

Update Report

Ratings

Long-term debt	A+(arg)
Short-term debt	A1(arg)

Outlook

Long Term National Rating: Stable

Financial Data:

Banco CMF S.A		
Million	Dic. 30, 2021	Dic. 30, 2020
Assets (USD)*	623.1	785.9
Assets (Pesos)	62,772.9	79,177.9
Net Equity (Pesos)	11,494.0	11,487.1
Net Result (Pesos)	737.4	2,776.1
ROA (%)	1.2	3.8
ROE (%)	6.5	26.9
Equity/Assets (%)	18.3	14.3

Financial statements in constant currency of Dec. 31 2021
 *BCRA reference exchange rate:12/31/2021= 102.75

Related Criteria:

Methodology for rating financial institutions filed with the Argentine Securities & Exchange Commission (Comisión Nacional de Valores - CNV), June 2014

Related reports:

Fix (an affiliate of Fitch) upgrades to Stable the outlook for the Financial System, September 15, 2021

Comprehensive Report Banco CMF S.A. July 28, 2021

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Banco CMF S.A

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

Reasonable performance: As of December 2021, the Bank' net result continued its improving trend in the last two quarters of the fiscal year (ROA: 1.2% and ROE: 6.5%) fueled by brokerage margin improvement due to the increase in loans. However, the Bank's profitability ratio in constant currency is below the levels reported as of December 2020, mainly due to excess liquidity still prevailing in the entities' results and the lower net result from government security interest, coupled with increased operating expenses and the impact of the result on the net monetary position as a consequence of high inflation rates. FIX considers that the improvement in CMF's profitability ratios, as in all the system, will depend on credit demand recovery, which is still affected by the uncertainty regarding future macroeconomic conditions.

Loan book concentration: The bank's ten major clients concentrate 32% of the loan portfolio, while the following fifty major clients account for 47%. FIX considers this factor poses risk to the Bank, which is currently restricted by the low exposure of assets to credit risk of the private non-financial sector (25.5%) and expects the degree of concentration will decline as the loan portfolio continues to grow. However, in the medium term loan concentrations are expected remain above the system's average due to CMF's strategy and business model which focuses on providing a specialized service to Medium/Large Enterprises (*Megras*, by its acronym in Spanish).

Good asset quality: Given the segment in which the Bank operates, non-performing loans ratio has been historically low, accounting for 0.1% of total loans as of December 2021 (0.4% as of December 2020), standing below the average of domestic private banks. Besides, the Bank's loan loss reserve coverage is ample, which might allow to mitigate possible rises in non-performing loan ratios in the current uncertain scenario. Fix considers that non-performing loans, as well as the whole financial system, may be affected by the still unstable macroeconomic context.

Concentration of funding: CMF's funding derives largely from its deposits (69.3% of assets as of December 2021) which represents a high concentration of funding (the 10 major depositors representing 47% of all deposits), 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 expected to continue.

Good liquidity coverage ratio: The bank's individual immediate liquidity (Cash Assets + Leliqs + Calls + Repos) covers 42.4% of deposits and financial liabilities due within one year as of December 2021. The Bank's broad liquidity, considering matching between assets and liabilities maturing in 90 days, stood at 92.0%.

Moderate exposure to the Public Sector: As of December, 2021, the Bank's exposure to the public sector debt was equal to 11.0% of assets and 60.2% of net equity. 18.5% is composed of BCRA Leliqs. Excluding these bills, the exposure would be 9.0% of assets and 49.1% of net equity.

Good capitalization: CMF has maintained adequate capitalization ratios in recent years (Tier 1 capital ratio: 41% as of December 2021 and tangible equity/tangible assets: 18.3%). FIX will monitor that the bank maintains sound solvency levels allowing it to face the current imbalances in macroeconomic variables that provide increased volatility in entities' operational environment.

Banco CMF S.A.

April 19, 2022

Rating Sensitivities

Funding and business diversification. A significant improvement in funding diversification, both in its concentration per creditor and a lower dependence on institutional funding might lead to an upgrade in the Bank's rating.

