



# ANNUAL REPORT AND BALANCE SHEET 2020

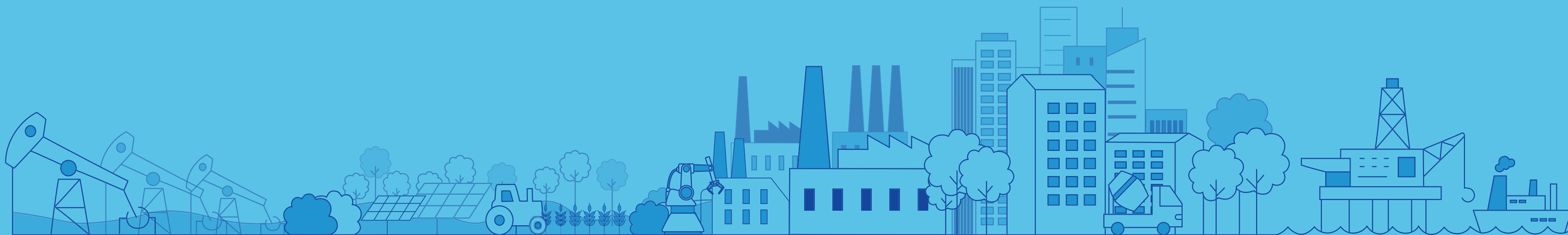




## To the shareholders

In compliance with the provisions of Law No. 19550, as amended, and the corporate bylaws, we are pleased to submit, for the consideration of the Shareholders' Meeting, the Letter to the Shareholders, Balance Sheet, Statement of Income, Memorandum Accounts, Changes in Shareholders' Equity, Statement of Cash Flows and its Equivalents, Notes and Exhibits, Auditors' Report and Statutory Audit Committee's Report for the fiscal year ended December 31, 2020.

# Annual report 2020



# 01. Letter from José Ignacio de Mendiguren



The COVID 19 pandemic triggered unprecedented economic turmoil. Global activities dropped by 4.4% in 2020, the greatest drop since the II World War. Against this backdrop, governments around the world implemented a series of strategies to minimize any damage resulting from a scenario that already loomed as unstoppable by March. Argentina was no exception: the National Administration implemented a strategy composed of several public policies aimed at mitigating the effects of the sanitary and economic emergency, and at providing assistance to all sectors in need.

Before the pandemic, the government had committed to move the country forward by forming an alliance with workers and the productive sector. The harsh scenario presented by the sanitary emergency put such commitment to the test, and the national administration responded with the mayor government bailout ever known in the history of our country.

The rescue package, accounting for more than 7 points of the GDP, included an important financial chapter involving the BICE. Which was our contribution? Firstly, as from the moment this Board took office in February 2020, we reoriented the bank towards servicing SMEs who were facing diverse complications and difficulties as a result of the two-year recession affecting the country.

Under the previous management, the bank had focused on trying to finance infrastructure projects that turned out to be unfeasible, and restrictive rates were applied to productive sectors and SMEs. As a result of the change in focus, this year the number of companies who received our assistance increased by 50% as against 2019.

Amid the pandemic-driven emergency, the BICE launched, for the first time ever, working capital lines to fund salary payments which, in a joint effort with Reciprocal Guarantee Entities (SGR), allowed us to disburse over ARS 3 billion. We were in charge of managing the FOGAR, a fund organized by the Ministry of Productive Development whereby ARS120 billion were allocated to salary payments through different banks in the financial system.

In addition, by working together with the Ministry of Interior, we offered some municipalities a capital lease line of credit for the acquisition of the goods necessary to face the sanitary emergency. In line with such effort, we also offered capital leases to different SMEs across the country, to finance the purchase of goods at an interest rate subsidized by over 70 manufacturers.



## 01. Letter from José Ignacio de Mendiguren

All such efforts were accomplished while trying to adapt our processes and methodologies to the new reality. As our call center received more and more calls due to the emergency, the bank's team moved to remote working to continue addressing companies' needs.

With that same goal in mind, we approached businesspeople at meetings and talks held with the different sectors and regions of our country. We organized over 100 virtual meetings focused on listening to financing needs and offering solutions with concrete credit tools.

During the second half of the year, and with an eye on recovery and the future, the bank was focused on its specialty: long-term investments and foreign trade. For such purposes, we offered two new credit lines with rates subsidized by the Ministry of Productive Development, seeking to boost the country's production matrix and

to generate foreign currency by increasing exports. The results of our operations during this year, which are significantly better than those of the prior year, show the National Administration's political decision to support the bank's proposal and to absorb any exchange rate differences that may result from foreign currency-denominated credit lines, which had negatively affected the entity before.

Last year tested us all. But our country has the resources, tools and transforming capacity to face a different 2021, and to grow back again. At BICE, we will continue accompanying productive sectors in the challenging task of putting our country in a sustainable development path. ■



## 02. Background

Last 2020 will be remembered as the year where the COVID-19 pandemic started. Its economic effects spread around the world, but were particularly shattering in countries with less margin for economic maneuvers. Argentina entered a strict isolation stage on March 19, 100 days after the change in administration, and with an agenda full of challenges.



## 02. Background

Firstly, the country had been plunged into recession for almost two years and the labor market felt its impact. Secondly, since February 2019, inflation rates exceeded 50% year-on-year. Although the primary deficit had been reduced, interest accrued on the payment of the public debt prevented such reduction from being transferred to the financial deficit. Indeed, the public debt had reached such a magnitude that a renegotiation process was required. Finally, recession had driven imports down, allowing the consolidation of a trade surplus that, as a consequence of the outflow of capital, failed to be reflected in the accumulation of international reserves. Thus, the BCRA was forced to implement restrictions to capital transactions as from the second-half of 2019.

The new administration was facing economic challenges in almost all fronts. The first step was to start renegotiating the public debt, which was completely restructured between late August and early September with a 93.55% acceptance under foreign law (increased to 99.01% thanks to collective action clauses) and 99.41% under local law.

But the economic agenda was completely disrupted by the pandemic, which forced the introduction of a social, preventive and mandatory isolation (ASPO) regime. To sustain production and employment, and mitigate social effects, the National Administration implemented a series of policies. Some of the most significant policies include:

- Emergency Family Income (IFE): monthly transfer of ARS 10 thousand for more than 9 million beneficiaries outside the formal system (unemployed people, informal workers, eventual small-taxpayers, domestic workers, and beneficiaries of the AUH plan).
- Emergency Assistance Program for Work and Production (ATP): program to provide immediate economic relief to those companies and workers directly affected by the fall in economic activity. It consisted in the postponement or reduction of up to 95% of employers' contributions to be paid; the payment of a supplementary salary for an amount of up to two Minimum Wages for workers under a contract of employment in the private sector (more than half of Argentine companies' applied for and obtained this benefit); zero-rate credits for small and self-employed taxpayers; and a comprehensive system of unemployment benefits with higher amounts and terms.

- Working capital loans for cooperatives and SMEs, with a maximum annual interest rate of 24%, with three months of grace, and one-year term.

- Partial forgiveness of interest and fines in tax, customs and/or social security debts; temporary suspension of service cuts due to non-payment for SMEs operating in critical sectors; and special programs for COVID-19 R&D for companies, entrepreneurs and other groups.

The total estimated expenditure of this set of policies implemented by the National Administration reached 4.2% of the gross domestic product (GDP). These measures represented an expense of 3.5% of GDP and resulted in gains of 0.7% of GDP<sup>1</sup>.

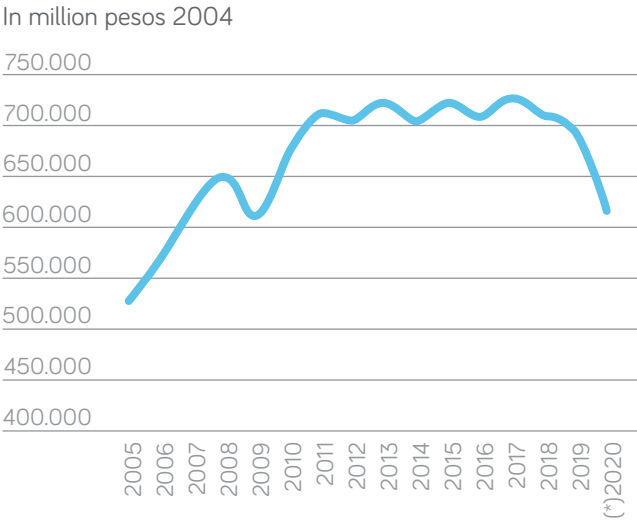
1. Source: Report on tax revenues, December 2020, issued by the Treasury Department of the Ministry of Economy. <https://www.argentina.gob.ar/noticias/resultado-fiscal-diciembre-2020>

As access to capital markets was restricted, the only source of funding available was monetary issuance. Thus, growing fiscal deficit and monetary aggregates, amid lower interest rates, encouraged the dollarization of portfolios, eroding foreign currency reserves. Finally, after a series of measures, towards the end of the year the BCRA managed to reverse its selling position.

ACTIVITY AND EMPLOYMENT

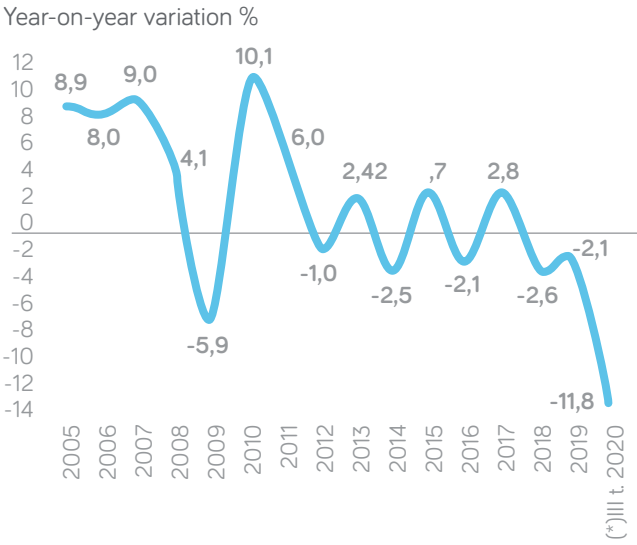
In line with the global trend, the Argentine economy dropped as a result of the pandemic. The 2020 and the two previous years add up a recession of 3 consecutive years, that cost the country around 15% of GDP and 17% of GDP per capita.

Gross Domestic Product (GDP)



Source: BICE based on INDEC  
Note: (\*) data for the accumulated of the third quarter.

GDP in pesos 2004



As to expenses, private consumption was the component that contributed the most to the drop during the third quarter (as it contributes to a high percentage of GDP). Public spending, on the other hand, was the component that showed the slightest variation and contribution. As to foreign trade, exports showed the effect of decreasing global activities. Finally, imports contributed positively thanks to their reduction resulting from the lower level of local activities.



02. Background

	Accumulated variation (%), III quarter 2020	Average price %
GDP	-11,8	-11,8
Private consumption	-14,6	-10,5
Public spending	-5,4	-0,7
Investment	-22,3	-3,9
Exports	-12,3	-2,7
Imports	22,8	5,6

Source: BICE based on INDEC.

Activities in some sectors were at a standstill during the strict isolation months, while minimum activities remained in some other sectors. Based on data up to October, the Financial Brokerage, Electricity, Gas and Water sectors maintained a positive variation. Due to their high share in total activities, the Manufacturing Industry, Trade, Transportation and Communications contributed the most to the reduction.

EMAE Sectors	Variation % accumulated up to November	Average price %
General index	-10,6	-10,6
Agriculture, livestock, hunting and forestry	-7,0	-0,6
Fishing	-20,6	-0,1
Mines and quarries	-10,7	-0,5
Manufacturing industry	-8,9	-1,7
Electricity, gas and water	0,7	0,0
Construction	-27,8	-0,9
Trade	-6,6	-0,8
Hotels and restaurants	-48,8	-0,7
Transportation and communications	-16,9	-1,0
Financial intermediation	1,2	0,0
Real estate activities	-6,3	-0,7
Public admin. and defense	-7,3	-0,3
Tuition	-5,2	-0,2
Social and health services	-10,4	-0,3
Other activities of services	-39,5	-1,2

Source: BICE based on INDEC.

The industrial sector shows quite different behaviors depending on how deeply the isolation affected them. Food and Beverages, Tobacco Products, and Chemical Substances and Products showed positive variations. On the other hand, Clothing, Leather and Footwear, Textile Products, Basic Metal Industries, Metal Products, Automotive and Auto Parts, showed drops.

IPI Sectors	Variation % accumulated up to November	Average price %
General Level	-8,6	-8,6
Food and beverages	0,9	0,2
Tobacco products	0,4	0,0
Textile products	-20,8	-0,6
Clothing, leather and footwear	-35,4	-2,2
Wood, paper, edition and printing	-2,4	-0,2
Oil refining	-13,6	-0,6
Chemical substances and products	2,0	0,2
Rubber and plastic products	-8,9	-0,4
Non-metallic mineral products	-16,5	-0,6
Basic metal industries	-25,2	-2,3
Metal products	-22,4	-1,2
Machinery and equipment	1,3	0,1
Other equipment	-19,0	-0,6
Automotive and auto parts	-25,3	-1,0
Other transport equipment	-38,7	-0,2
Furniture and mattresses	-8,1	-0,3

Source: BICE based on INDEC.

02. Background

The labor market also showed the consequences of the pandemic on the level of activity. Thus, activity and employment rates registered declines that were attenuated by virtue of the measures implemented by the government (double severance pay and prohibition to dismiss).

Main rates of labor market (%)

Quarters	Activity - % Total population 31 agglomeration	Employment - % Total population 31 agglomeration	Unemployment - % PEA	Employed job seekers - % PEA	Underemployment - % PEA	Demanding underemployment - % Underemployed population	Non-demanding underemployment - % Underemployed population	Informal employment rate - % wage-earning population
I 17	45,5	41,3	9,2	14,1	9,9	6,6	3,3	33,3
II 17	45,4	41,5	8,7	14,7	11,0	7,4	3,6	33,8
III 17	46,3	42,4	8,3	15,4	10,8	7,9	2,9	34,4
IV 17	46,4	43,0	7,2	14,7	10,2	7,2	3,0	34,3
I 18	46,7	42,4	9,1	15,3	9,8	6,8	3,0	33,9
II 18	46,4	41,9	9,6	16,0	11,2	7,7	3,5	34,3
III 18	46,7	42,5	9,0	16,7	11,8	8,3	3,5	34,3
IV 18	46,5	42,2	9,1	17,3	12,0	8,7	3,3	35,3
I 19	47,0	42,3	10,1	17,5	11,8	8,4	3,4	35,0
II 19	47,7	42,6	10,6	18,3	13,1	9,2	3,9	34,5
III 19	47,2	42,6	9,7	18,6	12,8	9,5	3,3	35,0
IV 19	47,2	43,0	8,9	19,0	13,1	9,5	3,6	35,9
I 20	47,1	42,2	10,4	17,9	11,7	8,2	3,5	35,8
II 20	38,4	33,4	13,1	11,6	9,6	5,0	4,6	23,8
III 20	42,3	37,4	11,7	14,8	13,4	8,1	5,3	28,6

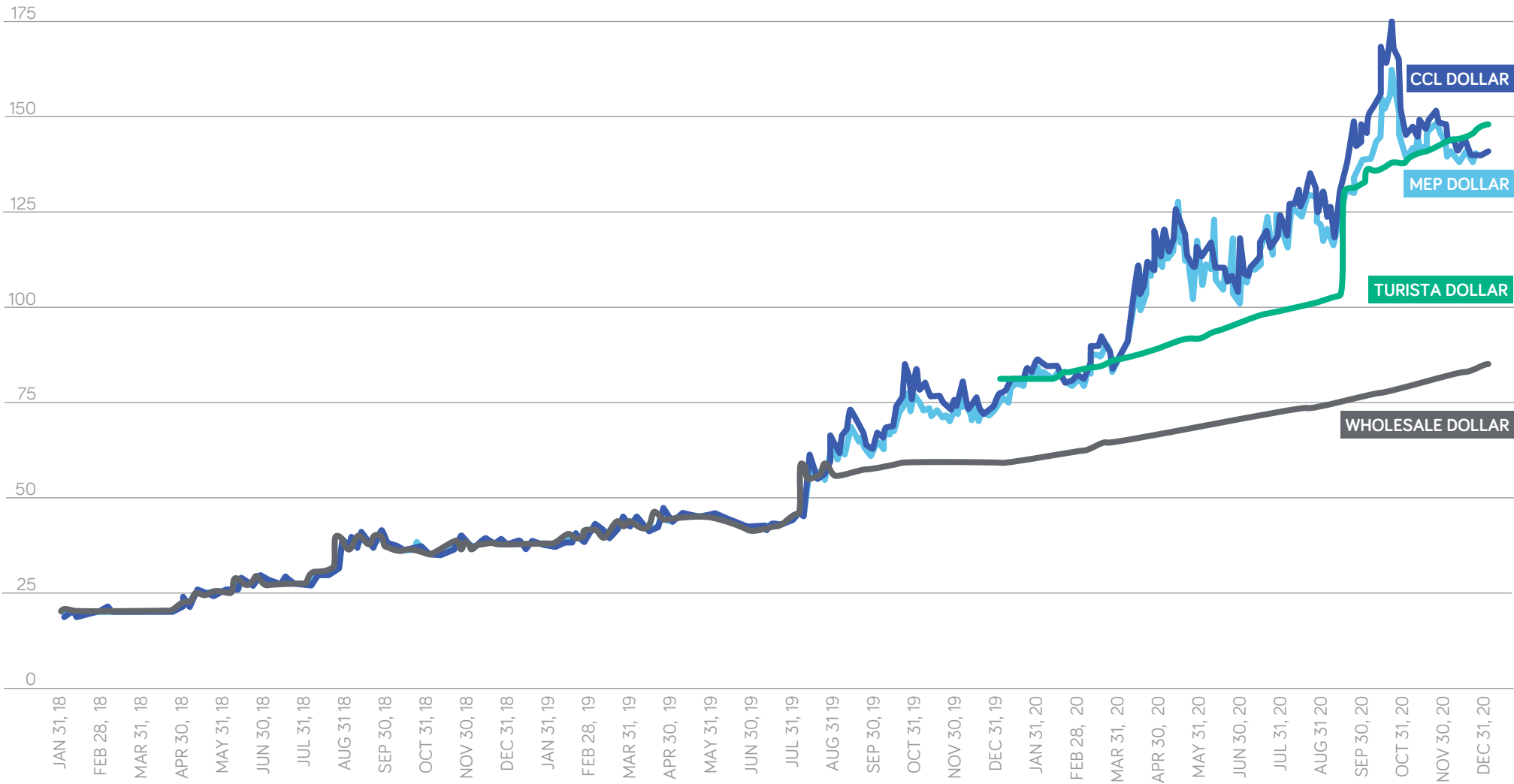
Source: BICE based on INDEC.

EXCHANGE RATE AND PRICES

Fiscal accounts deteriorated during the pandemic, on the one hand, due to the increase in public spending resulting from the effort made by the public sector to alleviate its consequences; and, on the other hand, due to the reduction in public revenues resulting from lower levels of activity. Thus, primary deficit stood at 6.5% of GDP while financial deficit (which includes interest payments on public debt) stood at 8.5%. Lack of other financing sources forced the public sector to finance its fiscal response with monetary issuance. This exercised great pressure on the exchange market.

Exchange rate (\$/US\$)

January 2018 - december 2020



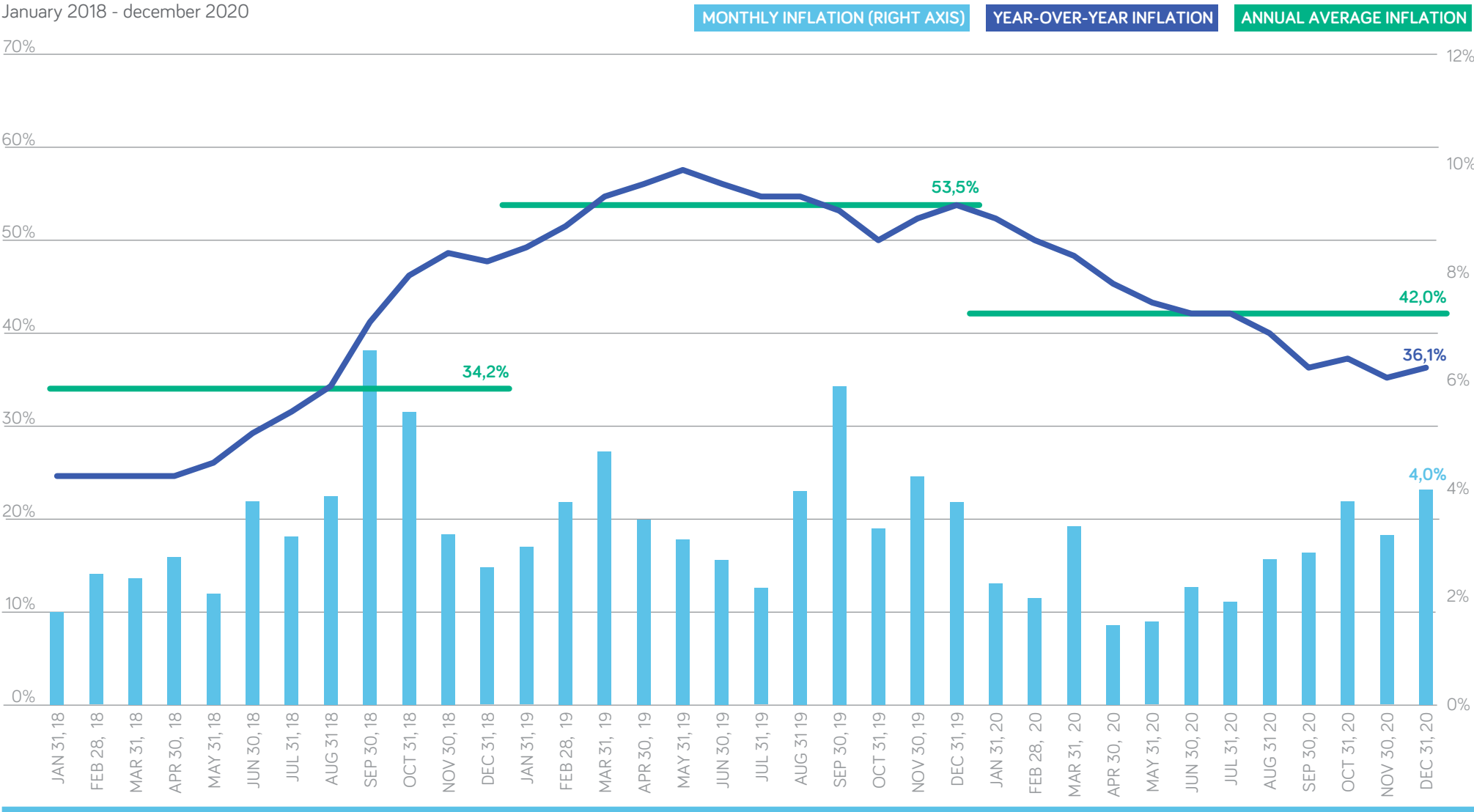
Source: BICE based on BCRA and RAVA Bursátil

02. Background

However, thanks to the utilities tariffs policy implemented by the national administration, the official exchange rate management, and the moderate trend prevailing in collective wage bargaining agreements, year-on-year inflation reduced by almost 18 percentage points since December 2019.

Consumer Price Index (CPI)

January 2018 - december 2020



Source: BICE based on INDEC

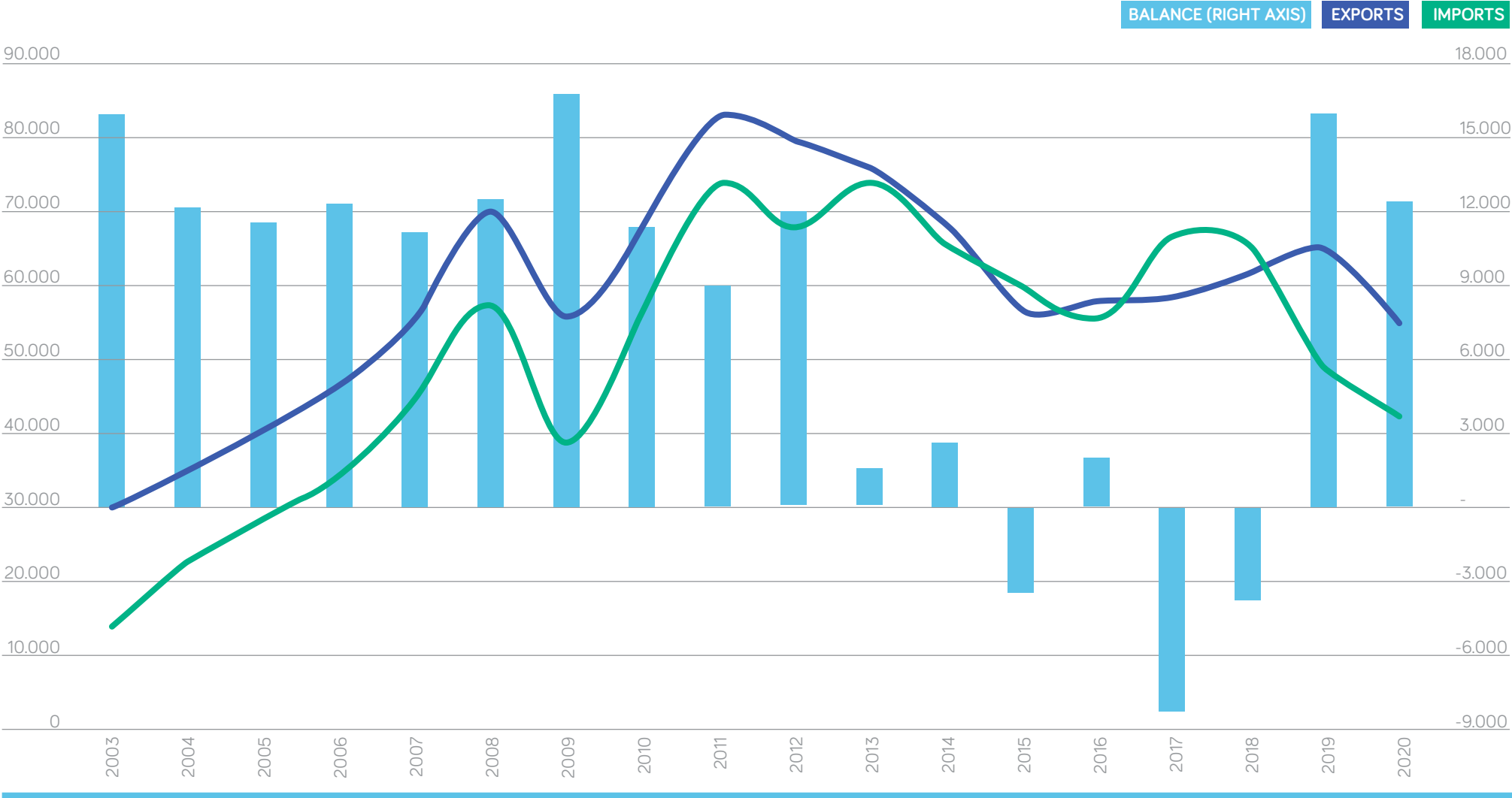


BALANCE OF TRADE

As from the exchange crisis in 2018, Argentina’s trade balance has shown a surplus thanks to the drop in imports. However, such excess in US dollars failed to generate an accumulation of international reserves, as a result of capital flights and incentives generated by the exchange gap.

Balance of trade

Million US\$



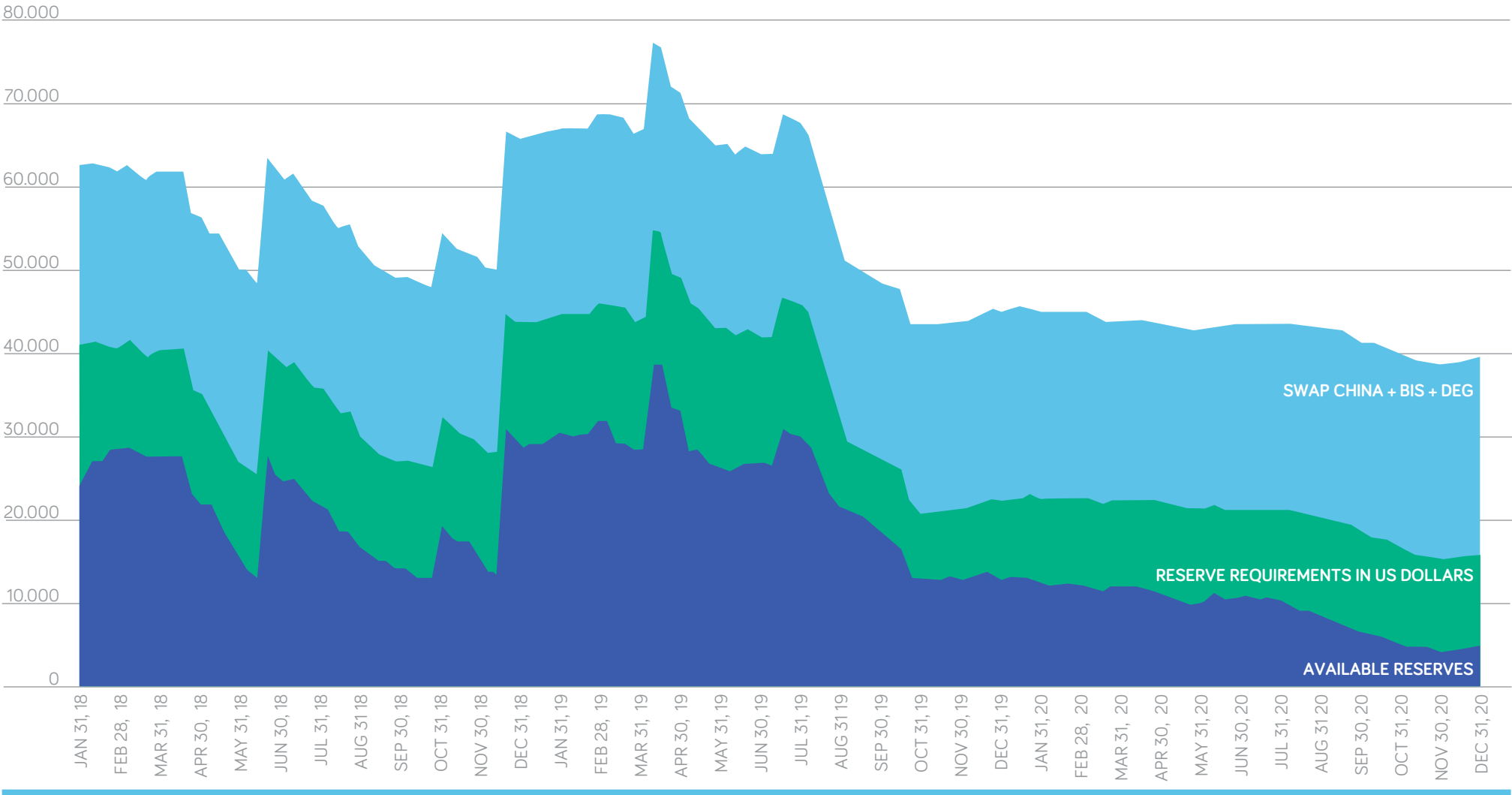
Source: BICE based on INDEC.

02. Background

International reserves have shown a negative trend that reversed in December.

BCRA Reserves

Millions US\$. January 2018 - December 2020



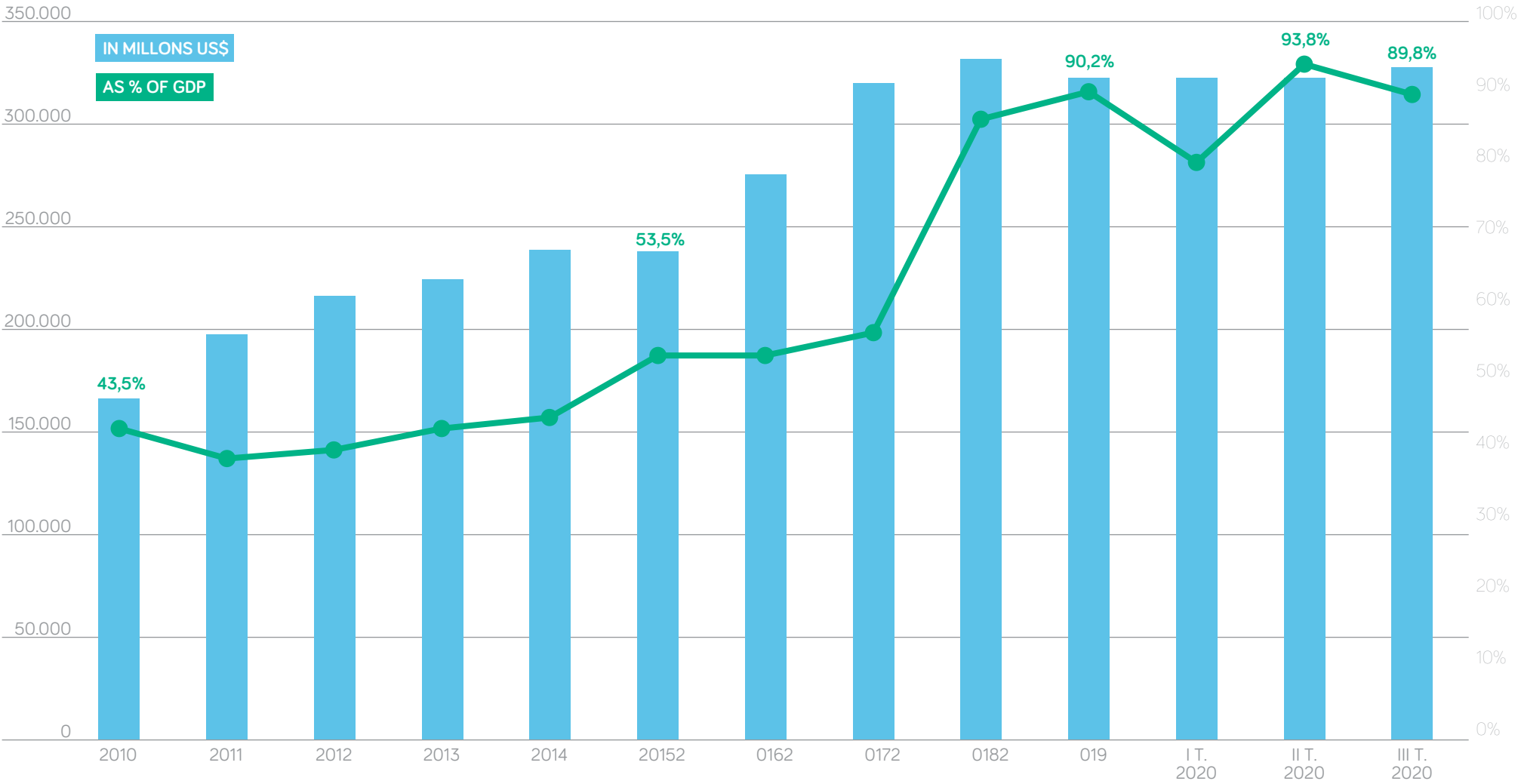
Source: BICE based on BCRA.

PUBLIC DEBT

After the debt restructuring process, the Public Debt Stock of the National Administration ended 3Q 2020 in USD 332,185 million, around 90% of GDP. When compared to values prior to the restructuring, this shows a nominal increase of 2,35%, but a 4 p.p drop in GDP. The average rate of foreign currency-denominated securities subject to foreign law reduced from 7% to slightly over 3%, and those subject to local law reduced from 7.6% to 2.4%. With respect to terms, the average term of the debt subject to local legislation increased by 5.5 years, reaching 10.4 years. In case of debt subject to foreign law, the average term exceeds 11.4 years.

Debt of the National Administration

In millions US\$ and percentage of GDP



Source: BICE based on the Argentine Ministry of Economy.

## 02. Background

**LOCAL FINANCIAL SYSTEM**

Despite all macroeconomic difficulties, the local financial system has managed to keep high liquidity and solvency levels, although profitability decreased:

**Liquidity:** remained at high and even growing levels, 62% in pesos and 84% in US dollars.

**Capitalization:** it is high and increased even more during 2020, as a result of a greater surplus capital position. Total capital went from doubling to tripling the requirement.

**Profitability:** it has dropped as a result of the pandemic. Both ROA and ROE reduced by half, from around 5% and 40% to 2.2% and 15%, respectively.

**Delinquency:** it showed a decrease during this year as, in order to mitigate the effects of the pandemic, the payment terms for levels 1, 2 and 3 outstanding debts in the business, consumer or housing portfolio were extended by 60 days. As from March, when this regulatory change was already in effect, the system's total delinquency has been showing a decreasing trend. ■



## 03. Financial ratios

### 03. Financial ratios

#### MAIN RATIOS

The bank's net equity as of the end of December 2020 stood at ARS 20,477.39 million, showing an increase of 9.38%.

