end, if any, should be allocated to legal reserve. Consequently, the following Banco CMF S.A. Meeting shall allocate 146,555 of unappropriated retained earnings to that reserve.
- b) BCRA Communiqué "A" 6464, as amended, established the general procedure to distribute earnings. This procedure establishes that earnings may only be distributed provided that certain situations take place, such as requesting financial aid from such agency related to illiquidity, presenting outstanding amounts related to capital or minimum cash requirements and being subject to the provisions of sections 34 and 35 bis of Financial Institutions Law (sections related to plans for redressing, remediating and restructuring the Bank), among other conditions detailed in the communiqué that should be met. The distribution of earnings approved by the Bank's Shareholders' Meeting may only be carried out once authorized by BCRA Financial Institutions and Foreign Exchange Regulatory Agency.

In addition, earnings may only be distributed provided that there is profit after deducting on a nonaccounting 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 or by the external auditor which have not been booked, and (vi) certain deductibles granted by the BCRA. In addition, distributions of earnings may not include profit arising from the first-time application of IFRS, which should be

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### 33. RESTRICTION ON THE DISTRIBUTION OF EARNINGS (Contd.)

included in a special reserve, which amounts to 730,243 as of December 31, 2021 and is booked under “Unappropriated retained earnings (accumulated losses).”

As of December 31, 2021, the adjustment to be made to unappropriated retained earnings is booked under Other comprehensive income for 308,187.

In addition, the Bank should verify that, after earnings are distributed, a capital conservation margin equal to 2.5% of risk-weighted assets is maintained, which is additional to the minimal capital requirement, and that it should be paid in with Tier 1 common capital (COn1), net of deductible items (CDCOn1).

In addition, according to BCRA Communiqué “A” 7312, the distribution of earnings was suspended until December 31, 2021. As established in BCRA Communiqué “A” 7427, effective from January 1 through December 31, 2022, financial institutions may distribute up to 20% of the earnings to which they would have been entitled. As from January 1, 2022, the institutions that are authorized by the BCRA to distribute their earnings should do so in 12 equal, monthly and consecutive installments.

- c) According to the provisions in CNV General Resolution No. 622, the Shareholders’ Meeting analyzing the annual financial statements shall decide on a specific use for the Bank’s retained earnings, whether through the actual distribution of dividends, their capitalization with the delivery of bonus shares, the creation of voluntary reserves additional to the legal reserve or a combination of one of these.

Considering that as of the December 31, 2020, year-end the Bank disclosed accumulated losses due to the effect of prior-year adjustments as a result of the initial application of IAS 29, the General Regular Shareholders’ Meeting held on April 29, 2021, approved the reversal of the optional reserve for ARS 1,370,142. The Meeting also decided to absorb 2,748,352 from the account Prior-year profit (loss) adjustments due to the first-time application of the restatement of items account in view of the inflation coefficient with 1,835,523 from profit (loss) for the year ended December 31, 2020, plus the unallocated remainder of 251,238 and 661,591 from such reversal. It was also decided to allocate the remaining balance of the reversed optional reserve for ARS 708,551 to the payment of cash dividends. It was also decided to allocate 75,415 to Accumulated comprehensive income, as established in Communiqué “A” 6118 or its equivalent in real terms as of April 29, 2021. Note that figures are stated in Argentine pesos as of the December 31, 2020 year-end.

For the transactions conducted by Metrocorp Valores S.A. and CMF Asset Management S.A.U.

- a) According to IGJ General Resolution No. 7/2015, the Shareholders’ Meeting in charge of analyzing the annual financial statements will be required to establish a specific use for the Bank’s retained earnings, whether through the actual distribution of dividends, their capitalization through the delivery of bonus shares, the creation of voluntary reserves apart from the legal reserve or a combination of any of these applications.
- b) According to section 70, Law No. 19,550, at least 5% of profit for the year, plus/less prior-year profit (loss) adjustments and less accumulated losses as of the previous year-end, if any, should be allocated to the creation of the legal reserve until this reserve amounts to 20% of the capital stock. To such end, the legal reserve of Metrocorp Valores S.A. should be increased by 9,094,798 in the next Shareholders’ Meeting that considers the annual financial statements.

On April 29, 2021, a General Regular Shareholders’ Meeting of Metrocorp Valores S.A. was held, which approved, among other items, the use to be given to the profit of ARS 313,686,402 for the year ended December 31, 2020 (amount at the currency as of that date): a) 41,272,595 to absorb prior-year losses; b) 15,684,320 to the statutory reserve, c) 240,000,000 to cash dividends, and d) 16,729,487 to the optional reserve.

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### **33. RESTRICTION ON THE DISTRIBUTION OF EARNINGS (Contd.)**

The General Shareholders' Meeting of CMF Asset Management S.A.U. held on April 29, 2021, approved the use of profit for the year ended December 31, 2020, amounting to 28,661,796 (amount at the currency as of that date), using the whole amount to create an optional reserve to protect the Company's solvency.

### **34. RISK MANAGEMENT AND CORPORATE GOVERNANCE**

Risks are inherent in the Bank's and its subsidiaries' 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.

The Board of Directors is made up of four members, as set forth by the shareholders' meeting, who are chosen for three-year periods with the possibility of being reelected. This number of directors is proportional to the Bank's size, complexity, economic importance and risk profile. They promote and guarantee an objective and independent judgment for making decisions in the Bank's and its subsidiaries' financial institution's best interest and in line with corporate objectives, avoiding and preventing potential conflicts of interest or decisions contrary to the Bank's interests.

Individuals falling under the disqualifications and incompatibilities set forth in Law No. 19,550 on Argentine Business Associations and in Law No. 21,526 on Financial Institutions may not form part of the Board of Directors either. The background information of the selected Directors is submitted to the BCRA for its respective approval. In addition, according to Communiqué "A" 6304, credit background checks are performed on an annual basis, and sworn statements are signed in relation to the compliance by Banco CMF S.A.'s directors, statutory auditors, general manager and line managers with suitability and experience requirements to carry out financial activities. It is important to point that, among other matters, they make reference to the disqualifications under section 10, Financial Institutions Law, asset laundering or terrorism financing crimes, the suspension, prohibition or revocation by the BCRA, the CNV or the SSN (Argentine insurance regulatory agency). Finally, they state that they hold no executive positions and have no direct or indirect interests in companies engaged in gambling and betting activities and that they have no criminal records.

The Board of Directors is in charge of managing the Bank and make the related decisions to such end. It is also responsible for implementing the decisions reached by shareholders' meetings, conducting the tasks especially delegated by shareholders and adopting the business strategy to approve the general and specific policies to ensure proper business management. It is in charge of coordinating and overseeing, among others, that proper operation meets the institutional objectives and facilitating business development in an efficiency, controlled and productive manner to foster a culture of ongoing improvement of the administrative and business 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 and credit risk, among others. 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. The committees and a description of their functions are as follows:

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### **34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)**

- Audit Committee: Its role is to support the Board of Director's management in implementing and supervising the Bank's and its subsidiaries' internal control. It has its own set of regulations which form part of the Bank's Corporate Governance System.

- Information Asset Protection Committee: This is a multidisciplinary formal body for the protection of information assets, with the purpose of establishing mechanisms to be used by the Information Assets Protection Department's management and control with a comprehensive approach of the security required (physical and logical) and appropriate for each technological environment and information resources. Its mission is to determine the procedure for addressing incidents, policy exceptions and promote awareness and training throughout the organization, pursuant to the guidelines set forth in BCRA Communiqué "A" 6555, as supplemented.

- IT and Systems Committee: This formal body makes decisions on the different issues that contribute towards the support behind the Bank's and its subsidiaries' business regarding IT, in accordance with the guidelines established by BCRA Communiqué "A" 6555, as supplemented (IT risks.)

- Human Resources and Ethics Committee: It plans and consolidates the potential development of human resources, assesses the evolution and adjustment of the structure in terms of its strategic plans, analyzes the promotion of its human resources, its compensation policy and accompanies the organization through its change processes.

- Corporate Governance and Compliance Committee: It ensures the actions of its administrators and personnel abide by and are in compliance with the management strategies duly approved by the Board of Directors. It also makes sure the Bank and its subsidiaries have the proper means with which to comply with internal and external regulations.

- Financial Committee: Its purpose is to be the formal decision-making body regarding financial matters and on the different supporting issues of the Bank and its subsidiaries.

- Credit Committee: This is the formal decision-making body regarding credit policies.

- Money Laundering and Terrorism Financing Control and Prevention Committee: It is aimed at supporting the Compliance Officer in adopting the policies and procedures required for the proper operation of the money laundering and terrorism financing prevention system.

- Comprehensive Risk Management Committee: This committee focuses on the comprehensive management process of all significant risks and ensures that current policies and strategies on this matter which have been approved and set by the Board of Directors are complied with.

- Foreign Trade and Exchange Committee: This is the formal body for defining the policies and guidelines for foreign trade processes under BCRA regulations. It controls and reviews SWIFT code submission requests to and from other countries.

The Bank has implemented an overall risk management process pursuant to Communiqué "A" 6639 as amended, which is also in line with the good banking practices recommended by the Basel Committee.

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

It is mainly in charge of following up risks, assisting in designing and enforcing policies and procedures, and advising the Comprehensive Risk Management Committee or the liable parties of the risks that may require additional controls. It also gathers information related to the level of exposure of the different types of risks and reports to General Management and the Comprehensive Risk Management Committee, proposing and monitoring related actions plans. It also conducts annual stress simulation tests according to the methodology formally approved and

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

documents the contingency plans to cover the risks that exceed the caps defined by the Board. It also issues the Capital Self-Assessment Report every year.

The main goal of the Comprehensive Risk Management Committee is to propose to the Board the strategy for managing market, rate, liquidity and credit risks, among others, as well as the global limits of exposure to these risks. Also, learning about each risk position and compliance with the policies set. The scope of its functions comprises the Bank and its subsidiaries.

The Bank's risk management function is undergoing a permanent adaptation process to the regulatory requirements set by Basel III and by the BCRA, which are dynamic and are updated on an ongoing basis. 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 Board of Directors and top management of the Bank and its subsidiaries, which, through various committees, define the general objectives expressed in goals and limits to the business units in charge of managing risks.