Capitalization and liquidity. A sharp impairment in solvency, asset quality and/or liquidity related to its funding concentration might lead to a rating downgrade.

Annex I
Banco CMF S.A.- Income Statement

	Constant Currency		Constant Currency		Constant Currency		Historical Cost		Historical Cost	
	31 Dec 2021		31 Dec 2020		31 Dec 2019		31 Dec 2018		31 Dec 2017	
	Year End ARS m Original	As % of Earning Assets								
1. Interest Income on Loans	4,786.9	11.62	3,090.1	6.01	4,381.5	11.97	1,927.8	19.29	942.3	11.32
2. Other Interest Income	3,910.4	9.49	7,619.1	14.82	11,429.2	31.23	780.1	7.81	137.8	1.66
3. Dividend Income	n.a.	-								
4. Gross Interest and Dividend Income	8,697.3	21.11	10,709.2	20.84	15,810.7	43.20	2,707.9	27.09	1,080.1	12.98
5. Interest Expense on Customer Deposits	4,518.0	10.96	4,413.4	8.59	7,670.4	20.96	939.9	9.40	276.2	3.32
6. Other Interest Expense	93.4	0.23	264.0	0.51	1,029.7	2.81	517.3	5.18	281.3	3.38
7. Total Interest Expense	4,611.4	11.19	4,677.4	9.10	8,700.2	23.77	1,457.1	14.58	557.5	6.70
8. Net Interest Income	4,085.9	9.92	6,031.8	11.74	7,110.5	19.43	1,250.7	12.51	522.6	6.28
9. Net Gains (Losses) on Trading and Derivatives	n.a.	-								
10. Net Gains (Losses) on other Securities	n.a.	-								
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	-	2,409.1	4.69	181.8	0.50	220.9	2.21	75.4	0.91
12. Net Insurance Income	n.a.	-								
13. Net Income from services	461.4	1.12	480.0	0.93	416.1	1.14	129.3	1.29	127.8	1.54
14. Other Operating Income/Expenses	3,552.0	8.62	1,006.0	1.96	-364.8	-1.00	-60.4	-0.60	61.1	0.73
15. Total Non-Interest Operating Income	4,013.4	9.74	3,895.1	7.58	233.1	0.64	289.8	2.90	264.3	3.18
16. Personnel Expenses	1,476.9	3.58	1,321.9	2.57	1,385.4	3.79	352.0	3.52	248.4	2.98
17. Other Administrative Expenses	2,710.9	6.58	2,101.8	4.09	2,116.9	5.78	524.9	5.25	332.7	4.00
18. Total Administrative Expenses	4,187.8	10.16	3,423.7	6.66	3,502.3	9.57	876.9	8.77	581.1	6.98
19. Equity-accounted Profit/ Loss - Operating	2.1	0.00	-0.5	0.00	3.8	0.01	0.7	0.01	0.2	0.00
20. Pre-Impairment Operating Profit	3,913.5	9.50	6,502.7	12.65	3,845.1	10.51	664.3	6.65	206.0	2.47
21. Loan Impairment Charge	232.6	0.56	735.3	1.43	476.1	1.30	213.6	2.14	79.9	0.96
22. Securities and Other Credit Impairment Charges	n.a.	-								
23. Operating Profit	3,681.0	8.93	5,767.4	11.22	3,369.0	9.21	450.7	4.51	126.1	1.51
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	-								
25. Non-recurring Income	n.a.	-								
26. Non-recurring Expense	n.a.	-								
27. Change in Fair Value of Own Debt	n.a.	-								
28. Other Non-recurring Income/Expense	-2,385.7	-5.79	-1,507.1	-2.93	-1,116.5	-3.05	n.a.	-	n.a.	-
29. Pre-tax Profit	1,295.2	3.14	4,260.3	8.29	2,252.5	6.15	450.7	4.51	126.1	1.51
30. Income tax	557.8	1.35	1,484.2	2.89	867.5	2.37	134.4	1.34	0.7	0.01
31. Profit/Loss from Discontinued Operations	n.a.	-								
32. Net Income	737.4	1.79	2,776.1	5.40	1,385.0	3.78	316.3	3.17	125.4	1.51
33. Change in Value of AFS Investments	n.a.	-								
34. Revaluation of Fixed Assets	n.a.	-								
35. Currency Translation Differences	-726.9	-1.76	115.0	0.22	959.4	2.62	538.2	5.39	81.5	0.98
36. Remaining OCI Gains/(losses)	n.a.	-								
37. Fix Scr Comprehensive Income	10.5	0.03	2,891.0	5.62	2,344.5	6.41	854.6	8.55	206.9	2.49
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	-								
39. Memo: Net Income after Allocation to Non-controlling Interests	737.4	1.79	2,776.1	5.40	1,385.0	3.78	316.3	3.17	125.4	1.51
40. Memo: Common Dividends Relating to the Period	n.a.	-								
41. Memo: Preferred Dividends Related to the Period	n.a.	-								