- Financial gains totaled ARS 18,525.44 million by the end of 2020, ARS 9,954.89 million down as against the total amounts of the prior year, with a 34.95% decrease.
- Disbursement reached ARS 14,651.02 million until December, 89% of which were granted by the bank unit only. The level of loans granted during 2020 is 56.94% lower than in 2019.
- The bank's ROE is 4.8%.
- Loans reach all regional economies of the country, and 62.42% were granted outside the Metropolitan area.

#### CHANGES IN SHAREHOLDERS' EQUITY AND PROFIT/LOSS

The bank's net equity as of the end of December 2020 totaled ARS 20,477.39 million, showing an increase of 9.38% with respect to 2019.

Figures stated in millions of pesos	Dec. 20	Dic. 19
Cash and deposits with banks	9,828.00	6,314.26
Debt securities	23,284.50	15,321.11
Loans and other financing facilities	52,469.34	67,600.51
Other Assets	16,137.57	10,385.92
<b>Total Assets</b>	<b>101,719.41</b>	<b>99,621.80</b>
Deposits	42,446.84	37,967.89
Other financial liabilities	22,015.32	26,507.37
Other liabilities	16,779.87	16,425.48
<b>Net equity</b>	<b>20,477.39</b>	<b>18,721.07</b>
<b>Total Liabilities plus Net equity</b>	<b>101,719.42</b>	<b>99,621.81</b>

As to net income, until December 2020, BICE shows net gains in the amount of ARS 1,754.73 million, up the - ARS 8,638.51 million registered in the previous year, which accounts for an increase of ARS10,393.24 million.

Figures stated in millions of pesos	Dec. 20	Dec. 19
Interest income	18,525.44	28,480.33
Interest loss	(8,687.21)	(22,730.87)
<b>Net operative income</b>	<b>9,838.23</b>	<b>5,749.46</b>
Fee income	36.18	163.10
Other operative expenses	(4,005.94)	(5,207.92)
Other expenses	(192.15)	(158.17)
Loss from net monetary position	(4,794.86)	(9,952.32)
Income Tax	873.28	767.35
<b>Net profit / (Loss)</b>	<b>1,754.74</b>	<b>(8,638.50)</b>

03. Financial ratios

Financial gains totaled ARS 18,525.44 million by the end of 2020, ARS 9,954.89 million down prior year’s total, which accounts for a decrease of 34.95%.

Revenues from services totaled ARS 36.18 million, accounting for a decrease of 77.82% as against the previous year.

Expenses reached ARS 4,005.94 million, ARS 1,201.97 million down from 2019, which accounts for a decrease of 23.08%.

FINANCIAL RATIOS

Profitability ratios had an outstanding performance in 2020 with respect to the prior year, largely due to the political decision of the National Administration, in line with the proposal of the bank’s leadership, to absorb exchange gains/losses on foreign currency credit lines that had caused significant damage to the bank.

Ratios	Dec. 20	Dec. 19
Liquidity		
Current assets / Current liabilities	128,4%	126,5%
Solvency		
(Net equity / Liabilities)	25,2%	23,1%
Leverage (Times)	4,97	5,32
(Liabilities + net equity) / Net equity		
Capital immobilization		
Non-current assets / Total assets	32,64%	42,21%
Profitability		
ROE (Profit (loss) for the year / Average shareholder’s equity)	4,8%	(21,7%)
ROA (Profit (loss) for the year / Average assets)	1,34%	(3,66%)
Efficiency		
Expenses / Average assets	2,14%	2,27%
Portfolio quality		
Non-performing portfolio / financing	7,64%	1,10%

CASH FLOWS

Figures stated in millions of pesos	Dec. 20	Dec. 19
Cash flows from operating activities	9,319.22	(1,619.33)
Cash flows from investing activities	( 34.94)	(127.62)
Cash flows from financing activities	(7,025.63)	(2,907.69)
Effect of cash flow monetary gains / loss	1,255.09	1,252.45
Total cash flows provided (used) during the fiscal year	3,513.74	(3,402.19)



## 04. Funding management

04. Funding management

At the beginning of the sanitary emergency and for the first time in its history, the bank launched lines of working capital for the payment of salaries aimed at preventing a breach in the payment chain of SMEs. This coordinated effort with reciprocal guarantee entities (SGR) and provincial guarantee funds was essential to expand the scope of financing, the total disbursements of which were around ARS 3 billion.



#### 04. Funding management

Likewise, FOGAR, the tool of the Ministry of Productive Development, was used by BICE Fideicomisos to manage the ARS 120 billion public fund that was guaranteeing the payment of companies' salaries.

In addition, the bank resorted to capital leases to assist municipalities with ARS 400 million to acquire goods necessary to face the pandemic. Such instrument was also used to make available to SMEs across the country, a total line of ARS 400 million for the purchase of new goods of national or Mercosur origin, at a special rate subsidized by the bank and suppliers.

By mid-year and for the purpose of working on the recovery and future of such companies, the bank launched two new lines of credit with a rate subsidized by FONDEP of the Ministry of Productive Development. The first one, for a total amount of ARS 2 billion was designed for long-term productive investment projects, with a quota of 20% for companies led by women and 15% for companies in the wine sector. The second one, aimed at promoting exports among SMEs by granting pre-financing deals, offers special conditions for new exporters or non-frequent exporters.



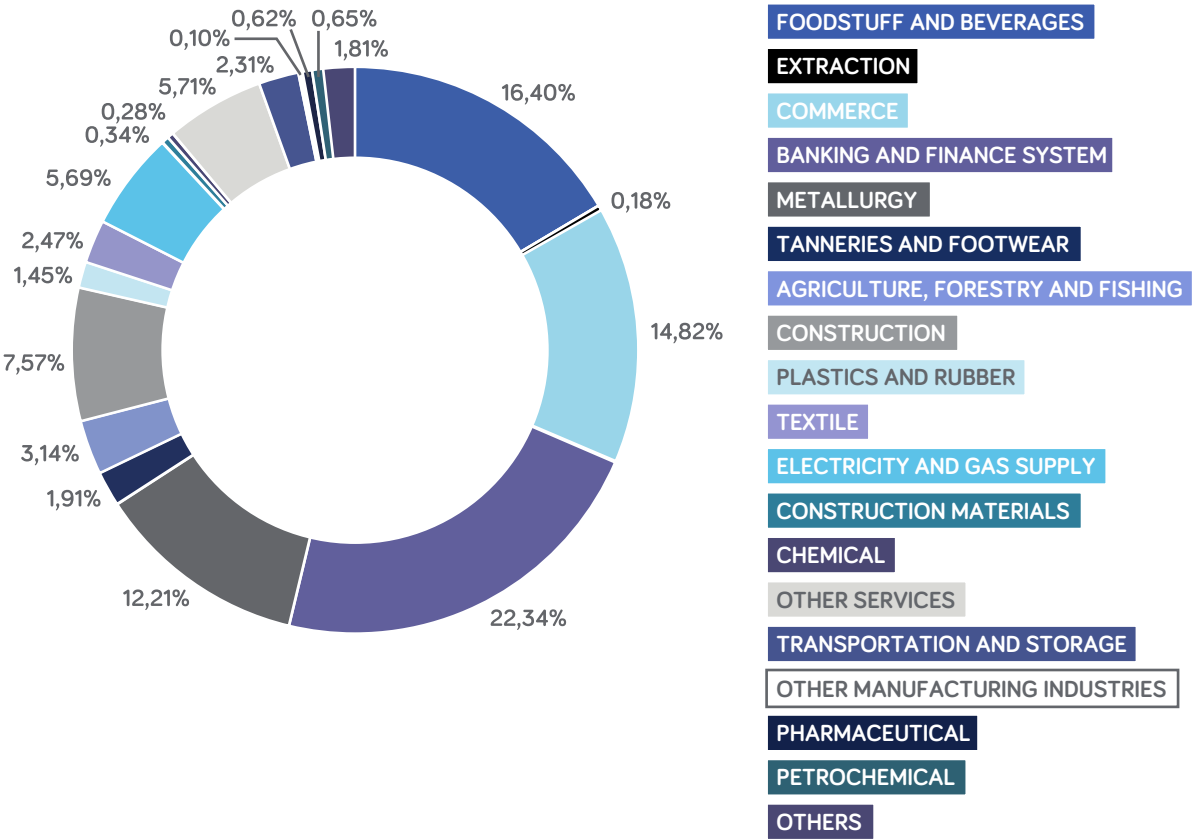
LOANS GRANTED

During 2020, BICE disbursed ARS 14,651.02 million as credit, which accounted for a 57.25% decrease as against the prior year.

Stated in million pesos	2020	Interest	2019	Interest
Investment projects	6,428.26	44%	10,082.05	29%
Direct	2,136.55	15%	8,181.13	24%
Indirect	282.50	2%	1,641.91	5%
Working capital	4,009.21	27%	259.01	1%
Exports financing	4,532.19	31%	10,493.92	31%
Factoring	1,433.05	10%	12,011.22	35%
Capital market	27.50	0%	1,630.71	5%
Checks discount	2,230.02	15%	55.07	0%
Total	14,651.02	100%	34,272.97	100%

LOANS DISTRIBUTION BY ECONOMIC ACTIVITY

The following chart shows a clear multisector profile in BICE's loans, in accordance with the risk diversification policy sought.

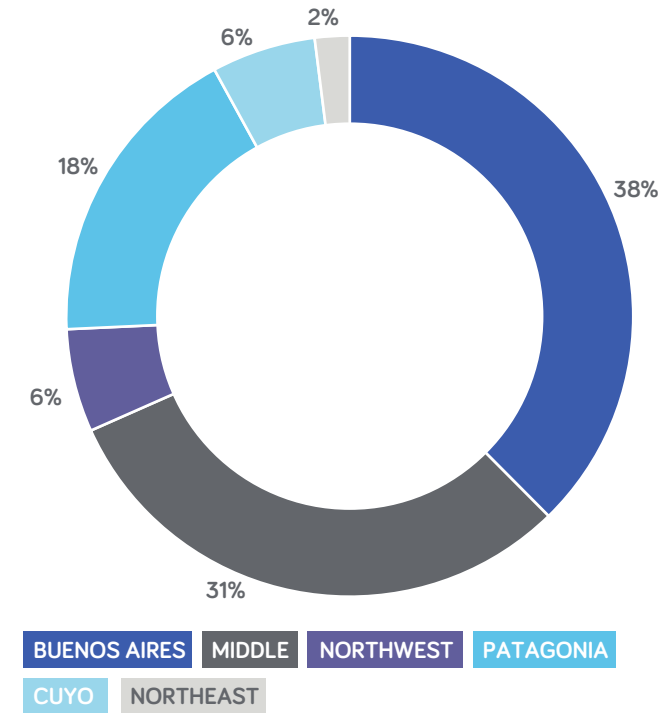


## 04. Funding management

BICE's credit portfolio is made up of 36.87% credits granted to companies engaged in and/or related to labor intensive activities and the energy sector (trade, food and beverages, electric power and gas supply); while 39.95% were aimed at crop farming, forestry and fishing, metalworking, transport, banking and the financial system. The remainder is distributed among the activities of the construction, textile, chemistry, wood and pharmacy sectors, among others.

### LOANS DISTRIBUTION BY REGION

Loans reach all regional economies of the country, and 62.42% were granted outside the Metropolitan area, which evidences a policy of federal impact.



### MAIN FINANCING LINES

#### INVESTMENT:

**SMEs and large companies.** Aimed at financing investment projects as well as the acquisition of capital goods, whether or not subject to registration, for the different economic activities performed in the goods manufacturing and services sectors. It also includes financing productive reconversion and modernization projects at different economic sectors, focused on improving competitiveness in the domestic and foreign markets.

*Long term - Up to 7 years in local currency, with up to 2 years of grace, and up to 15 years in dollars, also with up to 2 years of grace.*

**Capital Lease.** Aimed at financing the acquisition of capital goods, real property and intangible assets, whether or not subject to registration, for the different economic activities performed in the goods manufacturing and services sectors.

**Capital lease - Other financial institutions.** Aimed at financing second-tier banking transactions under capital lease agreements, operating through financial institutions and capital lease companies.

**Related working capital.** Aimed at financing the working capital related to an investment project financed, or being financed, by BICE, to complete investment financing.

**Capital markets.** Aimed at financing companies, especially SMEs, through capital markets.

## 04. Funding management

COMEX:

**Pre and post-export financing.** It is applicable to assets or services related to Argentine SMEs and large companies. It considers the issuance of international guarantees.

**Forfaiting.** It allows the exporter to sell its products abroad and grants the purchaser up to a 10-year settlement term. Argentine companies collect the export value in cash through BICE, and the importer assumes the commitment to paying back to the Bank.

**Foreign trade guarantees.** Fulfillment guarantees, performance bonds and bidding guarantees, among others, received and issued from/to abroad.

**Logistic hubs.** Lines for financing exports to logistic hubs, aimed at increasing sales and improving companies' competitiveness. It intends to reduce the delivery times of products sold abroad and strengthen the exporting sector. It is subject to a 360-day term, which may be extended by another 30 days, and financing between 75% and 100% of exports.

WORKING CAPITAL:

**Working capital.** It finances daily activities of SMEs or large companies.

**Factoring.** Financing of credit instruments, including management collection and credit protection. It allows companies to stabilize cash flows and improve their position and competitiveness.

Products involved: deferred checks; discount of simple invoices, public works certificates, VAT reimbursements to exporters; and advances made for future agreements.

**Electronic factoring.** 100% digital platform for online invoice discount.

NEW FINANCING LINES:

**Working capital for SMEs.** Aimed at recovering the productive network during the pandemic, and in compliance with BCRA communication No. 6937, as amended. We acted jointly with FONDEP and FOGAR to reach a large number of SMEs and assist them in their commitments to pay salaries (in all its forms), purchase inputs, raw materials and fuel, among others.

**Strategic sectors guaranteed by public guarantee funds.** It finances working capital in strategic sectors by offering guarantees issued by provincial guarantee funds, thus expanding the bank's geographic coverage and improving financial conditions for companies.

**Productive investment.** A credit line for a total amount of ARS2 billion was launched, offering credits with up to 7-years term and 2 years of grace. The FONDEP, from the Ministry of Productive Development, subsidizes 12 points of the interest rate during the first three years of each loan. It includes a 15% quota for the wine sector, and a 20% quota for companies lead by women.

## 04. Funding management

**SMEs exports.** It includes USD 35 million to be allocated to exports pre-financing loans with up to a 6-months term. First-time exporters (or those who have not performed any exports over the last 3 years) may request up to USD200,000, and frequent exporters may request up to USD300,000. FOGAR guarantees are offered as collateral in case of first-time exporters or non-frequent exporters.

### RECIPROCAL GUARANTEE ENTITIES (SGR) AND GUARANTEE FUNDS

Financing was primarily offered to companies through this channel during the early months of the pandemic. Specific credit lines were developed to operate with guarantees offered by SGR and provincial guarantee funds, which reinforces the bank's federal nature.

Currently, over ARS13.6 billion are distributed by 43 SGRs and Guarantee Funds which enables the assistance of final beneficiaries through the different financing lines offered by the bank.

In addition, ARS1,898 million quotas were allocated to discount checks in the securities market, thus enabling an agile assistance in the short run.

The strategic alliance with these companies and guarantee funds helped us reach new clients and expanded the number of companies assisted.

### STRUCTURED FINANCING

BICE takes part in the development of special financing businesses requiring the creation of more complex structures and involving a different design for every case (amortization schemes, reserve accounts structures, guarantees or different tranches depending on terms and destinations).

During 2020, USD 13.3 million were allocated to port infrastructure and energy generation (hydroelectric, biomass and biogas) projects.

### CAPITAL LEASE

Capital lease transactions for over ARS 900 million were approved during this year, in a scenario where the sanitary and economic emergency had great impact on investment projects.

New lines were launched to offer assistance to municipalities across the country seeking to finance essential goods to meet the particular needs resulting from the pandemic. BICE is the only bank granting this type of financing to municipal governments.

BICE became the main entity in the capital lease market, according to the information provided by the Argentine Capital Lease Association.

### FACTORING

Operated volumes during 2020 almost reached ARS 1.5 billion, in a context marked by the stoppage of works, which gradually normalized during the second half of the year.

## 04. Funding management

In the first year of having the factoring business internally incorporated, it was possible for the bank to amalgamate operating and credit procedures, systems, and legal aspects.

### DIGITAL BANKING

The BICE Digital channel is an environment used to perform financial transactions in a safe and quick manner over the Internet, where companies operate using digital signatures issued by the bank.

BICE is the first bank to become a digital signature registration authority. During 2020, 27 new registration officers were distributed throughout the country, who are empowered to grant cloud signatures to clients by following a series of simple steps.

The first product launched by BICE Digital was Electronic Factoring, an easy-to-access 100% digital platform to discount invoices online, which allows provider companies to obtain liquidity in a quick and safe manner, anticipating the collection of their invoices. Electronic factoring is carried out under the “without recourse” system, which implies that BICE undertakes the risk of the purchasing company, thus improving the providers’ financial ratios. This transaction is carried out without the involvement of notaries public upon notifying the assignments, as this is made online using timestamps. Therefore, the costs associated with invoice discounting are considerably reduced.

By early 2020, the discounting without recourse system of EXHEQS was added, to offer companies operating in productive chains across the country immediate liquidity by operating remotely. ECHEQ is fostered by the BCRA and registered an exponential growth during the pandemic.

### FINANCIAL INSTITUTIONS

Through second-tier channel, BICE focused on individual transactions for exporting SMEs by offering credit lines with multilateral credit organizations, primarily the World Bank. In addition, the investment projects financing line remained in force.

During the first months of the pandemic, working capital lines regulated by the BCRA were honored to help SMEs overcome the economic impact. Later on, capital lease transactions reactivated by means of financial institutions and capital lease companies (both of them with state-held interest) to finance companies engaged in productive investment.

Through the second-tier channel, operations for more than ARS 1,443 million were disbursed.

### FINANCIAL TRANSACTIONS

BICE, as agent of different markets, performs different transactions regularly in line with its strategic goals as a development bank. For that purpose, it participates in the MAE, BYMA, MATBA-ROFEX and MAV electronic markets, performing repo transactions, purchase and sale of securities, and purchase-sale and arbitrage transactions involving foreign currency in spot and forward markets, always in compliance with the exchange regulations in force.

In addition, the bank participated in Treasury bill bids throughout the year. To promote financial inclusion, the bank continued to be active in the market of checks guaranteed by different SGRs. Accordingly, it has operated actively during the first months in which electronic deferred payment checks (E-Cheq) were enabled.

## 04. Funding management

Moreover, the bank has taken active part in the restructuring of national public securities governed by local law, within the framework of the debt restructuring carried out by the National State. This operation was the culmination of a process of different swaps carried out along the year, which allowed improving the quality of the Financial Assets portfolio.

Regarding deposits and term investments, based on the possibility granted by communication “A” 6589 of the BCRA, which allowed a reduction in the terms of deposit, BICE increased its presence as a taker of funds in pesos and dollars, and stood out as a listing agent for institutional investors.

Throughout 2020, the bank has maintained significant liquidity in dollars applied to short-term financial operations of up to USD 100 million, known as Overnight with foreign financial entities.

### COOPERATION AGREEMENTS

**FAE FOGAR - Specific Allocation Fund - Argentine Guarantee Fund.** An agreement was entered into with BICE Fideicomiso to offer guarantees directly to companies, and to guarantee working capital transactions, which had been financed by the bank, for the recomposition of cash and the payment of salaries. It offers a 100% guarantee for micro and small companies, 25% guarantee for medium-sized companies, and a maximum amount of credit that cannot exceed the company's salary mass, as per Form 931 AFIP.

**FOGAR ATP.** An agreement was entered into with BICE Fideicomisos to offer guarantees directly to companies, and to guarantee the operations granted for the payment of salaries within the framework of the Emergency Assistance Program for Work and Production (ATP).

**FOGAR 100% for foreign trade transactions.** An agreement was entered into with BICE Fideicomisos to offer guarantees directly to companies engaged in foreign trade, and to guarantee 100% of the principal lent by the bank. Companies that will qualify as beneficiaries were defined as NON-FREQUENT EXPORTERS, i.e. companies that exported non-continuously during 2017, 2018 and 2019; and FIRST-TIME EXPORTERS, i.e. companies that did not export during 2017, 2018 and 2019 or that carried out their first export transaction in 2020.

**FONDEP - Exports pre-financing.** This is a line to promote exports and the arrival of foreign currency into the country. A 1% rebate is applied to the interest rate applicable to exports pre-financing by FONDEP based on the banks' grid. Up to USD 100,000 of credit may be granted to FIRST-TIME EXPORTERS; USD 200,000 to NON-FREQUENT EXPORTERS; and USD 300,000 to FREQUENT EXPORTERS.

**Productive investment.** Post-pandemic productive recomposition line for up to ARS 75 million, with up to 12% rebate from FONDEP, for productive investment projects of SMEs across the country engaged in different economic activities. The special quota for companies led by women and for the wine sector stands out.



## 04. Funding management

**Mendoza Province.** It finances working capital of companies that develop industrial activities and services located in the province of Mendoza for up to ARS 5 million, with a 4% rebate from the province on the interest rate applied by the bank, which may not exceed 24% per year.

**PRODEPRO.** Line of credit for investments of strategic companies focused on the development of suppliers of certain chains, which includes an interest rate discount from the Ministry of Industry, Knowledge Economy and External Commercial Management. Companies from the industrial sector or industrial services are eligible. Up to 14% rebate for investment projects up to ARS 20 million, and working capital up to 15% of the investment project. Eligibility is granted by PRODEPRO.

**Collaborative production:** It finances innovative projects combining at least two different knowledge economy activities that promote reactivation, supported by advances in science and technology. It offers an interest rate discount of up to 25% through the Secretary of Industry, Knowledge Economy and External Commercial Management applicable to investment projects disbursed by the bank. The credit per company may not exceed ARS 50 million. The investment project may not exceed ARS 100 million.

### FUNDING

**PROCER.** After BICE's appointment as sub-executor agency of Sub-component 3.1: "Access to credit", 69% of the total line was executed in 2020, which resulted in credits granted to over 450 SMEs across the country to foster competitiveness in regional value chains.

**GREEN CLIMATE FUND.** On April 22, 2019, the former Ministry of Economy, the former Ministry of Production and Labor, BICE and the IDB entered into a loan agreement for USD 100 million to be allocated to the "Project for promoting risk mitigation instruments and financing of renewable energy and energy efficiency investments".

The loan is channeled through BICE directly or through financial institutions, and the ultimate beneficiaries are Argentine SMEs investing in renewable energy projects (biogas and biomass) and energy efficiency. This is the first transaction for a financial institution in Argentina belonging to the Green Climate Fund (GCF), whose implementing agency is the IDB. In addition, BICE is the project executor and will co-finance it with an additional amount of USD 60 million.

During 2020, loans continued to be granted to finance a biomass plant and the completion of three biogas projects, representing a total monetized amount of USD 5,096,225, with USD 3,568,225 coming from the Green Climate Fund, and USD 1,528,000 from BICE.

**World Bank.** With resources from the World Bank line subscribed in April 2018, BICE began its execution in 2020 through financial entities, funding credits for approximately USD 12 million aimed at funding 30 SMEs in the country who were granted working capital credits to promote their exports.

## 04. Funding management

The AisFinRisk software was implemented with the project's support. Such implementation meant incorporating a tool that allows managing various aspects of comprehensive risk management, and the SCACS Credit Risk Management software, which allows to keep qualitative data, balance sheets, ratios calculation, rating matrices and entities statistics in a safe environment and with enormous potential to introduce improvements in the future.

Likewise, BICE, as the Executing Unit of the Project, has assisted the Secretariat of Entrepreneurs and SMEs in the execution of various initiatives aimed at introducing structural reforms that will improve SMEs access to the financial system. Such is the case of the review of the insolvency framework, the search for new tools that serve as a guarantee to facilitate access to productive financing, the development of a new information platform and access to the programs of the Ministry of Productive

Development, and the implementation of a Single File that facilitates the link between the financial system and SMEs.

### INTERNATIONAL RELATIONSHIPS

**Activities within the IDFC framework.** In October 2019, BICE became a member of the International Development Finance Club (IDFC), an association that brings together 26 national and regional banks around the world.

Throughout 2020, they worked on different initiatives and took part in several meetings, together with other development banks, where gender and sustainable development issues were addressed. Within this framework, BICE co-led the working subgroup on financial architecture oriented towards SDGs where a study entitled "Financial Architecture - Exploration of a New Model for Development Finance Institutions" was developed.

In addition, BICE accessed the OECD's SDG Financing Lab tracker tool, a tool with a machine learning algorithm. The results obtained show that the bank is primarily impacting on the following SDGs: SDG 8 "Decent work and economic growth"; SDG 7 "Affordable and clean energy"; SDG 9 "Industry, innovation and infrastructure"; SDG 17 "Partnerships for the goals"; SDG 16 "Peace, justice and strong institutions"; and SDG 13 "Climate action".

In addition, the Chairperson of BICE, José Ignacio de Mendiguren, participated in the conference "From Pandemic to Recovery" on September 9, organized by VEB.RF. The objective was to highlight the role of development Banks in overcoming the crisis generated by COVID-19, supporting national economies in sectors such as sustainable infrastructure and SMEs. This conference was attended by the Secretary-General of the United Nations, António Guterres, the Deputy Secretary-

General of the United Nations, Amina J. Mohammed, the Secretary-General of the OECD, Ángel Gurría, the President of VEB.RF, Igor Shuvalov, and the presidents of the different development banks that are members of IDFC.

**First Global Summit of Public Development Banks.** The First Global Summit of Development Financing Institutions, "Finance in Common - Towards Resilient and Environmentally Respectful Societies", was held in Paris on November 11 and 12, under the initiative of the World Federation of Development Financing Institutions (WFDFI) and IDFC.



## 04. Funding management

The objective of the Summit was to reflect on the central role of development finance institutions, both in their immediate and counter-cyclical responses to the COVID-19 crisis, and in the long term through their contributions in the implementation of international commitments in favor of the Sustainable Development Goals and the Paris Climate Agreement. All public development banks signed a joint declaration that expresses their willingness to contribute to the recovery and to align themselves with the principles of sustainable finance.

The summit was sponsored by the Secretary-General of the United Nations, António Guterres, and the President of France, Emmanuel Macron, within the framework of the Paris Forum for Peace. The President of Argentina, Alberto Fernández, participated in the summit as did the Executive Director of the International Monetary Fund, Kristalina

Georgieva, and the Secretary-General of the Organization for Economic Cooperation and Development (OECD), Ángel Gurría. Representatives of 450 banks and financial institutions from around the world participated in the meeting.

### TRUSTS/MANAGED PORTFOLIO

As of December 31, 2020, BICE Fideicomisos started acting as trustee of 56 trust agreements in force, and as manager of 18 trusts where the bank is a trustee. The total portfolio as of December 2020 amounted to ARS 1,091,868 million, 32% above the portfolio in 2019.

Trusts	Total amounts managed as of 2019	Incorporated portfolio	Total amounts managed as of 2020	Amount 2019	Amount 2020
Nuclear power plants	91,610,484	207,949	91,818,433	11	11
Generators and Transport	-	-	-	-	-
Interconnections	16,879,545	5,767,972	22,647,517	12	12
Energy sector studies	676,216,564	174,546,717	850,763,281	21	17
Optic Fiber	10,246,073	5,989,296	16,235,369	1	1
Guarantee	2,488,202	64,712,486	67,200,688	3	3
Loans	13,303,328	5,052,391	18,355,719	12	12
Other	18,420,247	6,426,252	24,846,499	22	18
<b>Total</b>	<b>829,164,443</b>		<b>1,091,867,506</b>	<b>82</b>	<b>74</b>

Below are the most representative trusts in the portfolio:

**Trust Fund for Social Housing.** It was created through section 59, Law 27341, within the scope of the Department of Housing and Environment of the Ministry of the Interior, Public Works and Housing, to finance current social housing and basic infrastructure programs with government and private funds and through international, multilateral or trilateral agencies. The

trustor is the Department of Housing and Environment. A total of 26,345 housing units were built in 19 provinces.

**FOGAR (Argentine Guarantee Fund).** Public fund within the scope of the Ministry of Production, where BICE Fideicomisos acts as trustee, as appointed by Law No. 27444 and Decree No. 628/18. The purpose is improving credit access conditions by granting preferred guarantees (BCRA “A”

04. Funding management

preferred guarantees), either partial or full, through the banks and mutual guarantee companies with which it operates. The investments policy follows the guidelines established by BCRA regulations applicable to “Public Guarantee Funds”. In 2020, four funds of specific allocation were created within FOGAR. A total of 44,798 guarantees were granted amounting to ARS 134,088 million. Guarantees granted during this period totaled ARS 111,245 million. The risk fund portfolio reached about ARS 95,827 million.

**FONDEP (Argentine Fund for Productive Development).** Public fund within the scope of the Ministry of Production, created by Decree No. 606/2014, as amended by Decrees Nos. 174/2018 and 439/2018. Its purpose is to facilitate financing access to projects promoting investments in strategic sectors, regional economies and cutting-edge productions through different vehicles, such as direct loans, non-reimbursable

contributions, interest rate reductions and other types of instruments. In 2020, the FONDEP moved over ARS 6,477 million in credits and ANRs granted, thus benefiting 2,914 SMEs. In addition, it subsidized transactions guaranteed with FAE PCA within FOGAR, reaching 562 thousand beneficiaries and offered credits by ARS 66,528 million.

**Fund for exclusive SME financing.** It is part of the FONDEP. This tool was created to provide liquidity to financing instruments for SMEs in the capital market, increasing the transacted volumes and offering competitive rates. During 2020, Debt Securities for about ARS 3,277 million were subscribed with different investors. Over ARS 2 billion were transacted. It holds a managed portfolio ARS 2,539 million.

**FONDCE (trust fund for the development of the entrepreneurial capital).** It was created as a management and financial

trust by Entrepreneurial Capital Support Law No. 27349. It is aimed at financing undertakings and entrepreneurial capital institutions registered as such, in the manner and conditions established by the regulations. The SEPYME (Entrepreneurs and SMEs Department) is the enforcement authority and trustor. By virtue of Decree No. 711/17, BICE was appointed trustee. Subsequently, by virtue of Decree No. 1165/18, BICE Fideicomisos was appointed successor trustee of the fund.

Portfolio managed by the banking unit

(Stated in million pesos)

Trusts	Total managed as of 2019	Portfolio added in 2020	Total managed as of 2020	Amount
Nuclear power plants	18,892	0	18,892	1
Generators and Transport	34,158	0	34,158	4
Optic Fiber	1,028	3	1,031	6
Infrastructure	800	20,765	21,565	1
Total	54,878	20,768	75,646	12

## 05. The bank

### 05. The bank

During 2020, BICE had to adapt its processes and work methodologies to a new reality shaped by the sanitary emergency. It was forced to swiftly reorganize all teams in two-weeks' time to start working and assisting clients remotely.

Thanks to the performance and commitment of different areas, the entity managed to sustain daily operations without jeopardizing quality of service and with no technical, IT or reputational inconveniences. Towards the end of the year, the entity continued working remotely and started organizing the gradual return to the offices, in line with the country's epidemiological situation.



Team work flexibility allowed, for example, to address a large number of companies that increased its inquiries to the entity's toll free number. Such increase in demand did not affect the services provided by the bank, who managed to certify once again its quality management system as per the ISO 9001:2015 standard.

This new reality also involved a greater effort in controls performed on clients, and those required by both internal and external controlling authorities. Particularly, in case of those aimed at safeguarding the bank's systems and minimizing risks in a predominantly virtual year.

Moreover, community support actions were maintained and the entity's commitment to gender equality and equal opportunities was deepened, by means of internal and external actions.

This 2020 demanded a higher level of team connection. For such purposes, the intranet tool was boosted and an external communication plan was developed to show BICE near its clients, despite virtuality, and to present it as the Argentine development bank financing SMEs and promoting production and work.

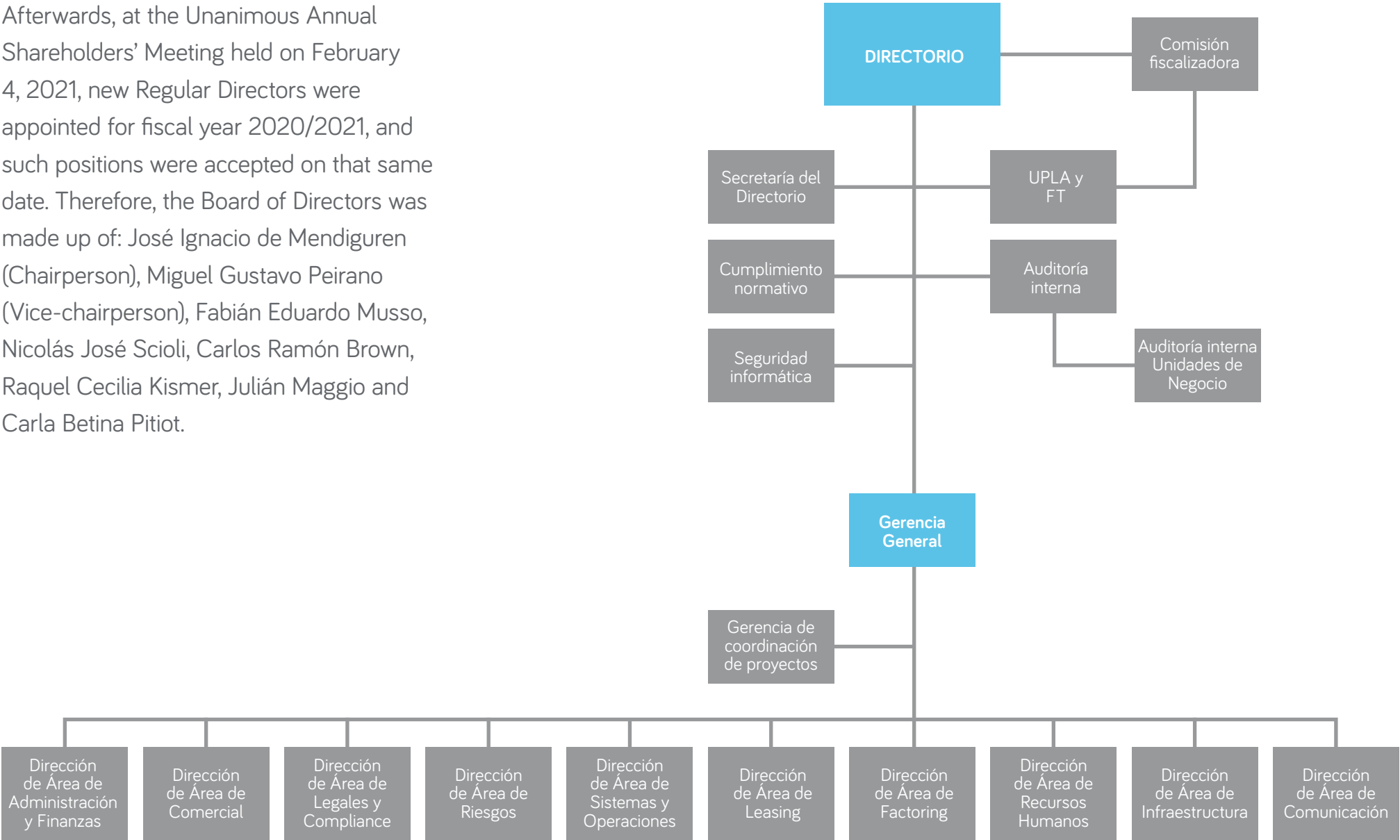
BOARD OF DIRECTORS AND ORGANIZATIONAL STRUCTURE

At the Unanimous Annual and Extraordinary Shareholders’ Meeting held on January 24, 2020, and at the Unanimous Annual Shareholders’ Meeting held on February 3, 2020, regular directors were appointed for fiscal year 2020/2021. The positions of Vice-chairperson (01/24/2020) and Chairperson (02/03/2020) were accepted at each of those meetings.

The Board of Directors was made up of: José Ignacio de Mendiguren (Chairperson), Miguel Gustavo Peirano (Vice-chairperson), Fabián Eduardo Musso, Nicolás José Scioli, Carlos Ramón Brown, and Raquel Cecilia Kismer.

At the Board Meeting held on January 28, 2020, Gabriel Martin Vienni was appointed General Manager of the Bank.