The risk management information system entitled "Risk Management Panel" provides the Board of Directors and top management with relevant information on the risk profile and the capital requirements of the Bank and its subsidiaries 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 and its subsidiaries' risk management process are:

- Updating minimum annual credit risk management frameworks and processes (including securitization risk, country risk, counterparty risk and residual risk), liquidity risk, market risk, operational risk, interest rate risk, foreign exchange settlement risk, concentration risk, strategic risk and reputational risk.
- Reviewing the existing risk tolerance limits based on the assessment of the main risks faced by the Bank and its subsidiaries. The limits are monitored periodically and the results are informed to the Bank's and its subsidiaries' Comprehensive Risk Management Committee and Board of Directors.
- Generating periodic reports (Risk Management Panel) to identify, measure, monitor and mitigate the most significant risks assumed by the Bank, and reporting the results to the Bank's Board of Directors and top management.
- Preparing an annual capital self-assessment report using methods in line with the guidelines set out by Basel III to estimate the economic capital required by the Bank and its subsidiaries for each of the significant risks identified.
- Preparing and executing sensitivity tests (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.

#### **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 and its subsidiaries control and measure the full risk it bears as regards the full risk exposure as to all types of risks and activities.

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

The different committees document their meetings in formal minutes transcribed into officially-stamped books that are submitted to the Board according to the frequency established, including the significant risk identified, if applicable.

The Bank and its subsidiaries actively use guarantees to mitigate its credit risk.

To avoid excessive risk concentrations, the Bank's and its subsidiaries' 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 and its subsidiaries to manage risk concentrations both in terms of products and industry branches.

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 following are the policies and processes aimed at identifying, assessing, controlling and mitigating each one of the main risks:

#### **Credit risk**

The credit risk is the existing risk regarding the possibility for the Bank and its subsidiaries 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 and its subsidiaries establish 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 and its subsidiaries' 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 and its subsidiaries have procedure manuals containing guidelines in the matter in compliance with current regulations and the limits established. Below are the objectives of those manuals:

- 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.
- 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 area is in charge of reviewing and managing credit risk, including environmental and social risks for all types of counterparties. The Bank employs specialized analysts who base their work on tools, such as credit risk systems, policies, processes and reports.

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 method, which assigns a risk classification to each of them (rating). 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



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### **34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)**

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 and its subsidiaries 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 Credit Risk Committee in charge of analyzing and approving the related financing.

The Bank does not generate consumer credit portfolios directly; instead, it purchases consumer portfolios to leading companies in the retail sector. At the negotiation stage of the transaction, in addition to the general conditions related to the rate, amount, duration, guarantees, total term and types of credits to be assigned (among others), the specific conditions of the credits are defined to reduce its level of risk: relationship between installments and profits, payment method, review against the database of documents challenged, comparison to the debtor classification on the financial system, number of installments paid, maximum and minimum age and country, among others. Based on these parameters, a credit scoring is performed to choose the credits to be acquired. The assignor's risk is also analyzed. All the information is submitted to the Credit Risk Committee for its analysis and approval. The classification is related to the customers' quality and BCRA provisions on debtor classification and minimum provisions for loan losses.

It is noteworthy that the Bank and its subsidiaries use the request for guarantees for its financing facilities to mitigate the credit risk. The main guarantees received are works certificates, joint and several sureties, bills of exchange and invoices. The Bank has the obligation to return the guarantees received to their holders at the end of the guaranteed financing.

The Bank's Operations Management monitors the market value of guarantees and requests appraisal revaluations frequently.

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 and its subsidiaries' 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: provisions individually evaluated and provisions collectively evaluated.

The guarantees granted, letters of credit and obligations for foreign trade transactions are assessed and a provision 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 provisions.

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

The classification of the Bank's debtors is made up of 5 categories which entail different provision levels, also considering the guarantees supporting the various transactions. Those classifications are assigned by the Bank based on objective or subjective assessments, based on the portfolio of each debtor.

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

The criterion used in classifying debtors related to the portfolio of consumer loans and commercial loans similar to consumer loans is based on an objective assessment on the debtor's current compliance based on the days in arrears according to the BCRA's objective segmentation defined in section 7(2) of the regulations on the classification of debtors of the consumer and home-mortgage portfolio, as revised.

As required by BCRA in section 6(5) of the regulations on debtor classification of the commercial portfolio, as revised, the classification is based on a subjective assessment that analyzes the debtor's current and future equity and financial position by conducting a comprehensive analysis of its cash flows, financial statements, post-balance sales and compliance with the BCRA and other financial institutions, among others.

The percentages per debtor classification level for each type of portfolio are disclosed below on a consolidated basis according to BCRA regulations as of December 31, 2021:

Portfolio/Status	1-Performing	2-Low risk	3-Moderate risk	4-High risk	5-Irrecoverable	6-Irrecoverable by virtue of a technical provision
Commercial	99.86%	0.14%	-	-	-	-
Consumer	98.91%	-	-	0.01%	1.08%	-

The percentages per debtor classification level for each type of portfolio are disclosed below on an individual basis according to BCRA regulations as of December 31, 2021:

Portfolio/Status	1-Performing	2-Low risk	3-Moderate risk	4-High risk	5-Irrecoverable	6-Irrecoverable by virtue of a technical provision
Commercial	99.84%	0.16%	-	-	-	-
Consumer	98.78%	-	-	0.01%	1.21%	-

Management is confident about its capacity to continue controlling and maintaining minimum credit risk exposure as a result of its portfolio of credits and financial assets because 99.92% of its loan portfolios are classified in the two higher levels of the internal classification system.

The Bank decided to create additional provisions to the minimum provisions required by the BCRA (global provisions) to be able to bear potential deterioration of the portfolio.

The changes in the global provision are based on the disclosures made in point 5(2)4(iii) of the Bank's policy for classifying debtors and setting up provisions. This limit is monitored by the Board. This policy establishes that "Periodically, at least at the end of every six months, jointly with the General Management, it will be analyzed whether provision levels range between 3% and 8% of the total portfolio, based on an analysis of the economic and financial situation of the different sectors of the economy and the macroeconomic and microeconomic variables that may affect the loan portfolio. This policy should consider in advance the potential future deterioration in solvency levels and changes in the economic variables that may affect the Bank's credit portfolio. The Bank should frequently review its risk assets to ensure proper management, especially when the economic conditions or variables get worse, including the possibility of absorbing these global provisions to reflect the potential deterioration of the portfolio.

The Bank has completed the convergence process towards expected losses (IFRS). During 2019-2021, the Bank worked with an interdisciplinary team that included a specialized consulting company and Comprehensive Risk Management, Accounting Management and Credit Risk Management personnel. The estimates were made monthly according to the Bank's effective methodology, which is consistent with Communiqué "A" 6590, as amended and supplemented. In addition, the implementation of a system allowing to make such calculation automatically has been completed. Note that on December 27, 2021, as Banco CMF S.A. is a financial institution belonging to group B –

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according to section 4 of the standards on "Financial institutions' authorities"– that is not a branch or a subsidiary of foreign banks qualified as systemically important (G-SIB), it opted in an irrevocable manner to postpone until January 1, 2023, the application of item 5.5, IFRS 9 "Expected Credit Loss" as per Communiqué "A" 7427 and, consequently, the prorating methodology generated by the application of that item.

#### Credit risk management in investments in financial assets:

The Bank and its subsidiaries assess credit risk by identifying each financial asset invested and the credit rating defined by the credit rating agency. These financial instruments are mainly concentrated on the amounts deposited in first-level financial institutions, government securities granted by the Argentine government and BCRA bills. The carrying amount of financial assets is the best way of representing the gross maximum exposure to credit risk. As of December 31, 2021, risk is concentrated in Argentina or in countries rated in investment grades.

The maximum credit risk assessment arising from the Bank's financial assets is broken down below:

Banco CMF S.A. Consolidated basis	Gross maximum exposure as of 12/31/2021	Net maximum exposure as of 12/31/2021	Gross maximum exposure as of 12/31/2020	Net maximum exposure as of 12/31/2020
Financial assets valued at fair value	\$ 29,672,066	\$ 29,672,066	\$ 44,425,907	\$ 44,425,907
Financial assets measured at amortized cost	\$ 10,076,809	\$ 10,076,809	\$ 21,734,651	\$ 21,734,651
Derivative financial instruments	\$ 106,181	\$ 106,181	\$ 8,000	\$ 8,000
Loans and other financing	\$ 20,739,707	\$ 9,247,448	\$ 10,557,892	\$ 1,962,778
<b>TOTAL</b>	<b>\$ 60,594,763</b>	<b>\$ 49,102,504</b>	<b>\$ 76,726,450</b>	<b>\$ 68,131,336</b>

Banco CMF S.A. Consolidated basis	Gross maximum exposure as of 12/31/2021	Net maximum exposure as of 12/31/2021	Gross maximum exposure as of 12/31/2020	Net maximum exposure as of 12/31/2020
Financial assets valued at fair value	\$ 29,672,066	\$ 29,672,066	\$ 44,425,907	\$ 44,425,907
Financial assets measured at amortized cost	\$ 10,076,809	\$ 10,076,809	\$ 21,734,651	\$ 21,734,651
Derivative financial instruments	\$ 106,181	\$ 106,181	\$ 8,000	\$ 8,000
Loans and other financing	\$ 20,739,707	\$ 9,247,448	\$ 10,557,892	\$ 1,962,778
<b>TOTAL</b>	<b>\$ 60,594,763</b>	<b>\$ 49,102,504</b>	<b>\$ 76,726,450</b>	<b>\$ 68,131,336</b>

#### 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.

In addition, the Bank and its subsidiaries disclose in exhibit B "Classification of loans and other financing facilities and guarantees received" herein the breakdown of loans and other financing facilities per status and guarantees received.