Banco CMF S.A. - Balance Sheet

	Constant Currency		Constant Currency		Constant Currency		Historical Cost		Historical Cost	
	31 Dec 2021		31 Dec 2020		31 Dec 2019		31 Dec 2018		31 Dec 2017	
	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	ARS m	Assets	ARS m	Assets	ARS m	Assets	ARS m	Assets	ARS m	Assets
	Original		Original		Original		Original		Original	
Assets										
A. Loans										
1. Residential Mortgage Loans	119.8	0.19	288.4	0.36	n.a.		107.6	0.68	39.0	0.33
2. Other Mortgage Loans	n.a.		n.a.		n.a.		n.a.		n.a.	
3. Other Consumer / Retail Loans	59.0	0.09	83.0	0.10	n.a.		473.9	2.99	929.5	7.82
4. Corporate & Commercial Loans	11,010.4	17.54	6,447.8	8.14	10,521.1	15.81	3,084.1	19.49	2,573.3	21.65
5. Other Loans	5,378.8	8.57	4,719.7	5.96	n.a.		1,893.1	11.96	1,408.2	11.85
6. Less: Reserves for Impaired Loans/ NPLs	583.7	0.93	982.3	1.24	817.0	1.23	259.0	1.64	153.6	1.29
7. Net Loans	15,984.4	25.46	10,556.6	13.33	9,704.0	14.58	5,299.8	33.49	4,796.4	40.36
8. Gross Loans	16,568.1	26.39	11,538.9	14.57	10,521.1	15.81	5,558.7	35.13	4,950.0	41.65
9. Memo: Impaired Loans included above	19.6	0.03	91.1	0.12	163.7	0.25	53.2	0.34	61.3	0.52
10. Memo: Loans at Fair Value included above	n.a.		n.a.		n.a.		n.a.		n.a.	
B. Other Earning Assets										
1. Bank deposits	4,344.3	6.92	1.3	0.00	23.6	0.04	130.7	0.83	89.0	0.75
2. Reverse Repos and Cash Collateral	6,892.5	10.98	14,985.9	18.93	12,656.4	19.02	410.1	2.59	332.3	2.80
3. Trading Securities and at FV through Income	3,583.3	5.71	4,052.3	5.12	10,508.2	15.79	644.0	4.07	657.6	5.53
4. Derivatives	106.2	0.17	8.0	0.01	67.8	0.10	196.9	1.24	77.3	0.65
5. Available for Sale Securities	n.a.		n.a.		n.a.		n.a.		n.a.	
6. Held to Maturity Securities	6,452.5	10.28	17,715.9	22.37	885.6	1.33	2,742.1	17.33	915.4	7.70
7. At-equity Investments in Associates	219.7	0.35	58.3	0.07	70.3	0.11	5.7	0.04	4.3	0.04
8. Other Investments	3,624.3	5.77	4,018.7	5.08	2,683.2	4.03	564.7	3.57	1,451.5	12.21
9. Total Securities	20,878.5	33.26	40,839.1	51.58	26,871.5	40.38	4,563.7	28.84	3,438.4	28.93
10. Memo: Government Securities included Above	n.a.		n.a.		n.a.		n.a.		n.a.	
11. Memo: Total Securities Pledged	n.a.		n.a.		n.a.		n.a.		n.a.	
12. Investments in Property	n.a.		n.a.		n.a.		n.a.		n.a.	
13. Insurance Assets	n.a.		n.a.		n.a.		n.a.		n.a.	
14. Other Earning Assets	n.a.		n.a.		n.a.		n.a.		n.a.	
15. Total Earning Assets	41,207.2	65.64	51,397.0	64.91	36,599.1	55.00	9,994.1	63.16	8,323.7	70.04
C. Non-Earning Assets										
1. Cash and Due From Banks	19,413.7	30.93	25,350.2	32.02	27,830.6	41.82	5,383.1	34.02	3,098.0	26.07
2. Memo: Mandatory Reserves included above	n.a.		n.a.		n.a.		n.a.		n.a.	
3. Foreclosed Real Estate	n.a.		n.a.		n.a.		n.a.		n.a.	
4. Fixed Assets	1,901.4	3.03	1,958.0	2.47	1,865.4	2.80	329.4	2.08	327.2	2.75
5. Goodwill	n.a.		n.a.		n.a.		n.a.		n.a.	
6. Other Intangibles	0.1	0.00	0.2	0.00	2.6	0.00	0.7	0.00	1.2	0.01
7. Current Tax Assets	68.4	0.11	n.a.		9.8	0.01	0.5	0.00	32.6	0.27
8. Deferred Tax Assets	9.5	0.02	214.4	0.27	15.7	0.02	n.a.		n.a.	
9. Discontinued Operations	n.a.		n.a.		n.a.		n.a.		n.a.	
10. Other Assets	172.5	0.27	258.1	0.33	221.0	0.33	115.0	0.73	100.9	0.85