Afterwards, at the Unanimous Annual Shareholders’ Meeting held on February 4, 2021, new Regular Directors were appointed for fiscal year 2020/2021, and such positions were accepted on that same date. Therefore, the Board of Directors was made up of: José Ignacio de Mendiguren (Chairperson), Miguel Gustavo Peirano (Vice-chairperson), Fabián Eduardo Musso, Nicolás José Scioli, Carlos Ramón Brown, Raquel Cecilia Kismer, Julián Maggio and Carla Betina Pitiot.



## SUPERVISION BODIES

As established in its bylaws, BICE's oversight is conducted by a Statutory Audit Committee made up of 3 statutory auditors and 3 alternate statutory auditors proposed by the SIGEN in accordance with section 114 of Law No. 24156.

The Statutory Audit Committee is made up as follows:

- Statutory Auditors: Graciela M. Gonzalez Escot, Walter A. Pardi and Adrián M. Rois.
- Alternate Statutory Auditors: Claudia B. Villavicencio, Sandra F. Azpelicueta and Norma M. Vicente Soutullo.

## CORPORATE GOVERNANCE

BICE is being led by a professional Board promoting compliance with the highest ethics and integrity standards, always focusing on the best interest of the company and always in compliance with the rules set for such purposes by the Argentine Securities Commission (CNV), the BCRA (Central Bank of Argentina), and other market authorities.

The Board is engaged in different Corporate Governance communication strategies aimed at outlining an ethics work culture and setting forth the vision, mission and principles of the company. For such purposes, and for the purpose of the annual review conducted by means of the "Report on the degree of compliance with the Corporate Governance Code", the Board promotes corporate values by means of an educational component constantly embedded in all areas, thus achieving a better application of governance practices, always strengthening integrity and ethics.

In addition, the Board is in charge of setting the necessary grounds to secure the company's success, by fostering sustainable finances: investments and socially responsible policies.

They also work in favor of financial inclusion, in line with the gender policies sponsored by the National Administration.

## MONEY LAUNDERING

During the mandatory isolation period, the bank implemented all guidelines set by the controlling authorities to fight money laundering and terrorism financing, and complied with all regulatory requirements.

Likewise, during the pandemic, the Unit for the Prevention of Money Laundering and Terrorism Financing has strengthened client knowledge and due diligence controls, reducing analysis and response times. In order to reduce risks, everything related to the relationship with and assistance of new clients was prioritized and emphasized.

As a way to strengthen the IT prevention system, early warning controls and clients' matrices were improved.



## COMPLIANCE

At the Board meeting held on July 8, 2020, it was decided to create a Compliance Area reporting directly to the Board, as proposed by the General Management. It is to note that so far, Compliance functions were the responsibility of the Legal and Compliance Management.

This way, the Regulatory Compliance area was created, as per the Missions and Functions in force, in line with best practices and principles in aspects such as: independence, access to information, identifying possible violations of compliance and integrity policies, and free access to the Board to present any identified findings.

For the furtherance of its purpose, the Area was divided into: (I) Integrity and Compliance; and (II) Investigations.

In addition, as provided for by the Committee of Integrity, Anti-Money Laundering and Counter-Terrorism Financing, internal regulations on integrity, particularly integrity policies, would be thoroughly reviewed.

## PEOPLE MANAGEMENT AND DEVELOPMENT

By the end of December 2020, BICE's headcount reached 476 people, showing a 3% reduction with respect to 2019, when headcount reached 490 people.

The average age of staff is 41 years, where 66% is aged 30 to 50. The average seniority is 8 years, 56% are men and 42% are women. In addition, 73% are professionals or students. Besides, 3% of our staff are individuals with disabilities.

The organizational structure is consolidated as follows: 8% management positions, 17% intermediate positions and 75% analysis and operating staff.

In addition, BICE Fideicomisos ended the year with a 124 headcount, with an average age of 36 years and 5 years of seniority. Gender distribution is 48% women and 52% men.

Some landmarks reached during the year in Human Resources management include:

**People Analytics.** During 2020, the area placed emphasis on decision-making and deepened its work on People Analytics, by issuing more reports with greater impact and exposure, such as the Monthly Management Report (Turnover, Absenteeism, Diversity, Personnel Management and Development), COVID-19 Situation and New Normality Report, and the Report on Indicators with a Gender Perspective.

## Digitalization and remote work - COVID 19.

The digital transformation of management and the digitization of most Human Resources processes made it possible to immediately adapt the service to the internal client through remote work, thus obtaining high efficiency standards.

### Training:

- Assuming the challenge of 100% remote training, a free and distance training program was implemented, allowing collaborators to stay updated on different topics.
- Seeking continuous improvement, a new survey was developed to assess satisfaction with the training offered, whether internal or external, using the "NPS" 1 tool that allows measuring the satisfaction of training participants.

- A Mental Health and Work Efficiency Program was implemented to support collaborators, favoring team communication and work dynamics during the pandemic.

- Lactation room: promoting breastfeeding, an exclusive, comfortable, hygienic and private space was set for nursing mothers so that they can express and preserve breast milk during working hours.

**Implementation of prepaid medical insurance in BIFISA.** The benefit of prepaid medical insurance was extended to the entire endowment of BICE Fideicomisos, including the primary family group.

## COMMUNITY SUPPORT

**Food donations.** Faced with a food and social emergency situation, BICE joined different campaigns to assist families in vulnerable situations. More than 20,000 kilograms of food were donated and distributed through various social organizations.

**Donation of sanitary equipment.** A donation was made to Muñiz Hospital for the purchase of equipment. This contribution allowed the acquisition of new sample refrigeration units, enabling the expansion of the Virology Unit, and a better development of testing activity, in line with greater demands experienced by the health sector.

**Vaccine donation.** The first donation of quadrivalent influenza vaccines was made to the Garrahan Hospital, which were intended for boys and girls with underlying diseases and for children under two years of age.

## GENDER, DIVERSITY AND INCLUSION

- The BICE Gender and Diversity Committee was created. It is composed of Board members and is focused on supporting and promoting initiatives that may foster inclusion and equity
- Together with the French Development Agency (AFD), an awareness workshop was held to prepare diagnoses that may enable the development of a comprehensive strategy on gender and diversity. More than 20 collaborators from different areas and hierarchies participated at the meeting, and shared their different experiences. Through different dynamics, the attendees met and exchanged opinions and experiences on world trends, Argentina's particularities and the current situation of BICE and BICE Fideicomisos.

- In September, BICE organized a virtual event together with the IDB, the focus of which was the presentation of the "Gender and Access to Business Financing in Argentina" study published by the IDB in May 2020, which was prepared with the collaboration of BICE. It represented a space where regulators, financial institutions and reciprocal guarantee entities may exchange ideas and analyze the financial sector's role in financing with a gender perspective.



## 05. The bank

The meeting featured Elizabeth Gómez Alcorta, Minister of Women, Gender and Diversity; Viviana Alva-Hart, IDB Chief Operating Officer; Leticia Cortese, Undersecretary of Financing and SME Competitiveness; Christian Asinelli, Undersecretary for International Financial Relations; and Betina Stein, director of the BCRA. IDB was represented by Marisela Alvarenga, Head of the Financial Intermediaries division of IDB Invest; Juan Ketterer, Head of the Markets and Finance Connectivity division; and the specialist Gabriela Andrade. Sebastián Auguste, one of the authors of the report sponsored by IDB with the support of BICE was in charge of the presentation.

- In November 2020, the IDB organized a workshop on financing from a gender perspective for the entire sales area of tiers one and two, and for BICE Fideicomisos. Almost 100 Bank's representatives took part in it. The workshop was focused on raising awareness about conscious and unconscious biases and how they affect and impact the relationship with companies led by women.
- Represented by Director Raquel Kismer, the Bank participated in the first meeting of directors of public banks, organized by the BCRA. The entities committed themselves to promote gender equality within their own organizations, and to design institutional policies to generate more equitable and inclusive workplaces.
- A 20% quota in the new investment financing line was assigned to women-led companies.

- BICE received recognition from UN Women and the Win-Win Program for adhering to the WEPs (Women's Empowerment Principles) and the completion of the Action Plan to continue promoting gender equality in the workplace, production chains and the community.

- The bank endorsed the declaration on gender equality and the empowerment of women, together with 24 other entities from around the world, within the framework of the First Global Summit of Public Banks for Development. In this document, financial institutions committed themselves to working towards the achievement of 4 main objectives: to develop focused, transformative and balanced gender policies; to increase or redirect financing allocated to gender equality; to contribute to the development of a response to climate change with a gender perspective; and to improve discussions and cooperation with all key actors committed to gender equality.

- In order to fight discrimination and unequal gender relations, and to contribute to the prevention of violence, the entire BICE team received training on gender and violence against women within the framework of the Micaela Law.

## SUSTAINABILITY

**Second Sustainability Report 2019.** The second Sustainability Report prepared by BICE was published as per the Global Reporting Initiative (GRI) standards. This report shows the economic and financial results for the year, as well as the economic, environmental and social impacts of BICE's activities. It also discloses how the bank contributes to the attainment of the UN SGDs by acting as a development bank.

**Comprehensive Office Waste Management Plan (Sello Giro).** The Comprehensive Office Waste Management Plan was certified by the Municipality of the City of Buenos Aires (GCBA), who granted the bank the so-called “Sello Giro” certificate. The technical audit, conducted at the building located at Bartolomé Mitre 836 (CABA), was favorable and the final report issued by the GCBA highlights BICE’s commitment and efficacy in waste management.

#### **Energy Management System (SGE).**

During the second half of 2020, an Energy Management System (SGE) started to be developed at the two central buildings of the institution, with the objective of obtaining an ISO 50001 certification. This project is financed by the IDB through non-reimbursable technical assistance funds from the Green Climate Fund. The project is currently in progress.

**Technical Round Table on Sustainable Finance in Argentina.** The Technical Round table on Sustainable Finance is a permanent space for discussion and coordination of public policies, strategies and activities aimed at developing and strengthening sustainable finance in Argentina. It was set up in July 2020 and BICE was invited to join it as a permanent member.

The Round Table is led by the Ministry of Economy (Unit for the Management and Coordination of International Affairs and the Department of Finance). In addition to BICE, its permanent members are:

- Management and Coordination of International Affairs - Ministry of Economy (UAI MECON)
- Finances Department - Ministry of Economy (SF MECON)
- Argentine Securities Commission (CNV)
- Argentine Insurance Regulator (SSN)

- Central Bank of the Republic of Argentina (BCRA)
- Banco de la Nación Argentina (BNA)
- Department of Strategic Matters (SAE) - President’s Office
- Ministry of Production Development
- Ministry of Environment and Sustainable Development

#### **QUALITY**

In June 2020, the IRAM performed an audit to recertify the Quality Management System, as per the ISO 9001: 2015 Standard, the scope of which is: design, analysis, approval, instrumentation and disbursement of credit operations; planning, constitution and management of infrastructure trusts; constitution and administration of deposits and investment operations.

The outcome was positive and a recertification was obtained. This way, BICE continues down the path started in 2013 to promote the improvement of its processes and provide quality services for customer satisfaction.

#### **IT**

Efforts during the year were focused on the five pillars of the area: business support, operational continuity, automation, application integration and regulatory compliance.

All initiatives and projects undertaken were based on these pillars. Among them, the efforts made to adapt the bank to the context of the COVID-19 pandemic and to implement the regulatory changes derived from this situation are to be highlighted.

## 05. The bank

Additionally, projects that had been developed from previous periods were continued and new ones were started, based on the needs of different areas of the bank.

The most outstanding projects and initiatives of the year were:

- Tasks to allow BICE collaborators to work remotely in the context of the pandemic. For such purposes, laptops were configured and delivered, personal computers were transferred to employees' homes, remote accesses and "private networks" (VPNs) were made available, new servers were installed to allow remote access to different applications, and advice and support was provided to all collaborators. As a result, the bank's operations were not disrupted.
- In this same context, but within the framework of application systems, different adaptations were developed and implemented to allow:

- New lines of credit.
- Suspension of punitive interest.
- Rescheduling the maturity of loan installments and capital lease expenses.
- Clients recategorization.

- The documents digitalization project "Document Manager" was promoted.

- Jointly with Digital Banking management and based on the strategic line indicated by the Bank's Board, the BICE Digital project was started including a series of activities during this period such as:

- Vulnerability tests conducted on "e-factoring" (in production) and "comex digital" (in testing stage) websites.
- Adaptation of the "e-factoring" and "digital comex" sites to incorporate improvements in security, functions, and technological infrastructure.

- The first information boards fed by the Corporate Data Warehouse were implemented, consolidating information from different product portfolios.
- The design and necessary developments to collect capital lease installments and expenses at any bank of the National Payment System were completed in January 2021.
- New training management modules and career plan were implemented in the HR system.
- The HR datamart was created based on the information from SABA (Performance Evaluation, Talent Management).
- The first modules of the credit risk management system (SCACS) were implemented.
- Improvements to night processes of the BANTOTAL system were developed.

## IT SECURITY

**Remote access/work.** The pandemic and the need for remote work during the quarantine were the main challenges that fueled a multidisciplinary effort among Help Desk, Technology, Operational Risk and IT Security, which needed to be completed in less than two weeks.

Regarding IT Security, secure remote access policies have been promoted, perimeter security rules have been configured under the less privilege principle, staff has been trained, and Help Desk has been accompanied in their support function.

**Awareness.** Se The first awareness campaign at the organizational level was carried out to evaluate the behavior of employees in the event of a potential phishing incident, more precisely: theft of credentials.

## 05. The bank

Thanks to the work performed during the year, statistics show the commitment of the majority of the collaborators, who analyzed the emails received and, in case of suspicion, duly reported them to IT Security

**Perimeter security update.** One of the biggest challenges this year has been implementing new perimeter security equipment in the bank's data processing centers (DPCs).

In the case of the main site, the equipment was updated to achieve more robust performance and greater functionality. There was no perimeter security team at the contingency site. A device has been implemented for the first time allowing to establish safe communications with other entities and to connect through secure remote access.

A web traffic analysis service was also acquired to determine if the activity carried out on websites is normal based on behaviors.

**Incident monitoring.** A methodology for the treatment of information security incidents was established with a wide regulatory, legal, technological and multidisciplinary scope.

In order to cover the regulatory and legal scope, rules and procedures have been elaborated for the organization, and contractual clauses have been prepared for the necessary external services.

With respect to technology, the monitoring system was strengthened and its spectrum of business systems and applications was broadened. In addition, alerts have been generated based on the behavior of users in different systems.

## AUDIT

**Quality Management System.** In early March 2020, BICE's Internal Audit successfully passed the review to retain Quality Certificate No. 13 under IRAM 9001:2015 standards, in compliance with the Board of Directors' commitment to implement quality management requirements.

**IT solution implementation.** This year, the IT solution to manage internal audit good practices continued being used. The observations follow-up function was not only applied to follow up findings between auditors and audited parties on-line, but to all transactions; generating standardized reports and contributing to the reduction of paperwork, as the process of Internal Audit is currently 100% digital.

## COMMUNICATION AND MARKETING

**Website.** Clients contacting through the digital channel progressed in line with the new business strategy. To enable navigation focused on SMEs, changes were made at a structural and visual level, with a design oriented to functionality, by leveraging customer service channels.

**External communications and institutional relations.** In 2020, the communication plan accompanied the business strategy guidelines and sought to position BICE as the Argentine development bank that finances SMEs to boost production and work. For this purpose, different institutional, communication and marketing actions were implemented. Direct marketing campaigns were performed, and advertising in digital media was used to support the sales team and promote product launches or campaigns.

## 05. The bank

Social networks and the production of audiovisual content promoted the communication of institutional and commercial actions. In particular, successful cases of financed companies in different industries and services with a federal vision, credit programs and significant management milestones were published.

**Communication and internal culture.**

During 2020, the intranet was the channel chosen by the bank's teams to be kept informed. Throughout the social isolation period, health issues were the priority among communication flows.

Virtual activities and encounters were organized in different formats, in order to strengthen the bond between BIC's teams. ■





## 06. Closing

### 06. Closing

#### PROSPECTS FOR 2021

In 2021, after a year full of unprecedented challenges, Argentina will face a more favorable juncture; although still marked by challenges in public policies. Against this backdrop, the country will have the opportunity to take important steps towards economic development based on its natural and human resources, as well as its strategic and productive sectors. In this endeavor, BICE will be present to contribute with a key indispensable instrument: financing.

Since the beginning of this administration, the bank has shown its intention to monitor the public policies implemented by the national government to support companies throughout the country. As a public development bank, BICE is committed to all regional economies and national productive sectors.

For the furtherance of such purpose, the credit products needed in the different stages will be made available to companies. Working capital for daily operations, and mid and long-term investments to plan and complete projects in the future.

Capital leases will continue to be promoted as a fundamental financing alternative for companies to take off in the post-pandemic world: because it streamlines the production chain, enables modernization, and offers important tax advantages. And factoring, as an ideal tool for supplier SMEs in need of liquidity to maintain their activity and the production chain as a whole.

Due to its importance for the generation of foreign exchange currency for the country, special emphasis will be placed on promoting exports. Argentina needs to change its export profile and sell products with more added value. Reverting such situation is absolutely essential to reach and consolidate growth.

BICE is committed to continue developing its financing task on sustainability parameters. As President Alberto Fernández pointed out during the First Global Summit of Development Banks, Finance in Common, held within the framework of the III Forum for Peace in Paris: “It is during these times that public banking for development is being called to play a central role in the reconfiguration of a more inclusive and more sustainable socio-political and productive system.”

The year that begins presents an opportunity to take a step towards national development. The public policies of the national administration will go in that direction: BICE will be more present to support companies that invest, produce, export and create jobs. ■



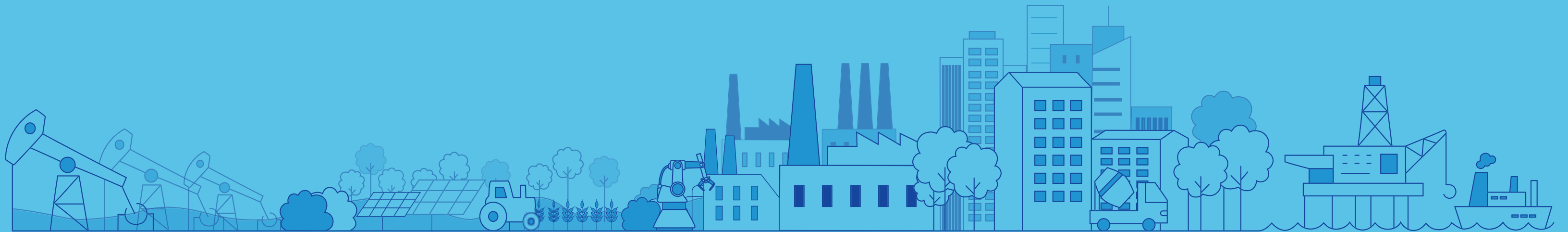
## 07. Acknowledgments

The Board of Directors thanks the work team, the Statutory Audit Committee and the Auditors for their commitment to the entity, their mission and goals during 2020.

They also extend this greeting to the companies, financial institutions, public organizations and international institutions that accompanied the bank during this period. ■

# Balance sheet 2020

Quantitative and qualitative information about *Market discipline*  
is available at [www.bice.com.ar](http://www.bice.com.ar)



## 08. Consolidated financial statements as of 12-31-2020

Consolidated  
08. financial statements  
as of 12-31-2020

Statements of financial position

Consolidated statements of financial position as of december 31, 2020, 2019 and 2018

Figures stated in thousands of Argentine pesos (Note 3.9)

ASSETS	Notes/exhibits	12/31/2020	12/31/2019	12/31/2018
CASH AND DEPOSITS WITH BANKS		9.828.002	6.314.263	16.838.509
Cash		60	82	63
Financial institutions and correspondents				
- BCRA (Central Bank of Argentina)		8.595.604	5.099.605	10.059.630
- Other in Argentina and abroad		1.232.338	1.214.576	6.778.816
Other		-	-	-
SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	A	8.637.772	779.308	1.374.254
DERIVATIVES	8	820	48	-
REPO TRANSACTIONS	5	9.925.706	8.869.377	1.873.060
OTHER FINANCIAL ASSETS	14.1	776.104	598.686	2.450.857
LOANS AND OTHER FINANCING FACILITIES	B/C	52.469.342	67.600.507	90.015.794
- Nonfinancial government sector		388.823	522.652	784.576
- BCRA (Central Bank of Argentina)		-	-	-
- Other financial institutions		6.615.140	11.550.556	20.036.125
- Nonfinancial private sector and foreign residents		45.465.379	55.527.299	69.195.093
OTHER DEBT SECURITIES	A	11.694.621	7.097.766	10.486.596
FINANCIAL ASSETS DELIVERED IN GUARANTEE	4	690.764	2.000.529	1.956.661
CURRENT INCOME TAX ASSETS	17.1	131.787	-	6.473
INVESTMENTS IN EQUITY INSTRUMENTS	A	3.897.650	3.671.846	3.487.993
PROPERTY AND BANK PREMISES	13.1/F	691.318	879.971	484.834
INTANGIBLE ASSETS	13.3/G	79.474	174.486	80.751
DEFERRED INCOME TAX ASSETS	17.1	2.308.907	1.344.109	508.751
OTHER NONFINANCIAL ASSETS	14.3	587.149	290.904	355.866
TOTAL ASSEETS		101.719.416	99.621.800	129.920.399

Notes 1 to 36 and Exhibits A to D, F to L and O to R to the accompanying condensed consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated  
08. financial statements  
as of 12-31-2020

Statements of financial position

LIABILITIES	Notes/exhibits	12/31/2020	12/31/2019	12/31/2018
DEPOSITS	H	42.446.842	37.967.888	51.225.669
- Nonfinancial government sector		36.531.270	24.032.723	38.567.371
- Financial sector		-	-	-
- Nonfinancial private sector and foreign residents		5.915.572	13.935.165	12.658.298
DERIVATIVES	8	220	7.624	307.596
OTHER FINANCIAL LIABILITIES	14.2	15.375.218	14.639.621	13.956.673
FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS	15	19.210.549	21.262.248	26.530.644
CORPORATE BONDS ISSUED	32	2.804.546	5.237.493	7.974.610
CURRENT INCOME TAX LIABILITIES	17.1	21.592	161.726	342.353
PROVISIONS	16/J	233.478	171.330	229.148
OTHER NONFINANCIAL LIABILITIES	14.4	1.149.582	1.452.802	1.892.782
<b>TOTAL LIABILITIES</b>		<b>81.242.027</b>	<b>80.900.732</b>	<b>102.459.475</b>
SHAREHOLDERS' EQUITY	Notes/exhibits	12/31/2020	12/31/2019	12/31/2018
CAPITAL STOCK	1.2/K	11.880.229	11.535.033	11.399.893
CONTRIBUTIONS NOT CONVERTED INTO EQUITY		1.765	86.964	17.629
CAPITAL ADJUSTMENT		52.890.543	52.831.946	52.668.717
RETAINED EARNINGS		3.386.711	2.989.597	1.179.779
UNAPPROPRIATED RETAINED EARNINGS (1)		(49.291.134)	(39.937.837)	(37.912.749)
OTHER ACCUMULATED COMPREHENSIVE INCOME (LOSS)		(150.469)	(152.057)	101.726
PROFIT FOR THE YEAR		1.752.749	(8.637.589)	-
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S OWNERS</b>		<b>20.470.394</b>	<b>18.716.057</b>	<b>27.454.995</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>		<b>6.995</b>	<b>5.011</b>	<b>5.929</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>20.477.389</b>	<b>18.721.068</b>	<b>27.460.924</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>101.719.416</b>	<b>99.621.800</b>	<b>129.920.399</b>

Notes 1 to 36 and Exhibits A to D, F to L and O to R to the accompanying condensed consolidated financial statements are an integral part of these consolidated financial statements.

(1) Profit for year December 31, 2018 considering the impact of the first-time adoption of IAS 29 is presented in "Unappropriated retained earnings" at such date.

Consolidated  
08. financial statements  
as of 12-31-2020

Statements of income

Consolidated statements of income

For the years ended December 31, 2020 and 2019. Figures stated in thousands of Argentine pesos (Note 3.9)

STATEMENTS OF INCOME	Notes/exhibits	Accumulated at 12/31/2020	Accumulated at 12/31/2019
Interest income	Q	14.280.947	30.340.522
Income from adjustments	Q	50.446	67.779
Interest expense	Q	(8.687.212)	(22.730.866)
INTEREST INCOME NET		5.644.181	7.677.435
Commission income	19.1 / Q	110.701	223.689
Commission expense	Q	(74.521)	(60.594)
COMMISSION INCOME NET		36.180	163.095
Net gain on financial instruments at fair value through profit or loss		1.769.207	724.739
Loss on assets written off measured at amortized cost		(911)	-
Difference in quoted prices of foreign currency		2.777.789	1.155.984
Other operating income		1.833.913	1.569.508
Allowance for loan losses		(2.185.954)	(5.378.206)
NET OPERATING INCOME		9.874.405	5.912.555
Employee benefits	19.4	(2.039.387)	(2.424.549)
Administrative expenses	19.5	(802.741)	(1.568.272)
Depreciation and impairment in value of assets	F/F BIS/G	(192.146)	(158.174)
Other operating expenses	19.6	(1.163.816)	(1.215.095)
OPERATING INCOME		5.676.315	546.465
LOSS FROM NET MONETARY POSITION		(4.794.857)	(9.952.320)
PROFIT BEFORE INCOME TAX		881.458	(9.405.855)
INCOME TAX	17.1	873.275	767.348
NET PROFIT / (LOSS)		1.754.733	(8.638.507)
NET PROFIT /(LOSS) ATTRIBUTABLE TO THE PARENT COMPANY’S OWNERS		1.752.749	(8.637.589)
NET PROFIT /(LOSS) ATTRIBUTABLE TO NON CONTROLLING INTERESTS		1.984	(918)

Las Notas 1 a 36 y los Anexos A a D, F a L y O a R a los estados financieros consolidados condensados adjuntos, son parte integrante de estos estados financieros consolidados.



Consolidated statements of other comprehensive income

For the years ended December 31, 2020 and 2019. Figures stated in thousands of Argentine pesos (Note 3.9)

OTHER COMPREHENSIVE INCOME	Notes/ exhibits	Accumulated at 12/31/2020	Accumulated at 12/31/2019
NET PROFIT / (LOSS)		1.754.733	(8.638.507)
Components of other comprehensive income (loss) not to be reclassified to profit for the year:			
POST-EMPLOYMENT DEFINED BENEFIT PLANS			
Accumulated actuarial losses from post-employment defined benefit plans	12.3	-	(34.103)
Components of other comprehensive income (loss) to be reclassified to profit for the year:			
GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (LOSS) (IFRS 9, point 4.1.2a)			
Gains or losses on financial instruments carried at fair value through OCI	Q	(169.985)	(84.415)
Income tax	17.1	53.619	34.976
GAINS (LOSSES) ON HEDGE INSTRUMENTS - CASH FLOW HEDGE (IFRS 9, 6.1.1)			
Profit (loss) for the year from the hedge instrument	8.2	19.084	(119.757)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		(97.282)	(203.299)
TOTAL COMPREHENSIVE INCOME		1.657.451	(8.841.806)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT COMPANY'S OWNERS		1.655.467	(8.840.888)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS		1.984	(918)

Notes 1 to 36 and Exhibits A to D, F to L and O to R to the accompanying condensed consolidated financial statements are an integral part of these consolidated financial statements.

## Consolidated statements of changes in equity

For the years ended December 31, 2020, and 2019. Figures stated in thousands of Argentine pesos (Note 3.9)

Changes	Note	Capital stock	Non-capitalized contributions		Adjustments to equity	Other comprehensive income (loss)			Retained earnings		Unappropriated retained earnings	Total shareholders' equity attributable to controlling interests as of 12/31/2020	Total shareholders' equity attributable to nocontrolling interests as of 12/31/2020	Total shareholders' equity as of 12/31/2020
		Outstanding	Additional paid-in capital	Other		Accumulated gains or losses from postemployment defined benefit plans	Accumulated gains or losses from financial interest at fair value through OCI	Accumulated gains or losses from hedge instruments	Legal reserve	Optional reserve				
Restated amounts at beginning of year		11.535.033	1.765	85.199	52.831.946	(34.103)	(91.973)	(25.981)	1.596.322	1.393.275	(48.575.426)	18.716.057	5.011	18.721.068
Total comprehensive income (loss)														
Profit for the year		-	-	-	-	-	-	-	-	-	1.752.749	1.752.749	1.984	1.754.733
Other comprehensive income(loss) for the year		-	-	-	-	-	(116.366)	19.084	-	-	-	(97.282)	-	(97.282)
Distribution of unappropriated retained earnings approved by the Shareholders' Meeting of May 29, 2020														
Legal reserve	1.3	-	-	-		-	-	-	150.215	-	(150.215)	-	-	-
Optional reserve	1.3	-	-	-		-	-	-	-	246.899	(246.899)	-	-	-
Dividends in shares	1.3	259.997	-	-	58.597	-	-	-	-	-	(318.594)	-	-	-
Conversion into equity of irrevocable contributions	1.3	85.199	-	(85.199)	-	-	-	-	-	-	-	-	-	-
Reversal of reserves		-	-	-	-	-	91.973	6.897	-	-	-	98.870	-	98.870
Amounts at end of year		11.880.229	1.765	-	52.890.543	(34.103)	(116.366)	-	1.746.537	1.640.174	(47.538.385)	20.470.394	6.995	20.477.389

Notes 1 to 36 and Exhibits A to D, F to L and O to R to the accompanying condensed consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated  
08. financial statements  
as of 12-31-2020

Statements of  
changes in equity

Changes	Note	Capital stock	Non-capitalized contributions		Adjustments to equity	Other comprehensive income (loss)			Retained earnings		Unappropriated retained earnings	Total shareholders' equity attributable to controlling interests as of 12/31/2019	Total shareholders' equity attributable to nocontrolling interests as of 12/31/2019	Total shareholders' equity as of 12/31/2019)
		Outstanding	Additional paid-in capital	Other		Accumulated gains or losses from postemployment defined benefit plans	Accumulated gains or losses from financial interest at fair value through OCI	Accumulated gains or losses from hedge instruments	Legal reserve	Optional reserve				
Restated amounts at beginning of year		11.399.893	-	17.629	52.668.717	-	(42.534)	144.260	1.179.779	-	(37.912.749)	27.454.995	5.929	27.460.924
Total comprehensive income (loss)														
Total comprehensive income (loss)														
- Profit for the year		-	-	-	-	-	-	-	-	-	(8.637.589)	(8.637.589)	(918)	(8.638.507)
- Other comprehensive income(loss) for the year		-	-	-	-	(34.103)	(49.439)	(119.757)	-	-	-	(203.299)	-	(203.299)
Distribution of unappropriated retained earnings approved by the Shareholders' Meeting of Tuesday, March 19, 2019														
- Legal reserve		-	-	-	-	-	-	-	416.543	-	(416.543)	-	-	-
- Optional reserve		-	-	-	-	-	-	-	-	1.393.275	(1.393.275)	-	-	-
- Dividends in shares		114.895	-	-	100.374	-	-	-	-	-	(215.269)	-	-	-
Subscription of shares approved by the Shareholders' Meeting or increase in capital assigned		1	-	-	-	-	-	-	-	-	(1)	-	-	-
Conversion into equity of irrevocable contributions		17.629	-	(17.629)	-	-	-	-	-	-	-	-	-	-
Irrevocable contributions for future capital increases received during the year		-	-	85.199	60.573	-	-	-	-	-	-	145.772	-	145.772
Increase in capital stock and additional paid-in capital	1.2	2.615	1.765	-	2.282	-	-	-	-	-	-	6.662	-	6.662
Reversal of reserves		-	-	-	-	-	-	(50.484)	-	-	-	(50.484)	-	(50.484)
Balances at year-end		11.535.033	1.765	85.199	52.831.946	(34.103)	(91.973)	(25.981)	1.596.322	1.393.275	(48.575.426)	18.716.057	5.011	18.721.068

Notes 1 to 36 and Exhibits A to D, F to L and O to R to the accompanying condensed consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated  
08. financial statements  
as of 12-31-2020

Statement of cash flows

### Consolidated statements of cash flows

For the fiscal years ended December 31, 2020 and 2019. Figures stated in thousands of Argentine pesos (Note 3.9)

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	Notes/exhibits	12/31/2020	12/31/2019
Profit for the year before income tax		881.458	(9.405.855)
Adjustments from total monetary gain/loss for the year		4.794.857	9.952.320
Adjustments to determine cash flows provided by operating activities		(5.096.726)	10.550.081
Amortization, depreciation and impairment in value	F/F BIS/G	192.146	158.174
Allowance for loan losses	R	2.185.954	5.378.206
Other adjustments		(7.474.826)	5.013.701
<b>Net increases/(decreases) from operating assets:</b>		<b>4.080.095</b>	<b>17.353.190</b>
Securities at fair value through profit or loss		(5.021.204)	594.946
Derivatives		(772)	(48)
Repo transactions		(1.056.329)	(6.996.317)
Loans and other financing facilities			
Nonfinancial government sector		133.829	261.924
Other financial institutions		4.984.751	8.571.270
Nonfinancial private sector and foreign residents		11.784.981	10.484.131
Other debt securities		(7.511.828)	2.721.584
Financial assets delivered in guarantee		1.309.765	(43.868)
Investments in equity instruments		(225.804)	(183.853)
Other assets		(317.294)	1.943.421
<b>Net increases/(decreases) from operating liabilities:</b>		<b>4.696.433</b>	<b>(13.931.671)</b>
Deposits			
Nonfinancial government sector		12.498.547	(14.534.648)
Nonfinancial private sector and foreign residents		(8.019.593)	1.276.867
Derivatives		(7.404)	(299.972)
Other liabilities		224.883	(373.918)
<b>Income tax payments /(collections)</b>		<b>(36.897)</b>	<b>6.339</b>
<b>TOTAL OPERATING ACTIVITIES</b>		<b>9.319.220</b>	<b>14.524.404</b>

Notes 1 to 36 and Exhibits A to D, F to L and O to R to the accompanying condensed consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated  
08. financial statements  
as of 12-31-2020

Statement of cash flows

CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	Notes/exhibits	12/31/2020	12/31/2019
<b>Payments:</b>			
Purchase of property and bank premises, intangible assets and other assets		74.950	(150.725)
<b>Collections:</b>			
Sale of property and bank premises, intangible assets and other assets		732	-
Other collections related to investing activities		(110.623)	71.512
<b>TOTAL INVESTING ACTIVITIES</b>		<b>(34.941)</b>	<b>(79.213)</b>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
<b>Payments:</b>			
Unsubordinated corporate bonds		(3.683.241)	(6.231.989)
BCRA (Central Bank of Argentina)		(706)	(1.572)
Financing received from financial institutions		(3.343.663)	(11.675.983)
Changes in the subsidiary that do not result in the parent losing control of the subsidiary		-	(918)
Other payments related to financing activities		-	(4)
<b>Collections:</b>			
Issuance of proprietary equity instruments		-	6.662
Unsubordinated corporate bonds		-	145.772
Changes in the subsidiary that do not result in the parent losing control of the subsidiary		1.984	-
<b>TOTAL FINANCING ACTIVITIES</b>		<b>(7.025.626)</b>	<b>(17.758.032)</b>
<b>EFFECT OF CHANGES IN THE EXCHANGE RATE</b>		<b>2.960.049</b>	<b>1.362.351</b>
<b>EFFECT OF CASH FLOWS MONETARY GAINS/LOSS</b>		<b>(1.704.963)</b>	<b>(8.573.756)</b>
<b>TOTAL CHANGES IN CASH FLOWS</b>		<b>3.513.739</b>	<b>(10.524.246)</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>3.513.739</b>	<b>(10.524.246)</b>
RESTATED CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	20	6.314.263	16.838.509
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	9.828.002	6.314.263

Notes 1 to 36 and Exhibits A to D, F to L and O to R to the accompanying condensed consolidated financial statements are an integral part of these consolidated financial statements.

**NOTE 1**  
**CORPORATE INFORMATION**

Banco de Inversión y Comercio Exterior S.A. (the “Bank” or “BICE”) is a stock corporation organized in Argentina. It was created in 1991 through Presidential Decree No. 2703 in order to conduct lending, borrowing and service transactions like those provided by commercial development banks as established by Law No. 21526 as amended, and the provisions issued by the BCRA (Central Bank of Argentina) for this type of financial institutions.

The Bank was organized to act as a financial institution legally organized under Argentine General Business Associations Law and Financial Institutions Law, with its own legal status, different from the Argentine government. Unlike other government banks, the private nature of stock corporations prevails in the Bank’s legal structure, and it is subject to the control of various external regulatory agencies.

Since it is a financial entity governed by Financial Institutions Law No. 21526, it should meet BCRA provisions because it is its regulator.