Below are the types of guarantees received on a consolidated and individual basis:

JOSÉ A. BENEGAS LYNCH  
Chairman

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

Types of guarantee – Consolidated basis	Fair value as of 12/31/2021	Fair value as of 12/31/2020	Fair value as of 12/31/2019
Pledges on certificates of deposit	1,958,613	1,088,454	1,067,648
Postdated checks	3,302,308	2,721,675	2,393,698
Mortgages on real property	348,622	467,747	445,732
Pledges on vehicles and machines	287,677	104,806	170,446
Pledges over other assets	1,495,158	1,433,146	729,317
Other items	4,099,881	2,779,317	2,382,141
<b>Total</b>	<b>11,492,259</b>	<b>8,595,145</b>	<b>7,188,982</b>

Types of guarantee – Individual basis	Fair value as of 12/31/2021	Fair value as of 12/31/2020	Fair value as of 12/31/2019
Pledges on certificates of deposit	68,951	56,947	142,002
Postdated checks	3,302,308	2,721,675	2,393,698
Mortgages on real property	348,622	467,747	445,732
Pledges on vehicles and machines	287,677	104,806	170,446
Pledges over other assets	565,876	311,845	472,461
Other items	3,531,406	2,076,477	2,072,132
<b>Total</b>	<b>8,104,840</b>	<b>5,739,498</b>	<b>5,696,471</b>

Below we analyze the Bank's financial assets per activity branch (considering BRCA classification of economic activities) before and after considering the guarantees received, on a consolidated basis:

Activity branch/period	Gross exposure as of 12/31/2021	Gross exposure as of 12/31/2021	Gross exposure as of 12/31/2020	Gross exposure as of 12/31/2020
K-Financial intermediation and insurance services	35.5%	49.4%	22.4%	28.6%
C-Manufacturing industry	23.4%	13.4%	33.4%	30.5%
G-Wholesale and retail; repair or motor vehicles and motorcycles	10.9%	7.6%	13.0%	7.3%
B-Mine and quarry exploitation	7.9%	11.4%	4.9%	7.3%
F-Construction	5.9%	1.7%	8.4%	12.6%
S-Associations' services and personal services	4.2%	6.8%	0.3%	0.0%
H-Transportation and storage service	2.7%	3.2%	1.7%	2.6%
E-Water supply; sewage; waste management, material recovery and public sanitation	2.0%	0.0%	4.0%	0.0%
R-Artistic, cultural, sport and leisure services	1.8%	0.0%	6.3%	7.6%
J-Information and communications	1.3%	1.5%	0.7%	0.0%
Natural persons	1.3%	2.2%	0.4%	0.9%
D-Supply of power, gas, steam and cooling	1.2%	0.4%	1.0%	0.0%
M-Professional, scientific and technical services	1.1%	1.8%	0.8%	1.7%
Other	0.8%	0.6%	2.7%	0.9%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

JOSÉ A. BENEGAS LYNCH  
Chairman

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NOTES:

- The activity branches that do not exceed individually 1% of the portfolio are disclosed under "Other".
- "NET exposure" is the amounts of guarantees received net of "GROSS exposure".

Below we analyze the Bank's financial assets per activity branch (considering BRCA classification of economic activities) before and after considering the guarantees received, on an individual basis:

Activity branch/period	Gross exposure as of 12/31/2021	Gross exposure as of 12/31/2021	Gross exposure as of 12/31/2020	Gross exposure as of 12/31/2020
K-Financial intermediation and insurance services	37.3%	50.1%	17.1%	18.5%
C-Manufacturing industry	15.9%	9.1%	27.4%	22.8%
G-Wholesale and retail; repair or motor vehicles and motorcycles	13.2%	8.9%	17.4%	11.0%
B-Mine and quarry exploitation	8.6%	12.7%	4.0%	8.7%
F-Construction	7.1%	2.0%	11.2%	19.1%
S-Associations' services and personal services	5.1%	8.0%	0.4%	0.0%
H-Transportation and storage service	3.2%	3.7%	2.2%	4.0%
E-Water supply; sewage; waste management, material recovery and public sanitation	2.4%	0.0%	5.3%	0.0%
R-Artistic, cultural, sport and leisure services	2.1%	0.0%	8.5%	11.5%
D-Supply of power, gas, steam and cooling	1.4%	0.5%	1.4%	0.0%
M-Professional, scientific and technical services	1.3%	2.1%	1.1%	2.6%
J-Information and communications	1.1%	1.8%	0.0%	0.0%
Natural persons	0.3%	0.5%	0.2%	0.5%
Other	1.0%	0.6%	3.8%	1.3%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### Liquidity risk:

The liquidity risk is the risk that the Bank and its subsidiaries will not be able to meet its payment obligations efficiently at maturity under regular and stress circumstances without affecting its daily transactions or its financial position. To limit this risk, the Board of Directors has agreed on the diversity of financing sources. Apart from its deposits base, Management manages assets considering liquidity and it controls expected cash flows and the availability of first guarantees which could be used to secure additional financing, if necessary.

The Bank and its subsidiaries have 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.

The Bank's funds have historically been made up of deposits and, to a lesser extent, repo transactions and interbank loans, as well as funds from correspondents and multilateral financial institutions.

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

Although the deposits made by natural persons involve significant amounts, the most important sources of financing are corporate and institutional deposits.

The Bank has a sundry assets portfolio with high level of sale that are readily available should flows be interrupted suddenly. Also, the Bank obtained credit lines to which it accesses to meet its liquidity needs.

Concentration is inherent in the type of business conducted by the Bank and its subsidiaries, which is mitigated with the increase in the portion of resources allocated to liquid assets and the short-term collection of its assets. In addition, as from 2012, the Bank started issuing corporate bonds to diversify and stabilize its sources of financing.

The Bank uses the liquidity gap tool to monitor the maturities of its performing and nonperforming portfolio. The liquidity gap is a method consisting of projecting and allocating funds to assets, liabilities, equity accounts –such as dividends– and off-balance sheet transactions –such as derivatives– to various horizons or time bands. On the basis of that projection, the fund flow gap between the various assets, liabilities and off-balance sheet accounts may be determined for each band. The gap analysis between inflows and outflows in the different time bands allows calculating the amount of funds required for each period. To such end, the gap to be analyzed may be a single gap, that is, that related to a specific band, or the accumulated gap, which considers the aggregate of the previous gaps, whether positive or negative. It is calculated by significant currency; in this case, in Argentine pesos and US dollars.

In addition, liquid cash levels with respect to total deposits, the volatility and concentration of deposits and leverage levels are analyzed based on the following caps defined by the Bank's Board:

- Cash + overnight + LEBAC + listed government and private securities over total deposits Lower limit: 20%. Threshold: 10%.
- Deposit concentration: Ten first depositors over total deposits. Cap: 65%. Threshold 5%.
- Leverage. Cap: 7.50. Threshold: 20%.
- Leverage coefficient. Lower limit: 3%. Threshold: 10%
- Three-year cumulative GAP. Limit: +/- computable equity \* 1.5. Threshold: 10%

The changes in the liquidity ratio (cash + overnight + LEBAC + listed government and private securities over total deposits) over the past few years are disclosed below:

	2021	2020	2019
12/31	67%	91%	91%
Average	83%	95%	92%
Maximum	93%	106%	103%
Minimum	67%	81%	69%

The Financial Committee makes liquidity decisions pursuant to the guidelines defined by the Board of the Bank and its subsidiaries.

To closely follow up the strategy, Finance Management uses reports prepared by Management Control based on proprietary and third-party information used to implement the portfolio and fund management decisions made by the Financial Committee, making adjustment, if needed, depending on the context or business. Management Control prepares a monthly management report that includes the due dates and an analysis of the residual term and rate breakdown.

Liquidity risk is followed up by the Comprehensive Risk Management Unit reporting to the Bank's General Management, which gathers and handles objective information and prepares indicators to be subsequently submitted to the Comprehensive Risk Management Committee at least every month.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

Liquidity risk is managed through the centralized IBS (Interbanksys) tool; the Risk Management Panel is prepared every month based on the information stored in such application.

Liquidity risk management is a mature discipline within the structure of the Bank and its subsidiaries.

In the event of a liquidity crisis, the Bank contemplates the following mitigation measures within its contingency plan:

- Low level of leverage with respect to the Argentine financial system.
- The Bank's assets are structured in products which terms (which assets fall due within 90 days) are sufficient to settle a considerable portion of the payable and its deposits.
- Financing structure, including the corporate bond program.
- To a lesser extent, the Bank and its subsidiaries obtain financing from repo and call transactions conducted on the market at competitive rates, which are generally underused.
- Position of government securities and Argentine Treasury bills with high liquidity on the market, which are available as a liquidity cushion.
- Contingent line of international institutions.
- Paid-in capital surplus with respect to BCRA minimum capital requirement.

The Bank discloses its financial assets and liabilities broken down by due dates in exhibit D "Breakdown of financial liabilities by terms" and exhibit I "Breakdown of financial liabilities by remaining terms", respectively.

#### **Concentration risk of funding sources:**

As regards liabilities concentration, the concentration of the Bank's depositors and their financing sources could also adversely affect the Bank's liquidity in the event of a trust crisis related to the financial system which may give rise to a bank run or a lack of credit.

We believe that the concentration of deposits and financing mainly affects the Bank's and its subsidiaries' liquidity. Deposit concentration is a characteristic inherent of Banco CMF S.A.'s business and of the wholesale financial institutions having similar characteristics, so it was included in the "Liquidity risk management framework". Both CMF S.A.'s Board of Directors and Management has always closely assessed or controlled the concentration risk by developing and implementing permanent mitigation strategies.

The Bank analyzes the concentration of deposits per customer with respect to total deposits, as well as with respect to total liabilities. Furthermore, concentration is analyzed per type of product or instrument in relation to total financing and total liabilities. Finally, the Bank analyzes the breakdown of assets and liabilities per significant currency to identify whether the Bank is able to bear a potential reimbursement of financings concentrated in certain currency.

In this regard, the main mitigating factor for returning deposits when and as due in the event that customers decided to make a significant withdrawal is the type of guaranteed assets. Banco CMF S.A. creates performing portfolios over very-short periods with identified and mostly self-liquidating flows.

#### **Market risk:**

Market risk is the risk that the fair value or future cash flows of financial instruments on or off the balance sheet fluctuate owing to changes in market variables related to interest rates, exchange rates and the prices of bonds and shares. The Bank and its subsidiaries have a framework for managing and mitigating this risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

As part of market risk, the foreign exchange risk is the risk that the value of a financial instrument will fluctuate owing to changes in the foreign currency exchange rate. The Board of Directors established limits on the currency's position. Positions are controlled on a daily basis by Finance Management and the natural hedging strategy (match of loans and deposits) guarantee that the positions are maintained within the limits established.

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 and its subsidiaries defined a policy and process for managing the trading portfolio. The trading portfolio management was designed based on the profile of risk, dimension, economic relevance and the nature and complexity of the related transactions.

The trading portfolio is made up of positions in financial instruments that are part of the Bank's and its subsidiaries' equity for the purpose of trading them or hedging other items in that portfolio.

A financial instrument may be charged to the trading portfolio if its trading is not subject to any restriction or if it is possible to obtain a full hedging of the instrument.

The trading portfolio is managed actively by the Bank's Financial Management in agreement with the Financial Committee's guidelines and the investment strategy defined annually by the Board in the business plan approved by such management body.