11. Total Assets	62,772.8	100.00	79,177.9	100.00	66,544.1	100.00	15,822.8	100.00	11,883.6	100.00
Liabilities and Equity										
D. Interest-Bearing Liabilities										
1. Customer Deposits - Current	2,002.3	3.19	2,157.7	2.73	41,869.8	62.92	1,554.3	9.82	497.9	4.19
2. Customer Deposits - Savings	38,794.9	61.80	46,053.0	58.16	n.a.		6,013.4	38.00	3,562.6	29.98
3. Customer Deposits - Term	1,648.1	2.63	2,653.1	3.35	n.a.		2,607.3	16.48	1,791.5	15.08
4. Total Customer Deposits	42,445.3	67.62	50,863.9	64.24	41,869.8	62.92	10,175.1	64.31	5,852.0	49.24
5. Deposits from Banks	836.3	1.33	2,036.8	2.57	3,230.1	4.85	1,534.9	9.70	1,141.2	9.60
6. Repos and Cash Collateral	31.9	0.05	n.a.		n.a.		n.a.		370.5	3.12
7. Other Deposits and Short-term Borrowings	1,061.4	1.69	941.3	1.19	n.a.		0.3	0.00	362.8	3.05
8. Total Deposits, Money Market and Short-term Funding	44,374.9	70.69	53,842.0	68.00	45,099.9	67.77	11,710.3	74.01	7,726.7	65.02
9. Senior Debt Maturing after 1 Year	n.a.		99.1	0.13	176.8	0.27	602.8	3.81	757.0	6.37
10. Subordinated Borrowing	n.a.		n.a.		n.a.		n.a.		n.a.	
11. Other Funding	n.a.		n.a.		n.a.		n.a.		n.a.	
12. Total Long Term Funding	n.a.		99.1	0.13	176.8	0.27	602.8	3.81	757.0	6.37
13. Derivatives	0.2	0.00	n.a.		31.5	0.05	37.1	0.23	8.3	0.07
14. Trading Liabilities	5,656.6	9.01	11,903.2	15.03	11,179.4	16.80	809.3	5.12	1,358.8	11.43
15. Total Funding	50,031.6	79.70	65,844.4	83.16	56,487.6	84.89	13,159.6	83.17	9,850.6	82.89
E. Non-Interest Bearing Liabilities										
1. Fair Value Portion of Debt	n.a.		128.3	0.16	4.0	0.01	115.6	0.73	453.0	3.81
2. Credit impairment reserves	n.a.		n.a.		n.a.		n.a.		n.a.	
3. Other reserves	n.a.		n.a.		2.6	0.00	n.a.		n.a.	
4. Current Tax Liabilities	34.2	0.05	1,038.0	1.31	639.1	0.96	116.5	0.74	15.1	0.13
5. Deferred Tax Liabilities	250.4	0.40	n.a.		81.1	0.12	20.7	0.13	37.0	0.31
6. Other Deferred Liabilities	n.a.		n.a.		n.a.		n.a.		n.a.	
7. Discontinued Operations	n.a.		n.a.		n.a.		n.a.		n.a.	
8. Insurance Liabilities	n.a.		n.a.		n.a.		n.a.		n.a.	
9. Other Liabilities	962.7	1.53	680.2	0.86	733.6	1.10	236.4	1.49	138.7	1.17
10. Total Liabilities	51,278.8	81.69	67,690.8	85.49	57,948.1	87.08	13,648.7	86.26	10,494.4	88.31
F. Hybrid Capital										
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	-	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.	-	n.a.	-
G. Equity										
1. Common Equity	11,494.0	18.31	11,487.1	14.51	8,596.0	12.92	2,162.2	13.67	1,382.6	11.63
2. Non-controlling Interest	n.a.		n.a.		n.a.		11.9	0.08	6.6	0.06
3. Securities Revaluation Reserves	n.a.		n.a.		n.a.		n.a.		n.a.	
4. Foreign Exchange Revaluation Reserves	n.a.		n.a.		n.a.		n.a.		n.a.	
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.		n.a.		n.a.		n.a.		n.a.	
6. Total Equity	11,494.0	18.31	11,487.1	14.51	8,596.0	12.92	2,174.1	13.74	1,389.2	11.69
7. Total Liabilities and Equity	62,772.8	100.00	79,177.9	100.00	66,544.1	100.00	15,822.8	100.00	11,883.6	100.00
8. Memo: Fitch Core Capital	11,484.4	18.30	11,272.5	14.24	8,577.8	12.89	2,173.4	13.74	1,388.0	11.68
9. Memo: Fitch Core Eligible Capital	11,484.4	18.30	11,272.5	14.24	8,577.8	12.89	2,173.4	13.74	1,388.0	11.68