The Bank’s main activities are described in note 22.

On February 20, 2020, the Bank’s Board of Directors approved the issuance of these financial statements  
.

**1.1. The Bank’s operations**

The Bank’s mission is to grant medium- and long-term financing for productive investments and foreign trade, focusing on small- and medium-sized enterprises and regional development.

In its role as a development bank, BICE provides short, mid-and long term financing, focused on sectors engaged in production, small- and medium-sized enterprises and territory integration.

To comply with such task, its management is based on two main objectives:

- Promoting the financing of SMEs.
- Creating a long-term credit market.

Based on these guidelines, BICE provides a wide array of products aimed at the productive sector, which is addressed both directly and indirectly.



It also provides integral assistance to exporters, supports the business opportunities within the value chain for the improvement of competitiveness, and it designs and manages trusts aimed at strategical infrastructure works for the country.

1.2 Merger

On June 18, 2019, the Bank entered into a preliminary merger agreement, which stipulated the merger of its subsidiaries BICE Leasing S.A. and BICE Factoring S.A. (merged companies). On that date, the Bank’s Board of Directors resolved to approve a special statement of financial position as of March 31, 2019, a special consolidated statement of financial position for merger purposes as of March 31, 2019, and the execution of the abovementioned preliminary agreement, subject to the final approval of the Bank’s Special Shareholders’ Meeting.

On August 6, 2019, the Bank’s Special Shareholders’ Meeting decided to approve:

- i) the special statement of financial position as of March 31, 2019, and the special consolidated statement of financial position for merger purposes as of March 31, 2019;
- ii) the Bank’s merger, whereby the Bank absorbs BICE Leasing S.A. and BICE Factoring S.A., effective as from September 30, 2019, incorporating the whole equity of the merged companies, as well as the activities that are part of their corporate purposes;
- iii) the preliminary merger agreement signed by the Bank’s and the merged companies’ legal representatives;
- iv) the share swap ratio, whereby BICE will issue 2,615 shares of common stock, each with a face value of 1000 and 1 vote per share, to be delivered to the minority shareholders of the merged companies; and

v) the capital increase from thousands of ARS 11,532,418 to thousands of ARS 11,535,033, by virtue of an approved swap ratio.

In addition, on August 6, 2019, the Special and Annual Shareholders’ Meetings of BICE Leasing S.A. and BICE Factoring S.A. decided to approve, among other matters, the preliminary merger agreement signed with BICE and the dissolution of these companies, as they were merged into BICE pursuant to section 94(7), Companies Law No. 19550, as amended.

In August 2019, the resolution adopted was published in the Official Gazette, as set forth in section 83(3), Law No. 19550.

The effective merger date, September 30, 2019, was confirmed by signing the final merger agreement on September 6, 2019. That merger implied the incorporation of all of the merged companies’ assets and liabilities into BICE’s equity, as well

as registrable assets and other rights and obligations held by them. Thus, BICE undertakes all the activities, rights and obligations of BICE Leasing S.A. and BICE Factoring S.A., for legal and tax purposes at the merger effective date. Furthermore, as this is a corporate reorganization under common control within a group of companies, in which all instances are controlled ultimately by the same party and considering that the business combinations of entities under common control are excluded from the International Financial Reporting Standard (IFRS) 3, for accounting purposes, the Bank decided to recognize the assets, liabilities and income (loss) of merged companies retrospectively under the uniting-of-interests method from the beginning of the year of the merger (January 1, 2019), amending the comparative amounts to disclose the merger as if occurring from the beginning of the comparative period/year, regardless of the merger effective date.

On October 16, 2019, through Joint Resolution No. RESFC-2019-20500-APN-DIR#CNV, the CNV (Argentine Securities Commission) approved the abovementioned merger pursuant to section 82 and subsequent sections under Companies Law No. 19550, as revised in 1984 and as amended. Certain registrations mentioned in the referred resolution are pending to complete the registration with the Supervisory Board of Companies (I.G.J.).

To the date of issuance of these financial statements, files 1602/2018 and 1930/2018 are completed and registered with I.G.J.; there are no notices pending. File 466/2019 is awaiting resolution from the CNV Board

1.3. Equity interest

The Bank’s capital stock includes different classes of shares and is held by the Ministry of Production, Banco de la Nación Argentina (BNA) and Fundación BNA.

As of December 31, 2018, the equity interest was made up of:

Holder	Shares of Common stock (*)	Shares of Preferred stock (**)
BNA	51,658	4,524,568
BNA (***)	2,423,714	-
Ministry of Production	4,399,953	-
	6,875,325	4,524,568

(\*) Book-entry shares of common stock with a face value of ARS 1000 each, one vote each.  
(\*\*) Book-entry shares of preferred stock with a face value of ARS 1000 each, with no voting rights, and with fixed, cumulative equity rights equivalent to 1% of the nominal value of the shares of preferred stock issued, to be paid with the annual distribution of dividends up to the value assessed.  
(\*\*\*) Book-entry shares of common stock with a face value of ARS 1000 each held by Banco de la Nación Argentina in bare ownership, the usufructuary and voting rights of which are held by the Ministry of Production Development – formerly Ministry of Production– (Resolution No. 847/00-ME and Presidential Decree No. 527/16).

On March 19, 2019, the Shareholders’ Meeting decided to approve the distribution of earnings for fiscal 2018, and set up a legal reserve in the amount of thousands of ARS 198,895 (in constant currency ARS 416,543) and an optional reserve in the amount of ARS 665,275, and the conversion into equity of the remaining amount of earnings in the amount of thousands of ARS 114,895 (in constant currency ARS 215,269). Furthermore, the Shareholders’ Meeting approved the irrevocable contribution in cash by the Ministry of Production on November 11, 2018, in the amount of thousands of ARS 17,629 (in constant currency ARS 37,869) and the unappropriated retained earnings arising from the differences in prior irrevocable contributions made by the Ministry in the total amount of thousands of ARS 1. Thus, increasing the capital stock to thousands of ARS 11,532,418, representing 7,007,850 shares of common stock and 4,524,568 shares of preferred stock, while

the amount of thousands of ARS 823,042 was pending registration with the I.G.J.

On June 25, 2019, the Bank received an irrevocable contribution from the Ministry of Production amounting to thousands of ARS 85,199 from liquid funds available as a result of the settlement of the certificate of participation issued by the Treasury Department in the FONAPYME (Argentine fund for the development of micro-, small- and medium-sized enterprises).

On August 6, 2019, the Bank’s Shareholders’ Meeting decided to approve the share swap ratio resulting from the merger mentioned in note 1.2 above, whereby BICE issued 2,615 shares of common stock, each with a face value of 1000 and 1 vote per share, to be delivered to the minority shareholders of the merged companies, increasing capital stock to thousands of ARS 11,535,033, by virtue of the approved swap ratio. Such capital increase is pending registration with the I.G.J.

As of December 31, 2019, the capital structure was as follows:

Holder	Shares of Common stock (*)	Shares of Preferred stock (**)
BNA	52,521	4,524,568
BNA (***)	2,464,217	-
Min. of Prod. Development	4,491,112	-
Fundación BNA (****)	2,615	-
	7,010,465	4,524,568

(\*) Book-entry shares of common stock with a face value of ARS 1000 each, one vote each.  
(\*\*) Book-entry shares of preferred stock with a face value of ARS 1000 each, with no voting rights, and with fixed, cumulative equity rights equivalent to 1% of the nominal value of the shares of preferred stock issued, to be paid with the annual distribution of dividends up to the value assessed.  
(\*\*\*) Book-entry shares of common stock with a face value of ARS 1000 each held by Banco de la Nación Argentina in bare ownership, the usufructuary and voting rights of which are held by the Ministry of Production Development – formerly Ministry of Production– (Resolution No. 847/00-ME and Presidential Decree No. 527/16).  
(\*\*\*\*) Merged companies’ minority shareholders. See Note 1.2.

On May 29, 2020, the Shareholders’ Meeting decided to approve the distribution of earnings for fiscal 2019, and set up a legal reserve in the amount of thousands of ARS 110,339 (in constant currency thousands of ARS 150,215) and an optional reserve in the amount of ARS 181,356 (in constant currency thousands of ARS 246,899), and the conversion into equity of the remaining amount of earnings in the amount of thousands of ARS 260,000 (in constant currency ARS 353,961). These thousands of ARS 3 resulting from rounded up figures are not converted into equity and have been recognized in unappropriated retained earnings. Additionally, the Shareholders’ Meeting approved the irrevocable contributions made by the Ministry of Production (currently, Ministry of Production Development) dated June 25, 2019 from liquid funds available as a result of the settlement of the certificate of participation issued by the Treasury Department in the FONAPYME in the amount of thousands of

ARS 85,199 (in constant currency thousands of ARS 145,771). Thus, increasing the capital stock to thousands of ARS 11,880,229, representing 7,355,661 shares of common stock and 4,524,568 shares of preferred stock. Such increase is pending registration with the I.G.J.

Thus, as of December 31, 2020, and as of the date of approval of these financial statements, the capital structure is as follows:

Holder	Shares of Common stock (*)	Shares of Preferred stock (**)
BNA	54,468	4,524,568
BNA (***)	2,555,608	-
Min. of Prod. Development	4,742,874	-
Fundación BNA (****)	2,711	-
	7,355,661 <sup>(1)</sup>	4,524,568 <sup>(1)</sup>

(\*) Book-entry shares of common stock with a face value of ARS 1000 each, one vote each.

(\*\*) Book-entry shares of preferred stock with a face value of ARS 1000 each, with no voting rights, and with fixed, cumulative equity rights equivalent to 1% of the nominal value of the shares of preferred stock issued, to be paid with the annual distribution of dividends up to the value assessed.

(\*\*\*) Book-entry shares of common stock with a face value of ARS 1000 each held by Banco de la Nación Argentina in bare ownership, the usufructuary and voting rights of which are held by the Ministry of Production Development – formerly Ministry of Production– (Resolution No. 847/00-ME and Presidential Decree No. 527/16).

(\*\*\*\*) Merged companies’ minority shareholders. See Note 1.2.

(1) See exhibit K.

**1.4. Expiration date of the articles of incorporation**

As provided for by the Companies Law, it is informed that on October 26, 1995, the Special Shareholders’ Meeting decided to change the corporate life, which was extended to ninety-nine years as from April 18, 1995.

**NOTE 2**  
**CRITERIA FOR THE PREPARATION OF THE FINANCIAL STATEMENTS**

These consolidated financial statements for the year ended December 31, 2020 were prepared pursuant to BCRA regulations, whereby it is stated that entities under its supervision shall submit the financial statements prepared under International Financial Reporting Standards (IFRS), as issued by the IASB (International Accounting Standards Board) and adopted by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences), subject to the following exceptions (“BCRA accounting framework”):

a) In accordance with BCRA Communication “A” 6938, the Entity has applied the regulations described in Note 3.3 for the recognition of credit losses in these financial statements. Based on such regulations, the BCRA set forth that the Group “B” Financial Institutions shall start applying the provisions about impairment in Financial Assets included in paragraph 5.5 of IFRS No. 9, for fiscal years beginning on or after January 1, 2021. On December 17, 2020, the BCRA issued Communication “A” 7181 that extended the effective date for fiscal years beginning on or after January 1, 2022. To such end, IFRS 9 provides for an expected credit loss model, whereby financial assets are classified into three impairment stages based on the changes in the credit quality since initial recognition. This indicates how an entity measures impairment losses and applies the effective interest method. It should be noted that by means of Communication “A” 6847,

the BCRA set forth the special criterion for measuring debt instruments of the nonfinancial government sector, which implies the temporary exclusion of such instruments from the scope of IFRS 9, impairment in value. To the date of issuance of these consolidated financial statements, the Bank is quantifying the effect of the application of section 5.5 “impairment in value” mentioned above, therefore, this effect should be considered upon interpreting the information disclosed by the Bank in the financial statements.

b) As provided for by Communication “A” 7014 issued by the BCRA on May 14, 2020 and to be effective as from such date, the debt instruments of the government sector received as swap are measured upon initial recognition at the book value at such date of the instruments delivered for replacement purposes. Consequently, the referred swap does not affect the consolidated statement of income.

As the securities received were classified as:

- Financial assets measured at fair value through other comprehensive income (loss), the difference between the book value upon acquisition and the market value at the end of the day of acquisition was recognized in other comprehensive income (loss). If the provisions of IFRS 9 had been applied, Other comprehensive income would have amounted to thousands of ARS 361,804, and a loss in the same amount would have been recognized in the statement of income for the year.
- Financial assets measured at amortized cost, the difference between the book value upon acquisition and the market value at the end of the day of acquisition was recognized in the statement of income. If the provisions of IFRS 9 had been applied, a loss in the amount of thousands of ARS 666,229 would have been recognized in the statement of income for the year.

c) Presentation of the loss on the net monetary position in “Other comprehensive income (loss)”

As provided for by BCRA Communication “A” 6849, loss on the net monetary position related to financial assets recognized at fair value with an impact on Other comprehensive income (loss) is presented in the “ Statement of other comprehensive income (loss)” This situation implies a departure from the provisions of IAS 29 that require that gain/loss on net monetary position be presented in the “Statement of income”.

Based on the provisions of BCRA Communication “A” 7211, the amount of the gain/loss on net monetary position arising from the application of the disclosure criteria set forth by IAS 29 is thousands of ARS 25,656 as of December 31, 2019. No impact is recognized as of December 31, 2020.

The exceptions described imply a departure from the IFRS.

Additionally, BCRA Communications “A” 6323 and 6324 and amendments set forth the guidelines for the preparation and presentation of the financial institutions’ financial statements for fiscal years beginning on or after January 1, 2018, including the information additional requirements as well as the information to be disclosed in the Exhibits.



**NOTE 3**  
**BASIS FOR PRESENTATION OF THE**  
**FINANCIAL STATEMENTS**

**3.1. Functional and presentation currency**

The Bank considers the Argentine peso as its functional and presentation currency. Figures are stated in thousands of pesos, unless otherwise stated.

**3.2. Changes in significant accounting policies applied**

As established by BCRA Communication “A” 6651, banks should adopt the method for restating the financial statements into constant currency, as provided for by IAS 29, as from the years beginning January 1, 2020, in line with Communication “A” 6849 issued on December 27, 2019, as detailed in Note 3.9 to these financial statements.

Additionally, BCRA Communication “A” 6847, as of January 1, 2020, allowed entities to reclassify debt instruments of the government sector measured at fair value through profit or loss or other comprehensive income (loss) as at amortized cost, using as acquisition value the book value at such date with the discontinuity of accrual of interest to the extent that the book value is above the fair value. The Bank has not reclassified its instruments at year-end.

**3.3. Changes in significant accounting policies applied**

In connection with the BCRA allowance-setting rules, Communication “A” 6938 issued on March 19, 2020, provided for, effective as from such date to September 30, 2020, a temporary flexibility of the parameters to classify bank debtors, which represents a new criterion for the recognition of loan loss allowances

as of December 31, 2020. By means of Communication “A” 7107, the BCRA provided for the extension of such criteria up to December 31, 2020. Additionally, by means of Communication “A” 7181, the BCRA provided for the extension of such criteria up to March 31, 2021.

**3.4. Comparative information**

These financial statements are presented comparatively with those of the prior fiscal year-end.

Furthermore, based on the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” and by virtue of the fact that these financial statements are the first to be presented in accordance with such regulation, the Statement of financial position at transition date (December 31, 2018) is included as provided for by the BCRA.

The comparative information has been changed by virtue of:

- BICE’s merger with BICE Leasing S.A. and BICE Factoring S.A mentioned in note 1.2, to disclose the merger as if occurring from the beginning of the comparative years, pursuant to the retrospective uniting-of-interests method.
- the application of the restatement method of consolidated financial statements in constant currency, provided for by IAS 29, mentioned in Notes 3.2 and 3.9.

**3.5. Significant accounting policies**

The main valuation and disclosure criteria applied to the preparation of these consolidated financial statements as of December 31, 2020, 2019 and 2018 are as follows:



3.5.1. 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 (loss) for each year under "Difference in quoted prices of gold and foreign currency".

3.5.2. Financial Instruments:

• **Initial recognition and measurement:**  
The Bank recognizes a financial instrument when it comprises the contractual clauses.

Purchases or sales of financial assets requiring the delivery of assets within the term generally established by regulations or market conditions are recorded on the transaction negotiation date, i.e. on the date when the Bank agrees 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 carried at fair value through profit or loss were carried 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 the Bank and its subsidiary determine that the fair value, upon initial recognition, differs from the consideration received or paid, the fair value of the financial instrument is estimated. If this fair value is based on a valuation

technique that only uses observable market data, any amount additional to the consideration will be an expense or a lower profit, unless it meets the requirements to be recognized as any other type of asset ("day 1" outcomes). 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 provided that it arises from a change in any factor (including time) that the market participants would consider upon determining the price of the asset or liability, or when the instrument is derecognized.

• **Subsequent measurement:**  
Business model:  
The Bank established three categories for classifying and measuring its financial statements based on the Bank's business model for managing them, and the characteristics of the contractual cash flows thereof.

- a) Amortized cost: the business purpose is to obtain the contractual cash flows of the financial asset.
  - b) Fair value 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.
  - c) Fair value through profit or loss: the business purpose is to generate profit from the purchase and sale of financial assets.
- Consequently, the Bank measures its financial assets at fair value, except for those that meet the following two conditions and are thus valued at amortized cost:
- They are held within a business model aimed at obtaining contractual cash flows.

- The contractual conditions of the financial assets give rise, on specific dates, to cash flows only consisting of repayments of principal and interest on the outstanding principal.

The Bank defines 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 on an instrument-by-instrument basis but at a higher level of aggregated portfolios, and it is based on observable factors, such as:

- The liquidity requirements at a certain date.
- The life, terms and conditions of the instrument.

The business model defined by the Bank’s Board of Directors.

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, the Bank does not change the classification of the remaining financial assets maintained in such business model but it considers such information to assess recent purchases or acquisitions.

• **Solely payments of principal and interest test:**

As part of the classification process, the Bank assesses the contractual terms of its financial assets to identify whether they generate cash flows at certain dates only consisting of repayments of principal and interest on the outstanding principal.

For the purposes of this assessment, “principal” is 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.

To perform the characteristics test, the Bank uses its own judgment and considers 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 more than minimum exposure to risk or volatility in the contractual cash flows unrelated 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.

Based on the paragraphs above, financial assets were classified into the following categories: “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 measured at fair value through profit or loss:**

This category is divided into two subcategories: financial assets and liabilities measured at fair value held for trading, and financial assets and liabilities designated at fair value upon initial recognition by Management in accordance with IFRS 9, paragraph 6.71.

The Bank classifies 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.

Management only designates an instrument at fair value through profit or loss, 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; or (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 recognized in the statement of financial position at fair value. Changes in fair value are recognized in the income statement under “Net gain 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 the associated credit risk. Such changes in fair value are recognized under other comprehensive income and they are not reclassified through profit or loss. Interest income and expenses as well as dividends are charged to “Net gain on financial instruments at fair value through profit or loss” under the terms of the agreement or when the right to the payment has been established.

The fair value of these instruments is calculated using the listed prices at each year-end in active markets, if representative.

If there was no active market, 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 opinions, estimates and assumptions” under this note.

● **Financial assets measured at fair value through other comprehensive income:**

A financial asset is measured at fair value through other comprehensive income when: (i) the instrument is held in a business model whose objective is reached by obtaining contractual cash flows and the sale thereof, and (ii) the contractual terms meet the condition whereby cash flows should solely consist of repayments of principal and interest on the outstanding principal.

Financial instruments measured at fair value through other comprehensive income are recognized in the statement of financial position at fair value. Profit and loss arising from changes in fair value are recognized in the statement of other comprehensive income under “Gains (losses) on financial instruments at fair value through other comprehensive income”. Interest income, foreign exchange gains and losses and impairment in value are recognized in profit or loss as well as the financial assets measured at amortized cost, and they are charged to “Interest income”, “Difference in quoted prices of gold and foreign currency” and “Allowance for loan losses”, respectively.

Upon derecognition, accumulated profit (loss) previously recognized in other comprehensive income are reclassified to the income statement.

● **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 solely consisting of repayments of principal and interest on the outstanding principal.

Subsequent to initial recognition, these financial assets are recognized in the statement of financial position at amortized cost using the Effective interest method, less the allowance for loan losses, if any.

Interest income and impairment in value are recognized in the income statement under “Interest income” and “Allowance for loan losses”, respectively. The changes in the allowance is disclosed in Exhibit R “Adjustment due to losses. Allowances for loan losses”.

The Effective interest method uses the rate that allows the discount of 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 the instrument. Upon applying such method, the Bank identifies interest basis points, commissions, premiums, discounts and the direct and incremental costs of the transaction as 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.

*3.5.3. Cash and deposits with banks:*

They were measured at nominal value, plus accrued interest at each year-end, if appropriate. Accrued interest was charged to profit (loss) for each year under “Interest income”, if any

*3.5.4. Repo transactions (purchases and sales with repurchase agreements):*

The purchases of financial instruments with the nonoptional repurchase commitment at a determined price (repos) are recognized in the statement of financial position as a financing granted 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 method and charged to the income statement under “Interest income”.

3.5.5. *Loans and other financing facilities:*

They consist of financial assets other than derivatives held by the Bank and its subsidiary in a business model aimed at obtaining contractual cash flows and the contractual conditions of which give rise, on specific dates, to cash flows solely consisting of repayments of principal and interest on the outstanding principal. Loans and other financing facilities are recognized when funds are disbursed to customers. Subsequent to initial recognition, loans and other financing facilities are valued at amortized cost using the Effective interest method, less the allowance for loan losses. 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 is allocated to the income statement under “Interest income”. Impairment losses are included in the

income statement under “Allowance for losses” and the changes thereof are disclosed in Exhibit R “Adjustment due to losses. Allowances for loan losses.” The impairment estimate is further explained in section “Accounting opinions, estimates and assumptions” under this note.

The guarantees granted and contingent obligations are disclosed in the notes to the financial statements (off-balance sheet) when the documents supporting these credit facilities are issued and they are initially recognized at the fair value of the commission received under “Other financial liabilities” in the statement of financial position. After the initial recognition, the liability for each guarantee was recognized at the highest value between the amortized commission and the best estimate of the expense incurred to settle any financial payable arising from the financial guarantee.

Any increase in the liability related to a financial guarantee is recognized in profit (loss). The commission received is recognized under “Commission income” in the income statement based on the amortization calculated by the straight-line method during the term of the financial guarantee granted.

3.5.6. *Financial liabilities:*

After initial recognition, all financial liabilities are measured at amortized cost using the Effective interest method. Interest is charged to income under “Interest expense”.

The classification of the financial liabilities is disclosed in Exhibit P “Classification of financial assets and liabilities”.

3.5.7 *Equity instruments measured at fair value through profit or loss:*

They represent a residual interest in another entity’s net assets. These instruments are recognized in the statement of financial position at fair value.

Dividends are recognized in the income statement when the right to receive the payment is established.

### 3.5.8. *Derivative financial instruments:*

Forward transactions without delivery of the underlying asset: they include forward purchases and sales of foreign currency without delivery of the underlying asset traded. Transactions are measured at the fair value of agreements and are performed by the Bank for the purposes of intermediation for its own account, except for those that are designated in hedging relationships (see Note 8). The resulting profit (loss) is charged to income (loss) for each year under “Net gain on financial instruments at fair value through profit or loss”.

### 3.5.9. *Derecognition of financial assets and liabilities:*

A financial asset (or a portion of a financial asset or a portion of a group of similar financial assets, where applicable) is derecognized when: (i) the contractual rights to the financial asset have expired; or

(ii) the Bank has transferred its contractual rights to receive the cash flows generated by the asset, or assumed an obligation to pay the cash flows received to a third party immediately through a transfer agreement.

In certain transfer agreements, the Bank retained its contractual rights to receive the cash flows from a financial asset –the original asset–, but it has assumed the contractual obligation to pay the cash flows to one or more entities (i) but it has no obligation to pay cash flows to the potential beneficiaries unless it collects an equivalent amount from the original asset, (ii) it is prohibited from selling or pledging the asset and (iii) it has an obligation to remit any cash flows collected on behalf of the potential beneficiaries without material delay.

A transfer only qualifies for derecognition if either: (i) the Bank has transferred substantially all the risks and rewards of the asset; or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset considering that control is transferred only if the assignee has the practical ability to sell the asset in full to an independent third party and is able to exercise that ability unilaterally without imposing any additional restrictions to the transfer.

If the Bank has not transferred or substantially retained all the risks and rewards inherent to the property of a transferred asset, and has retained control over it, it will continue recognizing the asset transferred provided that it is exposed to changes in the value of the asset transferred:

- When the Bank’s continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Bank’s continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the Bank could be required to repay (“the guarantee amount”).
- When the Bank’s continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the Bank’s continuing involvement is the amount of the transferred asset that the Bank may repurchase. However, in case of a written put option on an asset that is measured at fair value, the extent of the Bank’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.



- When the Bank’s continuing involvement takes the form of a cash-settled option or similar provision on the transferred asset, the extent of the Bank’s continuing involvement is measured in the same way as that which results from non-cash settled options.

When the Bank continues to recognize an asset to the extent of its continuing involvement, the Bank also recognizes an associated liability. The associated liability is measured in such a way that the net carrying amount of the transferred asset and the associated liability is: (a) the amortized cost of the rights and obligations retained by the Bank, if the transferred asset is measured at amortized cost; or (b) equal to the fair value of the rights and obligations retained by the Bank when measured on a stand-alone basis, if the transferred asset is measured at fair value.

In addition, a financial liability is derecognized when the payment obligation specified in the related agreement is extinguished, is settled or expires. When an existing financial liability is replaced by another one of the same borrower under significantly different conditions, or conditions are materially changed, such replacement or change is considered as a derecognition of the original liability and a new liability is recognized. The difference between them is charged to income for each year under “Other operating income”.

3.5.10. *Reclassification of financial assets and liabilities:*

Neither the Bank nor its subsidiary 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, 2020, 2019, and 2018, neither the Bank nor its subsidiary made any reclassifications.

3.5.11. *Finance leases:*

The Bank grants loans through finance leases and recognizes the current value of lease payments as an asset, which are recognized in the statement of financial position under “Loans and other financing facilities”. 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 method, which shows a constant rate of return and charged to income under “Interest income”. Impairment losses are included in the income statement under “Allowance for loan losses” and the changes thereof are disclosed in Exhibit R “Adjustment due to losses. Allowances for loan losses.” The impairment estimate is further explained in section “Accounting opinions, estimates and assumptions” under this note.

3.5.12. *Bank premises and equipment:*

The Bank and its subsidiary chose the cost model for all the assets included in this account.

These assets are recorded 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 recorded in the income statement. Any material improvement and refurbishment are capitalized solely when it is probable that there will be future economic benefits exceeding the return originally evaluated for the asset.

Depreciation was calculated in proportion 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 at each year-end, the estimated useful lives of the assets are reviewed to detect significant changes therein, which, if occurred, will be adjusted through the related adjustment to the depreciation expense. The depreciation expense is recognized in profit (loss) under “Depreciation and impairment in value of assets”

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

3.5.13. *Intangible assets:*

Intangible assets include software and licenses.

Intangible assets separately acquired are initially stated at cost. Following initial recognition, they are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized and expenditure is reflected in the statement of comprehensive income in the fiscal year in which the expenditure is incurred.

Amortization is calculated on a straight-line basis over the estimated useful lives of the intangible assets by applying annual rates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

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

	Software and licenses	Leasehold improvements
Useful lives	From 2 to 5 years	Based on the lease agreement
Amortization method used	Full month of addition	Full month of addition
Internally generated or acquired	Acquired	Acquired

3.5.14. *Investment properties:*

Investment properties are recognized in the statement of financial position measured under “Other nonfinancial assets” and are measured initially at their restated acquisition cost, less the related accumulated depreciation and impairment in value, if applicable.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the year of derecognition under “Other operating income”.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to a bank premises and equipment item, the deemed cost for subsequent accounting is the fair value of the asset at the date of change in use. If an item of bank premises and equipment becomes an investment property, the Bank accounts for such asset in accordance with the policy stated under property and bank premises up to the date of change.

3.5.15. *impairment in value of nonfinancial assets:*

At least at each year-end, the Bank and its subsidiary evaluate whether there are events or changes in circumstances that indicate that the value of nonfinancial assets can be impaired or whether there are indications that a nonfinancial asset can be impaired. If there is any indication 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 indications that the impairment loss previously recognized may no longer exist or may have decreased. An impairment loss 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 impairment loss. In such a case, the carrying amount of the asset increases to its recoverable value.

The Bank and its subsidiary have made these estimates and, given that the recoverable value of assets (value in use) exceeds their carrying amount, they have determined that no adjustment whatsoever is required to be recognized for impairment in value.

3.5.16. *Provisions:*

The Bank and its subsidiary recognize a provision when and only when: (a) they have 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 from the Bank or its subsidiary will be required 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 external and internal legal counsel of the Bank and its subsidiary. If the effect of the time value of money is material, provisions are discounted using a current pre-tax market rate that reflects, where appropriate, the liability specific risks. Based on the analysis carried out, the Bank recorded a provision in the amount considered to be the best estimate of the potential disbursement required to settle the current obligation at each period/year-end, as appropriate.

The provisions recorded by the Bank and its subsidiary are reviewed at each year-end and they are 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, or (b) it is probable that a disbursement of resources by the Bank or its subsidiary 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.

3.5.17. Recognition of income and expenses:

a) 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 declared.

b) Borrowing commissions:  
Commissions collected and direct incremental costs related to financing granted are deferred and recognized by adjusting the effective interest rate thereof.

c) Service commissions, fees, and similar items:  
They are recognized when (or as) the Bank meets every performance obligation by transferring the services undertaken for an amount that reflects the consideration that the Bank expects to be entitled in exchange for such services.

At the beginning of each agreement, the Bank assesses the services undertaken and classifies as a performance obligation each commitment to transfer a different service or a series of different services that are substantially equal and share the same transfer pattern.

d) Nonfinancial income and expenses:  
They are accounted for based on the conditions of recognition provided for in the conceptual framework, such as the requirement that income (loss) must be accrued.

3.5.18. Income tax:

Income tax is assessed based on the Bank’s and its subsidiary’s separate financial statements.

The income tax expense comprises current and deferred income tax. Income tax is recognized in the income statement, except when the items should be recognized directly in “Other comprehensive income (loss)”. In this case, each item is presented before calculating its income tax impact, which is detailed in the related item.

The current income tax expense is related to the sum of expenses of the different Group companies, which were determined by applying the tax rate to taxable income 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 the amounts of assets and liabilities for accounting and tax purposes. Assets and liabilities are measured using the tax rate expected to be applied to taxable profit in the years in which 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 subsidiary expect to recover or calculate the value of their assets and liabilities at each period-/year-end, as appropriate.

Deferred income tax assets and liabilities are measured by their undiscounted nominal amounts, 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.

#### *3.5.19. Segment reporting:*

The Bank considers as a business segment the group of assets and transactions committed in providing services subject to risks and returns that are different from those of other business segments. For those segments, there is separate financial information, which is periodically evaluated by those in charge of making the main operating decisions related to the resource assignment and performance evaluation. Segment reporting is disclosed in note 22.

#### *3.5.20. Investment management and trust activities:*

The Bank and its subsidiary 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 the financial statements,

since they are not assets owned by any of the two entities. Fees arising from these activities are included in the account “Other operating income” in the income statement. The information on trust activities is disclosed in note 25.

#### *3.5.21. Significant judgment, estimates and assumptions:*

The preparation of the financial statements in accordance with IFRS requires that the Management of the Bank and its subsidiary make and consider the significant accounting judgments, estimates and assumptions that affect the reported figures of assets and liabilities, revenues and expenses, as well as the assessment and disclosure of contingent assets and liabilities at the end of the reporting period. The Company’s recordings are based on the best estimate of the likelihood of different future events. Accordingly, the uncertainties associated with the estimates and assessments adopted

might lead to the fact that future results may differ from the estimates and require significant adjustments to the balances informed of assets and liabilities involved.

The most significant estimates included in the accompanying financial statements are related to the allowance for loan losses, the measurement of financial instruments at fair value, the provisions and the income tax expense.

#### *3.5.22. Going concern:*

The Bank assessed its capacity to continue as a going concern and it satisfies itself that it has the resources needed to continue as a going concern in the near future.

At the date of these financial statements, there are no uncertainties as to events or conditions that may cast doubts on the possibility that the Bank may continue operating normally as a going concern. Therefore, these financial statements were prepared on a going concern basis .

3.5.23. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recognized 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 involves 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 21.

3.5.24. Allowance for loan losses and provision for contingent commitments:

They were set up 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 Communication “A” 2950, as supplemented, and the Bank’s allowance-setting policies.

In the case of loans with specific allowances that are settled or generate the reversal of allowances set up during this year, and if the allowances set up in prior years exceeded those deemed necessary, the surplus in the allowance will be reversed with an impact on income (loss) for the current year.

3.6. Basis for consolidation

These financial statements comprise the assets, liabilities, revenues and expenses of BICE Fideicomisos S.A. Intercompany transactions have been eliminated. Profit (loss) and each component of “Other comprehensive income (loss)” are attributed to the parent company and to noncontrolling interests, even if this causes the latter to have a negative balance.

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



The accounting information related to BICE Fideicomisos S.A. has been prepared as of the same dates and for the same fiscal years as those of the Bank, and the accounting policies have been consistently applied. If applicable, the accounting information of BICE Fideicomisos S.A. is adjusted so that its accounting policies and those used by the Bank are consistent.

In addition, the noncontrolling interests represent a portion of profit (loss) and shareholders' equity not attributable, directly or indirectly, to the Bank, and they are disclosed in the accompanying consolidated financial statements under a separate line in the statements of financial position, income statement, statement of other comprehensive income and statement of changes in equity.

As of December 31, 2020, 2019 and 2018, the Bank's financial statements were consolidated with the financial statements of BICE Fideicomisos S.A.

Name	Domicile	Country	Main business activity
BICE Fideicomisos S.A.	Av. Belgrano 955 - 12th floor - CABA	Argentina	Trust management

The capital structure of the subsidiary as of December 31, 2019, and 2018, is shown below:

Subsidiary	Shares		% held by the Bank		% held by the noncontrolling interest	
	Type	Amount	Capital stock	Votes	Capital stock	Votes
BICE Fideicomisos S.A.	Common	2.821.133	99,46%	99,46%	0,54%	0,54%

The total amounts related to assets, liabilities, shareholders' equity and profit (loss) of the Bank and BICE Fideicomisos S.A. as of December 31, 2020, 2019, and 2018 are disclosed below:





Consolidated  
08. financial statements  
as of 12-31-2020

## Notes

As of 12/31/2020	Bank	BICE Fideicomisos S.A.	Deletions	Bank consolidated amount
Assets	101,357,479	1,745,456	( 1,383,519)	101,719,416
Liabilities	( 80,887,085)	( 450,190)	95,248	( 81,242,027)
Shareholders' equity attributable to the parent company's owners	( 20,470,394)	( 1,288,271)	1,288,271	( 20,470,394)
Shareholders' equity attributable to noncontrolling interests	-	( 6,995)	-	( 6,995)
Profit for the year	1,752,749	365,277	( 365,277)	1,752,749
Net profit for the year attributable to noncontrolling interests	-	1,984	-	1,984
Total other comprehensive income( (loss)	( 97,282)	-	-	( 97,282)

As of 12/31/2019	Bank	BICE Fideicomisos S.A.	Deletions	Bank consolidated amount
Assets	99,293,002	1,306,406	( 977,608)	99,621,800
Liabilities	( 80,576,945)	( 393,545)	69,758	( 80,900,732)
Shareholders' equity attributable to the parent company's owners	( 18,716,057)	( 907,848)	907,848	( 18,716,057)
Shareholders' equity attributable to noncontrolling interests	-	( 5,011)	-	( 5,011)
Profit for the year	( 8,637,589)	( 169,106)	169,106	( 8,637,589)
Net profit for the year attributable to noncontrolling interests	-	( 918)	-	( 918)
Total other comprehensive income( (loss)	( 203,299)	-	-	( 203,299)

As of 12/31/2018	Bank	BICE Fideicomisos S.A.	Deletions	Bank consolidated amount
Assets	129,573,315	1,280,730	( 933,646)	129,920,399
Liabilities	( 102,118,320)	( 343,978)	2,823	( 102,459,475)
Shareholders' equity attributable to the parent company's owners	( 27,454,995)	( 930,823)	930,823	( 27,454,995)
Shareholders' equity attributable to noncontrolling interests	-	( 5,929)	-	( 5,929)
Profit for the year	2,082,721	309,529	( 309,529)	2,082,721
Net profit for the year attributable to noncontrolling interests	-	1,671	-	1,671
Total other comprehensive income( (loss)	122,369	-	-	122,369

The Board of Directors of the Bank considers that no other companies should be included in the consolidated financial statements as of December 31, 2020, 2019 and 2018.