The different positions are valued on a daily basis with proper accuracy at fair market values.

As a general principle, all the financial instruments acquired will be added to the trading portfolio.

The Board has defined that it is not possible to transfer risks from the trading portfolio to the investment portfolio. Besides, risk transfers from the investment portfolio to the trading portfolio should be treated as exceptions (for example, due to changes in market conditions or the structure of the Bank's financial statements) by the Financial Committee, which should disclose the reasons for such decision and be challenged by the Board in the next meeting.

In line with the principles defined, the Bank and its subsidiaries assume a global risk strategy adequate to its specific business structure. The Bank and its subsidiaries keep a conservative policy within its global risk strategy, with proper efficiency levels recorded on a historical basis. It has a low debt-to-capital ratio, maintains good liquidity indicators, a good performance and appropriate profitability levels.

The main tool used by the Bank and its subsidiaries to calculate market risk capital (mainly resulting from its position in foreign currency and securities, in case of having position) is VaR (value at risk). VaR is defined as the maximum change that may be expected statistically in a specific term given a certain level of trust. The parameters used to calculate VaR are: trust level of 99% and 2 days to earmarking capital for the credit rather than investing in BCRA instruments. VaR is also used for comparison purposes with computable equity.

Below is the VaR as of the related cut-off dates:

<b>VaR of trading portfolio</b>	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2019</b>
Portfolio VaR/computable equity	0.93%	3.83%	7.46%
Securities trading portfolio VaR/computable equity	0.79%	1.54%	1.09%
Foreign currency portfolio VaR/computable equity	0.14%	2.28%	6.38%

Market risk management is a mature discipline within the structure of the Bank and its subsidiaries.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

#### Sensitivity to interest rate changes:

The interest rate risk is defined as the potential occurrence of changes in the Bank's and its subsidiaries' financial condition as a result of interest rate fluctuations with adverse consequences in net finance income and its economic value. The Board of Directors established limits on the exchange rate gaps for the periods considered. Positions are monitored on a daily basis.

The Bank and its subsidiaries have a framework and process for determining the controls to be adopted to follow up interest rate risk.

As from 2013, the minimum capital requirement related to the interest rate risk is no longer considered for the calculation of the minimum cash requirements, in accordance with Communiqué "A" 5,369. However, Banco CMF S.A. keeps calculating the capital requirement for this type of risk, and also keeps managing it in accordance with the policy, framework and process approved by the Board of Directors.

The minimum capital requirement related to interest rate risk decreased drastically due to the issuance of corporate bonds and other funding sources, positively increasing the accumulated gaps to one year and changing the funding terms and structure. Moreover, this situation improved coverage of the liquidity gap between assets and liabilities, decreasing the minimum capital requirement related to the interest rate risk.

The BCRA updated the guidelines for managing risks in financial institutions. This was based on the resolutions disclosed through Communiqué "A" 6397 (which replaced section 5 on interest rate risk management in investment portfolios and adjusted section 1 on the process for managing risks), Communiqué "A" 6459 (which added new sections to point 1(3)2 "Assessment" and incorporated considerations related to point 1(3)3 "Simplified methodology") and Communiqué "A" 6475 (which established the terms for enforcing these regulations, among other points). These regulations set forth that for measuring the interest rate risk in investment portfolios based on the economic value, financial institutions should use the standardized methodology described in point 5(4) ( $\Delta$ EVE).

Under this regulation, the Bank calculates such risk pursuant to the standardized framework described in point 5(4) "Guidelines for managing risks in financial institutions", as revised.

The following six cases of perturbation of interest rates are used to capture parallel and nonparallel gap risk in the EVE:

- Parallel upward movement
- Parallel downward movement
- Slope steepening; decrease in short-term interest rates and increase in long-term interest rates
- Slope flattening; increase in short-term interest rates and decrease in long-term interest rates
- Increase in short-term rates
- Decrease in short-term rates

The maximum loss obtained comparing all these cases is EVE risk calculated based on its economic value.

In addition, atypical financial institutions are those which EVE risk exceeds 15% of Tier 1 capital calculated pursuant to the standardized framework of interest rate risk of the investment portfolio. Banco CMF is not an atypical financial institution.

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

In addition, Banco CMF S.A. makes its own capital requirement calculation related to the interest rate risk based on the impact that a change in this calculation may have on the Entity's equity.

The main risk indicators are based on the assessment of interest rate gaps, which is a simple and basic method focused on the impact analysis of the potential changes in market interest rate levels on net finance income and expense during one year. The impact of interest rate changes (considering +/- 200 basis points) on the Bank's economic assets (assets less liabilities subject to interest rate changes) may also be analyzed. This analysis is performed by significant currency; in this case, in Argentine pesos and US dollars.

Formal monitoring is conducted by the Comprehensive Risk Management Unit reporting to the Bank's General Management, which compiles objective information and manages it submitting it in the form of indicators to the Comprehensive Risk Management Committee at the Risk Management Panel.

#### **Foreign currency exchange rate risk:**

The Bank understands that in the process for settling foreign exchange transactions there is an inherent risk in the method chosen for their delivery.

The Bank, due to the volumes traded on the market, carries out most transactions by delivering a currency and receiving another one without simultaneity. Therefore, when it delivers a currency before receiving the other currency, it assumes a settlement risk that is accepted and monitored by the Board through the related management areas.

Financial Management, upon carrying out transactions under this method, verifies the quality of the counter party, whether it is a customer or market, and the amounts involved, and conducts the transaction if it meets the normal, habitual and approved management parameters. Otherwise, the transaction is contingent upon the special Board's approval.

The Bank adopts different processes for settling foreign exchange transactions involving a payment exchange to ensure the proper reimbursement and reception of the currencies involved.

To carry out these transactions, the Bank checks whether the counter party is authorized to perform the related transaction, and that the amount is contemplated in the credit rating.

The related settlements are made following the instructions received by customers or counter parties and there is a reconciliation process to ensure that abnormalities or differences, if any, are detected and redressed immediately.

The Bank and its subsidiaries consider the risk factors in the system for measuring foreign exchange settlement risk arising from:

- Principal risk
- Replacement cost risk
- Liquidity risk
- Operating risk
- Legal risk

The larger proportion of assets and liabilities kept are related to US dollars.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

#### Operational risk:

Operational risk is the loss risk resulting from failures in internal processes, human error or errors in the information systems or external events. This definition includes the legal risk but excludes the strategic and reputational risks. Within this framework, the legal risk -which may be verified at the Bank both endogenously and exogenously- covers, among other aspects, the exposure to fines, penalties or other economic and other consequences based on the failure to comply with regulations and meet contractual obligations.

On the other hand, the Bank and its subsidiaries have implemented an operational risk management system adjusting to BCRA guidelines established in Communiqué “A” 5398, as amended, and Communiqué “A” 5272 established minimum capital requirement under this provision effective February 1, 2012.

When controls fail, operational risks may have legal or regulatory impacts or lead to a financial loss. The Bank and its subsidiaries cannot expect to eliminate all operational risks but rather to be in a position to manage risks through a risk identification and control framework and to respond to those possible risks through the appropriate mitigating factors. Controls include effective function segregation, reconciliation procedures, appropriate authorization and access, staff evaluation and training procedures, including the involvement of the internal audit sector. Identification is based on process self-evaluation tasks, in which the individuals in charge evaluating the different activities contemplate their likelihood of generating losses.

The risk associated with information systems, information technology and the related resources is part of the operational risk whereby the IT Risk Management will be part of the Comprehensive Operational Risk Management.

Additionally, in compliance with BCRA requirements, the Bank reported the “Operational risk events database” and carried out tasks related to the follow-up of mitigation plans.

The risk is inherent to the Bank's and its subsidiaries' activities but it is managed through an identification, measurement, and control process in progress subject to risk limits and other controls. This risk management process is fundamental for the Bank's ongoing profitability and each of the persons working at the Bank and its subsidiaries is accountable for mitigating the risks related to their functions.

Operational risk indicators were defined for aspects related to accounting, asset laundering prevention, operations, audit, customer care, information assets protection, IT and HR.

Operational risk management, including monitoring the risk on a monthly basis, is managed by the Comprehensive Risk Management Unit reporting to the Bank's General Management. The Bank's process risks self-assessment is carried out on an annual basis, as well as the compilation, analysis, and reporting of the operations risk event base. The Comprehensive Risk Management Unit compiles objective information and manages it submitting it in the form of indicators to the Comprehensive Risk Management Committee at the Risk Management Panel.

Operational risk management is a mature discipline within the structure of Banco CMF S.A. Based on the incorporation of operational risk management as a function of the Comprehensive Risk Management Unit, the Bank assessed and updated the management of such risk. The Bank developed and implemented a methodology for managing technological risk based on IT assets management and its subsequent integration with operational risk whereby the residual risk of assets is transferred the business processes it supports. Both methodologies are periodically updated in order to reflect enforcement agency suggestions and process maturity aspects.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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### 34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)

The operating risk management system is formed by:

- a) Organizational structure: the Bank and its subsidiaries have a staff area within General Management in charge of comprehensively managing all risks, including operational and IT risk, and a Comprehensive Risk Management Committee formed by 2 Directors, the General Manager, the Head of the Comprehensive Risk Management Unit, the Credit Risk Manager, the Finance Manager, the Accounting and Information System Manager, the Commercial Manager, the Operations Manager and the Financial Institutions Manager.
- b) Frameworks and processes: The Bank and its subsidiaries have an operational Risk Management Framework and Process and Operational Risk Management Methodology approved by the Board of Directors and defining the main concepts, roles and responsibilities of the Board of Directors, the Comprehensive Risk Management Committee of the Comprehensive Risk Management Unit and of all the areas involved in managing such risk. Similar documentation was prepared to manage IT risk.
- c) Loss events booking: the Bank has in place a procedure to report loss events setting forth the guidelines for the booking thereof based on opening specific accounts thus associating the operational losses booked in such account to the related database.

The Bank also has a procedure establishing the guidelines to prepare risk self-assessments and in the cases of risks exceeding the admitted tolerance levels, guidelines to establish risk indicators and action plans.

- d) IT systems: The Bank has a comprehensive system to manage all the tasks involved in operating and IT risk management: risk self-assessments and action plans, as well as the administration of the operational losses database in a fully integrated manner.
- e) Database: the Bank has an operational events database prepared in conformity with the guidelines under Communiqué “A” 6677 as supplemented.

