

### Ratings

<b>National</b>	
<b>Long-term debt</b>	A+(arg)
<b>Short-term debt</b>	A1(arg)
<b>Class 13 Notes for up to \$400 million</b>	A+(arg)

### Outlook

**Long Term National Rating: Negative**

### Financial Data:

Accounting Standards	IFRS	IFRS
Million	12/31/2019	12/31/2018
Assets (USD)	532.7	418.5
Assets (Pesos)	31,905.9	15,822.8
Net Equity (Pesos)	3,754.8	2,174.1
Net Result (Pesos)	1086.5	316.3
Other Comprehensive Result (Pesos)	635.6	538.2
ROA (%)	7.3	6.3
ROE (%)	59.5	48.4
Equity/Assets (%)	11.4	13.7

BCRA reference exchange rate: 12/31/2019= 59.90 and 12/31/2018=37.81

### Related Criteria:

Methodology for rating financial institutions filed with the Argentine Securities & Exchange Commission (*Comisión Nacional de Valores - CNV*)

### Related reports:

Fix (an affiliate of Fitch) downgraded the outlook for the Financial System and Insurance sector to Negative

### Analysts

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### Profile

Banco CMF S.A. (CMF) is a domestic bank, whose operations are focused on a specific market niche. The bank's strategy is rendering integrated high-quality financial assistance to a reduced customer base with a small and highly-rated structure. The bank's subsidiaries are Metrocorp Valores S.A., Euro Bank Ltd. and CMF Asset Management S.A.U.

### Key Rating Factors

**Deteriorated operational context:** As a consequence of the health emergency and within a framework of high macro-economic vulnerability and public debt restructuring, the Rating Agency anticipates the domestic economic activity and payment chain will be greatly affected. FIX (an affiliate of Fitch Ratings) – hereafter "FIX" – will monitor banks' performance and its possible effect on current ratings.

**Improved performance:** As of December 2019, banks showed a y-o-y return increase in the net result (ROA: 4.6 at December vs. 2.3% at December 2018) mainly due to its operations with liquidity bills (Leliqs) of the Central Bank (BCRA), which gradually increased in volume since the end of 2018. However, at December 2019, the Bank's position in Leliqs decreased (from a 50.9% of Assets at July 2019 to 19.7% at December 2019), whereas part of its liquidity was allocated to Repos with the BCRA.

**Loan book concentration:** The bank's loan portfolio shows a higher degree of concentration in the loan portfolio (ten major clients representing 33.6% at December 2019 vs. 23.4% at December 2018), while the following fifty major clients account for 48.5% of the total loan portfolio (vs. 43.9% at December 2018). FIX considers this factor poses a risk to the Bank.

**Good asset quality:** Non-performing loans remain low (Impaired Loans (NPLs) / Gross Loans: 1.3), standing below the domestic private banks' average (4.6%). Besides, the Bank's loan loss coverage over gross loans, given their concentration, is adequate (6.4 % as of December 2019) and high in terms of its impaired loan portfolio (498.7%), which might allow to partially mitigate possible rises in non-performing loan ratios in the current adverse scenario. Fix considers that non-performing loans, as well as the whole financial system, will be under pressure given the macroeconomic context.

**Concentration of funding:** CMF's funding derives largely from its deposits and, to a lesser degree, from international entity loans, corporate notes, repos and interbank loans. Its concentration of funding (the ten major depositors representing about 52.18% of all deposits) is high, which, as in the rest of the financial system, is composed of short-term deposits. The Rating Agency considers this concentration is typical of the bank's business model and, therefore, it is not expected to vary.

**Tight liquidity:** The bank's individual immediate liquidity (Cash Assets + Leliqs + Calls + Repos / Total Deposits + Financial Liabilities due within one year) stood at 30.1% at December 2019, and is considered tight in terms of its funding concentration. Considering both the loans and financial liabilities maturing in 90 days, the bank's broad liquidity stands at 91.7%.