3.7. New resolutions

As indicated in Note 2, the BCRA set forth that the Group “B” Financial Institutions shall start applying paragraph 5.5 of IFRS No. 9 (Impairment) for fiscal years beginning on or after January 1, 2022.

IASB issued “Current/non current liability classification (IAS 1 amendment)”, effective as from fiscal years beginning on or after January 1, 2022. Such amendment clarifies:

- 1. that the classification of a liability as current or non-current should be based on rights existing at the end of the reporting period;
- 2. that classification is unaffected by the likelihood that an entity will exercise its right to defer settlement; and

3. that settlements are transfers to the counterparty of cash or other economic resources, the entity’s own equity instruments and other assets or services.

On January 28, 2021, by means of Communication “A” 7211, the BCRA provided for that the monetary gain/loss measured at fair value through other comprehensive income (loss) shall be presented in the accounts of the statement of income as indicated by IAS 29. Consequently, at the beginning of period 2021, unappropriated retained earnings shall be adjusted and recognized in “adjustments to prior-year income/loss” in order to incorporate the monetary gain/loss recognized in the accumulated comprehensive income/ (loss) at such date.

The Bank has not early adopted this amendment in these consolidated financial statements.

There are no other regulations that are not effective yet and which may have a significant effect on the Bank.

3.8. Judgments and estimates

The significant judgments made by the Bank’s Management regarding the accounting policies as well as the underlying premises and estimates about uncertainties as of December 31, 2020 are the same as those described in Note 3.5.21.

Additionally, the Bank applies the same methodologies for the determination of fair values and the same criteria for the classification of fair value hierarchy as those described in Note 21 to these consolidated financial statements.

3.9. Reporting currency

The financial statements are prepared in constant pesos at year-end.

IAS 29 requires the restatement in functional currency of an entity’s financial statements when the functional currency used is that of a hyperinflationary economy. In identifying such an economic context, IAS 29 provides quantitative and qualitative guidelines, which consist in verifying whether the three-year cumulative inflation rate approaches or exceeds 100% In the case of Argentina, the professional entities agreed on considering that there is a hyperinflationary economy based on the parameters established by IAS 29 as from July 1, 2018.

By means of Communication “A” 6651 and amendments, the BCRA made IAS 29 retrospectively effective as from fiscal years beginning on or after January 1, 2020. To such end, the following price indexes are used:

- For items subsequent to December 2016: Consumer price index prepared by Instituto Nacional de Estadística y Censos (INDEC) [Argentine Institute of Statistics and Censuses].
- For items prior to December 2016: the price index published by Federación Argentina de Consejos Profesionales en Ciencias Económicas (FACPCE) [Argentine Federation of Professional Councils of Economic Sciences].

Under IAS 29, assets and liabilities that are not stated in the reporting currency at the end of the reporting period are adjusted by applying the price index. The adjusted amount of a nonmonetary item is reduced when its recoverable value is exceeded.

The impact of implementing IAS 29 at the beginning of the first comparative year (January 1, 2019) was recognized in unappropriated retained earnings. All items of the statement of income and other comprehensive income are stated at the reporting currency current at year-end (December 31, 2020). Gain/loss on net monetary position is included in the statement of income; except for the monetary loss related to the financial instruments stated at fair value through other comprehensive income (loss) presented in the “Statement of other comprehensive income (loss)” as of December 31, 2020 and 2019. This situation implies a departure from IFRS as detailed in Note 2.

The Bank prepares its financial statements based on the historical cost and it has applied IAS 29 as follows:

- a) The statement of financial position was restated as of January 1, 2019, the oldest financial information presented;
- b) The statement of financial position was restated as of December 31, 2019;
- c) The statements of income, other comprehensive income (loss), changes in equity and cash flows were restated on December 31, 2019. Gain or loss on net monetary position was separately determined and disclosed;
- d) The statement of financial position was restated as of December 31, 2020;
- e) The statements of income, other comprehensive income (loss), changes in equity and cash flows were restated on December 31, 2020. Gain or loss on net monetary position was separately determined and disclosed;

In order to apply IAS 29 to the Statement of financial position, the Bank adopted the following methodology and criteria:

- a) Nonmonetary assets were restated by applying the price index. Restated amounts were reduced to their recoverable value by applying the related IFRS, where applicable.
- b) Monetary assets were not restated.
- c) Assets and liabilities contractually related to changes in prices, such as securities and loans subject to adjustments have been measured according to the related contract.
- d) Investments measurement recognized by the applying the equity method was determined based on the information of associates and joint ventures under IAS 29.

e) Deferred income tax assets and liabilities were recalculated based on the restated amounts.

f) As of January 1, 2019, all equity items, except unappropriated retained earnings, have been restated by applying the price index from the date of contribution or when they were originated. In subsequent periods, all equity items were restated by applying the price index from the beginning of the year, or from the date of contribution, if later.

In order to apply IAS 29 to the Statements of income, other comprehensive income (loss) and cash flows, the Bank applied the following methodology and criteria:

a) All items of the statements of income, other comprehensive income (loss) and cash flows were restated at the reporting currency current as of December 31, 2020.

b) Gain/loss on net monetary position is included in the Statement of income.

c) Gain or loss provided by cash and cash equivalents is presented in the Statement of cash flows separated from cash flows from operating activities, investing activities and financing activities, as a reconciling item between cash and cash equivalents at beginning and end of year.

Below, there is a summary of the main effects from applying IAS 29 on equity as of December 31, 2019 and January 1, 2019, recognized in unappropriated retained earnings.

	12/31/2019	1/1/2019
<b>Equity before applying IAS 29</b>	<b>13,486,702</b>	<b>13,018,385</b>
Impact of application of IAS 29	260,893	91,078
<b>Equity at reporting currency current as of December 31, 2019/January 1, 2019</b>	<b>13,747,595</b>	<b>13,109,463</b>
Adjustment from restating equity at reporting currency current as of December 31, 2020	4,968,462	14,345,532
<b>Equity less controlling interests at reporting currency current as of December 31, 2020</b>	<b>18,716,057</b>	<b>27,454,995</b>

	12/31/2019
Comprehensive income (loss) before applying IAS 29	378,738
Impact of application of IAS 29	( 6,872,678)
Profit for the year at reporting currency current as of December 31, 2019	( 6,493,940)
Adjustment from restating comprehensive income (loss) at reporting currency current as of December 31, 2020	( 2,346,948)
Profit for the year at reporting currency current as of December 31, 2020 - attributable to the owners of the parent company	( 8,840,888)

NOTE 4  
FINANCIAL ASSETS DELIVERED IN  
GUARANTEE AND RESTRICTED ASSETS

As of December 31, 2020, 2019, and 2018, the Bank delivered as guarantee the financial assets detailed below:

Description	Beginning date	Purpose of the coverage	Amount guaranteed	Rate	Effective term	Carrying amount as of 21/31/2020
Securities delivered in guarantee for transactions carried out with the BCRA - DESARROLLO SAN JUAN program	3/12/2015	Auction	6.000	10%	Up to 15 years	4,831
Securities delivered in guarantee for the program FONDEFIN	4/10/2017	Auction	4.000	11,1%	Working capital 1 year/ investment: 3 to 10 years	2,684
Securities delivered in guarantee for transactions carried out with the MAE	5/15/2017	Transaction	N/A	N/A	N/A	8,588
Securities delivered in guarantee for transactions carried out with ROFEX	12/12/2017	Transaction	N/A	N/A	N/A	667,540
Securities delivered in guarantee for transactions carried out with BYMA	9/11/2020	Transaction	N/A	N/A	N/A	1,609
Lease security deposits in cash	(*)	Rentals	N/A	N/A	N/A	3,259
Guarantee account with the BCRA	N/A	Transaction	N/A	N/A	N/A	2,253
Total						690,764

Consolidated  
08. financial statements  
as of 12-31-2020

Notes

Description	Beginning date	Purpose of the coverage	Amount guaranteed	Rate	Effective term	Carrying amount as of 21/31/2019
Securities delivered in guarantee for transactions carried out with the BCRA - DESARROLLO SAN JUAN program	3/12/2015	Auction	6,000	10%	Up to 15 years	24,464
Securities delivered in guarantee for the program FONDEFIN	4/10/2017	Auction	4,000	11,1%	Working capital 1 year/ investment: 3 to 10 years	15,638
Securities delivered in guarantee for transactions carried out with the MAE	5/15/2017	Transaction	N/A	N/A	N/A	6,503
Securities delivered in guarantee for transactions carried out with ROFEX	12/12/2017	Transaction	N/A	N/A	N/A	1,940,555
Lease security deposits in cash	(*)	Rentals	N/A	N/A	N/A	13,055
Guarantee account with the BCRA	N/A	Transaction	N/A	N/A	N/A	314
<b>Total</b>						<b>2,000,529</b>

Description	Beginning date	Purpose of the coverage	Amount guaranteed	Rate	Effective term	Carrying amount as of 21/31/2018
Securities delivered in guarantee for transactions carried out with the BCRA - DESARROLLO SAN JUAN program	3/12/2015	Auction	6,000	10%	Up to 15 years	44,571
Securities delivered in guarantee for the program FONDEFIN	4/10/2017	Auction	4,000	11,1%	Working capital 1 year/ investment: 3 to 10 years	17,047
Securities delivered in guarantee for transactions carried out with the MAE	5/15/2017	Transaction	N/A	N/A	N/A	11,848
Securities delivered in guarantee for transactions carried out with ROFEX	12/12/2017	Transaction	N/A	N/A	N/A	1,867,583
Lease security deposits in cash	(*)	Rentals	N/A	N/A	N/A	15,128
Guarantee account with the BCRA	N/A	Transaction	N/A	N/A	N/A	484
<b>Total</b>						<b>1,956,661</b>

(\*) Rentals effective at year-end

Bank Management estimates that there will be no losses as a result of the restrictions on the abovementioned assets.

## NOTE 5 REPO TRANSACTIONS

In the regular course of business, the Bank entered into repo transactions. Under IFRS 9, the securities involved in repo transactions received from and delivered to third parties do not meet the requirements for recognition or derecognition, respectively.

As of December 31, 2020, 2019, and 2018, the Bank had entered into reverse repo transactions involving government securities and BCRA bills in the amount of thousands of ARS 9,925,706 (Exhibit O) and thousands of ARS 1,873,060 that matured on January 4, 5 and 6 2021, January 2, 2020 and January 2, 2019, respectively.



Profit generated by the Bank resulting from the reverse repo transactions entered into during the years ended December 31, 2020 and 2019 amount to thousands of ARS 994,353 and thousands of ARS 985,459, respectively, and they are charged to the “Interest income” account (Exhibit Q).

#### NOTE 6 ADJUSTMENT DUE TO LOSSES. ALLOWANCE FOR LOAN LOSSES AND OTHER FINANCING FACILITIES

The changes in this allowance during the years ended December 31, 2019 and 2018 are disclosed in Exhibit R “Adjustment due to losses. Allowance for loan losses”. The following tables show the changes in the allowance by portfolio of loans and other financing facilities:

	Commercial loan portfolio Allowance determined individually	Consumer and housing borrowing portfolio Allowance not determined individually	TOTAL
<b>As of December 31, 2019</b>	<b>4,336,984</b>	<b>498,356</b>	<b>4,835,340</b>
Charges	1,244,681	562,498	1,807,179
Reversals	( 281,237)	( 130,261)	( 411,498)
Utilizations	( 1,472,753)	( 206,677)	( 1,679,430)
Monetary gains/losses	( 1,435,263)	( 53,383)	( 1,488,646)
<b>As of December 31, 2020</b>	<b>2,392,412</b>	<b>670,533</b>	<b>3,062,945</b>

	Commercial loan portfolio Allowance determined individually	Consumer and housing borrowing portfolio Allowance not determined individually	TOTAL
<b>As of December 31, 2018</b>	<b>1,488,089</b>	<b>249,289</b>	<b>1,737,378</b>
Charges (*)	3,724,463	515,818	4,240,281
Reversals	( 188,478)	( 171,298)	(359,776)
Utilizations	( 164,636)	( 7,929)	(172,565)
Monetary gains/losses	( 522,454)	( 87,524)	(609,978)
<b>As of December 31, 2019</b>	<b>4,336,984</b>	<b>498,356</b>	<b>4,835,340</b>

(\*) During the year, allowances other than the minimum allowances established by BCRA regulations were included for certain customers based on specific situations, which was approved by the Bank's Board of Directors.

#### NOTE 7 CONTINGENT TRANSACTIONS

To meet customers' specific financial needs, the Bank's credit policy also includes, among others, granting sureties, guarantees, letters of credit and documentary credits. Although these transactions are not recognized in the Statement of financial position, as they imply a potential obligation for the Bank, they pose credit risks additional to those recognized in the Statement of financial position and therefore, they are an integral part of the total risk of the Bank.

As of December 31, 2020, 2019, and 2018, the Bank's contingent transactions are as follows:

Item	12/31/2020	12/31/2019	12/31/2018
Guarantees granted – local beneficiaries (Exhibits B and C)	-	1,792,416	549,051
TOTAL	-	1,792,416	549,051

The risks related to the contingent transactions mentioned above are evaluated and monitored under the Bank’s credit risk policy mentioned in Note 23.

NOTE 8  
DERIVATIVE FINANCIAL INSTRUMENTS

The Bank enters into derivative transactions for trading and risk management 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 to risks associated with the lack of an exchange market where an open position may be closed.

The Bank’s exposure resulting from derivative agreements is regularly monitored as part of its general risk management framework. The information on the Bank’s objectives and credit risk management policies is included in Note 23.

The Bank’s derivative financial instruments are described below:

8.1. Forwards and Futures:

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 year-end and they are not indicative of the market risk or the credit risk.

	12/31/2020		12/31/2019		12/31/2018	
	Notional Value In thousands of USD	Carrying amount in thousands of ARS	Notional Value In thousands of USD	Carrying amount in thousands of ARS	Notional Value In thousands of USD	Carrying amount in thousands of ARS
Purchase of forward contracts	2,000	820	-	-	11,000	( 13,632)
ISDA (International Swaps and Derivatives Association) agreements	-	-	-	-	7,000	( 12,813)
<b>Forward purchases of foreign currency without delivery of the underlying asset</b>	<b>2,000</b>	<b>820</b>	<b>-</b>	<b>-</b>	<b>18,000</b>	<b>( 26,445)</b>
Sale of Non Deliverable Forwards (NDFs)	-	-	( 2,000)	( 7,624)	-	-
Sale of forward contracts	( 6,000)	( 220)	( 10,000)	2,430	-	-
<b>Forward sale of foreign currency without delivery of the underlying asset</b>	<b>( 6,000)</b>	<b>( 220)</b>	<b>( 12,000)</b>	<b>( 5,194)</b>	<b>-</b>	<b>-</b>
<b>Total economic hedge derivatives</b>	<b>( 4,000)</b>	<b>600</b>	<b>( 12,000)</b>	<b>( 5,194)</b>	<b>18,000</b>	<b>( 26,445)</b>
Purchase of Non Deliverable Forwards (NDFs)	-	-	-	-	62,000	( 181,013)
Purchase of forward contracts	-	-	5,000	( 2,382)	94,000	( 84,027)
Total cash-flow hedge derivatives	-	-	5,000	( 2,382)	156,000	( 265,040)
<b>Total derivative financial instruments</b>	<b>( 4,000)</b>	<b>600</b>	<b>( 7,000)</b>	<b>( 7,576)</b>	<b>174,000</b>	<b>( 307,596)</b>

The previous table shows the fair value of derivative financial instruments recognized as assets or liabilities as disclosed in the statement of financial position. The changes in fair values are charged to profit (loss), the breakdown of which is disclosed in exhibit Q “Breakdown of profit (loss)”, except for the specific treatment

under hedge accounting, if applicable, which is recognized under “Other comprehensive income” in the statement of comprehensive income.

## 8.2. Hedge accounting

The Bank held forwards of foreign currency in order to mitigate the exchange rate risk that may affect certain monetary liabilities (risk of exchange rate variations). Such futures were recognized as a cash-flow hedge under IFRS 9. As of December 31, 2020, there are no current transactions designated as hedge instruments.

As of December 31, 2020, the loss on changes in fair value of futures and forwards designated as hedge instruments was recognized in other comprehensive income (loss) in the amount of thousands of ARS 9,344. Additionally, profit or loss arising from the changes in the exchange rate used for valuing the hedged liabilities attributable to the risk covered was also recognized in Other comprehensive income (loss) as a finance cost in the amount of thousands of ARS 2,181.

The hedge cost accrued from the differential in the exchange rates of the foreign currency of the financial instruments was recognized in profit for the year and “Other comprehensive income” in the total amount of thousands of ARS 30,609 as of December 31, 2020.

Net income arising from the three variables mentioned above amounts to thousands of ARS 19,084 as of December 31, 2020.

As of December 31, 2019, net loss arising from the three variables mentioned above amounts to thousands of ARS 119,757.

**NOTE 9  
LEASES**

According to IFRS 16, as from the year beginning on January 1, 2019, the Bank assesses all the contracts executed to identify whether they contain a lease, i.e. the right to control the use of an identified asset for a period of time for consideration.

**Operating lease commitments: Bank as lessee:**

The Bank and its subsidiary entered into commercial contracts involving the lease of offices, photocopying machines and a water dispenser. These lease contracts have an average life of one to seven years and contain no restrictions for the Bank and its subsidiary. According to the exemptions allowed by IFRS 16, the Bank and its subsidiary 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, 2020 and 2019, the assets recognized for the right to use the assets identified in the lease contracts previously mentioned amount to thousands of ARS 232,231 and thousands of ARS 315,968, respectively (Exhibit F). Those assets were measured at cost, less any accumulated depreciation and accumulated impairment losses, and were charged to “Bank premises and equipment”. Asset depreciation charges for the year ended December 31, 2020 and 2019, amounted to thousands of ARS 85,553 (Exhibit F) and thousands of ARS 85,283, respectively and are recognized in “Depreciation and impairment in value of assets”.

The liabilities arising from lease contracts as of December 31, 2020 and 2019, amounted to thousands of ARS 269,625 and thousands of ARS 345,383, respectively

(Note 14.2). Those liabilities were measured at the present value of lease payments discounted at their imputed rates, increased by accrued interest, less payments made, and they were charged to “Other financial liabilities” (Note 14.2). Interest accrued from those liabilities for the year ended December 31, 2020 and 2019, amounted to thousands of ARS 17,959 and thousands of ARS 23,532, respectively and it is recognized in “Other operating expenses”.

Operating lease commitments: Bank as lessor:

The Bank entered into commercial contracts to lease its investment property, including two pieces of real property. The term for these leases is as follows:

Real property	Term
Piece of real property Puerto	2 years
Piece of real property Carlos Pellegrini 675(*)	3 years

(\*) Contract in force as from October 1, 2020. The amount of the contract is thousands of ARS 39,600.

The minimum future payments for non-cancellable operating lease contracts are as follows:

Term	12/31/2020	12/31/2019
Up to 1 year (**)	13,505	1,525
From 1 to 3 years	23,100	-
Total	36,605	1,525

(\*\*) The contract for the piece of real property Puerto Deseado is monthly extended as provided for by Decree 766/2020.

Finance lease commitments and lease options:

The Bank entered into financial lease contracts related to machinery and vehicles. The carrying amount of the assets incorporated under finance leases as of December 31, 2020, 2019 and 2018, amounts to thousands of ARS 4,675,126, thousands of ARS 6,915,047 and thousands of ARS 10,256,759, respectively. These assets granted as collateral for the related finance leases.

The following table shows total gross investment in finance leases agreed to the present value of minimum payments to be received therefrom:

Term	Balances as of 12/31/2020		Balances as of 12/31/2019		Balances as of 12/31/2018	
	Total investment	Current value of minimum payments	Total investment	Current value of minimum payments	Total investment	Current value of minimum payments
From 1 to 5 years	6,466,150	4,675.126	9,184,495	6,915,047	12,796,082	10,256,759
Total	6,466,150	4,675,126	9,184,495	6,915,047	12,796,082	10,256,759

As of December 31, 2020, 2019, and 2018, the accumulated allowances for loan losses amount to thousands of ARS 535,480, thousands of ARS 599,047 and thousands of ARS 242,032, respectively (Exhibit R).

NOTE 10  
INVESTMENT IN ASSOCIATES AND  
JOINT VENTURES

The Bank does not have any investments in associates or joint ventures to the date of issuance of these financial statements.

NOTE 11  
RELATED PARTIES

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

- has control or joint control over the Bank or its subsidiaries;
- has significant influence over the Bank or its subsidiaries;
- is a member of the key management personnel of the reporting entity or of a parent of the Bank or its subsidiaries;
- is a member of the same group.

Pursuant to IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Bank, directly or indirectly.

Based on such definition, as of December 31, 2020, 2019, and 2018, the Bank considers that key personnel include the Board members and the General Manager.

Below is a breakdown of the most significant transactions and balances with related parties, subject to the exception of paragraph 25 of IAS 24 and considering that the shareholders are BNA and the Ministry of Production Development.

	12/31/2020	12/31/2019	12/31/2018
<b>Ministry of Production Development</b>			
Loans and other financing facilities	312,368	319,414	449,994
Other financial assets	-	-	23,753
Other financial liabilities (Note 14.2)	(14,754,999)	( 13,691,216)	(13,192,320)
<b>BNA</b>			
Cash and deposits with banks	1,356,303	1,185,654	6,733,913
Loans and other financing facilities	4,165,258	4,182,639	37,879
Financing obtained from the BCRA and other financial institutions(Note 15)	( 1,587,358)	( 2,655,189)	(4,862,777)
Other financial liabilities (Note 14.2)	( 135,737)	( 123,196)	( 94,758)

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

Profit or loss arising from transactions with related parties are detailed below:



	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Ministry of Production Development		
Interest income	279,260	398,987
Interest expense	( 301,879)	(380,619)
Commission income	3,150	765
BNA		
Interest income	43,257	18,250
Interest expense	( 301,426)	( 492,713)
Commission expense	( 9,963)	( 223)
Net gain on interest carried at fair value	( 8)	-
Allowance for loan losses	( 42,073)	( 889)

Directors do not assume any executive positions at the Bank and, therefore, they do not earn any other remuneration, and the Bank’s policy does not contemplate the possibility of granting other benefits such as equity interests. The Bank has not performed any transactions with its Board of Directors or granted any loans to its members, nor are there any transactions proposed involving those individuals.

The Bank has not granted share-backed loans to directors or other key management personnel. The compensation of key management personnel comprising salaries, fees and bonuses amounts to thousands of ARS 76,569 and thousands of ARS 79,769 thousands as of December 31, 2020, and 2019, respectively.

As of December 31, 2020, 2019 and 2018, loans to employees amounted to thousands of ARS 5,554, thousands of ARS 9,950 and thousands of ARS 4,958, respectively.

NOTE 12  
EMPLOYEE BENEFITS PAYABLE

12.1. Short-term benefits

The amounts payable to employee on account of short-term benefits are as follows:

	12/31/2020	12/31/2019	12/31/2018
Payroll and social security contributions payable	78,901	66,273	76,257
Provision for vacation days not taken	147,082	111,957	129,386
Provision for performance bonus	-	271,052	194,370
Total short-term benefits (Note 14.4)	225,983	449,282	400,013

12.2. Long-term benefits

The provision set up for the abovementioned benefits is broken down below:

	12/31/2020	12/31/2019	12/31/2018
5-year award	181	200	-
10-year award	5,174	6,750	1,751
20-year award	7,667	8,899	2,373
Total long-term benefits (Note 14.4)	13,022	15,849	4,124

12.3. Post employment benefits

The provision set up for the abovementioned benefits is broken down below:

	12/31/2020	12/31/2019	12/31/2018
Post-employment benefit (Exhibit J)	152,934	140,571	74,705
Total post employment benefits	152,934	140,571	74,705

12.4 Key assumptions used in measuring the present value of benefit liabilities

The main key assumptions used in determining the liabilities arising from post-employment benefit plans are as follows:

	12/31/2020 (%)	12/31/2019 (%)	12/31/2018 (%)
Discount rate:			
Post-employment benefits plan – Nominal rate	54.88%	46.62%	32.00%
Post-employment benefits plan – Real rate	3.25%	3.25%	3.25%
Future salary increases:			
Post-employment benefits plan – Nominal rate	53.30%	45.12%	27.85%
Post-employment benefits plan – Real rate	2.20%	2.20%	2.20%
Healthcare cost increase rate	50.00%	42.00%	27.85%

To calculate the benefit (both for men and women) a 5% annual turnover rate is considered for ages 20 through 55 as well as the GAM 94 mortality table with no improvement factors.

*Sensitivity analysis in light of the changes in the key assumptions used in measuring the present value of benefit liabilities*

Below is an example of a quantitative sensitivity analysis showing a change in a significant key assumption as of December 31, 2020:

Assumptions	Real discount rate: 3.25%		Real future salary increases 2.20%	
Sensitivity Leve	Increase +10%	Decrease -10%	Increase +10%	Decrease -10%
Impact on the net benefit liability	-3,01%	+3,18%	+1,69%	-1,63%

Assumptions	Life expectancy	
Sensitivity Level	Increase 1 year	Decrease 1 year
Impact on the net benefit liability	0,44%	-0,44%

The abovementioned sensitivity analyses have been determined based on a method that extrapolates the impact on the net benefit liability resulting from reasonably possible changes in the key assumptions used at each reporting date.

NOTE 13  
FIXED ASSETS

**13.1. Bank premises and equipment**  
The account includes the tangible assets owned by the Bank. The changes in these assets as of December 31, 2020, 2019, and 2018, are disclosed in Exhibit F “Changes in Bank premises and equipment”.

**13.2. Investment property**  
The account includes the investment properties owned by the Bank, used for its specific activity. The changes in these assets as of December 31, 2020, 2019, and 2018, are disclosed in exhibit F BIS “Changes in investment properties”.

**13.3. Intangible assets**  
The account includes the intangible assets owned by the Bank, used for its specific activity. The changes in these assets as of December 31, 2020, 2019, and 2018, are disclosed in Exhibit G “Changes in intangible assets”.

NOTE 14  
OTHER ASSETS AND LIABILITIES

**14.1. Other financial assets**  
The Other financial assets held by the Bank are detailed as follows:

Consolidated  
08. financial statements  
as of 12-31-2020

Notes

	Amount as of 12/31/2020	Amount as of 12/31/2019	Amount as of 12/31/2018
Sundry receivables	748,254	541,281	1,035,511
Investment in financial assets	181,868	220,056	1,633,533
<b>Subtotal Other financial assets</b>	<b>930,122</b>	<b>761,337</b>	<b>2,669,044</b>
Allowance for loan losses (Exhibit R)	( 154,018)	( 162,651)	( 218,187)
<b>Total Other financial assets</b>	<b>776,104</b>	<b>598,686</b>	<b>2,450,857</b>

#### 14.2. Other financial liabilities

The Other financial liabilities held by the Bank are detailed as follows:

	Payables as of 12/31/2020	Payables as of 12/31/2019	Payables as of 12/31/2018
Productive Transformation Department - PROCER (Note 11)	511,286	685,906	1,055,146
Productive Transformation Department - FONCER (Note 11)	136,309	185,572	285,470
Finance Fund for Developing the Río de la Plata Basin – FONPLATA (Ministry of Production) (Note 11)	1,854,986	3,471,683	3,151,005
Banco Europeo de Inversiones (BEI) line – (Ministry of Production) (Note 11)	6,272,072	5,969,295	5,619,155
World Bank line (Ministry of Production) (Note 11)	2,531,822	2,368,991	2,220,178
FONTAR (Argentine technological fund)	121	660	2,651
Productive Transformation Department - PROCER II (Note 11)	2,804,081	-	-
Finance lease (Note 9)	269,625	345,383	-
Administration of the program to boost the competitiveness of regional economies (PROCER – Ministry of Production) (Note 11)	644,443	1,009,769	861,366
Interest on BNA preferred stock (Note 11)	135,737	123,196	94,758
<b>Subtotal Other financial liabilities</b>	<b>15,160,482</b>	<b>14,160,455</b>	<b>13,289,729</b>
Other financial liabilities	214,736	479,166	666,944
<b>Total Other financial liabilities</b>	<b>15,375,218</b>	<b>14,639,621</b>	<b>13,956,673</b>

### 14.3 Other nonfinancial assets

The Other financial assets held by the Bank are detailed as follows:

	Amount as of 12/31/2020	Amount as of 12/31/2019	Amount as of 12/31/2018
Directors' and statutory auditors' fee advances	67,174	61,508	66,258
Advances to personnel	5,554	9,949	4,958
Prepayments	148,217	32,720	83,231
Prepayments for the purchase of assets	72,089	54,259	26,182
Investment properties (Exhibit F BIS)	260,217	97,877	99,063
Tax withholdings and collections	29,441	30,209	71,754
<b>Subtotal Other nonfinancial assets</b>	<b>582,692</b>	<b>286,522</b>	<b>351,446</b>
Other nonfinancial assets	4,457	4,382	4,420
<b>Total Other nonfinancial assets</b>	<b>587,149</b>	<b>290,904</b>	<b>355,866</b>

### 14.4. Other nonfinancial liabilities

The Other nonfinancial liabilities held by the Bank are detailed as follows:

	Payables as of 12/31/2020	Payables as of 12/31/2019	Payables as of 12/31/2018
Provision for Directors' fees	72,049	68,969	68,333
Provision for Statutory auditors' fees	14,275	12,857	15,065
Bonus collected in advance	103,829	200,768	301,199
Collections made in advance	37,245	65,471	127,550
Interest collected in advance	80	109	-
Provision for short-term employee benefits (Note 12.1)	225,983	449,282	400,013
Provision for long-term employee benefits (Note 12.2)	13,022	15,849	4,124
Other taxes payable	394,569	343,353	584,344
Other creditors	281,141	284,757	371,924
<b>Subtotal Other nonfinancial liabilities</b>	<b>1,142,193</b>	<b>1,441,415</b>	<b>1,872,552</b>
Other nonfinancial liabilities	7,389	11,387	20,230
<b>Total Other nonfinancial liabilities</b>	<b>1,149,582</b>	<b>1,452,802</b>	<b>1,892,782</b>

NOTE 15  
FINANCING OBTAINED FROM THE BCRA  
AND OTHER FINANCIAL INSTITUTIONS

The table below details the financing received by the Bank:

Concepto	Payables as of 12/31/2020	Payables as of 12/31/2019	Payables as of 12/31/2018
China Development Bank (CDB)	10,161,543	11,467,063	13,111,505
International Development Bank (IDB)	993,140	662,108	3,001,631
International Development Bank (IDB)- sustainable bond	1,860,690	2,418,746	2,359,691
Foreign Trade Bank of Latin America (BLADEX)	-	-	2,402,523
Corporación Andina de Fomento (CAF)	-	-	792,517
Agencia Francesa de Desarrollo (AFD)	4,607,818	4,059,142	-
Banco de la Nación Argentina (Note 11)	1,587,358	2,655,189	4,862,777
Total financing obtained from the BCRA and other financial institutions	19,210,549	21,262,248	26,530,644

NOTE 16  
PROVISIONS

It includes the amounts estimated to meet current obligations that are probable.

Exhibit J “Changes in provisions” shows the changes in provisions over the year ended December 31, 2020. The increases in provisions in Exhibit J include the increase in the amount discounted as a result of the time elapsed and the effect of the change in the discount rate.

As of December 31, 2020, 2019 and 2018, the main provisions are as follows:

• Provisions for contingencies: Including the following provisions:

- Provision for court expenses arising from the turnover tax claim for the 2002-2004 period: Related to the provision for fees that may be set for the professionals involved in Case No. 14656/2009 (accountant expert witness and Buenos Aires City’s legal counsel). It is estimated that such amount and payment request as of December 31, 2020, 2019 and 2018 amounts to thousands of ARS 2,551, thousands of ARS 7,533 and thousands of ARS 12,764, respectively.
- Other contingencies involving labor lawsuits filed against the Bank. It is estimated that such amount and payment request as of December 31, 2020, 2019 and 2018 amounts to thousands of ARS 77,993, thousands of ARS 23,226 and thousands of ARS 48,052, respectively.



• Other contingencies: The provision was set up for the probable estimate of the amount to be disbursed in connection with the differences arising from the inspection made by the AGIP (Buenos Aires City Public Revenue Agency) on the turnover tax base for fiscal years 2014-2016, which in 2018 amounted to thousands of ARS 93,627.

• **Provision for post-employment defined benefit plans: related to the provision for post-employment benefits detailed in Note 12.3.**

The provision set up for the probable estimate of the amount to be disbursed in connection with the differences arising from the inspection made by the AGIP (Buenos Aires City Public Revenue Agency) on the turnover tax base for tax years 2014-2016 was used in fiscal year ended December 31, 2019 because, by virtue of Record No. 1116, BICE's Board of Directors approved the Bank joining the "Special system to

amend tax obligations due on July 31, 2019", established by Law No. 6195. Joining that system implied that compensatory and punitive interest for amended obligations be forgiven as well as the formal or monetary fines. The balance of the liability is presented in "Other nonfinancial liabilities" in the total amount of thousands of ARS 40,975.

In the opinion of the Bank's Management and its legal counsels, there are no significant effects other than those disclosed in these consolidated financial statements, the amounts and payment terms of which were recorded based on the current value of those estimates as well as the probable date of their final resolution.

## NOTE 17 INCOME TAX

### 17.1. Income tax

The current income tax assets/liabilities disclosed in the statement of financial position as of December 31, 2020, 2019 and 2018 are detailed as follows:

	BICE	BICE Trusts
Income tax prepayments	6,192	6,823
Other credits	30,705	-
Provision for income tax	-	( 28,415)
Minimum presumed income tax (Note 17.2)	94,890	-
<b>Net assets /(liabilities) as of 12/31/2020</b>	<b>131,787</b>	<b>( 21,592)</b>

	BICE	BICE Trusts
Income tax prepayments	294,291	2,706
Other credits	132,537	1,604
Provision for income tax	( 705,134)	( 21,569)
Minimum presumed income tax	129,183	4,656
<b>Net (liabilities) as of 12/31/2019</b>	<b>( 149,123)</b>	<b>( 12,603)</b>

Consolidated  
08. financial statements  
as of 12-31-2020

## Notes

Income Tax	BICE	Merged companies		Total BICE	BICE Trust
		BICE Leasing	BICE Factoring		
Income tax prepayments	173,147	47,873	30,592	251,612	17,100
Other credits	18,377	4,930	200,281	223,588	29
Provision for income tax	( 17,525)	( 565,228)	( 421,794)	( 1,004,547)	( 10,790)
Minimum presumed income tax	186,994	-	-	186,994	134
<b>Net (liabilities) / Assets as of 12/31/2018</b>	<b>360,993</b>	<b>( 512,425)</b>	<b>( 190,921)</b>	<b>( 342,353)</b>	<b>6,473</b>

As of December 31, 2020, 2019 and 2018, deferred tax assets, net amounted to thousands of ARS 2,308,907, thousands of ARS 1,344,109 and thousands of 508,751, respectively. The deferred tax assets and liabilities included in the statement of financial position are as follows:

	12/31/2020	12/31/2019	12/31/2018
<b>Deferred tax assets:</b>			
Loans	453,897	2,136,995	1,180,579
Other nonfinancial assets	16,835	-	-
Provisions included in liabilities	70,043	25,779	53,550
Inflation adjustment (*)	2,015,350	534,383	-
Tax loss 2019	339,269	426	-
Employee benefits	46,798	67,562	60,444
<b>Other</b>	<b>5,489</b>	<b>3,242</b>	<b>49,710</b>
<b>Total deferred assets</b>	<b>2,947,681</b>	<b>2,768,387</b>	<b>1,344,283</b>
<b>Deferred tax liabilities:</b>			
Financial Instruments	( 120,044)	( 381,672)	( 3,748)
Investments in equity instruments	( 288,073)	( 831,502)	( 683,989)
Corporate bonds	( 22,274)	( 865)	( 2,728)
Loans and other financing facilities	( 58,105)	( 11,285)	( 12,217)
Finance leases	( 10,061)	( 39,940)	-
Other	( 11,119)	( 57,032)	( 61,328)
Bank premises and equipment	( 129,098)	( 101,982)	( 71,522)
<b>Total deferred liabilities</b>	<b>( 638,774)</b>	<b>( 1,424,278)</b>	<b>( 835,532)</b>
<b>Deferred tax assets, net</b>	<b>2,308,907</b>	<b>1,344,109</b>	<b>508,751</b>

Consolidated  
08. financial statements  
as of 12-31-2020

Notes

The changes in deferred tax assets/  
liabilities, net, as of December 31, 2020,  
2019, and 2018 is summarized as follows:

	BICE	BICE Trusts
Deferred tax assets at beginning of year, net	1,292,019	52,090
Monetary gains/losses	( 231,939)	( 13,828)
Deferred tax benefit recognized in profit or loss (net of the reversal of the provision)	1,139,555	98,855
Use of the tax loss in connection with the income tax	( 48,670)	-
Reversal of OCI reserve for reclassified securities	( 30,170)	-
Deferred tax expense through other comprehensive income	50,995	-
<b>Deferred assets as of 12/31/2020</b>	<b>2,171,790</b>	<b>137,117</b>

	BICE	Merged companies		Total BICE	BICE Trusts
		BICE Leasing	BICE Factoring		
Deferred tax assets at beginning of year, net	220,528	184,309	88,969	493,806	14,945
Monetary gains/losses	245,244	64,437	31,134	340,815	( 3,951)
Deferred tax expense through profit or loss	565,464	( 82,104)	( 60,938)	422,422	41,096
Deferred tax expense through other comprehensive income	34,976	-	-	34,976	-
<b>Deferred assets as of 12/31/2019</b>	<b>1,066,212</b>	<b>166,642</b>	<b>59,165</b>	<b>1,292,019</b>	<b>52,090</b>

	BICE	Merged companies		Total BICE	BICE Trusts
		BICE Leasing	BICE Factoring		
Deferred tax assets at beginning of year, net	( 37,352)	163,406	36,078	162,132	3,229
Deferred tax expense through profit or loss	248,497	20,857	52,938	322,292	11,716
Deferred tax expense through other comprehensive income	9,382	-	-	9,382	-
<b>Deferred assets as of 12/31/2018</b>	<b>220,527</b>	<b>184,263</b>	<b>89,016</b>	<b>493,806</b>	<b>14,945</b>

The income tax expense disclosed in the income statement differs from the income tax expense that would result if all profits had been subject to the current tax rate.