Banco CMF S.A.
Ratios

	Constant Currency	Constant Currency	Constant Currency	Historical Cost	Historical Cost
	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
	Year End	Year End	Year End	Year End	Year End
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	34.17	28.93	32.11	35.88	19.04
2. Interest Expense on Customer Deposits/ Average Customer Deposits	10.17	8.65	20.72	12.64	4.72
3. Interest Income/ Average Earning Assets	21.24	24.13	46.37	30.40	12.98
4. Interest Expense/ Average Interest-bearing Liabilities	9.06	7.65	17.74	13.19	5.66
5. Net Interest Income/ Average Earning Assets	9.98	13.59	20.85	14.04	6.28
6. Net Interest Inc. Less Loan Impairment Charges/ Average Earning Assets	9.41	11.94	19.46	11.64	5.32
7. Net Interest Inc. Less Preferred Stock Dividend/ Average Earning Assets	9.98	13.59	20.85	14.04	6.28
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	49.55	39.24	3.17	18.81	33.59
2. Non-Interest Expense/ Gross Revenues	51.71	34.49	47.69	56.92	73.85
3. Non-Interest Expense/ Average Assets	6.59	4.67	5.97	6.47	4.89
4. Pre-impairment Operating Profit/ Average Equity	34.45	63.03	47.72	37.62	14.83
5. Pre-impairment Operating Profit/ Average Total Assets	6.16	8.87	6.55	4.90	1.73
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	5.94	11.31	12.38	32.15	38.80
7. Operating Profit/ Average Equity	32.40	55.90	41.81	25.53	9.07
8. Operating Profit/ Average Total Assets	5.80	7.87	5.74	3.33	1.06
9. Taxes/ Pre-tax Profit	43.07	34.84	38.51	29.82	0.52
10. Pre-Impairment Operating Profit / Risk Weighted Assets	14.04	23.21	22.15	8.02	3.22
11. Operating Profit / Risk Weighted Assets	13.21	20.59	19.41	5.44	1.97
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	6.49	26.91	17.19	17.92	9.03
2. Net Income/ Average Total Assets	1.16	3.79	2.36	2.33	1.06
3. Fitch Comprehensive Income/ Average Total Equity	0.09	28.02	29.10	48.40	14.90
4. Fitch Comprehensive Income/ Average Total Assets	0.02	3.94	3.99	6.30	1.74
5. Net Income/ Av. Total Assets plus Av. Managed Assets	n.a.	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	2.65	9.91	7.98	3.82	1.96
7. Fitch Comprehensive Income/ Risk Weighted Assets	0.04	10.32	13.51	10.32	3.24
D. Capitalization					
1. Fitch Core Capital/Weighted Risks	41.21	40.24	49.42	26.25	21.71
3. Tangible Common Equity/ Tangible Assets	18.30	14.28	12.89	13.74	11.68
4. Tier 1 Regulatory Capital Ratio	40.96	57.19	66.61	26.12	17.60
5. Total Regulatory Capital Ratio	40.38	55.41	60.48	25.34	18.31
7. Equity/ Total Assets	18.31	14.51	12.92	13.74	11.69
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	n.a.	n.a.
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	n.a.	n.a.	n.a.
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	6.42	24.17	16.11	14.55	9.03
E. Loan Quality					
1. Growth of Total Assets	(20.72)	18.99	30.79	33.15	37.64