**Low exposure to the public sector:** As of December, 2019, the Bank's only exposure to the public sector was in treasury bonds for \$3,625.8 million, equal to 11.4% of the assets and Net Equity. However, 92.5% is composed of BCRA Leliqs. Excluding these bills, the exposure would be 0.9% of the assets and 7.3 of net equity.

**Good capitalization:** CMF has maintained adequate capitalization ratios in recent years (Tier 1 capital ratio: 44.1% at December 2019 and tangible equity/tangible assets: 11.4%, in line with the system). FIX will monitor that the bank maintains sound solvency levels allowing it to face the current stress scenario.

### **Rating Sensitivities**

**Operational environment:** Increased volatility in economic and financial variables leading to a deeper deterioration of the operational environment may adversely affect the Bank's ratings. On the contrary, an operational context tending to lower uncertainty, inflation slow down, as well as recovery of the economic activity and demand for credit might lead to an outlook upgrade to Stable.

**Annex I**
**Banco CMFS.A.- Income Statement**

Accounting Standards	IFRS		IFRS		Professional Accounting Standard		Professional Accounting Standard	
	31 Dec 2019		31 Dec 2018		31 Dec 2017		31 Dec 2016	
	YearEnd ARSm Original	As % of Earning Assets	YearEnd ARSm Original	As % of Earning Assets	YearEnd ARSm Original	As % of Earning Assets	YearEnd ARSm Original	As % of Earning Assets
1. Interest Income on Loans	2,029.9	11.40	1,927.8	19.29	942.3	11.32	1,027.7	18.27
2. Other Interest Income	4,160.3	23.36	780.1	7.81	137.8	1.66	1.9	0.03
3. Dividend Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>4. Gross Interest and Dividend Income</b>	<b>6,190.2</b>	<b>34.76</b>	<b>2,707.9</b>	<b>27.09</b>	<b>1,080.1</b>	<b>12.98</b>	<b>1,029.6</b>	<b>18.31</b>
5. Interest Expense on Customer Deposits	2,994.6	16.81	939.9	9.40	276.2	3.32	258.0	4.59
6. Other Interest Expense	393.7	2.21	517.3	5.18	281.3	3.38	174.9	3.11
<b>7. Total Interest Expense</b>	<b>3,388.3</b>	<b>19.02</b>	<b>1,457.1</b>	<b>14.58</b>	<b>557.5</b>	<b>6.70</b>	<b>432.8</b>	<b>7.70</b>
<b>8. Net Interest Income</b>	<b>2,801.9</b>	<b>15.73</b>	<b>1,250.7</b>	<b>12.51</b>	<b>522.6</b>	<b>6.28</b>	<b>596.7</b>	<b>10.61</b>
9. Net Gains (Losses) on Trading and Derivatives	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Net Gains (Losses) on other Securities	n.a.	-	n.a.	-	n.a.	-	123.3	2.19
11. Net Gains (Losses) on Assets at FV through Income Statement	94.7	0.53	220.9	2.21	75.4	0.91	n.a.	-
12. Net Insurance Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Income from services	164.6	0.92	129.3	1.29	127.8	1.54	126.7	2.25
14. Other Operating Income/Expenses	-98.9	-0.56	-60.4	-0.60	61.1	0.73	-37.4	-0.67
<b>15. Total Non-Interest Operating Income</b>	<b>160.4</b>	<b>0.90</b>	<b>289.8</b>	<b>2.90</b>	<b>264.3</b>	<b>3.18</b>	<b>212.5</b>	<b>3.78</b>
16. Personnel Expenses	560.1	3.14	352.0	3.52	248.4	2.98	224.5	3.99
17. Other Administrative Expenses	855.5	4.80	524.9	5.25	332.7	4.00	205.2	3.65
<b>18. Total Administrative Expenses</b>	<b>1,415.6</b>	<b>7.95</b>	<b>876.9</b>	<b>8.77</b>	<b>581.1</b>	<b>6.98</b>	<b>429.8</b>	<b>7.64</b>
19. Equity-accounted Profit/ Loss - Operating	1.8	0.01	0.7	0.01	0.2	0.00	2.2	0.04
<b>20. Pre-Impairment Operating Profit</b>	<b>1,548.5</b>	<b>8.69</b>	<b>664.3</b>	<b>6.65</b>	<b>206.0</b>	<b>2.47</b>	<b>381.7</b>	<b>6.79</b>
21. Loan Impairment Charge	202.6	1.14	213.6	2.14	79.9	0.96	34.9	0.62
22. Securities and Other Credit Impairment Charges	n.a.	-	n.a.	-	n.a.	-	-0.1	0.00
<b>23. Operating Profit</b>	<b>1,345.9</b>	<b>7.56</b>	<b>450.7</b>	<b>4.51</b>	<b>126.1</b>	<b>1.51</b>	<b>346.9</b>	<b>6.17</b>
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	-	n.a.	-	n.a.	-	7.5	0.13
26. Non-recurring Expense	n.a.	-	n.a.	-	n.a.	-	14.3	0.25
27. Change in Fair Value of Own Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-recurring Income/Expense	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>29. Pre-tax Profit</b>	<b>1,345.9</b>	<b>7.56</b>	<b>450.7</b>	<b>4.51</b>	<b>126.1</b>	<b>1.51</b>	<b>340.0</b>	<b>6.04</b>
30. Income tax	259.5	1.46	134.4	1.34	0.7	0.01	66.0	1.17
31. Profit/Loss from Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>32. Net Income</b>	<b>1,086.5</b>	<b>6.10</b>	<b>316.3</b>	<b>3.17</b>	<b>125.4</b>	<b>1.51</b>	<b>274.0</b>	<b>4.87</b>
33. Change in Value of AFS Investments	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Revaluation of Fixed Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	635.6	3.57	538.2	5.39	81.5	0.98	n.a.	-
36. Remaining OCI Gains/(losses)	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>37. Fix Scr Comprehensive Income</b>	<b>1,722.1</b>	<b>9.67</b>	<b>854.6</b>	<b>8.55</b>	<b>206.9</b>	<b>4.49</b>	<b>274.0</b>	<b>4.87</b>
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	1,086.5	6.10	316.3	3.17	125.4	1.51	274.0	4.87
40. Memo: Common Dividends Relating to the Period	n.a.	-	n.a.	-	n.a.	-	n.a.	-
41. Memo: Preferred Dividends Related to the Period	n.a.	-	n.a.	-	n.a.	-	n.a.	-