The following table shows a reconciliation between the income tax expense and the amounts arising from applying the effective tax rate in Argentina to taxable profit:

Consolidated  
08. financial statements  
as of 12-31-2020

Notes

	12/31/2020	12/31/2019
Income before income tax net of the effect of other comprehensive income	881,458	( 9,405,855)
Other comprehensive income (loss) before income tax	( 150,901)	( 204,172)
<b>Total comprehensive income (loss) before income tax</b>		<b>( 9,610,027)</b>
Statutory income tax rate	30%	30%
Tax on income	( 219,167)	2,883,008
<b>Permanent differences</b>		
Non-deductible expenses (Law 24475)	( 3,953)	( 11,637)
Adjustment due to change in tax rate	8,152	-
Investments in equity instruments	142,773	77,192
Other equity interests	185,967	23,673
Other adjustments	92,442	36,785
(Understated)/overstated prior-year provision for income tax	9,423	( 10,424)
Reversal /(allowance) tax loss	1,134,918	( 606,378)
Tax inflation adjustment	( 63,406)	650,542
Accounting inflation adjustment	( 360,255)	( 2,835,578)
Deferred tax (including gain or loss on net monetary position -RECPAM)	-	238,570
Permanent differences of merged companies	-	356,570
<b>Total income tax expense</b>	<b>926,894</b>	<b>802,324</b>

The income tax expense disclosed in the statement of income is broken down as follows:

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
<b>Current income tax expense</b>	<b>( 86,818)</b>	<b>( 30,414)</b>
Deferred tax benefit for the year	950,670	808,186
Overstated/(understated) provision for income tax for the year	9,423	( 10,424)
Deferred tax benefit through other comprehensive income	53,619	34,976
<b>Total income tax expense</b>	<b>926,894</b>	<b>802,324</b>

As of December 31, 2020, the Bank held a tax loss carryforward in connection with the income tax in the amount of thousands of ARS 399,269 to be offset against future taxable income, which is deemed to be recoverable before the expiration thereof in year 2024. Additionally, during the fiscal year, the Bank has offset income tax balances against prior tax losses in the total amount of thousands of ARS 48,670.

**17.2. Minimum presumed income tax**

The minimum presumed income tax was established in fiscal year 1998 by Law No. 25063 for a term of ten fiscal years. At present, after successive extensions and considering the provisions of Law No. 27260, the referred tax was repealed for the fiscal years beginning on or after January 1, 2019. The minimum presumed income tax was supplementary to the income tax because, whereas the latter was levied on taxable income for the year, minimum presumed income tax was a minimum levy on the potential income of certain productive assets at a 1% rate. Therefore, the Company's tax liability was represented by the highest of the two taxes.

However, if minimum presumed income tax exceeded income tax in a given fiscal year, such excess could be computed as a credit towards future income taxes, in excess of minimum presumed income tax, occurring in any of the next ten fiscal years, once the accumulated tax loss carryforwards have been used.

As of December 31, 2020, no minimum presumed income tax was assessed because it was repealed. A minimum presumed income tax balance of thousands of ARS 94,890 remains, as assessed in 2018 (Note 17.1).

**17.3. Tax Reform**

On December 29, 2017, by means of Presidential Decree No. 1112/2017, Law 27430 on Tax Reform was issued, as enacted by the Argentine Congress on December 27, 2017. Such Law was published in the Official Gazette on the same date on which it was issued.

The salient features of the reform are detailed in Note 17.3 to the consolidated financial statements of the Bank as of December 31, 2019, issued on February 20, 2020.

**17.4. Tax inflation adjustment**

Law 27430 on Tax Reform, subsequently amended by Law 27468 provides in connection with the inflation adjustment for tax purposes, applicable to fiscal years beginning on or after January 1, 2018, the following:

- a) This adjustment would apply in the fiscal year in which the variation in the domestic general consumer price index exceeds 100% during the 36 months prior to the end of the year calculated;
- b) During the first, second and third fiscal years as from effective date, the tax inflation adjustment would be applicable to the extent the IPC variation for each of them exceeds 55%; 30% and 15%, respectively;

- c) The effect of the positive or negative adjustment for inflation related to the first, second and third years as from January 1, 2018, would be charged as follows: one third in that tax period, and the two remaining thirds, in equal parts, in the two immediately subsequent tax periods (Law No. 27541 modified such computation, by providing that one sixth (1/6) would be charged in the first fiscal year and the remaining five sixths, in equal parts, in the immediately following fiscal years);
- d) A sixth part of the resulting inflation adjustment, either positive or negative, for the first and second years beginning on or after January 1, 2019, shall be recognized in such fiscal period in which the adjustment is determined and the remaining five sixths shall be recognized in those immediately subsequent periods; and



e) For fiscal years beginning on or after January 1, 2021, 100% of the adjustment can be deducted in the year in which it is determined.

As of December 31, 2019, the parameters established by the Income Tax Law to apply the inflation adjustment for tax purposes are met, and the current and deferred income taxes include the effect deriving from the referred adjustment as provided for by the law.

Consequently, the current and deferred income tax has been recorded in the year ended December 31, 2020, by including the effects deriving from the referred adjustment as provided for by the law.

**17.5. Corporate income tax rate**

Law No. 27541 suspended –up to and including the tax years beginning on or after January 1, 2021– the corporate income tax rate reduction established by Law No. 27430, setting a 30% rate for the suspension period. As from the years beginning on or after January 1, 2022, the rate will be 25%.

**NOTE 18  
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, 2020, 2019, and 2018:





Consolidated  
08. financial statements  
as of 12-31-2020

Notes

	Past due/ with no due date	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	Total as of 12/31/2020
Cash and deposits with banks	9,828,002	-	-	-	-	-	-	9,828,002
Securities at fair value through profit or loss	155,676	4,439,680	2,312,254	778,125	210,371	643,681	97,985	8,637,772
Derivatives	-	820	-	-	-	-	-	820
Repo transactions	-	9,925,706	-	-	-	-	-	9,925,706
other financial assets (not including allowances)	930,122	-	-	-	-	-	-	930,122
Loans and other financing facilities (not including allowances)	5,109,931	11,808,524	3,129,363	4,812,364	5,829,712	8,880,625	15,961,768	55,532,287
Nonfinancial government sector	4,384	326,343	24,571	33,187	338	-	-	388,823
Other financial institutions	-	531,491	593,292	1,142,101	1,251,363	1,755,630	1,408,612	6,682,489
Nonfinancial private sector and foreign residents	5,105,547	10,950,690	2,511,500	3,637,076	4,578,011	7,124,995	14,553,156	48,460,975
Other debt securities (not including allowances)	935,293	4,626,448	54,748	1,216,084	116,813	535,601	5,043,415	12,528,402
Financial assets delivered in guarantee	2,259	463	2,752	-	39	-	685,251	690,764
Investments in equity instruments	3,897,650	-	-	-	-	-	-	3,897,650
Deducted from assets	(4,050,744)	-	-	-	-	-	-	( 4,050,744)
<b>TOTAL ASSETS</b>	<b>16,808,189</b>	<b>30,801,641</b>	<b>5,499,117</b>	<b>6,806,573</b>	<b>6,156,935</b>	<b>10,059,907</b>	<b>21,788,419</b>	<b>97,920,781</b>
Deposits	-	30,859,450	11,577,192	10,200	-	-	-	42,446,842
Nonfinancial government sector	-	29,194,431	7,336,839	-	-	-	-	36,531,270
Nonfinancial private sector and foreign residents	-	1,665,019	4,240,353	10,200	-	-	-	5,915,572
Derivatives	-	220	-	-	-	-	-	220
Other financial liabilities	-	2,238,282	600,089	162,767	696,437	1,390,176	10,287,467	15,375,218
Financing obtained from the BCRA and other financial institutions	-	47,260	158,159	2,438,023	1,744,549	3,759,445	11,063,113	19,210,549
Corporate bonds issued	-	2,804,546	-	-	-	-	-	2,804,546
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>35,949,758</b>	<b>12,335,440</b>	<b>2,610,990</b>	<b>2,440,986</b>	<b>5,149,621</b>	<b>21,350,580</b>	<b>79,837,375</b>

Consolidated  
08. financial statements  
as of 12-31-2020

Notes

	Past due/ with no due date	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	Total as of 12/31/2019
Cash and deposits with banks	6,314,263	-	-	-	-	-	-	6,314,263
Securities at fair value through profit or loss	36,659	-	40,922	29,294	225,894	179,045	267,494	779,308
Derivatives	-	48	-	-	-	-	-	48
Repo transactions	-	8,869,377	-	-	-	-	-	8,869,377
other financial assets (not including allowances)	761,337	-	-	-	-	-	-	761,337
Loans and other financing facilities (not including allowances)	4,829,823	11,413,331	5,811,886	6,040,680	6,663,321	12,026,114	25,650,692	72,435,847
Nonfinancial government sector	3,028	332,018	22,275	33,435	66,958	64,938	-	522,652
Other financial institutions	494	487,141	867,044	1,345,277	2,376,337	3,158,094	3,432,853	11,667,240
Nonfinancial private sector and foreign residents	4,826,301	10,594,172	4,922,567	4,661,968	4,220,026	8,803,082	22,217,839	60,245,955
Other debt securities (not including allowances) (*)	345,609	81,923	349,702	669,102	3,845,302	1,391,844	1,155,749	7,839,231
Financial assets delivered in guarantee (*)	23,792	-	163	3,574	1,941,585	448	30,967	2,000,529
Investments in equity instruments	3,671,846	-	-	-	-	-	-	3,671,846
Deducted from assets	( 5,739,456)	-	-	-	-	-	-	( 5,739,456)
<b>TOTAL ASSETS</b>	<b>10,243,874</b>	<b>20,364,679</b>	<b>6,202,673</b>	<b>6,742,649</b>	<b>12,676,102</b>	<b>13,597,451</b>	<b>27,104,902</b>	<b>96,932,330</b>
Deposits	-	18,460,342	8,493,654	11,013,892	-	-	-	37,967,888
Nonfinancial government sector	-	12,201,834	2,580,230	9,250,659	-	-	-	24,032,723
Nonfinancial private sector and foreign residents	-	6,258,508	5,913,424	1,763,233	-	-	-	13,935,165
Derivatives	-	7,624	-	-	-	-	-	7,624
Other financial liabilities	-	2,061,091	75,732	41,794	409,441	1,639,372	10,412,191	14,639,621
Financing obtained from the BCRA and other financial institutions	-	55,087	121,100	1,382,316	1,350,060	4,473,288	13,880,397	21,262,248
Corporate bonds issued	-	579,447	7,847	1,300,042	-	3,350,157	-	5,237,493
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>21,163,591</b>	<b>8,698,333</b>	<b>13,738,044</b>	<b>1,759,501</b>	<b>9,462,817</b>	<b>24,292,588</b>	<b>79,114,874</b>

(\*) Including reprofiled instruments as per Presidential Decrees No. 596/2019 and No. 49/2019 (see note 34).

Consolidated  
08. financial statements  
as of 12-31-2020

Notes

	Past due/ with no due date	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	Total as of 12/31/2018
Cash and deposits with banks	16,838,509	-	-	-	-	-	-	16,838,509
Securities at fair value through profit or loss	959	-	15,112	-	129,921	235,209	993,053	1,374,254
Derivatives	-	-	-	-	-	-	-	-
Repo transactions	-	1,873,060	-	-	-	-	-	1,873,060
other financial assets (not including allowances)	2,256,562	412,482	-	-	-	-	-	2,669,044
Loans and other financing facilities (not including allowances)	3,892,433	6,789,643	10,570,988	12,185,133	9,771,243	16,220,155	32,323,577	91,753,172
Nonfinancial government sector	4,205	464,137	22,698	33,454	65,572	133,615	60,895	784,576
Other financial institutions	195	991,553	1,190,458	1,794,545	3,381,897	6,416,853	6,463,009	20,238,510
Nonfinancial private sector and foreign residents	3,888,033	5,333,953	9,357,832	10,357,134	6,323,774	9,669,687	25,799,673	70,730,086
Other debt securities (not including allowances)	369	1,659,782	614,119	4,267,391	1,212,198	1,609,365	1,169,530	10,532,754
Financial assets delivered in guarantee	51,972	-	1,475,601	391,983	2,519	4,624	29,962	1,956,661
Investments in equity instruments	3,487,993	-	-	-	-	-	-	3,487,993
Deducted from assets	( 2,001,723)	-	-	-	-	-	-	( 2,001,723)
<b>TOTAL ASSETS</b>	<b>24,527,074</b>	<b>10,734,967</b>	<b>12,675,820</b>	<b>16,844,507</b>	<b>11,115,881</b>	<b>18,069,353</b>	<b>34,516,122</b>	<b>128,483,724</b>
Deposits	-	23,017,008	12,019,141	16,189,520	-	-	-	51,225,669
Nonfinancial government sector	-	16,649,549	8,266,229	13,651,593	-	-	-	38,567,371
Nonfinancial private sector and foreign residents	-	6,367,459	3,752,912	2,537,927	-	-	-	12,658,298
Derivatives	-	51,501	195,883	60,212	-	-	-	307,596
Other financial liabilities	-	1,639,637	41,804	19,399	4,218	252,742	11,998,873	13,956,673
Financing obtained from the BCRA and other financial institutions	-	1,632,163	2,810,535	2,531,432	2,158,551	2,931,427	14,466,536	26,530,644
Corporate bonds issued	-	388,113	106,819	-	3,870,770	2,012,606	1,596,302	7,974,610
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>26,728,422</b>	<b>15,174,182</b>	<b>18,800,563</b>	<b>6,033,539</b>	<b>5,196,775</b>	<b>28,061,711</b>	<b>99,995,192</b>

## NOTE 19 BREAKDOWN OF ACCOUNTS

### 19.1. Commission income

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
<b>Performance obligations satisfied at a point in time:</b>		
Commissions for early repayment	2,465	3,983
Commissions on bank account debits	357	572
Commissions on collection management	26,571	74,751
Other fees	11,702	10,083
<b>Performance obligations met over time:</b>		
Commissions for foreign-trade transactions	69,606	134,300
	110,701	223,689

### 19.2. Difference in quoted prices of foreign currency

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Conversion into Argentine pesos of assets and liabilities in foreign currency	2,739,382	586,609
Foreign exchange gains (losses)	38,407	569,375
	2,777,789	1,155,984

### 19.3. Other operating income

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Proceeds from the sale of bank premises and equipment	732	-
Proceeds from investment properties and other nonfinancial assets	8,993	1,563
Rentals	6,625	3,315
Allowance reversed	620,598	496,133
Recovered receivables	-	3,168
Punitive interest	327,271	333,308
Revenues from trust management	839,943	684,103
Other	29,751	47,918
	1,833,913	1,569,508

### 19.4. Employee benefits

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Salaries and wages	( 1,539,081)	( 1,562,303)
Social security contributions	( 279,273)	( 289,008)
Severance pay and employee bonuses	( 7,892)	( 53,147)
Services and benefits provided to employees	( 153,696)	( 453,125)
Post-employment benefits. Defined benefits	(1) (59,445)	( 66,966)
	( 2,039,387)	( 2,424,549)

(1) Exhibit J

19.5. Administrative expenses

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Entertainment and per diem expenses	( 7,010)	( 32,705)
Administrative services hired	( 1,021)	( 1,675)
Surveillance services	( 13,706)	( 8,625)
Directors' and statutory auditor's fees	(104,945)	( 129,941)
Other professional fees	( 99,447)	( 216,319)
Insurance	( 78,148)	( 31,454)
Rentals	( 5,029)	( 143,216)
Stationery and office supplies	( 857)	( 3,024)
Electric power and communications	( 53,729)	( 55,402)
Advertising and marketing	( 8,616)	( 14,574)
Taxes	( 112,270)	( 572,775)
Maintenance, conservation and repair expenses	( 142,284)	( 115,347)
Other	( 175,679)	( 243,215)
	( 802,741)	( 1,568,272)

19.6. Other operating expenses

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Contribution to the deposit guarantee fund (Note 27)	( 74,019)	( 90,713)
Finance leases taken (Note 9)	( 17,959)	( 23,532)
Turnover tax	( 987,789)	( 1,094,010)
Punitive interest and charges payable to the BCRA	( 102)	( 640)
Other allowances	(1) (72,472)	( 158)
Donations	( 792)	-
Other	( 10,683)	( 6,042)
	( 1,163,816)	( 1,215,095)

(1) Exhibit J

NOTE 20  
ADDITIONAL INFORMATION ABOUT THE  
STATEMENT OF CASH FLOWS

The Bank presents the cash flows from its transactions using the indirect method, and considers cash and cash equivalents as part of the “Cash and deposits with banks” account.

**NOTE 21**  
**QUANTITATIVE AND QUALITATIVE**  
**INFORMATION ON FAIR VALUES**

Exhibit P “Classification of financial assets and liabilities” shows the fair value measurement hierarchy of the Bank’s financial assets and liabilities.

**Financial assets and liabilities not carried at fair value**

Below is a description of the methodologies, input and assumptions used in determining the fair value of the financial instruments not carried at fair value in the accompanying financial statements:

- Assets and liabilities whose fair value is similar to the carrying amount: for financial assets and liabilities that are liquid or have short-term maturities (less than three months), it is considered that the carrying amount is similar to the fair value.

- Fixed-rate 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. The estimated fair value of fixed-interest rate deposits was determined by discounting future cash flows by using market interest rates for deposits with similar maturities to those of the Bank’s portfolio.

- Listed assets: the fair value was determined based on the market prices.

- 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.

As of December 31, 2020, 2019, and 2018, the Bank did not change the methods, inputs and assumptions used in estimating the fair values of the financial instruments.

The following tables show a comparison between the fair value and the carrying amount of financial instruments not carried at fair value as of December 31, 2020, 2019, and 2018, respectively:





Financial assets	12/31/2020				
	Carrying amount	Fair value			Total fair value
		Level 1	Level 2	Level 3	
Cash and due from the BCRA (Central Bank of Argentina)	8,595,664	8,595,664	-	-	8,595,664
Due from other financial institutions	1,232,338	1,232,338	-	-	1,232,338
Repo transactions	9,925,706	9,925,706	-	-	9,925,706
Other financial assets	776,104	181,868	594,236	-	776,104
Loans and other financing	52,469,342	-	53,450,182	-	53,450,182
Other debt securities	11,694,621	8,140,304	3,242,301	-	11,382,605
Financial assets delivered in guarantee	690,764	690,764	-	-	690,764
Financial liabilities					
Deposits	42,446,842	-	42,413,402	-	42,413,402
Financing obtained from financial institutions and other financial liabilities	34,585,767	-	33,278,760	-	33,278,760
Financial bonds	2,804,546	-	2,809,172	-	2,809,172

Financial assets	12/31/2019				
	Carrying amount	Fair value			Total fair value
		Level 1	Level 2	Level 3	
Cash and due from the BCRA (Central Bank of Argentina)	5,099,687	5,099,687	-	-	5,099,687
Due from other financial institutions	1,214,576	1,214,576	-	-	1,214,576
Repo transactions	8,869,377	8,869,377	-	-	8,869,377
Other financial assets	598,686	-	421,254	-	421,254
Loans and other financing	67,600,507	-	48,852,286	-	48,852,286
Other debt securities	7,097,766	2,772,538	3,628,567	-	6,401,105
Financial assets delivered in guarantee	2,000,529	1,420,149	-	-	1,420,149
Financial liabilities					
Deposits	37,967,888	-	38,152,267	-	38,152,267
Financing obtained from financial institutions and other financial liabilities	35,901,869	-	40,806,381	-	40,806,381
Financial bonds	5,237,493	-	5,457,413	-	5,457,413

Financial assets	12/31/2018				
	Carrying amount	Fair value			Total fair value
		Level 1	Level 2	Level 3	
Cash and due from the BCRA (Central Bank of Argentina)	10,059,693	10,059,693	-	-	10,059,693
Due from other financial institutions	6,778,816	6,778,816	-	-	6,778,816
Repo transactions	1,873,060	1,873,060	-	-	1,873,060
Other financial assets	2,450,857	817,309	-	-	817,309
Loans and other financing facilities	90,015,794	-	96,745,516	-	96,745,516
Other debt securities	10,486,596	5,591,477	5,784,924	-	11,376,401
Financial assets delivered in guarantee	1,956,661	1,912,770	-	-	1,912,770
Financial liabilities					
Deposits	51,225,669	-	51,255,939	-	51,255,939
Financing obtained from financial institutions and other financial liabilities	40,487,317	-	38,317,027	-	38,317,027
Corporate bonds	7,974,610	-	9,431,708	-	9,431,708

The Managements of the Bank has not identified any further indicators of impairment in value of its financial assets as a result of differences in their fair value.

NOTE 22  
SEGMENT REPORTING

For management purposes, the Bank defined the following business segments over which there is differentiated financial information, taking into account the nature of their risks and returns:

- **Investment financing:** it groups the transactions related to:
  - investment financing, productive security agreements, working capital associated with investment projects,
  - special financial inclusion lines, asset-based financing facilities, regional economies and specific sectors,
  - project finance and structured products,
  - second-tier leasing and
  - capital market..

- **Foreign trade financing:** it groups the transactions related to:
  - Pre- and post-export financing,
  - Long-term export financing (Forfaiting),
  - Issuance of guarantees for foreign trade transactions.
- **Working capital financing through factoring:** it groups factoring transactions for companies.
- **Capital lease transactions:** it groups the capital lease transactions performed by BICE Leasing S.A.
- **Trust management:** it groups the trust management transactions where BICE and its subsidiary act as a trustee.
- **Treasury transactions:** it groups the transactions involving government and private securities.

- **Other not elsewhere classified:** it includes core functions, as well as the items which may not be directly attributed to a particular segment.
- The Bank does not disclose any information by geographic segment because there are no exploitations in economic environments with significantly different risks and profits.
- The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The performance of the segment is assessed based on operating profit (loss) and is measured consistently with profit and loss in the financial statements. However, income tax is managed comprehensively and it is not allocated to business segments.

Considering the nature of the business segments described above, the Bank has not determined any internal prices or costs/ revenues to be allocated in connection with funding or fund placement, as applicable, between the various segments.

As of December 31, 2020, and 2019, there are no transactions with individual customers representing 10% or more of the Bank’s total revenues.

The following tables disclose information in connection with the Bank’s business segments:

Consolidated  
08. financial statements  
as of 12-31-2020

Notes

	Investment	Factoring	Trusts	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2020
TOTAL ASSETS	43,665,087	299,612	1,683,856	3,464,931	4,306,425	30,656,698	17,642,807	101,719,416
TOTAL LIABILITIES	( 42,728,480)	( 196,785)	( 398,797)	( 3,464,931)	( 42,811)	( 20,111,628)	( 14,298,595)	( 81,242,027)

	Investment	Factoring	Trusts	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2019
TOTAL ASSETS	46,415,557	1,779,910	1,263,293	7,999,614	6,535,996	22,758,505	12,868,925	99,621,800
TOTAL LIABILITIES	( 43,448,690)	( 1,171,238)	( 323,902)	( 8,150,781)	( 67,566)	( 15,871,512)	( 11,867,043)	( 80,900,732)

	Investment	Factoring	Trusts	Foreign trade	Lease	Treasury	Other	Total as of 12/31/2018
TOTAL ASSETS	61,128,054	7,868,914	1,280,547	16,107,858	11,345,508	10,718,622	21,470,896	129,920,399
TOTAL LIABILITIES	( 46,605,671)	( 3,118,687)	( 355,982)	( 6,107,858)	( 4,159,398)	( 8,820,749)	( 23,291,130)	( 102,459,475)







**NOTE 23**  
**RISK MANAGEMENT AND CORPORATE GOVERNANCE**

Risks are inherent in the Bank’s 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.

BICE will be managed and administered by a Board of Directors made up of 8 (eight) regular directors, which will be appointed for a term of 2 (two) fiscal years, and such directors may be reelected indefinitely. As of the date of issuance of the accompanying financial statements, the Board of Directors is made up of six (6) directors.

The Board of Directors is in charge of performing management functions in the Bank and making the related decisions. It is in charge of executing the decisions made

at the Shareholders’ Meetings, developing the tasks especially delegated by the shareholders, and establishing a business strategy, as well as approving the general and specific policies to ensure proper business management. Its objectives are, among others, coordinating and supervising that the operating performance is consistent with institutional objectives, facilitating the performance of business with efficiency, control and productivity, for the purposes of generating permanent improvement in administrative and commercial 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, market

and interest and operating rate. 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. A breakdown of the committees and the functions performed by each of them is included in note 24 to the consolidated financial statements.

The Bank has implemented an overall risk management process pursuant to Communication “A” 5398 as amended, which is also in line with the good banking practices recommended by the Basel Committee.

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

In addition, the Comprehensive Risk Management Committee is made up of two directors appointed by the Board of Directors, the General Manager, the Integral Risk Manager and those responsible for the areas involved in connection with the related matters.

The main purposes of this Committee are:

- Proposing the Board of Directors the guidelines and policies for comprehensively managing risk, as well as the potential amendments thereof.
- Determining the exposure limits to the various risk types broken down by business units, risk factor, or the cause or origin.
- Analyzing the cases or special circumstances whereby the exposure limits of the approved risk types may be exceeded.

- Communicating the corrective actions proposed by the technical areas for managing risk and reporting the measures implemented to the Board of Directors.
- Approving the communication strategies aimed at disseminating all the information inherent in comprehensive risk management throughout the organization.
- Also, learning about each risk position and compliance with the policies set.

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

The MIS risk management information system provides the Board of Directors and top management with relevant information on the risk profile and the Bank's capital requirements 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 recorded 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 risk management process are:

- Maintaining a segregation of duties so that negotiation, measurement and control activities are performed and reported with sufficient independence and accounted for based on the responsibilities defined in the Bank's Mission and Functions Manual.
- IMMM process (identification, measurement, monitoring and risk mitigation).
- The business impact analysis (BIA) allows identifying the Bank's critical subprocesses to focus efforts on the development of continuity alternatives in the event of an operating contingency. It also allows the identification of resources to carry out these critical processes, such as persons, IT applications, vendors and tools required, thus cooperating in improving the business continuity plan and the system contingency plan.

- Contingency plans. Including an IT contingency plan, a business continuity plan and periodic tests.
- Issuing a risk report prior to launching new products, processes or systems.
- Updating the policies related to credit risk management, liquidity risk, market risk policies, and documenting strategic risk and reputational risk policies.
- Reviewing the existing risk tolerance limits based on the assessment of the main risks faced by the Bank. The limits are monitored periodically and the results are informed to the Bank's Comprehensive Risk Management Committee and Board of Directors.

- Generating periodic reports to identify, measure, monitor and mitigate the most significant risks, and reporting the results to the Bank’s Board of Directors and top management.

- Drafting the Capital Self-Assessment Report to determine the sufficiency of the economic capital required by the Bank for each risk identified based on the standardized method described in point 5(4) of BCRA Communication “A” 6397, as supplemented.

- Preparing and executing 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.

- Internal control
  - Procedural standards
  - Internal Audit

**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 controls and measures the full risk it bears as regards the full risk exposure as to all types of risks and activities.

BICE identified the most significant risks to which it is exposed; it has appointed a person to manage them; it has policies and procedures and specific committees which assess the exposure to risk, and a Board of Directors which assesses the risk appetite.

As to comprehensive risk management, periodic presentations are made before the Comprehensive Risk Management Committee in connection with risk monitoring, the changes in the main variables affecting the risks, and whether the Bank acts within the approved limits.

**Excessive risk concentration:**

To avoid excessive risk concentrations, the Bank’s 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 to manage risk concentrations both in terms of relationships and industry.

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 main risk types to which the Bank is exposed are related to:

**Credit risk**

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

- Maintaining credit risk management policies consistent with a strategic planning that considers the risk appetite of the institution as well as the applicable internal and external regulations.
- Segregating duties so that origination, measurement and control tasks are performed and reported with a sufficient independence level.
- Defining methods that capture all material risk credit sources.

- Communicating uncollectibility situations to top management and to all the instances relevant in the decision-making process in a timely manner.
- Maintaining a contingency plan considering the various stress scenarios.
- 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 in the case of companies, and revenues and equity in the case of individuals.

- 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 management is in charge of reviewing and managing credit risk, including environmental and social risks for all types of counterparties.

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 system which assigns a risk classification to each of them. 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 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 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 area in charge of analyzing it and granting the related loan, based on the current Manual of Powers and Credit Policy.

LEVEL OF APPROVAL	TOTAL EXPOSURE AMOUNT
Committee of Lending and Borrowing Transactions	Over ARS 65,000,000 Up to ARS 130,000,000
Board of Directors	Over ARS 130,000,000

It is noteworthy that the Bank uses the request for guarantees for its financing facilities to mitigate the credit risk. The main guarantees received are related to mutual guarantee companies, mortgages and pledges. The Bank has the obligation to return the guarantees received to their holders at the end of the guaranteed financing.

The Bank's Credit Risk Management monitors the market value of guarantees and requests appraisal revaluations, if applicable.

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 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: allowances individually evaluated and allowances collectively evaluated.

The guarantees granted, letters of credit and obligations for foreign trade transactions are assessed and an allowance is set up 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 allowances.

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

The following are the classes used by the Bank, specifying the appropriate characteristics of each of them.

Debtor classification standards

The classification of the Bank's debtors includes six categories, which entails different provision levels, also considering the guarantees supporting the various transactions. Such classifications are established by the Bank based on objective or subjective assessments, depending on the portfolio where each debtor is placed based on BCRA regulations.

Exhibit B shows the changes in financing facilities broken down by situation and guarantee level.

In addition, Exhibit R to the accompanying financial statements disclose the allowances for loan losses at beginning and end of year, also disclosing the increases, reversals and uses.



### 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.

The main types of guarantees obtained are as follows:

- Guarantees granted by mutual guarantee companies,
- mortgage on real property and pledges on private parties' property, and
- joint and several bonds.

The Bank monitors the market values of guarantees to assess whether the allowance for loan losses is sufficient and requests additional guarantees in conformity with the credit agreements involved.

It is the Bank's policy to dispose of such guarantees to reduce or settle uncollected amounts.

### Loan quality by sector

The Bank manages the quality of loans through ratings established by the BCRA and calculates the impairment thereof as mentioned in the note to the accompanying financial statements. Below is a breakdown of the Bank's loans based on their situation and impairment. This classification includes the corporate bonds and the residual values of the debt securities related to financial trusts.

	Neither delinquent nor impaired	Delinquent, not impaired	Impaired			Total as of 12/31/2020
	Situation 1	Situation 2	Situation 3	Situation 4	Situation 5	
Corporate banking	46,966,978	1,227,276	557,368	1,969,671	2,008,461	52,729,754
Financial sector	6,615,141	-	-	-	-	6,615,141
	53,582,119	1,227,276	557,368	1,969,671	2,008,461	59,344,895

	Neither delinquent nor impaired	Delinquent, not impaired	Impaired			Total as of 12/31/2019
	Situation 1	Situation 2	Situation 3	Situation 4	Situation 5	
Corporate banking	51,075,691	1,078,866	564,384	3,699,552	2,566,848	58,985,341
Financial sector	20,663,013	-	-	-	-	20,663,013
	71,738,704	1,078,866	564,384	3,699,552	2,566,848	79,648,354

	Neither delinquent nor impaired	Delinquent, not impaired	Impaired			Total as of 12/31/2018
	Situation 1	Situation 2	Situation 3	Situation 4	Situation 5	
Corporate banking	72,401,137	6,158,697	697,922	558,399	306,285	80,122,440
Financial sector	18,528,337	-	-	-	-	18,528,337
	90,929,474	6,158,697	697,922	558,399	306,285	98,650,777

The following is an analysis of the Bank's financial assets by business activity before and after considering the guarantees received.



Consolidated  
08. financial statements  
as of 12-31-2020

Notes

Main business activity	12/31/2020			
	Gross exposure	%	Net of guarantees	%
Foreign organization and body services	8,569,508	14.44%	8,569,508	22.29%
Power generation, transmission and distribution	7,914,416	13.34%	6,544,008	17.02%
Monetary intermediation	6,615,140	11.15%	6,615,140	17.20%
Motor vehicle transportation service	3,039,612	5.12%	401,704	1.04%
Crude oil	1,620,238	2.73%	1,616,753	4.20%
Food production	1,441,547	2.43%	625,007	1.63%
Temporary crops	1,431,830	2.41%	132,539	0.34%
Infrastructure works for transportation	1,369,554	2.31%	467,089	1.21%
Beef and byproducts	1,168,204	1.97%	468,133	1.22%
Basic chemical substances	945,503	1.59%	419,449	1.09%
Animal breeding	942,808	1.59%	121,879	0.32%
Public administration services	930,166	1.57%	930,156	2.42%
Supplementary transport services	896,157	1.51%	878,370	2.28%
Investments funds and companies, and financial institutions	785,184	1.32%	784,640	2.04%
Fruits and vegetables	766,951	1.29%	238,976	0.62%
Financial services, except for financial institutions	761,263	1.28%	761,263	1.98%
Leather industry	753,197	1.27%	663,181	1.72%
Manufacture of chemicals (NPC)	722,316	1.22%	614,715	1.60%
Vehicles parts and accessories	684,725	1.15%	344,073	0.89%
Aircraft manufacturing	562,579	0.95%	562,108	1.46%
Wholesale of agricultural products and animals	544,288	0.92%	471,898	1.23%
Milling, starch	225,252	0.38%	121,887	0.32%
Other activities	16,654,457	28.06%	6,101,477	15.88%
Total	59,344,895		38,453,953	

Consolidated  
08. financial statements  
as of 12-31-2020

Notes

Main business activity	12/31/2019			
	Gross exposure	%	Net of guarantees	%
Monetary intermediation	11,263,892	14.14%	11,258,857	22.11%
Foreign organization and body services	8,733,959	10.97%	8,727,940	17.14%
Power generation, transmission and distribution	7,300,204	9.17%	6,667,356	13.09%
Motor vehicle transportation service	4,081,567	5.12%	103,470	0.20%
Temporary crops	2,747,638	3.45%	233,579	0.46%
Infrastructure works for transportation	2,508,615	3.15%	1,349,426	2.65%
Crude oil	2,019,771	2.54%	2,013,666	3.95%
Wholesale of agricultural products and animals	1,845,383	2.32%	1,453,988	2.86%
Milling, starch	1,836,871	2.31%	746,752	1.47%
Beef and byproducts	1,498,685	1.88%	606,617	1.19%
Public administration services	1,447,421	1.82%	516,573	1.01%
Construction	1,198,467	1.50%	630,569	1.24%
Food production	1,146,535	1.44%	500,780	0.98%
Financial services, except for financial institutions	1,113,232	1.40%	1,113,232	2.19%
Wholesale on commission or consignment	1,049,402	1.32%	560,327	1.10%
Manufacture of chemicals not elsewhere classified	1,036,724	1.30%	835,702	1.64%
Dairy production	1,024,418	1.29%	862,550	1.69%
Basic chemical substances	985,584	1.24%	431,406	0.85%
Animal breeding	896,960	1.13%	69,675	0.14%
Supplementary transport services	884,895	1.11%	847,437	1.66%
Aircraft manufacturing	881,403	1.11%	860,723	1.69%
Manufacturing of non-metallic minerals not elsewhere classified	777,066	0.98%	345,002	0.68%
Other activities	23,369,662	29.31%	10,184,307	20.01%
Total	79,648,354		50,919,934	

Consolidated  
08. financial statements  
as of 12-31-2020



Notes



Main business activity	12/31/2018			
	Gross exposure	%	Net of guarantees	%
Monetary intermediation	19,490,616	19.76%	19,490,616	30.85%
Construction	5,401,624	5.48%	4,892,409	7.74%
Financial services, except for financial institutions	4,658,442	4.72%	3,005,366	4.76%
Motor vehicle transportation service	3,866,573	3.92%	1,509,689	2.39%
Wholesale of agricultural products and animals	3,284,863	3.33%	2,772,475	4.39%
Public administration services	3,169,086	3.21%	3,169,086	5.02%
Crude oil	2,687,726	2.72%	2,687,726	4.25%
Motor vehicles	2,553,583	2.59%	1,500,259	2.37%
Product retail	2,353,317	2.39%	2,002,943	3.17%
Yarns and fabrics	2,344,950	2.38%	2,344,950	3.71%
Power generation, transmission and distribution	2,182,224	2.21%	1,818,921	2.88%
Aircraft manufacturing	2,111,850	2.14%	2,111,850	3.34%
Temporary crops	1,855,169	1.88%	1,813,802	2.87%
Food production	1,757,891	1.78%	1,048,595	1.66%
Leather industry	1,708,391	1.73%	1,688,838	2.67%
Investments funds and companies and financial institutions	1,505,637	1.53%	967,852	1.53%
Vegetable oils and fats	1,479,492	1.50%	879,075	1.39%
Beverage production	1,429,740	1.45%	952,576	1.51%
Manufacturing of non-metallic minerals	1,200,946	1.22%	763,563	1.21%
Infrastructure works for transportation	1,198,937	1.22%	1,074,024	1.70%
Wholesale on commission or consignment	1,188,372	1.20%	1,161,251	1.84%
Dairy production	1,148,285	1.16%	853,048	1.35%
Auxiliary financial services, except insurance	1,091,549	1.11%	1,091,549	1.73%
Other activities	28,981,514	29.37%	3,572,288	5.67%
Total	98,650,777		63,172,751	

Credit risk management in investments in financial assets

The Bank evaluates the credit risk identified of each of the financial assets invested. These instruments mainly comprise Argentine government securities and Treasury bills maturing in the short term; the Bank’s purpose is to keep them in assets as a guarantee of liquidity.