Especially regarding IT risk management, the IT Risk Management Methodology developed by Banco CMF was boosted, reviewed and approved by Management, which has demanded the joint involvement of the Comprehensive Risk Management Unit, the IT Management and the Information Asset Protection sector to obtain the diagnosis (or IT systems risk situations) and the subsequent analysis thereof and it is formally the party in charge of making decisions on the treatment of the risks identified to protect Banco CMF's business goals compliance.

IT Risks Management Methodology considers the concepts defines in the MAGERIT methodology adapting to the actual status of the Bank.

MAGERIT considers the risk as the “estimate of the degree of exposure to a threat that may occur on one or more assets causing damage to the Organization.” Risk analysis is “a systematic process for estimating the magnitude of the risks to which an organization is exposed.” And, finally, the management process per se will focus on resolving the risks identified. The structure of the methodology developed by Banco CMF is made up by two stages: Risk Diagnosis, and Simulation and Mitigation Plans. The technological risk assessment process is developed by the Comprehensive Risk Management Unit.

#### **Corporate governance transparency policy:**

The Bank and its subsidiaries understand that transparency is a pillar for good corporate governance and good management; therefore, it clearly, accurately, completely and sufficiently shares the information on policies, decisions, and activities for which it is accountable, including any known and probable impacts on society.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021**

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### **34. RISK MANAGEMENT AND CORPORATE GOVERNANCE (contd.)**

This policy is based on the following principles:

- Maximum access to information: aiming at maximizing access to all the information it generates or keeps, and which is key to the decisions made by the shareholders, the Board, Top Management, customers, and third parties in general. It provides the adequate means to establish a conversation between the interested parties, and the Bank and its subsidiaries.
- Simple and wide access to information: enable access to information through the use of different dissemination channels (web site, notes to the financial statements, letter to the shareholders, intranet, etc.). The published information should be presented clearly and objectively.
- Clear and justified exceptions: Any dissemination exceptions will be based on applicable legal and contractual restrictions that are duly justified.
- Accountability and good corporate governance: it proposes strengthening its responsibility in the light of the shareholders, the Board of Directors, Top Management, customers and third parties in general, as well as applying specific standards in order to achieve good corporate governance and adequate risk management.
- Professionalism: it is indispensable to treat confidential information professionally in order to avoid any potential conflicts of interest.

The Bank and its subsidiaries shall provide access to any information deemed key for decision making and which may guarantee the transparency while conducting its operations.

The process whereby the Bank and its subsidiaries will release information will be carried out observing information confidentiality and criticality levels, and in order to grant access to information to the following parties:

- Shareholders and authorities
- Investors
- Enforcement agencies
- Clients
- Suppliers
- Employees
- the public in general

It shall use the channels allowing all market participants mentioned above to access the necessary information in conformity with the role they have in connection with the Bank and its subsidiaries.

The main channels to disseminate information will be:

- Website ([www.bancocmf.com.ar](http://www.bancocmf.com.ar))
- Intranet;
- Notes to the annual financial statements
- Letter to the shareholders

The dissemination of information, as well as the channels whereby it is published will be managed by the Corporate Governance and Compliance Committee and will be approved by the Board of Directors of the Bank and its subsidiaries.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021**

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### **35. CHANGES IN THE ARGENTINE MACROECONOMIC ENVIRONMENT, AND THE SITUATIONS OF THE FINANCIAL AND CAPITAL SYSTEM**

In the second half of 2019, as part of a political context characterized by federal general elections and the replacement of Federal Executive authorities, a significant volatility started to affect the market values of public and private financial instruments, a process began with certain maturity reschedules and the swap of public debt instruments, and there were significant increases in the country-risk premium and the Argentine peso-to-US dollar exchange rate.

In 2020, among other provisions, important amendments were made to the tax system, including changes to income tax, foreign trade withholdings and taxes on the acquisition of foreign currency, and significant restrictions were imposed on the access to the foreign exchange market.

At the same time, the public debt restructuring process continued, both under local and foreign legislation. The negotiations carried out as of the date of issuance of the accompanying consolidated financial statements include the communication issued on March 3, 2022, by the Federal Executive and the International Monetary Fund in relation to the agreement reached between the parties as to the Argentine indebtedness to that body. The agreement is pending Congress approval and implementation as a final program.

Specifically with respect to the price of the UD dollar, since the end of 2019 the gap between the official US dollar value, used mainly for foreign trade, and alternative values arising from stock exchange transactions, as well as the nonofficial value, standing at around 100% as of the date of issuance of these financial statements, started to widen.

Even though as of the date of issuance of the accompanying financial statements some of the volatility levels previously mentioned decreased, the domestic and international macroeconomic contexts generate a level of uncertainty with respect to their future evolution, also considering the effect of what was mentioned in note 36, mainly in relation to the global economic recovery level.

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.

### **36. EFFECTS OF THE CORONAVIRUS (COVID-19) OUTBREAK**

In early March 2020, the World Trade Organization declared the coronavirus (COVID-19) outbreak a pandemic. The state of emergency in public health was expanded practically around the world, and the countries took different measures to face it. This situation, as well as the measures adopted, affected the global economic activity significantly, with different effects on countries and business sectors.

Particularly in Argentina, along with health protection standards, fiscal and financial measures were adopted to mitigate the pandemic-associated impact on the economy, including the public measures for direct financial assistance for a portion of the population, as well as the issuance of tax measures for individuals and companies. In relation to financial institutions, the BCRA extended due dates, froze mortgage loan installments and encouraged banks to grant financing to companies at reduced rates.

The Bank is currently carrying out its activities under the conditions previously mentioned, giving priority to the fulfillment of lockdown measures by its employees for the main purpose of securing public health and the wellbeing of all its stakeholders (employees, vendors and customers, among others). To such end, it implemented contingency procedures and introduced telework.

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### **36. EFFECTS OF THE CORONAVIRUS (COVID-19) OUTBREAK (Contd.)**

From a commercial standpoint, it maintained close customer relationships in an effort to meet their needs in this difficult context, maintaining virtual customer care channels to ensure operations and proper response to their requirements, monitoring fulfillment of their business obligations and focusing on their active portfolio to detect potential delays or default and redefine conditions accordingly.

As of the date of issuance of the accompanying financial statements, certain health control measures are still in place, but social, commercial and professional activities have begun to be performed with less restrictions.

The Board estimates that this situation could have material effects on its transactions, financial position and profit, but it will depend on the seriousness of the health emergency and the success of the present and future measures.

### **37. SUBSEQUENT EVENTS**

No events took place between the fiscal year-end and the date of issuance of these consolidated financial statements that could materially affect the financial position or results of operations of the fiscal year which have not been disclosed in the notes to these financial statements.

### **38. ACCOUNTING PRINCIPLES – EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH**

These consolidated financial statements were prepared in conformity with the accounting standards established by the BCRA. Certain accounting practices applied by the Bank may not conform to accounting principles generally accepted in other countries.

**CONSOLIDATED BREAKDOWN OF GOVERNMENT AND PRIVATE SECURITIES  
AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
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Item	Identification	HOLDINGS			POSITION		
		Fair value	Fair value level	Carrying amount 12/31/2021	Position without options	options	Final position
DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS							
In Argentina							
Government securities							
LT Rep..Arg.a descuento vto.31/12/2021 \$ CG (S31D1)	5,938	-	1	1,126,000	1,126,000		1,126,000
Bono del tesoro vinc. al U\$S Vto 29/04/2022. (TV22)	5,499	-	-	380,625	380,625		380,625
Bono Tesoro Nacional en pesos aj. CER vto 25/03/2023 (TX23)	5,492	-	1	304,560	304,560		304,560
Bono Rep.. Argentina USD STEP UP 2038- (AE38)	5,923	-	1	288,254	288,254	-	288,254
Bonar 09/07/2030 LEY ARG. USD (AL30)	5,921	-	1	280,118	280,118	-	280,118
Argentina 09/07/2030 Ley NY USD (GD30)	81,086	-	1	659,126	248,126	-	248,126
LT Rep..Arg.a descuento vto 31/01/22 \$ CG (X21O2)	5,969	-	1	198,000	198,000		198,000
Argentina 09/01/2038 Ley NY USD (GD38)	81,090	-	1	26,905	26,905	-	26,905
LT Rep..Arg.a descuento vto. 23/05/22 (X23Y2)	5,936	-	1	16,569	16,569		16,569
Bono Cdad. Buenos Aires 7,50% Vto. 01/06/2027 (BUEAIR27)	91,709	-	1	10,213	10,213	-	10,213
Bono PCIA. BS. AS. Regs NEW Vto. 01/09/37 (BA37D)	81,150	-	1	6,761	6,761	-	6,761
Argentina 09/07/2029 Ley NY USD (GD29)	81,274	-	1	6,397	6,397	-	6,397
Argentina 09/07/2035 Ley NY USD (GD35)	81,088	-	1	5,301	5,301	-	5,301
TD. Publ..Garantizado. EPEC V.17/8/22 U\$S CG- (TDEC2)	32,937	-	1	4,796	4,796	-	4,796
Bonar 09/07/2029 LEY ARG. USD (AL29)	5,927	-	1	3,740	3,740	-	3,740
LT Rep..Arg.a descuento vto.31/01/22 \$ CG (S31E2)	5,917	-	1	(194,800)	-		-
Private securities							
AES GENER S.A. 7.75% USD 02/02/2024		-	1	10,094	10,094	-	10,094
YPF S.A. 2.50% 30/06/2029 USD - YPFD629N		-	1	3,952	3,952	-	3,952
YPF S.A. 1.50% 30/09/2033 USD - YPFD0933		-	1	1,802	1,802	-	1,802
AEROPUERTOS ARGENTINA 2000 8.50% 01/08/2031 USD		-	1	1,655	1,655	-	1,655
YPF S.A. 4.00% 12/02/2026 USD - YPFD0226		-	1	992	992	-	992
YPF S.A. 8.75% 04/04/2024 USD - YPFD0424		-	1	371	371	-	371

JOSÉ A. BENEGAS LYNCH

Chairman



**EXHIBIT "A"**  
**(contd.)**

**CONSOLIDATED BREAKDOWN OF GOVERNMENT AND PRIVATE SECURITIES**  
**AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Item	Identification	HOLDINGS			POSITION		
		Fair value	Fair value level	Carrying Libros 31/12/2021	Position without options	options	Final position
Abroad							
Government securities							
US TREASURY BILL ZCP V.20/01/2022	81,905	-	1	308,250	308,250	-	308,250
US TREASURY BILL ZCP V.05/05/2022	82,098	-	1	102,750	102,750	-	102,750
US TREASURY BILL ZCP V.08/09/2022	82,007	-	1	30,825	30,825	-	30,825
TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-		3,583,256	3,367,056	-	3,367,056