**BancoCMFS.A. - Balance Sheet**  
ACCOUNTING STANDARDS

	IFRS		IFRS		Professional Accounting Standards		Professional Accounting Standards	
	31 Dec 2019		31 Dec 2018		31 Dec 2017		31 Dec 2016	
	YearEnd ARSm Original	As % of Assets	YearEnd ARSm Original	As % of Assets	YearEnd ARSm Original	As % of Assets	YearEnd ARSm Original	As % of Assets
<b>Assets</b>								
<b>A. Loans</b>								
1. Residential Mortgage Loans	102.2	0.32	107.6	0.68	39.0	0.33	177.5	2.06
2. Other Mortgage Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer / Retail Loans	84.0	0.26	473.9	2.99	929.5	7.82	1,165.3	13.50
4. Corporate & Commercial Loans	3,262.8	10.23	3,084.1	19.49	2,573.3	21.65	1,157.9	13.41
5. Other Loans	1,670.6	5.24	1,893.1	11.06	1,408.2	11.85	869.4	10.07
6. Less: Reserves for Impaired Loans/ NPLs	397.3	1.25	259.0	1.64	153.6	1.29	110.2	1.28
7. Net Loans	4,722.3	14.80	5,299.8	33.49	4,796.4	40.36	3,259.9	37.76
8. Gross Loans	5,119.7	16.05	5,558.7	35.13	4,950.0	41.65	3,370.0	39.63
9. Memo: Impaired Loans included above	79.7	0.25	53.2	0.34	61.3	0.52	58.2	0.67
10. Memo: Loans at Fair Value included above	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>B. Other Earning Assets</b>								
1. Loans and Advances to Banks	11.5	0.04	130.7	0.83	89.0	0.75	150.5	1.74
2. Reverse Repos and Cash Collateral	6,159.1	19.30	410.1	2.59	332.3	2.80	n.a.	-
3. Trading Securities and at FV through Income	5,113.6	16.03	644.0	4.07	657.6	5.53	109.4	1.27
4. Derivatives	33.0	0.10	196.9	1.24	77.3	0.65	n.a.	-
5. Available for Sale Securities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Held to Maturity Securities	431.0	1.35	2,742.1	17.33	915.4	7.70	199.3	2.31
7. At-equity Investments in Associates	34.2	0.11	5.7	0.04	4.3	0.04	100.7	1.17
8. Other Investments	1,305.7	4.09	564.7	3.57	1,451.5	12.21	228.3	2.64
9. Total Securities	13,076.6	40.98	4,563.7	28.84	3,438.4	28.93	637.7	7.39
10. Memo: Government Securities included Above	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Memo: Total Securities Pledged	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	-	n.a.	-	n.a.	-	1,576.4	18.26
15. Total Earning Assets	17,810.4	55.82	9,994.1	63.16	8,323.7	70.04	5,624.4	65.14
<b>C. Non-Earning Assets</b>								
1. Cash and Due From Banks	13,543.3	42.45	5,383.1	34.02	3,098.0	26.07	2,854.9	33.07
2. Memo: Mandatory Reserves included above	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	-	n.a.	-	n.a.	-	89.7	1.04
4. Fixed Assets	332.2	1.04	329.4	2.08	327.2	2.75	26.1	0.30
5. Goodwill	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	0.4	0.00	0.7	0.00	1.2	0.01	1.9	0.02
7. Current Tax Assets	4.8	0.02	0.5	0.00	32.6	0.27	n.a.	-