Below is the exposure percentage by issuer calculated on the total financial assets.

	12/31/2020		12/31/2019		12/31/2018	
Argentine Government sector	17,142,694	79%	3,523,096	44%	6,188,926	57%
Government sector – City of Buenos Aires	-	0%	-	0%	75,604	1%
Republic of Argentina Peru bonds (Par Bond)	-	0%	150,904	2%	145,946	1%
Private sector	4,688,787	21%	4,311,694	54%	4,395,567	41%

Liquidity risk

Liquidity risk is defined as the risk of imbalances occurring between marketable assets and payable liabilities (“mismatches” between payments and collections) that could affect the Bank’s ability to meet all of its current and future financial obligations, taking into consideration the different currencies and settlement terms of its rights and obligations, without incurring significant losses.

The Bank has 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.

In order to reduce the liquidity risk deriving from the uncertainty that the Bank may be exposed to with respect to its capacity to honor the financial commitments assumed with its customers in due time and manner, a policy has been established, the main aspects of which are as follows:

- Balancing strategic liquidity with profitability objectives by implementing proper investment and financing strategies.
- As regards funding, applying the proper measures to mitigate the concentration of funding sources, such as staggering maturity dates and safeguarding liquid assets for possible unexpected withdrawals, among other aspects
- Establishing policies consistent with strategic planning, considering the risk appetite of the institution, as well as the applicable internal and external regulations.

- Maintaining a segregation of duties so that negotiation, measurement and control activities are performed and reported with sufficient independence and accounted for based on the responsibilities defined in the Bank's Mission and Functions Manual.
- Defining measurement methods capturing all material risk sources and reflecting the expected cash flow behavior.
- Communicating illiquidity situations to top management and to all the instances relevant in the decision-making process in a timely manner. Communication and reporting levels
  - General management
  - Committee of Lending and Borrowing Transactions
  - Comprehensive risk management committee
  - Board of Directors

- Maintaining a sufficient amount of high-quality liquid assets, free from any encumbrances, to satisfy daily liquidity and/or funding requirements.
- Maintaining a contingency plan considering the various stress scenarios.
- Continuously assessing and improving the liquidity management policy as regards measurement approaches, limits structure and procedures implemented in order to satisfy the requirements of a dynamic financial and commercial context. At least once a year, or when market conditions so require, the liquidity management framework should be reviewed in full, proposing the necessary adjustments to the Risk Management Committee and subsequently to the Board of Directors.

The Bank has also implemented a series of risk measurement and control tools, including regularly monitoring liquidity gaps broken down by currency, as well as various liquidity ratios.

Risk Management regularly monitors compliance with the different levels set by the Board of Directors in relation to liquidity risk, which include minimum levels of liquidity, maximum concentration levels allowed by type of deposit and by type of customer, among others.

In the event of a liquidity crisis, the Bank has a contingency plan with the following actions:

- a) Sale of high-liquidity assets that form part of the reserve held that accounts for 5% of total liabilities, as previously mentioned;
- b) Repo transactions with the BCRA with assets issued by such entity, which are held in the Bank's portfolio;

- c) Limiting any new credit assistance.
- d) Requesting financial assistance from the BCRA in the event of illiquidity. Current BCRA rules set forth the criteria to grant financial assistance to financial institutions in the event of illiquidity problems.

The following table shows the changes in the quick ratio.

Consolidated  
08. financial statements  
as of 12-31-2020

Notes

COMPONENT	12/31/2020	12/31/2019	12/31/2018
<b>High-quality liquid assets</b>	<b>14,768,531</b>	<b>7,654,333</b>	<b>14,969,533</b>
Deposits with the BCRA	8,595,604	5,099,603	10,059,628
Debts securities issued by the Argentine government	6,172,927	2,554,730	4,909,905
<b>Cash outflows (weighted value)</b>	<b>7,901,782</b>	<b>7,258,084</b>	<b>9,550,399</b>
Operational deposits	1,606,399	2,337,285	2,211,584
Nonoperational deposits	6,295,383	4,920,799	7,338,815
<b>Cash inflows (weighted value)</b>	<b>25,991,760</b>	<b>7,725,787</b>	<b>3,394,465</b>
Funds from retail and small- and medium-sized enterprises and micro-enterprises (MiPyMEs)	1,069,187	5,200,854	185,074
Non-financial wholesale funding	532,488	781,556	1,942,712
Amounts receivable from financial institutions	24,390,085	604,591	1,266,679
Operational deposits in other entities	-	1,138,786	-
<b>TOTAL STOCK OF HQLA</b>	<b>14,768,531</b>	<b>7,654,333</b>	<b>14,969,533</b>
<b>Total cash outflows, net</b>	<b>1,975,295</b>	<b>1,332,829</b>	<b>6,155,934</b>
<b>Liquidity coverage ratio (%)</b>	<b>7.48</b>	<b>4.22</b>	<b>2.43</b>

The Bank discloses in Exhibit D “Loans and other financing facilities breakdown by term” and in Exhibit I “Breakdown of financial liabilities by the remaining terms” to the accompanying financial statements, the breakdown by due date of financial assets and liabilities, respectively.

The following tables show the breakdown by contractual maturity considering the total amounts upon their due date of the Bank’s contingent obligations: As of December 31, 2020, the Bank has no contingent obligations:

	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	From 5 to 10 years	More than 10 years	Total as of 12/31/2019
CORREDOR PANAMERICANO I SA	-	-	1,049,373	-	-	-	1,049,373
CORREDOR PANAMERICANO II SA	-	-	743,043	-	-	-	743,043
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,792,416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,792,416</b>

	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	From 5 to 10 years	More than 10 years	Total as of 12/31/2018
NUCLEOELECTRICA ARGENTINA SA	549,051	-	-	-	-	-	549,051
<b>Total</b>	<b>549,051</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>549,051</b>

For the abovementioned commitments, there are guarantees issued by the Treasury Department as counter-guarantee, so the impact on liquidity will be mitigated when the government sureties are collected.

Market risk

Market risk is defined as the possibility of suffering losses in positions on and off the Bank’s balance sheet as a result of the adverse fluctuations in the market prices of different assets.

Market risks include interest rate, exchange and price risks. They are exposed to general and specific market changes, as well as to changes in the volatility of prices, such as interest rates, credit margins, foreign exchange rates, and the prices of shares and securities, among others.

The Bank determines the market risk exposure arising from the fluctuation in the value of portfolios of investments for trading, which result from changes in market prices, the Bank’s net positions in foreign currency, and government and private securities with normal quoted prices

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 has policies regarding market risk management which establish the process for monitoring and controlling the risks arising from changes in the listed prices of financial instruments in order to optimize the risk/return ratio using adequate limits structure as well as management tools and models.

The Bank also established policies for diversifying funding sources, preventing deposit concentration, as well as identifying key risk factors (interest rate, exchange rate, and price volatility, among others).

The risks to which the investment portfolios are exposed are monitored and reported to the Committee of Lending and Borrowing Transactions.

The main policies approved by the Board of Directors in connection with market risk are as follows:

- The Bank does not carry out any trading transactions involving its listed government securities.
- The government securities portfolio is maintained as a guarantee of liquidity, and it is used as set forth in the liquidity risk contingency plan. The Finance Management may perform purchase and sale transactions involving government securities to leverage investment or divestment contexts based on the arbitrage conditions related to existing market yields, without disregarding the safeguard measures that should be taken into account to guarantee liquidity.

The measurement is made using the Value at risk (VaR) as a tool to assess the economic capital required to address market risk losses arising from the Bank’s exposure in connection with assets listed on the capital market (including the portfolio of listed government securities and the foreign currency position).



Consolidated  
08. financial statements  
as of 12-31-2020

Notes

VaR	12/31/2020 (thousands of ARS)	12/31/2019 (thousands of ARS)	12/31/2018 (thousands of ARS)
Position in foreign currency	80,989	14,145	36,627
Argentine Government Securities	96,621	43,065	276,246
<b>Total</b>	<b>177,610</b>	<b>57,210</b>	<b>312,873</b>

The breakdown of the portfolio of government securities and their valuation is detailed in Exhibit A.

#### Sensitivity to interest rate changes:

The interest rate risk is defined as the potential occurrence of changes in the bank's financial condition as a result of interest rate fluctuations with adverse consequences in net financial income and its economic value. The Bank reviews periodically the sensitivity analysis of variations in interest rates considering asset and liability positions accruing interest and considering the local currency and foreign currency segments.

Sensitivity analysis of the changes in rates as of 12/31/2020		
Variation	Badlar - Annual impact in thousands of ARS	Libor - Annual impact in thousands of AR
-1.00%	( 45,950)	31,972
-0.50%	( 22,975)	15,986
0.50%	22,975	( 15,986)
1.00%	45,950	( 31,972)

Sensitivity analysis of the changes in rates as of 12/31/2019		
Variation	Badlar - Annual impact in thousands of ARS	Libor - Annual impact in thousands of AR
-1.00%	( 97,376)	68,211
-0.50%	( 48,688)	34,105
0.50%	48,688	( 34,105)
1.00%	97,376	( 68,211)

Sensitivity analysis of the changes in rates as of 12/31/2018		
Variation	Badlar - Annual impact in thousands of ARS	Libor - Annual impact in thousands of AR
-1.00%	( 142,516)	153,477
-0.50%	( 71,258)	76,739
0.50%	71,258	( 76,739)
1.00%	142,516	( 153,477)

The sensitivity analysis is a static approach as of those dates and discloses that in the event of an increase in the rates in Argentine pesos, its immediate impact on the Bank's profit could be positive. However, as there is a terms mismatch because liabilities in Argentine pesos at fixed interest rates have a residual term that is shorter than that of the financial assets in Argentine pesos at a fixed interest rate, when the reinvestment of cash flows is added, the contrary effect is noted. In other words, like liabilities at a fixed rate, they should be renewed at market rates to cover the financing of long-term assets; this rise could have a negative effect on the Bank's profit.

On the other hand, the position in assets and liabilities in USD is more balanced and, although the worst-case scenario would be set aside upon an increase in interest in foreign currency, there would be a limited impact on the Bank's profit.

BICE's Board of Directors approved the following policies for managing interest rate risk:

- Segregating duties so that negotiation, measurement and control activities are performed and reported with sufficient independence and accounted for based on the responsibilities defined in the Bank's Mission and Functions Manual.
- Using measurement methods that consider all material risk sources and show the behavior of the values subject to interest rate risk.

- Communicating interest rate risk to top management and to all the instances relevant in the decision-making process in a timely manner. Communication and reporting levels

- General management
- Committee of Lending and Borrowing Transactions
- Comprehensive risk management committee
- Board of Directors

- Maintaining an interest rate risk contingency plan considering the various stress scenarios.

- Continuously assessing and improving the liquidity interest rate risk management policy as regards measurement approaches, limits structure and procedures implemented in order to satisfy the requirements of a dynamic financial and commercial context. At least once a year, or when market conditions so require, the interest rate management framework should be reviewed in full, proposing the necessary adjustments to the Risk Management Committee and subsequently to the Board of Directors.

- On an annual basis, in developing BICE's strategy and business plan, the Planning Head coordinates tasks with the Finance Management to identify the risks inherent in the business strategy related to the Bank's interest rate risk and ensure that they are in agreement.

**Foreign currency exchange rate risk:**

The Bank is exposed to fluctuations in foreign currency exchange rates in its financial position and cash flows. The larger proportion of assets and liabilities kept are related to US dollars.

Foreign exchange risk is reported in a timely manner to top management and to all instances relevant to the decision-making process, in accordance with the reporting levels indicated in the market risk assessment, since it is part of such process.

In addition, to obtain a coverage that may allow the Bank to mitigate and transfer the risk arising from the changes in the US dollar exchange rate, the Bank decided to execute foreign exchange hedge agreements (futures/forwards) with other financial institutions as counterparty. These foreign exchange hedge agreements are formalized through MAE and ROFEX,

or with other financial institutions (OTC –over the counter–, through framework agreements for performing derivative transactions).

Such agreements are characterized by:

- a. MAE / Rofex. Agreements are guaranteed by the market’s clearing house and the prices are public. In these markets, the differences between the market values and those contractually agreed are settled on a daily basis.
- b. OTC (over the counter). OTC markets are markets whereby each party should seek a counterparty for performing its transaction and the agreement clauses are freely negotiated between the parties. In these agreements, the settlement of the differences mentioned in the previous section is not usually made until the expiration of the agreement.

The foreign currency position includes assets and liabilities reflected in pesos at the exchange rate at the closing dates indicated. An institution’s open position comprises assets, liabilities and memorandum accounts stated in foreign currency, where an institution assumes the risk. Any devaluation / revaluation of those currencies would affect the Bank’s income statement.

The assets and liabilities making up the foreign currency position as of December 31, 2020, 2019, and 2018 are disclosed in exhibit L to the accompanying financial statements.



Foreign exchange sensitivity analysis of  
assets and liabilities in foreign currency:

CHANGE HYPOTHESIS	12/31/2020			12/31/2019			12/31/2018		
	Change in the exchange rate	Exchange rate	Annual impact in thousands of ARS	Change in the exchange rate	Exchange rate	Annual impact in thousands of ARS	Change in the exchange rate	Exchange rate	Annual impact in thousands of ARS
Appreciation of the Argentine peso	0.05	84.1	174	0.05	59,845	276	0.05	37.758	16,796
in relation to the US dollar	0.01	84.14	35	0.01	59,885	56	0.01	37.798	3,359
Depreciation of the Argentine peso	0.1	84.25	( 347)	0.1	59,995	( 553)	0.1	37.908	(33,594)
in relation to the US dollar	0.3	84.45	( 1,042)	0.3	60,195	( 1,658)	0.3	38.108	(100,781)

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and/or internal systems, or from external events. This definition includes legal risk but excludes strategic and reputational risk.

In this context, the legal risk –which may be endogenous or exogenous to the Bank– comprises, among other aspects, the exposure to penalties or other economic consequences or otherwise, resulting from the Bank’s failure to comply with regulations and contractual obligations.

In addition, the Bank implemented an operational risk management system which follows the guidelines established by BCRA Communication “A” 5398 as amended; in addition, Communication “A” 5272 set out a minimum capital requirement in connection with this item effective as from February 1, 2012.

The purpose of BICE’s operational risk management is to identify, measure, monitor and mitigate such risk. To such end, certain tools are used to identify the risk, expert judgment to weigh it, and management and risks indicators to monitor it. There is an internal control environment for all transactions aimed at mitigating the risk and, where applicable, the risk is transferred.

The Board of Directors defined that the operational risk should be kept within tolerable levels.

As to operational losses, from 2010 through 2019, there are 200 events recorded in the Events Database, the purpose of which is to analyze and perform a follow-up of the cases, implementing or improving controls, as well as retrieving statistical data.

The following tables show the events related to business processes and those supporting them:

Processes	Management	Accumulated from 2010 to 2020	Recorded in:		
			2020	2019	2018
Business	Finance	9	-	-	1
	Trusts	3	-	2	-
	Commercial	6	-	2	-
Support	Administration	115	18	13	35
	IT	2	-	1	-
	Legal	4	2	-	1
	Operations	1	-	-	-
	Risks	2	-	-	-
	Human resources	56	6	9	14
	Institutional relationships	1	-	-	-
	Secretariat to the Board of Directors	1	-	-	-
	<b>Total</b>	<b>200</b>	<b>26</b>	<b>27</b>	<b>51</b>

The operational risk management system includes the following:

a) Organizational structure: The Bank has a Risk Management area in charge of operational risk.

b) Policies: The Bank has an Operational Risk Management Policy approved by the Board of Directors defining the main concepts, roles and responsibilities of the Board of Directors, the Comprehensive Risk Management Committee, the Risk Area Administration, the Risk Management and of all the areas involved in managing such risk.

c) Procedures: the Bank has a procedure to “record operational losses”, which established the guidelines to record those losses, as from the opening of specific accounting items, thus allowing the automatic inclusion of the operating losses recorded in those items in the related database.

In addition, the Bank has a procedure that establishes the guidelines to prepare risk self-assessments and, in the event of risks exceeding allowed tolerance levels, guidelines to establish risk indicators and action plans.

d) Systems: the Bank has a comprehensive system that allows the management of all the tasks involved in risk management: risk self-assessments, risk indicators and actions plans, as well as the management of the operating losses database.

e) Databases: The Bank has an operational risk event database prepared pursuant to the guidelines established in Communication “A” 4904, as supplemented.

The information contained in the database is used to calculate the operational risk economic capital using advanced measurement methods (Monte Carlo method), also considering external data and the expert judgment of the persons in charge of managing this risk.

**Reputational risk**

The policies and procedures approved by the Board of Directors are as follows:

- The structure in charge of this risk involves different areas, since all areas should manage this risk within their field of competence.
- Segregating duties so that negotiation, origination, measurement and control tasks are performed and reported with a sufficient independence level.

- Using measurement methods that consider all material risk sources.
- Communicating reputational risk to top management and to all the instances relevant in the decision-making process in a timely manner. Communication and reporting levels:
  - General management or that replacing it
  - Comprehensive risk management committee
  - Board of Directors
- Maintaining an adequate contingency plan to address a potential crisis which may affect BICE and other risks.
- The events classified as moderate, significant or invalidating are managed by the Crisis Committee. Reputational risks classified as acceptable or tolerable are managed by the area where the event arises.

- Continuously assessing and improving the reputational risk management policy, periodically improving the policies and procedures implemented to monitor this risk adequately. Reviewing the framework for managing this risk in full at least once a year, proposing the necessary adjustments to the Comprehensive Risk Management Committee and subsequently to the Board of Directors.
- The Bank’s Management permanently monitors the changes in the economic variables mentioned in the risks described above to define the possible course of action and identify the potential impact on its equity and financial situation that should be disclosed in the financial statements of future periods.

**NOTE 24  
CORPORATE GOVERNANCE  
TRANSPARENCY POLICY**

Presidential Decree No. 2703/1991 established the creation of the Bank organized as a sociedad anónima (Argentine business form akin to a stock corporation) under the provisions of Law No. 19550 with the participation of the Argentine government. That is, a private bank, with its own legal capacity, different from the Argentine government in order to provide the banking sector with long-term resources to finance production investment and foreign trade projects. BICE was created as a stock company under Argentine laws (S.A.) on January 13, 1992, as a second-tier bank. The Argentine Government is the majority shareholder by means of the Ministry of Production Development Ministerial Law and amending Decree No. 7/2019) and Banco de la Nación Argentina



(el “BNA”). Its current shareholding includes Fundación del Banco de la Nación Argentina, with the interests detailed below.

The Bank’s purpose is to conduct lending and borrowing transactions, and to provide the services inherent to second-tier commercial banks, in accordance with the provisions established by Laws No. 21526 and 24144, or those which may amend or replace them in the future, as well as by all the other provisions established by the BCRA, the CNV, as BICE makes a public offer of its corporate bonds and they are listed ByMA and MAE.

An amendment to BCRA regulations ( Communication “A” 5107, 5841, 6580, 7020 and 7173) authorized government banks aimed at providing medium- and long-term financing for productive investments and foreign trade to receive deposits from international credit institutions and from investors making

deposits in accordance with the regulations on “Term deposits and investments”, for amounts not lower than thousands ARS 10 (or their equivalent in other currency) considered individually for each transaction and for a term not shorter than 365 days. Thus, by virtue of this regulation, second-tier banks, such as the Bank, are authorized to receive deposits subject to the abovementioned restrictions.

The current purpose is to finance productive investment, infrastructure and foreign trade for companies located in Argentina, directly or through other financial entities. Thus, supporting the development of the different economic sectors through projects that boost the creation of new jobs and the growth of the regional economies.

In accordance with the policies and objectives defined by the Board of Directors jointly with the Credit and Lending Transactions Committee, the

Bank offers several credit lines available to the market, such as the prefinancing and financing of assets for regional economies and manufactured goods of agricultural and industrial origin, which represent a high percentage of Argentine exports, and the financing of activities aimed at commercially promoting and disseminating information about Argentina abroad. In the field of productive investment, which represents most of total placements, financing is granted for the purchase of capital assets aimed at various sectors of the economic activity, as well as for investment, reorganization or industrial restructuring and/or modernization projects involving several activities, and finance leases.

The Bank’s shareholding structure, according to the Shareholders’ Meeting dated May 29, 2020 is made up as follows:

- 1) 2,555,608 book-entry shares of common stock of ARS 1000 each, the bare ownership of which is held by Banco de la Nación Argentina, the usufructuary and voting rights of which are held by the Ministry of Production Development – formerly Ministry of Production).
- 2) 54,468 book-entry shares of common stock of ARS 1000 each owned by Banco de la Nación Argentina.
- 3) 4,742,874 book-entry shares of common stock of ARS 1000 each owned by the Argentine government through Ministry of Production Development – formerly Ministry of Production).
- 4) 2,711 book-entry shares of common stock of ARS 1000 each owned by Fundación Banco de la Nación Argentina. (See Note 1.2)



5) 4,524,568 book-entry shares of preferred stock of ARS 1000 each, with no voting rights, and with fixed, cumulative equity rights equivalent to 1% of the nominal value of the shares of preferred stock issued, to be paid with the annual distribution of dividends up to the value assessed.

Accordingly, as of the date of issuance of the financial statements, the Bank's current capital stock amounts to thousands of ARS 11,880,229, which has been fully subscribed and paid-in. The amount of thousands of ARS 480,336 of which is still pending registration with the I.G.J. (Exhibit K).

BICE's capital structure is detailed in Note 1.3.

**Board structure and operating policies:**

The Bank is managed and administered by a Board of Directors made up of up to eight directors (at present, six appointed directors) which are appointed for a term of two fiscal years, and such directors may be reelected indefinitely. Eight alternate directors may be appointed; they will replace the Directors in the order established by the Shareholders' Meeting in the event of absence, resignation, leave of absence, incapacity, inability or death, upon acceptance by the Board of Directors of the reason for the replacement, in the cases where this cause is temporary.

To be appointed as such, the directors or alternate directors should provide evidence of their ability and experience in connection with financial activities. The following persons may not act as directors:

1) those included in the grounds for inability established by the legal provisions in effect;

2) those who are part of or depend from management or are statutory auditors of private sector banks or financial entities; and

3) those who are part of legislative or legal bodies from the federal, provincial or municipal spheres and in full and active performance of the legislative or court office.

Directors and alternate directors are appointed by the Regular Shareholders' Meeting. In addition, the appointment of new directors should be authorized by the BCRA; however, they may take office if the authorization proceedings are underway in such entity, and their designation will be deemed ad referendum of the related authorization, notwithstanding the validity of the acts in which they may take part during such period.

The Board of Directors appoints among its members a Chairperson and an Executive Vice Chairperson for a one-year term of office, and they may stand for reelection.

Under current BCRA regulations, it is understood that a member of the Bank's Board of Directors is not deemed to be independent if any of the following conditions are met:

1) when there is a control relationship according to the guidelines set out in points 1(1) and 1(2) of Exhibit I to Communication "A" No. 2140;

2) when the member performs executive functions or performed such functions over the last year, and

3) this person is the spouse or relative by consanguinity up to the second degree, or by affinity up to the first degree, of the persons meeting the conditions stated in the foregoing points.

Considering the Bank’s shareholding structure, as a bank of the public sector, whereby no director may have an equity interest in the Bank and no director performs executive functions or performed such functions over the last year, all of the Bank’s directors are deemed to be independent. All the Bank’s directors are independent to perform their duties in agreement with article 13, Section III, Chapter III, Title II of CNV standards.

**Board of Directors’ structure for 2020:**

As of the date of approval of these financial statements, the Bank’s Board of Directors is made up as follows:

- Chairman:*  
Mr. José Ignacio de Mendiguren  
*Vice-chairman:*  
Mr. Miguel Gustavo Peirano  
*Regular directors:*  
Mr. Fabián Eduardo Musso  
Mr. Carlos Ramón Brown  
Mr. Nicolás José Scioli  
Ms. Raquel Cecilia Kismer  
Mr. Julián Maggio  
Ms. Carla Betina Pitiot

As of December 31, 2019, the Bank’s Board of Directors was made up as follows:

- Chairman:*  
Mr. Francisco Adolfo Cabrera  
*Vice-chairman:*  
*Mr. Federico Marcelo Cafasso*  
*Regular directors:*  
Mr. Carlos Luis Pirovano  
Mr. Martín Horacio Ottonello  
Mr. Ignacio Juan Moraco  
Ms. Anastasia María de los Angeles Adem  
Mr. José Nicanor Trusso Krause Mayol  
Mr. Rómulo Zemborain

In the Annual and Extraordinary Shareholders’ Meeting dated January 24, 2020, the following regular directors for the terms of office of fiscal years 2020 and 2021 were appointed: Miguel Gustavo Peirano, Fabián Eduardo Musso, Carlos Ramón Brown, Nicolás José Scioli and Ms. Raquel Cecilia Kismer, who accepted their appointments to the related positions at such meeting. At the Board of Directors of the same date, Mr. Miguel Gustavo Peirano was appointed Vice chairman.

In the Annual Shareholders’ Meeting dated February 3, 2020, Mr. José Ignacio de Mendiguren was appointed Regular Director and Chairman for the terms of office of fiscal years 2020 and 2021.

In the Annual Shareholders’ Meeting dated February 4, 2021, Mr. Julián Maggio and Ms. Carla Betina Pitiot were appointed Regular Directors for the terms of office of fiscal years 2020 and 2021, who accepted their appointments to the related positions at such meeting.

**Audit:**

As provided for in the by-laws, the Bank is audited by a Statutory Audit Committee made up by three statutory auditors and three alternate statutory auditors proposed by the SIGEN (Argentine general auditing office) in accordance with Law No. 24156, section 114.

As of the date of approval of these financial statements, the Bank’s Statutory Audit Committee is made up as follows:

*Regular statutory Auditors:*

Ms. Graciela Mabel González Escot  
Mr. Walter Antonio Pardi  
Mr. Adrián Martin Rois

*Alternate statutory Auditors:*

Ms. Norma Mabel Vicente Soutullo  
Ms. Claudia Beatriz Villavicencio  
Ms. Sandra Fabiana Azpelicueta

During fiscal year 2020 and up to the Annual and Extraordinary Shareholders’ Meeting dated May 29, 2020, the Statutory Audit Committee was made up as follows:

*Regular statutory Auditors:*

Ms. Graciela Mabel González Escot  
Ms. Beatriz Celina Gonzalez  
Ms. Ariel Maximiliano Bozzano

*Alternate statutory Auditors:*

Ms. Norma Mabel Vicente Soutullo  
Ms. Claudia Ines Siciliano  
Ms. Damiana Raquel Ponferrada

**Board Committees:**

Several committees are also set up so that the Board of Directors may delegate to a collegiate body made up of some of its members and representatives of the various areas of the Bank certain issues that they may analyze and solve independently, notifying the Board of Directors of the decisions made.

In July 2020, the Board of Directors approved the creation and reorganization of the committees aimed at generating new social commitments as well as promoting an environment for the treatment of new business and competences related to financial aspects relevant to the organization. Consequently, the Trust, Gender and Inclusion Policies, Liquidity and Lending and Borrowing Transactions Committees were created.

Based on the aforementioned, and in line with the update approved by the Board of Directors in November 2020, the Committees in force and their members are as follows:



Committee	Members	Competencies
IT Committee	It is composed of directors appointed by the Board of Directors, the General Manager, the IT & Operations Director, the Systems Manager and the Head of IT Security	This is the Committee in charge of supervising the proper operation of the IT environment and contributing to improving its efficiency; as well as approving, assessing and reviewing the IT security plan and the IT and Information Systems Plan, ensuring that the IT systems and the related technologies meet the Bank's business needs, and that they are aligned with the Bank's strategic plans, among others.
Comprehensive risk management committee	It is composed of directors appointed by the Board of Directors, the General Manager and the Directors of Risk, Commerce, and Administration & Finance	It approves the methods for identifying, measuring, monitoring, limiting, controlling, reporting and surveying the different types of risk to which it is exposed and the potential amendments; approves the methods for implementing hedging, remedial and corrective policies; conducts a follow-up of the comprehensive management of credit, market, liquidity and/or assets and liabilities, operating, compliance and reputational risks, among others. It also examines and escalates the Business Continuity Plan, to the Board of Directors, among others.
Audit committee	It is composed of three directors appointed in accordance with BCRA regulations and a person in charge of Internal Audit. The members making up the Statutory Audit Committee should be invited to all the meetings held by this Committee. These meetings may also be attended by external auditors and the officials that the Committee may deem necessary to deal with a particular issue, as applicable	It periodically assesses the proper operation of the internal control systems defined at the Bank. It assesses the reports and findings made by Internal and External Audit and the enforcement agency, and follows up on the implementation of the recommendations received. One of its functions is to ensure that the Bank has the appropriate means to promote proper decision-making and compliance with internal and external regulations. It implements training programs so that its members may have a good knowledge base to perform their work.
Committee of Integrity, Anti-Money Laundering and Counter-Terrorism Financing	It is composed of directors appointed by the Board of Directors, the Compliance Officer, the General Manager, the Legal & Compliance Director and the Head of Anti-Money Laundering.	It plans, coordinates and enforces compliance with the anti-money laundering and terrorism financing policies drafted and approved by the Board of Directors; analyzes the reports on unusual, suspicious or unnecessarily complex transactions; assesses and approves the related in-house training program; analyzes and escalates to the Board of Directors the policies comprising the Integrity Program; enforces compliance with the aforementioned program, and annually analyzes and escalates to the Board of Directors the Corporate Governance Code, the Ethics Code and other policies related to the Integrity Program, among others.

Committee	Members	Competencies
Committee of Lending and Borrowing Transactions	It is composed of directors appointed by the Board of Directors, the General Manager and the Directors of Risk, Commerce, Administration and Finance and Infrastructure.	It carries out the duties established in the Bank's Manual of Powers and recommends issuing and/or amending the commercial and credit risk and recovery policies of the Bank; it analyzes and follows up the credit lines, programs, credit companies, Benchmark, Factoring y leases, based on the reports requested.
Liquidity committee	It is composed of regular directors appointed by the Board of Directors, the General Manager and the Directors of Administration and Finance, Commerce and Risk.	It carries out the duties established in the Bank's Manual of Powers; analyzes and recommends the financial policies to manage short-term and long-term resources and investments in emerging funds; considers the issues related to obtaining financing sources or credit lines to be granted by credit multilateral organizations, credit national organizations and foreign public and private financial institutions; analyzes liquidity safekeeping strategies for BICE and periodically considers the Bank's situation in terms of financial planning, minimum liquidity requirements, general exchange position and minimum capital requirements as provided for by the BCRA.
Trust committee	It is composed of regular directors appointed by the Board of Directors, the General Manager and the Directors of Administration and Finance, and the Director of the Legal sector.	It carries out the duties established in the Bank's Manual of Powers; analyzes proposals for the creation of new trusts in which BICE is a party and/or amends those existing; analyzes the approval of the annual financial statements; follows-up the trust investment policies in which the BICE is a trustee and recommends potential amendments, if applicable; considers all those actions related to management in connection with trusts in line with the best practices.
Gender and inclusion policies committee	It is composed of regular directors appointed by the Board of Directors, the General Manager and the Directors of Human resources, Communication, Administration and the Director of the Legal sector.	It analyzes and recommends actions with inclusive approach in connection with gender equality, inclusion and sustainability in terms of internal relationships with customers and /or third parties related to the Organization; recommends the issuance of policies and programs with inclusive approach that promote gender equality, inclusion, sustainability and the reduction in the gap of access to financing; after the case resolved, it is aware of any claim or penalty related to gender, inclusion and sustainability matters.

The Bank's General Manager is appointed by the Board of Directors. The designation of the General Manager or of the person performing those functions is subject to the assessment of this person's background by the BCRA.

The Bank's Top Management is made up of the General Management led by Gabriel Martín Vienni, who was appointed by the Bank's Board of Directors during its meeting held on January 28, 2020, to hold office as from February 1, 2020, subject to the approval of the BCRA.

Among other aspects, top management is responsible for:

1) Implementing the strategies and policies approved by the Board of Directors.

2) Developing processes to identify, assess, monitor, control and mitigate the risks faced by the Bank.

3) Implementing appropriate internal control systems and monitoring the effectiveness thereof, periodically reporting goal achievement to the Board of Directors.

4) Ensuring that the Bank's activities are consistent with the business strategy, the policies approved by the Board of Directors and the risks to be undertaken.

5) Implementing the policies, procedures, processes and controls necessary to manage transactions and risks in a thorough and prudent manner, meeting the strategic goals set by the Board of Directors and ensuring that it receives relevant, complete and timely information that it would allow it to assess operations and analyze whether the responsibilities assigned are effectively met.

6) Monitoring the various areas in a manner consistent with the policies and procedures set out by the Board of Directors. One of top management's key roles will be to establish, under the policies set out by the Board of Directors, an effective internal control system.

7) Assigning responsibilities to the Bank's personnel without disregarding its obligation of controlling how they are performed, and establishing an organizational structure that promotes accountability.

8) Presenting the results of its operations at the Bank to the Board of Directors.

9) Effectively using the work performed by the internal and external audit areas and the functions related to the internal control system.

10) Understanding the Bank's operating structure.