JOSÉ A. BENEGAS LYNCH

Chairman

**EXHIBIT “A”  
(contd.)**

**CONSOLIDATED BREAKDOWN OF GOVERNMENT AND PRIVATE SECURITIES  
AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Item	Identification	HOLDINGS			POSITION		
		Fair level	Fair value level	Carrying amount 12/31/2021	Position without options	options	Final position
OTHER DEBT SECURITIES							
Measured at amortized cost							
In Argentina							
Government securities							
Bono Tesoro Nacional en pesos aj. CER vto 25/03/2023 (TX23)	5,492	-	-	1,658,249	2,232,344	-	2,232,344
Bono Tesoro Nacional en pesos aj. CER vto. 13/08/23 (T2X3)	5,497			508,120	508,120	-	508,120
BONOS TESORO \$ AJ. CER 1,50% 25/03/24 (TX24)	5,493	-	-	353,585	353,585	-	353,585
Corporate bonds							
ON YPF Cl. 19 Vto. 26/08/2024 \$ (YMCKO)	55,218	-	-	214,810	214,810	-	214,810
ON TELECOM ARG. CL.10 V. 10/06/25 UVA C.G (TLCAO)	55,827	-	-	164,458	164,458	-	164,458
ON TGLT S.A. CLA 16 USD VTO 11/02/2023	54,609	-	-	133,391	133,391	-	133,391
Red Surcos S.A.	10,000	-	-	129,363	129,363	-	129,363
ON CAPEX CLASE 2 REGS 6,875% 15/05/2024	92,783	-	-	96,595	96,595	-	96,595
ON CT BARRAGAN C.2 V. 04/06/24 UVA C.G (TBC2O)	55,396	-	-	50,249	50,249	-	50,249
AMFAYS Asociación Mutua	10,001	-	-	43,069	43,069	-	43,069
VD FF RED SURCOS 20 CL. A \$ C.G.(RS20A)	55,767	-	-	28,461	28,461	-	28,461
Provisions		-	-	(6,019)	(6,019)	-	(6,019)
BCRA liquidity bills							
Liquidity bills maturing on 1/25/2022 (Y25E2)	13,778		-	779,767	779,767	-	779,767
Liquidity bills maturing on 1/6/2022 (Y01E2)	13,773		-	496,965	496,965	-	496,965

JOSÉ A. BENEGAS LYNCH

Chairman

(contd.)

**CONSOLIDATED BREAKDOWN OF GOVERNMENT AND PRIVATE SECURITIES  
AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Item	Identification	HOLDINGS			POSITION		
		Fair level	Fair value level	Carrying amount 12/31/2021	Position without options	options	Final position
Abroad							
Government securities							
US TREASURY BILL ZCP V.20/01/2022	81,905	-	1	1,756,986	1,756,986		1,756,986
US TREASURY BILL ZCP V.08/09/2022	82,007	-	1	21,339	21,339	-	21,339
US TREASURY BILL ZCP V.05/05/2022	82,098	-	1	17,113	17,113	-	17,113
TREASURY BILL USA 27/01/2022 - TRBI0122	81,628	-	1	6,011	6,011	-	6,011
TOTAL OTHER DEBT SECURITIES		-	-	6,452,512	7,026,607	-	7,026,607
EQUITY INSTRUMENTS							
Measured at fair value through profit or loss							
Mercado Abierto Electrónico S.A.	1133628189159	-	2	200,000	200,000	-	200,000
Acc.Unipar Indupa \$ ESC.	571	-	2	569	569	-	569
Sedesa	1130682415513	-	2	2	2	-	2
TOTAL EQUITY INSTRUMENTS		-		200,571	200,571	-	200,571

JOSÉ A. BENEGAS LYNCH

Chairman

**CONSOLIDATED BREAKDOWN OF GOVERNMENT AND PRIVATE SECURITIES  
AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Consolidated holding for comparative purposes:

	12/31/2020
Government securities at fair value through profit or loss	3,758,929
Private securities and corporate bonds at fair value through profit or loss	253,696
Private securities at fair value through profit or loss	39,636
<b>DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>4,052,261</b>
Government securities at amortized cost	2,028,125
BCRA liquidity bills at amortized cost	9,069,298
Private securities and corporate bonds at amortized cost	2,204,415
Private securities and financial trusts debt securities at amortized cost	4,419,193
Provision	(5,119)
<b>OTHER DEBT SECURITIES</b>	<b>17,715,912</b>
Private securities and shares of other unrelated companies at fair value through profit or loss	37,144
<b>INVESTMENTS IN EQUITY INSTRUMENTS</b>	<b>37,144</b>

**CLASSIFICATION OF CONSOLIDATED LOANS AND OTHER FINANCING FACILITIES PER SITUATION AND GUARANTEES RECEIVED AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

	2021	2020
<b>CORPORATE PORTFOLIO</b>		
<b>Performing</b>	<b>22,302,395</b>	<b>20,111,955</b>
With "A" preferred guarantees and counter-guarantees	3,029,287	3,290,061
With "B" preferred guarantees and counter-guarantees	300,505	194,559
Without preferred guarantees or counter-guarantees	18,972,603	16,627,335
<b>Subject to special monitoring</b>	<b>30,823</b>	<b>-</b>
<b><i>In observation</i></b>	<b>-</b>	<b>-</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	-	-
<b><i>In negotiation or under refinancing agreements</i></b>	<b>30,823</b>	<b>-</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	26,910	-
Without preferred guarantees or counter-guarantees	3,913	-
<b>Troubled</b>	<b>-</b>	<b>-</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	-	-
<b>With high risk of insolvency</b>	<b>-</b>	<b>-</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	-	-
<b>Irrecoverable</b>	<b>-</b>	<b>40,267</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	22,608
Without preferred guarantees or counter-guarantees	-	17,659
<b>Irrecoverable according to BCRA regulations</b>	<b>-</b>	<b>-</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	-	-
<b>TOTAL</b>	<b>22,333,218</b>	<b>20,152,222</b>

JOSÉ A. BENEGAS LYNCH  
Chairman

**EXHIBIT "B"**  
**(contd.)**

**CLASSIFICATION OF CONSOLIDATED LOANS AND OTHER FINANCING FACILITIES PER SITUATION AND GUARANTEES RECEIVED AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

	2021	2020
<b>CONSUMER AND HOME-MORTGAGE PORTFOLIO</b>		
<b>Performing</b>	<b>1,786,216</b>	<b>1,599,589</b>
With "A" preferred guarantees and counter-guarantees	72,823	83,074
With "B" preferred guarantees and counter-guarantees	60,774	39,129
Without preferred guarantees or counter-guarantees	1,652,619	1,477,386
<b>Low risk</b>	<b>-</b>	<b>346</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	-	346
<b>Medium risk</b>	<b>-</b>	<b>1,980</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	-	1,980
<b>High risk</b>	<b>54</b>	<b>6,244</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	54	6,244
<b>Irrecoverable</b>	<b>19,588</b>	<b>42,590</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	7,330
Without preferred guarantees or counter-guarantees	19,588	35,260
<b>Irrecoverable according to BCRA regulations</b>	<b>-</b>	<b>-</b>
With "A" preferred guarantees and counter-guarantees	-	-
With "B" preferred guarantees and counter-guarantees	-	-
Without preferred guarantees or counter-guarantees	-	-
<b>TOTAL</b>	<b>1,805,858</b>	<b>1,650,749</b>
<b>GRAND TOTAL (1)</b>	<b>24,139,076</b>	<b>21,802,971</b>

(1) This exhibit discloses the contractual amounts in accordance with BCRA regulations. The reconciliation with the interim consolidated statement of financial position is broken down below:

	<u>12/31/2021</u>	<u>12/31/2020</u>
– Loans and other financing	20,328,707	10,557,892
– BCRA and other not covered	(3,979)	(1,147)
– Provisions	767,688	988,945
– Adjustment to IFRS	36,309	18,847
– Corporate bonds and debt securities from financial trusts at amortized cost	860,396	6,619,436
– Contingent - Other guarantees provided	1,050,067	2,573,102
– Contingent - Other covered by debtor classification standards	1,099,888	1,045,896
	<u>24,139,076</u>	<u>21,802,971</u>

JOSÉ A. BENEGAS LYNCH  
Chairman

**EXHIBIT “C”**

**CONSOLIDATED CONCENTRATION OF LOANS AND OTHER FINANCING  
AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

<b>Number of customers</b>	<b>2021</b>		<b>2020</b>	
	<b>Outstanding balance</b>	<b>% of total portfolio</b>	<b>Outstanding balance</b>	<b>% of total portfolio</b>
10 largest customers	7,729,335	32%	7,964,143	36%
50 next largest customers	11,379,860	47%	10,651,467	49%
100 next largest customers	4,480,190	19%	2,984,601	14%
Rest of customers	549,691	2%	202,760	1%
<b>Total (1)</b>	<b>24,139,076</b>	<b>100%</b>	<b>21,802,971</b>	<b>100%</b>

(1) See (1) in exhibit B.

**EXHIBIT “D”**

**CONSOLIDATED FINANCING BREAKDOWN BY TERM  
AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

		2021						
		Terms remaining to maturity						Total as of 2021
Item	Matured	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	
Financial sector	-	1,816,620	1,447,462	1,087,865	460,594	18,480	219,874	5,050,895
Nonfinancial private sector and foreign residents	10,442	9,413,367	4,273,539	1,414,023	2,979,879	3,093,630	818,842	22,003,722
<b>TOTAL</b>	<b>10,442</b>	<b>11,229,987</b>	<b>5,721,001</b>	<b>2,501,888</b>	<b>3,440,473</b>	<b>3,112,110</b>	<b>1,038,716</b>	<b>27,054,617</b>

  

		2020						
		Terms remaining to maturity						Total as of 2020
Item	Matured	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	
Financial sector	-	555	380	175	181	44	3	1,338
Nonfinancial private sector and foreign residents	156,154	12,903,486	4,418,910	5,687,959	4,464,108	1,551,678	1,417,550	30,599,845
<b>TOTAL</b>	<b>156,154</b>	<b>12,904,041</b>	<b>4,419,290</b>	<b>5,688,134</b>	<b>4,464,289</b>	<b>1,551,722</b>	<b>1,417,553</b>	<b>30,601,183</b>

This exhibit discloses the reduction in certain contractual flows, including interest and related charges to be accrued upon the maturity thereof.