8. Deferred Tax Assets	113.7	0.36	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	101.1	0.32	115.0	0.73	100.9	0.85	36.8	0.43
11. Total Assets	31,905.9	100.0	15,822.8	100.0	11,883.6	100.00	8,633.9	100.00
<b>Liabilities and Equity</b>								
<b>D. Interest-Bearing Liabilities</b>								
1. Customer Deposits - Current	2,984.3	9.35	1,554.3	9.82	497.9	4.19	266.7	3.09
2. Customer Deposits - Savings	12,770.1	40.02	6,013.4	38.00	3,562.6	29.98	2,690.8	31.17
3. Customer Deposits - Term	4,620.2	14.48	2,607.3	16.48	1,791.5	15.08	1,766.2	20.46
4. Total Customer Deposits	20,374.6	63.86	10,175.1	64.31	5,852.0	49.24	4,732.7	54.71
5. Deposits from Banks	1,571.9	4.93	1,534.9	9.70	1,141.2	9.60	129.5	1.50
6. Repos and Cash Collateral	n.a.	-	n.a.	-	370.5	3.12	n.a.	-
7. Other Deposits and Short-term Borrowings	0.8	0.00	0.3	0.00	362.8	3.05	64.7	0.75
8. Total Deposits, Money Market and Short-term Funding	21,947.2	68.79	11,710.3	74.01	7,726.7	65.02	4,917.8	56.96
9. Senior Debt Maturing after 1 Year	86.1	0.27	602.8	3.81	757.0	6.37	1,258.2	14.57
10. Subordinated Borrowing	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Other Funding	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	86.1	0.27	602.8	3.81	757.0	6.37	1,258.2	14.57
13. Derivatives	15.3	0.05	37.1	0.23	n.a.	0.07	n.a.	-
14. Trading Liabilities	5,440.3	17.05	809.3	5.12	1,358.8	11.43	1,245.6	14.43
15. Total Funding	27,488.8	86.16	13,159.6	83.17	9,850.6	82.89	7,421.6	85.96
<b>E. Non-Interest Bearing Liabilities</b>								
1. Fair Value Portion of Debt	2.0	0.01	115.6	0.73	453.00	3.81	n.a.	-
2. Credit impairment reserves	n.a.	-	n.a.	-	15.1	-	n.a.	-
3. Other reserves	1.3	0.00	n.a.	-	37.0	-	n.a.	-
4. Current Tax Liabilities	311.0	0.97	116.5	0.74	n.a.	0.13	n.a.	-
5. Deferred Tax Liabilities	n.a.	-	20.7	-	n.a.	0.31	n.a.	-
6. Other Deferred Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	357.0	1.12	236.4	1.49	138.7	1.17	115.2	1.33
10. Total Liabilities	28,160.1	88.26	13,648.7	86.26	10,494.4	88.31	7,536.6	87.29
<b>F. Hybrid Capital</b>								
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>G. Equity</b>								
1. Common Equity	3,727.6	11.68	2,162.2	13.67	1,382.6	11.63	1,091.8	12.65
2. Non-controlling Interest	18.1	0.06	11.9	0.08	6.6	0.06	5.3	0.06
3. Securities Revaluation Reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	3,745.8	11.74	2,174.1	13.74	1,389.2	11.59	1,097.1	12.71
7. Total Liabilities and Equity	31,905.9	100.00	15,822.8	100.00	11,883.6	100.00	8,633.9	100.00
8. Memo: Fitch Core Capital	3,631.7	11.38	2,173.4	13.74	1,388.0	11.68	1,095.1	12.68
9. Memo: Fitch Core Eligible Capital	3,631.7	11.38	2,173.4	13.74	1,388.0	11.68	1,095.1	12.68