2. Growth of Gross Loans	43.58	9.67	(37.27)	12.30	46.88
3. Impaired Loans(NPLs)/ Gross Loans	0.08	0.42	1.29	0.93	1.13
4. Reserves for Impaired Loans/ Gross loans	2.42	4.51	6.44	4.52	2.83
5. Reserves for Impaired Loans/ Impaired Loans	2.971.48	1.078.53	499.04	486.57	250.73
6. Impaired Loans less Reserves for Impaired Loans/ Equity	(4.91)	(7.76)	(7.60)	(9.46)	(6.65)
7. Loan Impairment Charges/ Average Gross Loans	1.66	6.88	3.49	3.97	1.61
8. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	0.84	2.34	0.33
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	0.08	0.42	1.29	0.93	1.13
F. Funding					
1. Loans/ Customer Deposits	39.03	22.69	25.13	54.63	84.59
2. Interbank Assets/ Interbank Liabilities	519.47	0.07	0.73	8.52	7.80
3. Customer Deposits/ Total Funding excl Derivatives	84.84	77.25	74.16	77.54	59.46

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 April 26, 2022, **confirmed*** the following ratings on Banco CMF S.A.:

-Long-Term Debt: **A+(arg)**, with Stable Outlook.

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

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.

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.

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, 2021, audited by Pistrelli, Henry Martin y Asociados S.R.L, a member firm of Ernst & Young Global, which stated that the said financial statements reasonably present, in all material respects, the financial position of the Bank and its subsidiaries as of December 31, 2021, its results, changes in shareholders' equity and cash flows for fiscal year then ended, in compliance with the financial reporting framework established by the BCRA. Without modifying its conclusion, it emphasizes that the information contained in Note 2, which provides that the BCRA established specific provisions for financial entities regarding the application of section 5.5 "Impairment in value" under IFRS 9. In this respect, it highlights that the entity is assessing the effect the full application of the standard might have on the financial statements, but it estimates it might be significant.

This abridged report is complementary to the full rating report dated July, 28, 2021, available at www.fixscr.com, and contemplates the major changes occurred over the period under analysis. The following chapters are not included in this report as 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, 2021), available at www.cnv.gov.ar.

- Consolidated Condensed interim financial statements (latest dated September 30, 2021) available at www.cnv.gov.ar.

Annex III

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 ratings included in this report 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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