JOSÉ A. BENEGAS LYNCH  
Chairman



**EXHIBIT “F”**

**CHANGES IN BANK PREMISES AND EQUIPMENT  
AS OF DECEMBER 31, 2021 AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Item	Residual value at beginning of year 12/31/2020	Additions	Retire- ments	Depreciation for the period			Residual value at the end of the useful life Amount	Residual value at end of period 12/31/2021
				Years of useful life assigned	Residual value at the end of the useful life			
Real property	1,780,785	14,187	-	50	-	(23,381)		1,771,591
Furniture and fixtures	18,194	376	-	10	-	(1,967)		16,603
Machinery and equipment	73,570	4,544	(7,911)	5	-	(27,467)		42,736
Vehicles	2,135	-	-	5	-	(985)		1,150
Rights to use leased personal property	83,270	-	-	5	-	(13,986)		69,284
<b>Total</b>	<b>1,957,954</b>	<b>19,107</b>	<b>(7,911)</b>			<b>(67,786)</b>		<b>1,901,364</b>

Item	Residual value at beginning of year 12/31/2019	Additions	Retire- ments	Depreciation for the period			Residual value at the end of the useful life Amount	Residual value at end of year 12/31/2020
				Years of useful life assigned	Residual value at the end of the useful life			
Real property	1,804,148	-	-	50	-	(23,363)		1,780,785
Furniture and fixtures	-	19,589	-	10	-	(1,395)		18,194
Machinery and equipment	58,532	43,338	-	5	-	(28,300)		73,570
Vehicles	2,758	-	-	5	-	(623)		2,135
Rights to use leased personal property	-	83,270	-	5	-	-		83,270
<b>Total</b>	<b>1,865,438</b>	<b>146,197</b>	<b>-</b>			<b>(53,681)</b>		<b>1,957,954</b>

JOSÉ A. BENEGAS LYNCH  
Chairman

**CONSOLIDATED DEPOSIT CONCENTRATION  
AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

<b>Number of customers</b>	<b>2021</b>		<b>2020</b>	
	<b>Outstanding balance</b>	<b>% over total portfolio</b>	<b>Outstanding balance</b>	<b>% over total portfolio</b>
10 largest customers	20,381,672	47%	30,247,354	58%
50 next largest customers	13,621,659	31%	14,710,122	28%
100 next largest customers	5,107,623	12%	4,801,062	10%
Rest of customers	4,400,496	10%	2,048,785	4%
<b>Total</b>	<b>43,511,450</b>	<b>100%</b>	<b>51,807,323</b>	<b>100%</b>

**EXHIBIT “I”**

**CONSOLIDATED RECEIVABLES AND PAYABLES BROKEN DOWN BY THE REMAINING  
TERMS  
AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Item	Terms remaining to maturity						Total as of 12/31/2021
	Up to 1 month	From 1 Up to 3 months	From 3 up to 6 months	From 6 up to 12 months	From 12 Up to 24 months	Over 24 months	
<b>Deposits</b>	<b>37,670,466</b>	<b>577,881</b>	<b>1,513,024</b>	<b>1,627,163</b>	<b>1,602,357</b>	<b>636,496</b>	<b>43,627,387</b>
- Financial sector	4,744	-	-	-	-	-	4,744
- Nonfinancial private sector	37,665,722	577,881	1,513,024	1,627,163	1,602,357	636,496	43,622,643
<b>Derivatives</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>
<b>Other financial liabilities</b>	<b>5,618,381</b>	<b>8,346</b>	<b>20,803</b>	<b>30,963</b>	<b>14,181</b>	<b>32,498</b>	<b>5,725,172</b>
<b>Repo transactions</b>	<b>31,887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,887</b>
<b>Financing received from financial institutions</b>	<b>4,076</b>	<b>447,482</b>	<b>1,875</b>	<b>94,530</b>	<b>94,530</b>	<b>189,060</b>	<b>831,553</b>
<b>TOTAL</b>	<b>43,324,810</b>	<b>1,033,709</b>	<b>1,535,852</b>	<b>1,752,656</b>	<b>1,711,068</b>	<b>858,054</b>	<b>50,216,149</b>

Item	Terms remaining to maturity						Total as of 12/31/2020
	Up to 1 month	From 1 Up to 3 months	From 3 up to 6 months	From 6 up to 12 months	From 12 Up to 24 months	Over 24 months	
<b>Deposits</b>	<b>45,323,670</b>	<b>2,281,655</b>	<b>58,330</b>	<b>694,155</b>	<b>1,381,779</b>	<b>2,118,460</b>	<b>51,858,049</b>
- Financial sector	2,089	-	-	-	-	-	2,089
- Nonfinancial private sector	45,321,581	2,281,655	58,330	694,155	1,381,779	2,118,460	51,855,960
<b>Liabilities at fair value through profit or loss</b>	<b>128,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,257</b>
<b>Other financial liabilities</b>	<b>11,741,999</b>	<b>79,273</b>	<b>17,185</b>	<b>122,332</b>	<b>152,127</b>	<b>122,103</b>	<b>12,235,019</b>
<b>Financing received from financial institutions</b>	<b>2,928</b>	<b>477,800</b>	<b>2,830</b>	<b>600,308</b>	<b>600,308</b>	<b>350,549</b>	<b>2,034,723</b>
<b>Corporate bonds issued</b>	<b>-</b>	<b>143,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,692</b>
<b>TOTAL</b>	<b>57,196,854</b>	<b>2,982,420</b>	<b>78,345</b>	<b>1,416,795</b>	<b>2,134,214</b>	<b>2,591,112</b>	<b>66,399,740</b>

This exhibit discloses the reduction in certain contractual flows, including interest and related charges to be accrued upon the maturity thereof.

JOSÉ A. BENEGAS LYNCH  
Chairman

**EXHIBIT “J”**

**CHANGES IN PROVISIONS  
AS OF DECEMBER 31, 2021 AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Item	Balance at beginning of year	Increases	Decreases			Amount as of 12/31/2021
			Reversals	Uses	Monetary loss from provision	
<b>PROVISIONS</b>						
Provisions for potential commitments	-	-	-	-	-	-
<b>TOTAL PROVISIONS</b>	-	-	-	-	-	-

Item	Balance at beginning of year	Increases	Decreases			Amount as of 12/31/2020
			Reversals	Uses	Monetary loss from provision	
<b>PROVISIONS</b>						
Provisions for potential commitments	2,593	-	1,905	-	(688)	-
<b>TOTAL PROVISIONS</b>	2,593	-	1,905	-	(688)	-

JOSÉ A. BENEGAS LYNCH  
Chairman

EXHIBIT “K”

**CAPITAL STRUCTURE  
AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Class	Shares			Capital stock as of 12/31/2021		
	Number	Nominal value	Votes per share	Issued and outstanding	In portfolio	Paid-in
Common book-entry	323,900,000	1	5	323,900	-	323,900
<b>Total</b>	<b><u>323,900,000</u></b>			<b><u>323,900</u></b>		<b><u>323,900</u></b>

Class	Shares			Capital stock as of 12/31/2020		
	Number	Nominal value	Votes per share	Issued and outstanding	In portfolio	Paid-in
Common book-entry	323,900,000	1	5	323,900	-	323,900
<b>Total</b>	<b><u>323,900,000</u></b>			<b><u>323,900</u></b>		<b><u>323,900</u></b>

JOSÉ A. BENEGAS LYNCH  
Chairman

**CONSOLIDATED FOREIGN CURRENCY BALANCES  
AS OF DECEMBER 31, 2021, AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

ITEMS	Head Office and subsidiaries	Total as of 12/31/2021	US dollar	Euro	Other	Total as of 12/31/2020
<b>ASSETS</b>						
Cash and deposits with banks	17,853,890	17,853,890	17,836,626	13,048	4,216	25,118,852
Debt securities at fair value through profit or loss	1,721,927	1,721,927	1,721,927	-	-	2,527,444
Repo transactions	4,882,038	4,882,038	4,882,038	-	-	5,530,734
Other financial assets	3,123,492	3,123,492	3,123,492	-	-	3,791,210
Loans and other financing	4,496,706	4,496,706	4,496,706	-	-	4,063,172
Other debt securities	2,031,435	2,031,435	2,031,435	-	-	7,779,330
Financial assets delivered in guarantee	149,246	149,246	149,246	-	-	719,954
Derivatives	19,464	19,464	19,464	-	-	-
Investments in subsidiaries	19,162	19,162	19,162	-	-	60,787
<b>Total assets</b>	<b>34,297,360</b>	<b>34,297,360</b>	<b>34,280,096</b>	<b>13,048</b>	<b>4,216</b>	<b>49,591,483</b>
<b>LIABILITIES</b>						
Deposits	24,225,091	24,225,091	24,225,091	-	-	29,582,904
Other financial liabilities	3,970,527	3,970,527	3,970,067	460	-	11,231,069
Financing received by the BCRA and other financial institutions	824,597	824,597	824,597	-	-	2,013,106
Other nonfinancial liabilities	80,259	80,259	80,259	-	-	12,256
<b>Total liabilities</b>	<b>29,100,474</b>	<b>29,100,474</b>	<b>29,100,014</b>	<b>460</b>	<b>-</b>	<b>42,839,335</b>

**EXHIBIT “N”**

**CONSOLIDATED CREDIT ASSISTANCE TO RELATED PARTIES  
AS OF DECEMBER 31, 2021 AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Items	Status	Total	
	Normal	As of 12/31/2021	As of 12/31/2020
<b>1. Loans and other financing</b>	<b>1,388,661</b>	<b>1,388,661</b>	<b>665,036</b>
<b>Notes</b>	<b>619,578</b>	<b>619,578</b>	<b>154,719</b>
With “A” preferred guarantees and counter-guarantees	256,875	256,875	-
Without preferred guarantees or counter-guarantees	362,703	362,703	154,719
<b>Other</b>	<b>769,083</b>	<b>769,083</b>	<b>510,317</b>
With “A” preferred guarantees and counter-guarantees	-	-	317,524
Without preferred guarantees or counter-guarantees	769,083	769,083	192,793
<b>2. Contingent commitments</b>	<b>500</b>	<b>500</b>	<b>755</b>
<b>Total</b>	<b>1,389,161</b>	<b>1,389,161</b>	<b>665,791</b>
<b>Provisions</b>	<b>13,887</b>	<b>13,887</b>	<b>6,650</b>