**BancoCMFS.A.**

**Ratios**

Accounting Standards	IFRS	IFRS	GAAP	GAAP
	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
	YearEnd	YearEnd	YearEnd	YearEnd
<b>A. Interest Ratios</b>				
1. Interest Income on Loans/ Average Gross Loans	39.46	35.88	19.04	35.17
2. Interest Expense on Customer Deposits/ Average Customer Deposits	19.19	12.64	4.72	6.60
3. Interest Income/ Average Earning Assets	43.08	30.40	12.98	21.49
4. Interest Expense/ Average Interest-bearing Liabilities	17.02	13.19	5.66	7.17
5. Net Interest Income/ Average Earning Assets	19.50	14.04	6.28	12.46
6. Net Interest Inc. Less Loan Impairment Charges/ Average Earning Assets	18.09	11.64	15.32	11.73
7. Net Interest Inc. Less Preferred Stock Dividend/ Average Earning Assets	19.50	14.04	6.28	12.46
<b>B. Other Operating Profitability Ratios</b>				
1. Non-Interest Income/ Gross Revenues	5.41	18.81	33.59	26.26
2. Non-Interest Expense/ Gross Revenues	47.79	56.92	73.85	53.11
3. Non-Interest Expense/ Average Assets	6.03	6.47	4.89	5.97
4. Pre-impairment Operating Profit/ Average Equity	53.48	37.62	14.83	36.71
5. Pre-impairment Operating Profit/ Average Total Assets	6.60	4.90	1.73	5.30
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	13.08	32.15	38.80	9.13
7. Operating Profit/ Average Equity	46.48	25.53	9.07	33.36
8. Operating Profit/ Average Total Assets	5.73	3.33	1.06	4.82
9. Taxes/ Pre-tax Profit	19.28	29.82	0.52	19.40
10. Pre-Impairment Operating Profit / Risk Weighted Assets	18.33	8.02	3.22	6.75
11. Operating Profit / Risk Weighted Assets	15.93	5.44	1.97	6.13
<b>C. Other Profitability Ratios</b>				
1. Net Income/ Average Total Equity	37.52	17.92	9.03	26.35
2. Net Income/ Average Total Assets	4.63	2.33	1.06	3.81
3. Fitch Comprehensive Income/ Average Total Equity	59.47	48.40	14.90	26.35
4. Fitch Comprehensive Income/ Average Total Assets	7.34	6.30	1.74	3.81
5. Net Income/ Av. Total Assets plus Av. Managed Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	12.86	3.82	1.96	4.84
7. Fitch Comprehensive Income/ Risk Weighted Assets	20.39	10.32	3.24	4.84
<b>D. Capitalization</b>				
1. Fitch Core Capital/Weighted Risks	42.99	26.25	21.71	19.35
3. Tangible Common Equity/ Tangible Assets	11.42	13.74	11.68	12.69
4. Tier 1 Regulatory Capital Ratio	44.13	26.12	17.60	18.73
5. Total Regulatory Capital Ratio	40.07	25.34	18.31	19.32
7. Equity/ Total Assets	11.74	13.74	11.69	12.71
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	54.7
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	n.a.	54.7
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	29.01	14.55	9.03	11.30
<b>E. Loan Quality</b>				
1. Growth of Total Assets	101.64	33.15	37.64	33.29
2. Growth of Gross Loans	(7.90)	12.30	46.88	29.01
3. Impaired Loans(NPLs)/ Gross Loans	1.29	0.93	1.13	1.40
4. Reserves for Impaired Loans/ Gross loans	6.43	4.52	2.83	2.65
5. Reserves for Impaired Loans/ Impaired Loans	498.72	486.57	250.73	189.24
6. Impaired Loans less Reserves for Impaired Loans/ Equity	(8.48)	(9.46)	(6.65)	(4.74)
7. Loan Impairment Charges/ Average Gross Loans	3.94	3.97	1.61	1.19
8. Net Charge-offs/ Average Gross Loans	1.48	2.34	0.33	0.23
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	1.29	0.93	1.13	3.49
<b>F. Funding</b>				
1. Loans/ Customer Deposits	25.13	54.63	84.59	71.34
2. Interbank Assets/ Interbank Liabilities	0.73	8.52	7.80	116.23
3. Customer Deposits/ Total Funding excl Derivatives	74.16	77.54	59.46	63.65