EXHIBIT "P"

**CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES  
AS OF DECEMBER 31, 2021**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Items	Amortized cost	Fair value through profit or loss		Fair value rank		
		Initially measured at fair value or subsequently under IFRS 9, point 6.7.1.	Mandatory measurement	Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and deposits with banks	19,413,729	-	-	-	-	-
On hand	1,746,372	-	-	-	-	-
Financial institutions and correspondents	17,667,357	-	-	-	-	-
Debt securities at fair value through profit or loss	3,583,256	-	-	-	-	-
Derivatives	106,181	-	-	-	-	-
Repo transactions	652,667	4,882,038	-	4,882,038	-	-
BCRA (Central Bank of Argentina)	652,667	-	-	-	-	-
Other financial institutions	-	4,882,038	-	4,882,038	-	-
Other financial assets	3,624,297	-	-	-	-	-
Loans and other financing	20,328,707	-	-	-	-	-
Other financial institutions	4,344,316	-	-	-	-	-
Nonfinancial private sector and residents abroad	15,984,391	-	-	-	-	-
Overdrafts	5,358,987	-	-	-	-	-
Notes	4,888,349	-	-	-	-	-
Mortgage loans	113,742	-	-	-	-	-
Collateral loans	56,809	-	-	-	-	-
Personal loans	90	-	-	-	-	-
Finance leases	307,639	-	-	-	-	-
Other	5,258,775	-	-	-	-	-
Other debt securities	6,452,512	-	-	-	-	-
Financial assets delivered in guarantee	-	1,357,805	-	1,357,805	-	-
Investments in equity instruments	-	200,571	-	-	200,571	-
Total financial assets	54,161,349	6,440,414	-	6,239,843	200,571	-



**EXHIBIT “P”**  
**(contd.)**

**CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2021**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Items	Amortized cost	Fair value through profit or loss		Fair value rank		
		Initially measured at fair value or subsequently under IFRS 9, point 6.7.1.	Mandatory measurement	Level 1	Level 2	Level 3
<b>FINANCIAL LIABILITIES</b>						
<b>Deposits</b>	<b>43,511,450</b>	-	-	-	-	-
Financial sector	4,744	-	-	-	-	-
Nonfinancial private sector and residents abroad						
Checking accounts	2,002,314	-	-	-	-	-
Savings accounts	38,794,895	-	-	-	-	-
Certificates of deposit and term investments	1,648,128	-	-	-	-	-
Other	1,061,369	-	-	-	-	-
<b>Derivatives</b>	<b>150</b>	-	-	-	-	-
<b>Repo transactions</b>	<b>31,887</b>	-	-	-	-	-
<b>Other financial liabilities</b>	<b>5,656,578</b>	-	-	-	-	-
<b>Financing received from financial institutions</b>	<b>831,553</b>	-	-	-	-	-
<b>Total financial liabilities</b>	<b>50,031,618</b>	-	-	-	-	-

JOSÉ A. BENEGAS LYNCH  
Chairman

**EXHIBIT “P”**  
**(contd.)**

**CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Items	Amortized cost	Fair value through profit or loss		Fair value rank		
		Initially measured at fair value or subsequently under IFRS 9, point 6.7.1.	Mandatory measurement	Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and deposits with banks	25,350,204		-	-	-	-
On hand	2,690,117		-	-	-	-
Financial institutions and correspondents	22,660,087		-	-	-	-
Debt securities at fair value through profit or loss	-	4,052,261	-	4,052,261	-	-
Derivatives	-	8,000	-	8,000	-	-
Repo transactions	8,307,482	5,530,734	-	5,530,734	-	-
BCRA (Central Bank of Argentina)	8,307,482	-	-	-	-	-
Other financial institutions	-	5,530,734	-	5,530,734	-	-
Other financial assets	4,018,739	-	-	-	-	-
Loans and other financing	10,557,892	-	-	-	-	-
BCRA (Central Bank of Argentina)	89	-	-	-	-	-
Other financial institutions	1,247	-	-	-	-	-
Nonfinancial private sector and residents abroad	10,556,556					
Overdrafts	2,243,893	-	-	-	-	-
Notes	3,455,055	-	-	-	-	-
Mortgage loans	234,294	-	-	-	-	-
Collateral loans	58,020	-	-	-	-	-
Personal loans	17,744	-	-	-	-	-
Finance leases	4,166	-	-	-	-	-
Other	4,543,381	-	-	-	-	-
Other debt securities	17,715,912	-	-	-	-	-
Financial assets delivered in guarantee	-	1,147,722	-	1,147,722	-	-
Investments in equity instruments	-	37,144	-	-	37,144	-
Total financial assets	65,950,229	10,775,861	-	10,738,717	37,144	-

JOSÉ A. BENEGAS LYNCH  
Chairman

**EXHIBIT “P”**  
(contd.)

**CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Items	Amortized cost	Fair value through profit or loss		Fair value rank		
		Initially measured at fair value or subsequently under IFRS 9, point 6.7.1.	Mandatory measurement	Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits	51,807,323	-	-	-	-	-
Financial sector	2,089	-	-	-	-	-
Nonfinancial private sector and residents abroad						
Checking accounts	2,157,748	-	-	-	-	-
Savings accounts	46,053,042	-	-	-	-	-
Certificates of deposit and term investments	2,653,131	-	-	-	-	-
Other	941,311	-	-	-	-	-
Liabilities at fair value through profit or loss	-	128,257	-	128,257	-	-
Other financial liabilities	11,903,231	-	-	-	-	-
Financing received from financial institutions	2,034,723	-	-	-	-	-
Corporate bonds issued	99,128	-	-	-	-	-
Total financial liabilities	65,844,405	128,257	-	128,257	-	-

**CONSOLIDATED BREAKDOWN OF PROFIT OR LOSS  
AS OF DECEMBER 31, 2021 AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Items	2021	2020
<b>Interest and adjustment from application of the effective interest rate on financial assets measured at amortized cost</b>		
<b>Interest income</b>		
From government securities	2,563,889	6,160,601
From private securities	670,023	402,988
From loans and other financing		
Financial sector	-	1,482
Personal loans	12,605	20,780
Overdrafts	2,082,407	1,333,449
Notes	2,368,986	1,433,139
Mortgage loans	76,651	122,023
Collateral loans	22,360	9,354
Other	223,880	171,369
Finance leases	85,317	35,168
From repo transactions	460,682	909,082
Other	130,530	109,744
<b>Total</b>	<b>8,697,330</b>	<b>10,709,179</b>
<b>Interest expense</b>		
From deposits		
Checking accounts	(3,844,402)	(3,415,237)
Savings accounts	(21,362)	(29,799)
Certificates of deposit and term investments	(652,279)	(968,411)
From repo transactions	(4,356)	(10,720)
Other financial institutions	(59,503)	(156,594)
From corporate bonds	(29,521)	(96,649)
<b>Total</b>	<b>(4,611,423)</b>	<b>(4,677,410)</b>
<b>Total interest and adjustments by application of rate measured at amortized cost</b>	<b>4,085,907</b>	<b>6,031,769</b>
<b>Arising from the measurement of financial instruments at fair value through profit or loss</b>		
Profit from government securities	2,386,243	3,036,856
(Loss) from private securities	216,762	26,697
Profit (loss) from investments in equity instruments	(188,789)	(654,376)
Profit (loss) from derivatives	(7,038)	(99)
Loss from the sale of financial assets	(41)	-
<b>Subtotal</b>	<b>2,407,137</b>	<b>2,409,078</b>
<b>Total arising from the measurement at fair value through profit or loss</b>	<b>2,407,137</b>	<b>2,409,078</b>

**EXHIBIT “Q”**  
**(contd.)**

**CONSOLIDATED BREAKDOWN OF PROFIT OR LOSS**  
**AS OF DECEMBER 31, 2021 AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

<b>Items</b>	<b>2021</b>	<b>2020</b>
<b>Commission income</b>		
Commission for guarantees granted	33,457	43,011
Commissions for collection management services	45,687	37,062
Commissions from receivables	125,086	75,954
Commissions from corporate bonds	51,190	50,363
Commissions from foreign exchange transactions	16,655	21,455
Commissions from securities	192,304	253,177
<b>Total commission income</b>	<b>464,379</b>	<b>481,022</b>

**EXHIBIT "R"**

**CONSOLIDATED LOAN ALLOWANCE AS OF DECEMBER 31, 2021 AND 2020**

(Translation of consolidated financial statements originally issued in Spanish – see note 38)  
(Figures stated in thousands of Argentine pesos)

Items	Balances at beginning of year	Increases (1)	Decreases		Monetary loss from the allowance	12/31/2021	12/31/2020
			Reversals	Uses			
Loans and other financing	<b>975,447</b>	<b>258,093</b>	<b>83,444</b>	<b>26,752</b>	<b>(362,568)</b>	<b>760,776</b>	<b>975,447</b>
Other financial institutions	136	205,483	-	-	(28,502)	177,117	136
Nonfinancial private sector and residents abroad	<b>975,311</b>	<b>52,610</b>	<b>83,444</b>	<b>26,752</b>	<b>(334,066)</b>	<b>583,659</b>	<b>975,311</b>
Overdrafts	298,479	30,100	-	5,048	(104,904)	218,627	298,479
Notes	439,165	17,228	53,391	17,973	(148,217)	236,812	439,165
Mortgage loans	54,082	-	29,753	-	(18,253)	6,076	54,082
Collateral loans	606	764	-	-	(311)	1,059	606
Personal loans	6,665	797	300	3,731	(2,361)	1,070	6,665
Other	176,314	3,721	-	-	(60,020)	120,015	176,314
Finance leases	<b>7,040</b>	<b>6,092</b>	-	<b>6,758</b>	<b>(3,220)</b>	<b>3,154</b>	<b>7,040</b>
Private securities	<b>5,119</b>	<b>3,050</b>	-	-	<b>(2,150)</b>	<b>6,019</b>	<b>5,119</b>
<b>TOTAL PROVISIONS</b>	<b>987,606</b>	<b>267,235</b>	<b>83,444</b>	<b>33,510</b>	<b>(367,938)</b>	<b>769,949</b>	<b>987,606</b>

(1) Including the loss from the revaluation of the loan loss allowances related to the financing portfolio in US dollars, which is disclosed under "Foreign exchange difference".