## **Annex II**

### **OPINION**

The Rating Committee of FIX SCR S.A. AGENTE DE CALIFICACIÓN DE RIESGO (an affiliate of Fitch Ratings) – CNV Reg. No. 9, at a meeting held on May 4, 2020, **confirmed\*** the following ratings on Banco CMF S.A.:

-Long-Term Debt: **A+(arg)**, with **Negative** outlook.

-Short-Term Debt: **A1(arg)**.

- Class 13 Notes for up to \$50 million (which may be increased to 400 million): **A+(arg)**, with **Negative** outlook

The rating on Banco CMF S.A. (CMF) reflects the adequate historical performance and franchise in the segment it specializes in (medium-sized companies), its adequate credit quality, its concentration of funding, its tight liquidity base considering its funding structure and its robust capitalization in relation to the type of business it develops.

The Negative Outlook on Banco CMF S.A.'s long-term rating is in line with the outlook for the financial industry, due to an accelerated deterioration of the operational environment and the high volatility in macro-economic and financial variables. In general, banks' performance is expected to decline, which will affect their profitability ratios and capitalization levels due to an increase in non-performing loans, the impact on their investment portfolios given their positions in treasury bonds whose market prices fell sharply, the high cost of funding, and the difficulties, in some cases, to access to the capital markets.

**Category A(arg)**: Indicates a sound credit quality compared to other issuers or issues in the same country. However, changes in economic scenarios or conditions could affect the timely repayment capacity of financial commitments in this category to a larger extent than those with higher ratings.

Suffixes "+" or "-" may be appended to a rating to denote a higher or lower relative status within the relevant rating category and do not alter the definition of the Category to which they are added.

**Category A1(arg)**: Indicates a very strong capacity for timely payment of financial commitments compared to other issuers or issues in the same country. When the characteristics of the issuer or issue are particularly robust the suffix "+" is added to the category.

CMF's financial statements are prepared in compliance with the accounting standards established by the Banco Central de la República Argentina (BCRA). Our analysis of the bank's condition is based on the consolidated financial statements as of December 31, 2019, audited by Pistrelli, Henry Martin y Asociados S.R.L, a member firm of Ernst & Young Global, who issued an unqualified auditor's report, even though it mentions differences between the professional accounting standards and those established by the BCRA. Without modifying its conclusion, it draws attention to the information included in Note 2, which indicates that the BCRA established specific provisions for financial entities regarding the implementation of IFRS 9, section 5.5 "Impairment". In this respect, it highlights that the Bank is in process of final revision of the effect the full implementation of such standard might have on the financial statements, but estimates the impact might be significant. Regarding the effects of IAS 29, it indicates that even though as of December 31, 2019, the conditions established under such standard for the restatement of the financial statements in terms of a currency adjusted for inflation were met, Communication "A" 6651 of the BCRA does not allow such restatement. However, despite the fact that the Bank is currently performing the final review of its effects on the financial statements, it estimates they might be considerable. Also, the Bank alerts that non-recognition of the changes in the currency's general

purchasing power may distort the accounting information, and should be taken into account to interpret the information the entity discloses in its financial statements.

This abridged report is complementary to the full rating report dated July 15, 2019, available at [www.fixscr.com](http://www.fixscr.com), and contemplates the major changes occurred over the period under analysis. The following chapters are not included in this report since no material changes have taken place since the last full report: Profile, Performance, Risks and Sources of Funds and Capital.

\* When a rating is confirmed, the previous rating is the same as the one published in this report.

**Information Sources**

The data obtained for the analysis are considered adequate and sufficient.

This rating was based both on the following private and public information:

- Condensed consolidated financial statements (latest dated December 31, 2019), available at [www.cnv.gob.ar](http://www.cnv.gob.ar)
- Notes pricing supplement, available at [www.cnv.gob.ar](http://www.cnv.gob.ar)

**Annex III**

**Debt Issuance Data**

Class 13 Notes for up to \$ 400 million

These are Notes that jointly with Class 12 Notes may not exceed \$400 million, at a floating interest rate and a minimum interest rate for the first three months, maturing in 36 months. Class 13 Notes bear interest on the outstanding principal amount at an annual floating nominal rate resulting from the sum of (i) the Reference Rate (BADLAR) applicable to the respective period; plus (ii) an annual nominal spread margin to be determined based on the result of the Notes offering process and reported in the Notice of Results; provided, however, that in the First Interest Accrual Period, the interest rate payable on the Notes may not be lower than the minimum interest rate. This means that if the applicable interest rate is lower than the minimum interest rate, the Notes in the first interest accrual period will bear interest according to the latter rate. The “Minimum Interest Rate” is the interest that the Notes will bear from the Issuance Date until the expiration of the third (3<sup>rd</sup>) month (included) based on the interest rate to be informed to investors in the supplementary Subscription Notice. The notes will bear Interest on a quarterly basis and the principal amount will be repaid in a single payment upon maturity.

Class 13 Notes were issued on February 19, 2018 for an aggregate amount of \$ 150,000,000,000. These Notes will bear interest on a quarterly basis at a floating rate composed of the Private Banks Badlar rate plus 350 basis points. The principal amount will be fully repaid in a single payment upon maturity, i.e., on February 19, 2021.

## **Annex IV**

### **Glossary:**

*ROE*: Return on Equity.

*ROA*: Return on Assets.

*Fitch Core Capital (FCC)*: The Bank's equity (including third parties' holdings in subsidiaries) less intangible assets, deferred taxes, net assets in insurance companies and trust certificates.

*Regulatory Tier 1 Capital Ratio*: Ordinary Tier 1 Capital / Total Risk-Weighted Assets

*BCRA*: Banco Central de la República Argentina.

The aforementioned ratings were requested by the issuer, or in its behalf. Therefore, FIX SCR S.A. AGENTE DE CALIFICACIÓN DE RIESGO (affiliate of Fitch Ratings)", hereinafter FIX SCR S.A. or the risk rating agency, has received the fees for the provision of the rating services.

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