The following areas report to the General Management:

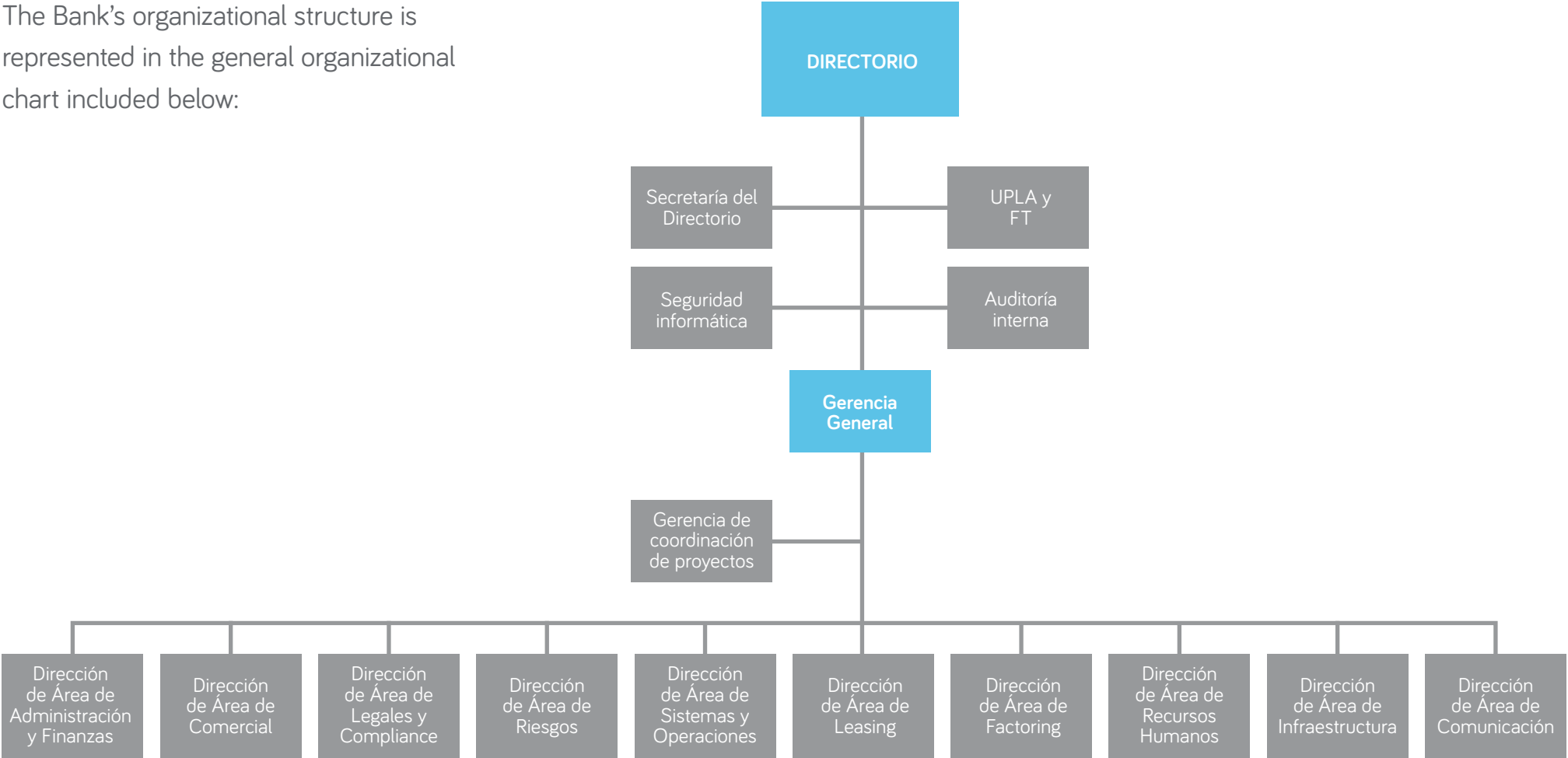
- Commercial management
- Legal and compliance management
- Administration and finance management
- Risk management
- IT and operations management
- Human resources management
- Infrastructure management
- Communication management
- Capital lease management
- Factoring management
- Project management

In addition, the following areas report to the Board of Directors:

- Secretariat to the Board of Directors
- UPLAyFT (control and prevention of money laundering and terrorism financing unit)
- IT security
- Internal Audit
- Regulatory compliance unit



The Bank’s organizational structure is represented in the general organizational chart included below:



As to the Code of Ethics implemented at the Bank, it describes the minimum behavior and conduct principles that all Bank members should follow. This Code is supplementary to the Corporate Governance Code as to the composition of the Bank’s Corporate governance management, notwithstanding the regulations applicable to the directors in their capacity as government officials, to which the Code also supplements.

Such Code specifies all the Bank’s policies in connection with conflicts of interest, which should be followed by all Bank members.



The Code of Ethics is based on the following principles:

- Compliance with current laws and regulations;
- Honesty and professional and personal integrity;
- Avoiding conflicts of interest with the Bank;
- Maintaining information confidentiality and security;
- Fair and equal treatment with all individuals having a relationship with the Bank.

Concerning the economic incentive policy granted to employees, the Bank's Board of Directors is assessing a new Compensation program in line with the Bank's objectives that considers the adequate incentives.

As to its role as financial agent of the nonfinancial government sector, the Bank has acted within the framework of BCRA regulations and as established in section 4(c) of its by-laws.

In addition, the Bank has been offering trust services as an institutionalized product. The experience earned by the Bank regarding trust services –as trustor, organizer and/or trustee– enables it to provide advisory services to current or potential customers in structuring and operating different types of trusts.

The current trust portfolio and the trusts being structured are very broad and their customer profile is as follows:

- Large, medium and small companies
- Principal and contractors of public works, especially in the energy sector
- Argentine federal and provincial governments

To be positioned as a referent in the trust management field, the Bank has a Trust Management area addressing all matters concerning the management and administration thereof.

Such management and administration is carried out using a work scheme involving detailed procedural regulations, control by independent sectors, automation of functions and operational risk analyses prior to launching a new business.

**NOTE 25**  
**TRUST ACTIVITIES**

Balances as of December 31, 2020, 2019 and 2018 arise from accounting records of trusts at such dates.

Obligations arising from the different trusts will be satisfied exclusively with the trust equity. BICE's and its subsidiary's responsibility as trustee is limited to compliance with the provisions of the Trust Law No. 24441 and with the trust agreement, and it shall not satisfy such obligations with its own equity unless it incurs in negligence or fraud when complying with such obligations; a situation that shall be determined as such by final judgment rendered by a court of competent jurisdiction.

BICE acts as a trustee of the following trusts and in no case will it meet the obligations assumed in executing these trusts with its own equity, as provided for by the Trust Law No. 24441 and amendments:

Trust name	Trust type	Trustor's name	Amount of trust equity		
			12/31/2020	12/31/2019	12/31/2018
Fondo para el Desarrollo de Energías Renovables	Management trust	Argentine government through the Ministry of Energy and Mining	685,249,951	668,764,512	641,027,707
Fideicomiso PPP	Administrative and financial trust	Ministry of Production through SEPyme	18,367,282	1,089,843	218,784
Fideicomiso Central Termoeléctrica Vuelta de Obligado	Trust for works	C.A.M.M.E.S.A.	13,037,616	18,008,384	37,118,326
Trust for managing infrastructure for the supply of energy	Trust for works	C.A.M.M.E.S.A.	11,237,920	13,491,046	10,097,864
Fideicomiso Central Termoeléctrica Guillermo Brown	Trust for works	C.A.M.M.E.S.A.	6,695,618	8,148,033	19,973,411
Fideicomiso Central Hidroeléctrica Punta Negra	Payment management trust	Energía Provincial Sociedad del Estado	5,173,155	3,668,188	3,704,074
Fideicomiso Central Termoeléctrica Timbúes	Trust for works	C.A.M.M.E.S.A.	4,474,965	6,983,464	10,735,328
Fideicomiso Central Termoeléctrica Manuel Belgrano	Trust for works	C.A.M.M.E.S.A.	3,971,136	7,347,087	9,896,486
Trust for interconnection Pico Truncado - Río Turbio - Río Gallegos - Calafate interconnection	Payment management trust	Concesionaria Líneas Eléctricas del Sur S.A.	2,827,790	1,449	2,230
Fondo Fiduciario para la Protección Ambiental de los Bosques Nativos (FOBOSQUE)	Administrative and financial trust	Department of Environment and Sustainable Development	2,464,192	2,020,367	-
Other	-	-	3,390,384	3,263,277	6,688,870
TOTAL			756,890,009	732,785,650	739,463,080

BICE Fideicomisos S.A. acts as a trustee of the following trusts and in no case will it meet the obligations assumed in executing these trusts with its own equity, as provided for by the Trust Law No. 24441 and amendments:

Trust name	Trust type	Trustor's name	Amount of trust equity		
			12/31/2020	12/31/2019	12/31/2018
Fideicomiso Financiero de Financiamiento - Cammesa	Financial Trust	C.A.M.M.E.S.A.	60,580,536	82,459,838	61,937,819
Fideicomiso Fondo de Garantía Argentino	Guarantee trust	Ministry of Production	58,161,286	1,574,368	1,669,619
Fideicomiso Financiero de Obra Gasoducto Sur 2006 - 2008	Financial Trust	Transportadora Gas del Sur S.A.	42,743,861	68,022,564	23,977,339
Fideicomiso Financiero de Obra Gasoducto Norte 2006 - 2008	Financial Trust	Transportadora Gas del Norte S.A.	40,519,495	45,467,225	30,994,956
Fideicomiso Financiero y de Administración Serie I - Nasa	Financial Trust	Nucleoeléctrica Argentina S.A	20,748,276	34,151,554	53,609,168
Fideicomiso Financiero y de Administración FONDEAR	Financial Trust	Ministry of Production	14,541,919	11,694,411	9,276,061
Fideicomiso Financiero de Financiamiento - Albanesi	Financial Trust	Rafael Albanesi S.A.	14,043,483	19,253,312	5,383,927
Fideicomiso de Administración Argentina Digital	Management trust	Argentine government through the ENACOM (Argentine communications agency)	12,594,836	13,948,285	15,012,644
Fideicomiso Fondo Fiduciario para la Vivienda Social	Financial Trust	Ministry of the Interior	9,783,416	10,496,040	1,999,655
Fideicomiso Financiero Nasa Serie III	Financial Trust	Energía Argentina S.A.	8,099,330	11,042,487	12,530,550
Other	-	-	57,221,595	117,835,191	104,240,473
TOTAL			339,038,033	415,945,275	320,632,211

**NOTE 26**  
**ADMINISTRATION OF THE PROGRAM**  
**TO BOOST THE COMPETITIVENESS OF**  
**REGIONAL ECONOMIES (PROCER)**

On March 27, 2018, the Technical Cooperation Agreement was signed between the Coordination Underdeparment of the Ministry of Production and BICE, whereby BICE shall act since April 15, 2018, as the financial agent and manage all the financing facilities related to the PROCER, assigned as from that date. This entails collecting the amounts owed by the financial institutions and managing the guarantees to secure such payables. In both cases, BICE collects a percentage commission, which is discounted from the amount payable to the Ministry of Production recorded in liabilities.

The assets managed as of December 31, 2020, 2019 and 2018 are as follows:

	12/31/2020	12/31/2019	12/31/2018
Amounts payable to the Ministry of Production for collections made	-	296,807	169,044
Amounts payable to the Ministry of Production for amounts received upon the transfer of the administration	644,443	712,962	692,326
Assets managed	506,154	648,252	922,592
Amount of guarantees managed (government securities)	375,341	698,184	980,358

**NOTE 27**  
**DEPOSIT GUARANTEE INSURANCE**

Law No. 24485, published on April 18, 1995, and Decree No. 540/95 of the same date created a limited and mandatory Deposit Guarantee Insurance System for valuable consideration to provide coverage for risks inherent in bank deposits, supplementary to the bank deposit privileges and protection system established by the Financial Institutions Law.

Such law provided for the creation of Seguros de Depósitos S.A. (SEDESA) for the sole purpose of managing the Deposit Guarantee Fund, the shareholders of which, as amended by Presidential Decree No. 1292/96, shall be the BCRA, with at least one share, and the trustees of the trust agreement executed by financial institutions in the proportion established by the BCRA based on their contributions to the Deposit Guarantee Fund. In August 1995, the Company was created and the Bank has no interest therein.

This system shall cover the deposits in Argentine pesos and foreign currency with the participating institutions, such as checking accounts, savings accounts, time deposits or any other determined by the BCRA, up to the amount of thousands of ARS 1,000, as long as the requirements under Decree No. 540/95 and any other established by the applicable authorities are met.

Additionally, by means of Communication “A” 6973 dated April 16, 2020, the deposit guarantee amount is raised to thousands of ARS 1500 for the “Deposit Guarantee Insurance System” as from March 1, 2020.

However, the system does not cover: a) transferable time deposits, whose ownership has been acquired by endorsement, even though the last endorsee is the original depositor; b) deposits offering incentives or compensations at different interest rates and, the amount accrued as a result of the

indexation rate known as “C.E.R.”, whichever the denomination or terms and conditions that may be applicable; c) deposits which offer interest rates higher than 1.3 times the deposit interest rate or the benchmark rate plus 5 percentage points, which are periodically reported by the BCRA; d) deposits of financial institutions with other intermediaries, including time deposits certificates acquired for secondary trading; e) deposits made by individuals related, either directly or indirectly to the bank, according to the guidelines set or to be set in the future by the BCRA; f) time deposits of securities, acceptances or guarantees; g) restricted balances from deposits and other excluded transactions.

The Bank is a second-tier commercial bank, authorized as from July 2010 by the BCRA regulations to accept deposits of certain investors as explained in note 1.2. In October 2010, the Bank started to accept deposits under the terms and conditions

established, and as from December 2010, it makes the regular contribution to the deposit guarantee insurance system.

As of December 31, 2020 and 2019, the contributions made have been recorded in “Other operating expenses – Contributions to the deposit guarantee fund” in the amount of thousands of ARS 74,019 and thousands of ARS 90,713, respectively (see Note 19.6).

**NOTE 28**  
**RESTRICTION ON THE DISTRIBUTION OF EARNINGS**

a) In accordance with the BCRA regulations, 20% of income for the year plus/less adjustments to prior-year income/loss and less accumulated losses at prior year-end, if any, shall be appropriated to the legal reserve.

b) Through its Communication “A” 6464, the BCRA established the general proceeding for distributing earnings. Under this Communication, a distribution may be made provided that certain situations are not verified, such as receiving financial assistance from the BCRA due to illiquidity, shortages in paying in minimum capital requirements or be subject to sections 34 and 35 bis of Financial Institutions Law (sections referring to adjustment or corrective plans and to the Bank’s restructuring), among other conditions specified in the abovementioned communication which should be complied with.

Furthermore, as established by BCRA Communication “A” 6768, the distribution of earnings approved by the Bank’s Shareholders’ Meeting may only become effective once the BCRA’s SEFyC (Financial Institutions and Foreign Exchange Regulatory Agency) issues its authorization,

as it will evaluate, among other aspects, the potential effects of applying IFRSs as per Communication “A” 6430 (item 5.5 of IFRS 9, impairment in the value of financial assets) and restating the financial statements as per Communication “A” 6651.

In addition, earnings may only be distributed provided that there is income after deducting on a non-accounting 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 (Financial Institutions and Foreign-Exchange Entities Superintendence) or by the external auditor which have not been recorded, and (vi) certain deductibles granted by the BCRA. In addition, the distribution of earnings may not include income arising from the first-time application of IFRS, which should be included as a special reserve.

Lastly, the Bank should verify whether upon effecting the proposed distribution of earnings, a capital equivalent to 2.5% of risk-weighted assets has been maintained in addition to the minimum capital requirement established by the regulation, and it should be paid-in with tier 1 common capital net of deductible items.

c) As provided for by General Resolution No. 593 of CNV, the Shareholders' Meeting held to consider the annual financial statements shall resolve on the allocation of accumulated earnings of the Bank, through either the effective distribution of dividends or the capitalization thereof with the delivery of bonus shares, by setting up optional reserves in addition to the Legal Reserve, or a combination of any of the aforementioned. On March 19, 2020, by means of Communication "A" 6939, the BCRA suspended the distribution of earnings up to June 30, 2020, with the exception of the distribution of dividends in shares of common stock. Additionally, on June 4, 2020, by means of Communication "A" 7035, the BCRA extended the suspension mentioned up to December 31, 2020. Whereas on December 17, 2020, by means of Communication "A" 7181, the BCRA extended the suspension mentioned up to June 30, 2021.

**NOTE 29**  
**COMPLIANCE WITH THE REQUIREMENTS TO ACT IN THE DIFFERENT AGENT CATEGORIES DEFINED BY THE CNV**

**29.1. BICE**

As provided for by Resolution No. 2144 dated September 19, 2014 (served upon BICE on October 8, 2014), amended by Resolution No. 2749 dated May 5, 2015 (served upon BICE on May 14, 2015), both issued by the CNV Management of Agents and Markets, BICE was definitely registered as Settlement and Clearing Agent and trading Agent- Broker for its own portfolio (ALyC y AN propio) with the Registry of Agents and Markets, under the guidelines of Interpretation criterion No. 55/2014 (ALyC y AN Propio - Direct participant) to conduct only with its own funds, the transactions involving all securities allowed to ALyC y AN Propio (without being limited to futures and options imposed by the referred criterion).

Additionally, BICE joins the issuers regime as a result of the authorization of the Corporate Bonds Program through CNV Resolution No. 1847 dated July 28, 2016. Lastly, by CNV resolution dated November 16, 2017, BICE was registered with the Financial Trusts Registry.

In relation to BICE transactions, it is informed that net equity amounts to thousands of ARS 20,299,305 as of December 31, 2020, in excess of minimum net equity required by CNV regulations, compiled text 2013.

The liquid contra account amounts to thousands of ARS 12, under the requirements established in Exhibit I, Chapter I, Markets, included in Title VI of CNV regulations, as revised. It is made up of the daily closing balance of checking account No. 0004916703 held by BICE at the BCRA, which amounts to thousands of ARS 96,769 as of December 31, 2020.



29.2. BICE Fideicomisos

Based on CNV Resolution No. 495/06, the Company is registered with the Registry of Ordinary Public Trustees and the Registry of Financial Trustees, and submitted the relevant information to revalidate the registration thereof as managing agent in charge of mutual funds collective investment products according to the requirements established by such agency.

By virtue of Resolution No. 622/13 amended by General Resolution No. 617/2016 of such agency, and according to the requirements established, the minimum equity required to act as financial trustees and non-financial trustees amounts to thousands of UVA (unit of acquisition value) 950 which is lower than the Company's shareholders' equity.

In addition, the cash contra-account requirements amount to thousands of UVA 475, which are met by the Company as follows:

Description	Amount	Valuation	Balance as of 12/31/2020	UVA value as of 12/31/2020	Balance as of 12/31/2020 (thousands of UVA)
Assets in Argentine instruments					
Argentine government bonds in USD AL30	1,154,387	57.31	66,158	64.32	1,029
Total			66,158		1,029

NOTE 30  
CNV RESOLUTION NO. 629

In compliance with General Resolution No. 629 of the CNV, it is informed that the documentation supporting the accounting and management transactions from January 1, 2016 to the date of issuance of these financial statements as well as the accounting and corporate books are kept at BICE registered office.

The supporting documentation prior to the date above is kept at AdeA S.A., the warehouse of which is located in the provincial route No. 36, Km 31.500, Bosques, Florencio Varela, province of Buenos Aires.

NOTE 31  
COMPLIANCE WITH MINIMUM CASH  
AND CAPITAL REQUIREMENTS

31.1. Accounts that identify compliance  
with minimum cash requirements

To the date of issuance of these financial statements, in accordance with the BCRA regulations, BICE has considered the deposits held by the Bank as well as other liabilities from financial intermediation subject to minimum cash requirements as computable items. Compliance requirements are met through the balance of the accounts opened at the BCRA and LELIQ deposited in account 30060 of CRYL (Department for the Registration and Settlement of Public Debt Instruments).

As of December 31, 2020, the balances corresponding to the minimum cash and capital requirements, in thousands, are as follows:



Currency	Minimum cash requirements Thousands of ARS	Compliance with minimum cash requirements Thousands of ARS	Current account BCRA (Central Bank of Argentina)
Argentine pesos	555,288	2,526,957	00300
US dollar	44,853	101,706	80300
Euros	-	61	11300

### 31.2. Minimum capital requirement

The table below summarizes the minimum capital requirements on a consolidated basis in connection with credit, market and operational risk for December 2020, together with the compliance therewith (computable equity) at the end of such month:

Item	12/31/2020
Consolidated computable equity	18,102,182
<b>Minimum capital requirements</b>	
Market risk	361,900
Operational risk	313,078
Credit risk	5,623,575
<b>Compliance with capital requirements in excess</b>	<b>11,803,629</b>

### NOTE 32 ISSUANCE OF CORPORATE BONDS

On March 17, 2016, at the Annual and Extraordinary Meeting, the shareholders resolved the creation of the Program for the issuance of simple corporate bonds, not convertible into shares, in the total amount outstanding at any moment during the effective term up to USD 150 million (or the equivalent thereof in other currencies). At the Unanimous Extraordinary Shareholders' Meeting dated January 17, 2017, the amount of the global program for issuance of corporate bonds was increased to the nominal value of thousands of USD 650,000 (or the equivalent thereof in other currencies) to be raised to the nominal value of thousands of USD 800,000 (or the equivalent thereof in other currencies) to be issued in one or more classes and/or series with the possibility of reissuing the classes and/or series to be amortized without exceeding total program. Such increase was

approved by the CNV on April 12, 2017 by means of CNV Resolution No. 18607.

On May 15, 2018, the Board of Directors decided to approve the issuance and placement of corporate bonds for a nominal value not exceeding thousands of USD 400 by initial public offering. Such corporate bonds may be issued in one or more classes and/or series under the Program and the issuance terms that may be established for issuing and placing such bonds. The Bank will use all of the net proceeds arising from the placement of corporate bonds in compliance with the provisions of section 36, Corporate Bonds Law No. 23576 as amended.

An update of the program's prospectus was also approved. This update will allow the Bank to request approval from the CNV of the latest accounting information available of the Bank and obtain the IPO

authorization to issue corporate bonds under the program. On August 16, 2018, the CNV approved this prospectus.

On June 18, 2019, the Board of Directors decided to approve the update of the Simple Corporate Bonds Comprehensive Program for a nominal value not exceeding thousands of USD 800,000, or its equivalent in other currencies, and approve the issuance and placement through a public offer of Class IX corporate bonds for a nominal value not exceeding thousands of ARS 1,500,000, as part of the Program. In addition, on July 16, 2019, the Class IX reopening was approved for an additional amount of thousands of ARS 1,800,000.

Below are the classes of corporate bonds issued by the Bank:

	Series I		Series II		Series III		Series IV		Series V
	Class I	Class II	Class III	Class IV	Class V	Class VI	Class VII	Class VIII	Class IX
Amount issued	509,000	491,000	615,000	540,588	277,419	961,000	816,667	783,333	1,841,600 thousand
Applicable rate	Badlar	Badlar	Badlar	Badlar	Badlar	Badlar	TM20	TM20	Private BADLAR
Applicable margin	2% nominal	3.25% nominal	3.25 % nominal	3.75% nominal	2.75 % nominal	3.50% nominal	2.50% nominal	3.10% nominal	0%
Date of issuance	8/16/2016	8/16/2016	12/19/2016	12/19/2016	6/27/2017	6/27/2017	1/18/2018	1/18/2018	7/16/2019
Amortization and maturity date	2/16/2018	8/16/2019	6/19/2018	12/19/2019	12/27/2018	6/27/2020	7/18/2019	1/18/2021	1/16/2021
Duration	1.28 years	2.11 years	1.30 years	2.21 years	1.32 years	2.26 years	1.28 years	2.16 years	1.16 years

In compliance with section 36 of Corporate Bonds Law and with other applicable regulations, the Issuer will earmark the net income arising from the placement of corporate bonds to (i) working capital in Argentina, (ii) investments in physical assets located in Argentina, (iii) capital contributions to subsidiaries or affiliates, as long as the latter use the funds arising from such contributions as described above, (iv) refinancing liabilities, or (v) granting loans for any of the purposes described above, in line with the requirements and other

provisions included in the applicable BCRA regulations and complying with section 36, Corporate Bonds Law.

Notwithstanding the aforementioned and the possibility of using the proceeds for any of the purposes described, by virtue of the financial institution nature of the Issuer, the funds will be firstly used to grant loans as indicated in paragraph (V) above.

The corporate bonds were issued in compliance with all the requirements imposed by Corporate Bonds Law 23576, Capital Markets Law 26831 and CNV rules, compiled text 2013 and amendments.

As of December 31, 2020, 2019 and 2018, the breakdown of the prevailing series of the corporate bonds is as follows:

Consolidated  
08. financial statements  
as of 12-31-2020

Notes

Breakdown	Nominal value in thousands of ARS	Balance as of 12/31/2020 Thousands of ARS (*)	Balance as of 12/31/2019 Thousands of ARS (*)	Balance as of 12/31/2018 Thousands of ARS (*)
Class II	491,000	-	-	1,091,470
Class IV	540,588	-	-	1,147,925
Class VI	961,000	-	1,312,910	2,018,094
Class VII	816,667	-	-	1,898,401
Class VIII	783,333	839,104	1,173,016	1,818,720
Class IX	783,333	1,965,442	2,751,567	-
<b>Total</b>		<b>2,804,546</b>	<b>5,237,493</b>	<b>7,974,610</b>

(\*) Related to the amortized cost of each class as of the cutoff date.

As of December 31, 2020, Classes I, II, III, IV, V and VII are amortized and settled.

### NOTE 33 PENALTIES APPLIED TO THE FINANCIAL INSTITUTION AND SUMMARY PROCEEDINGS INITIATED BY THE BCRA

On January 4, 2021, BICE S.A. was served notice from the BCRA in connection with the summary proceedings in financial matters No. 1576, Docket No. 388/117/19 entitled: “Banco de Inversión y Comercio Exterior S.A.”, pending at the Financial Litigation Management, whereby the responsible for the Financial Institutions and Foreign-Exchange Entities Superintendence, on June 22, 2020 and December 15, 2020, issued Resolutions RESOL-2020-89-E-GDEBCRA-SEFYC#BCRA and RESOL-2020-180-E-GDEBCRA-SEFYC#BCRA, whereby proceedings are filed against the Bank and the individuals indicated therein under the provisions of section 41 of the Financial Institutions Law No. 21526 and amendments.

#### Purpose of the proceedings:

- **Count I:** Departure from the Credit Policy Standards consisting of granting financing in foreign currency to a destination not included in the “Credit Policies” standards.

This irregularity would have been verified on August 6, 2019, date on which a financial operation in foreign currency involving a disbursement for the construction of infrastructure works was made. Such operation was fully settled in the same currency, therefore, no equity impairment was verified.

This irregularity was temporarily classified as a minor infringement rated under “2”.

- **Count II:** Noncompliance with BCRA instructions and with the orders of discontinuing operations imposed by the SEFyC.

This irregularity would have extended up to August 6, 2019, when the Bank made the disbursements despite the existence of a number of communications by the BCRA that are construed as instructions contrary to such operations.

This irregularity was temporarily classified as a serious infringement rated under “3”.

**Individuals subject to proceedings**

- **Count I:** As this is a minor infringement, the proceedings are against BICE, and no individuals are included in the case.

- **Count II:** The proceedings are filed against BICE and the members of the Board of Directors, General Manager and four members of the Committee of Lending and Borrowing Transactions based on the related competencies.

Thus, BICE S.A. as legal entity and the following individuals then in office are held responsible:

- The chairperson, Francisco Adolfo Cabrera;
- The Vice-chairperson, Federico Marcelo Cafasso;
- The regular directors: Carlos Luis Pirovano, Anastasia María de los Ángeles Adem, Ignacio Juan Moraco, Martín Horacio Ottonello and José Nicanor Trusso Krause Mayol;
- The General Manager, José Luis Morea;
- The Directors of Administration and Finance, Enrique Terráneo;
- The Director of Risk, Rodolfo Rolando Alba;

- The Director of Infrastructure, Tomás Darmandrail;
- The Director of the Commercial Area, Marco Ratti;
- The Manager of Infrastructure Projects, Agustina Morán.

**NOTE 34  
CHANGES IN THE ARGENTINE  
MACROECONOMIC ENVIRONMENT, AND  
THE SITUATIONS OF THE FINANCIAL  
AND CAPITAL SYSTEM**

The Bank operates within an economic context of high volatility involving the continuous increase in the inflation rate and the drop in the economic activity during the social, preventive and compulsory distancing.

Particularly, in connection with the financial assets by means of Decree No. 596/2019 dated August 28, 2019, the National Government provided for the deferral of the payments of short-term securities

(Letes, Lecap, Lecer and Lelink). Then, the Presidential Decree No. 49/2019 issued on December 19, 2019 provided for the deferral of the payment of treasury bills in US dollars to August 31, 2020.

In this context, on December 21, 2019, the “Social Solidarity and Production Reactivation Law within the framework of the Public Emergency” (the “Economic Emergency Law”) was enacted, which declared the emergency in economic, financial, tax, administrative, social security, rate system, energy, sanitary and social matters until December 31, 2020.

The Economic Emergency Law provided for the suspension up to December 31, 2021 of the reduction in the income tax rate (Note 17) and of the fiscal agreement of year 2017, which established a gradual reduction in turnover tax until December 31, 2020.

In addition, Decree No. 141 of February 11, 2020 established the deferral of payment of amortization of “Bonos de la Nación Argentina en Moneda Dual Vencimiento 2020” until September 30, 2020 while accrual of interest is interrupted. Whereas Decree 346/2020 of April 5, 2020 provided for the deferral of payments of interest and amortization of principal of the public debt documented by securities denominated in United States dollars issued under the law of the Republic of Argentina until December 31, 2020, or until the prior date specified by the Ministry of Economy, considering the progress on reestablishing the public debt sustainability.

As of December 31, 2020, the Bank does not record government sector debt instruments affected by the reprofiling measures or payment deferral.

Presidential Decree No. 391/2020 dated April 21, 2020 provided for the restructuring of government securities of the Republic of Argentina issued under a foreign law through an offer to exchange such securities and the deadline for filing was set by May 8. After the extension of such deadline through Resolutions No. 221/2020 and No. 350/2020 of the Ministry of Economy and the approval of the amendment to the offer dated April 21, 2020 by Decree No. 582/2020 dated July 7, 2020, finally, on August 31, 2020, the results of the restructuring of foreign-legislation bonds were announced. The exchange accounted for 99.01% of all bonds involved.

Additionally, on September 4, 2020, the Ministry of Economy announced the results of the exchange of debt under the local legislation. The local offer of debt exchange involved 29 securities (including Letes, Bonar, Par, Discount, Lelink, Bonos Dual, Bontes), whose holders were offered

new bonds in USD and ARS adjusted by applying the indexation rate “CER”. The holders of securities denominated and payable in USD (Letes, Bonars, Par and Discounts) could exchange them for new Step-up bonds in USD under Argentine Law maturing in years 2030, 2035, 2038 and 2041, as per the terms and conditions of the offer.

To the date of issuance of these financial statements, the Bank adhered to the exchange of securities in portfolio subject to restructuring in the amount of thousands of ARS 5,434,427.

Regarding exchange matters, on September 1, 2019, Decree No. 609/2019 provided for extraordinary and temporary exchange rules. In addition, the BCRA issued Communication “A” 6770 and its amendments requiring the BCRA’s authorization, up to December 31, 2019, to have access to the foreign exchange market

to wire profits and dividends, to pay services to foreign related companies, and to make prepayments of financial debts (principal or interest) more than 3 days before maturity. BCRA Communication “A” 6856 published on December 30, 2019 indicated that these provisions will be held up to December 31, 2019. Different BCRA provisions stated new restrictions in connection with operating at the exchange market to the date of issuance of these financial statements.

**NOTE 35  
COVID-19**

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Most governments are taking increasingly stringent steps to help contain the spread of the virus, including population lockdown,

quarantine and free movement restrictions, closing of public and private facilities, except for stores equipped with daily necessities (healthcare, food, fuel and communications), closing of the country’s borders and drastic reduction in the transport by air, water, rail and road.

In the Republic of Argentina, where the Bank does business, on March 12, 2020, Decree 260/2020 was issued by the National Executive Branch to declare the health emergency to manage the crisis caused by COVID-19, and finally, on March 19, the National Executive Branch issued Decree 297/2020 declaring social, preventive and compulsory isolation, which was in force from March 20 through November 8 in accordance with the successive extensions established by subsequent Decrees published in the Official Gazette. On November 7, 2020, the Executive Branch issued Decree 875/2020, whereby the “Social, Preventive

and Mandatory Distancing” (DISPO) was extended up to April 9, 2021 by means of successive decrees, for all people residing or in transit in urban areas and in the subdivisions or departments of Argentina as long as the epidemiological and sanitary parameters are verified.

The measures adopted by the Executive Branch originally led to the slowdown or suspension of most of the non-essential activities carried out by individuals and, consequently, significantly affected the national economy, due to the interruption or slowdown of supply chains and the considerable increase in economic uncertainty, evidenced by a rise in asset price volatility, exchange rates and interest rates. Subsequently, given the epidemiological changes in the different regions of the country, the restrictive measures became progressively flexible, allowing the gradual and restart of economic and personal activities.

Within the framework derived from the pandemic, the BCRA provided for measures aimed at facilitating access to credit to economic agents, among others:

- a) Flexibilization of arrears period and suspension of certain provisions aimed at the mandatory recategorization in order to classify and set up allowances for financial system debtors in accordance with the BCRA regulations;
- b) Limitations on the positions maintained in bills issued by the BCRA (LELIQ) by the entities;
- c) Implementation of credit lines to MiPyMES at an annual nominal interest rate of 24% for working capital or payment of salaries;
- d) Extension of the deadline for payment of credit card outstanding balances;

e) Freezing and convergence plan for the payments of mortgage and pledge loans subject to UVA in accordance with Decrees 319/2020 and 767/2020.

f) Suspension of the increase in commissions since February 19, 2020 and for a term of 180 days and increases as from November 5, 2020 subject to maximum percentages allowed by the BCRA, which shall be communicated to the BCRA, at least, 30 days before the date to provide the information to the user, and they can only be applied after 60 days of having informed users. This implies that the next effective date for increases will be in early February 2021;

g) Maximum rates set for credit card financing and minimum rates for time deposits;



h) New financing lines at a subsidized rate of 24% with a special trench for capital assets of national origin and minimum requirements for companies that had no access to the bank loans.

i) Implementation of loans at subsidized rates for companies under the Emergency Employment and Production Assistance Program (ATP program), which is determined based on the year-on-year basis variation of the company's invoicing and credit lines at a zero rate in ARS exclusively addressed to taxpayers registered with the simplified tax scheme and self-employed engaged in culture related activities.

j) New scheme of financing lines for productive investment of MiPyME to be held by the entities as from October 16, 2020 to March 31, 2021 to finance investment projects, working capital and discount checks of deferred payment and other notes, and other special cases with

maximum rates ranging from 30% to 35% and maximum terms ranging from 24 to 36 months, according to the use of funds.

Additionally, the suspension of the possibility of distributing dividends by the financial institutions was extended up to June 30, 2021.

The situations indicated in Notes 34 and 35 above have an impact on the transactions of the Bank and additionally, they affect the estimate of credit losses and the valuation of government sector debt instruments.

As of December 31, 2020, the minimum capital and cash requirements established by the BCRA have been met in excess and no decreases in connection with these requirements are expected for the next twelve months.

As of the date of issuance of these financial statements, these events have not had an impact on the Bank's financial position, income/loss and/or cash flows. Management estimates that it will not suffer significant impacts in the future, if at least the current level of activity continues.

**NOTE 36**  
**SUBSEQUENT EVENTS**

No other events or transactions have occurred from year-end to the date of issuance of these financial statements that would have a material effect on the financial position of the Bank or the results of its operations as of December 31, 2020. ■





Consolidated  
08. financial statements  
as of 12-31-2020

Exhibits

EXHIBIT A

Consolidated breakdown of government and private securities

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9)

ITEM	IDENTIFICATION	FAIR VALUE	FAIR VALUE LEVEL	HOLDING			POSITION WITHOUT OPTIONS	OPTIONS	FINAL POSITION
				BOOK VALUE	BOOK VALUE	BOOK VALUE			
				12/31/2020	12/31/2019	12/31/2018			
SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		8.637.772		8.637.772	779.308	1.374.254	8.637.772	-	8.637.772
ARGENTINE									
Government securities									
BCRA bills (LELIQ maturing on 10/13/2020)	13671	1.761.057	1	1.761.057	-	-	1.761.057	-	1.761.057
Treasury bills in pesos (variable rate +margin maturing 3/31/2021)	5388	1.273.786	1	1.273.786	-	-	1.273.786	-	1.273.786
BCRA bills (LELIQ maturing on 10/8/2020)	13669	1.076.202	1	1.076.202	-	-	1.076.202	-	1.076.202
Treasury bills in pesos (variable rate +margin maturing on 1/29/2021)	5381	1.072.170	1	1.072.170	-	-	1.072.170	-	1.072.170
Treasury bills in pesos (variable rate +margin maturing on 2/26/2021)	5385	947.000	1	947.000	-	-	947.000	-	947.000
Treasury bills in pesos (variable rate +margin maturing on 11/30/2020)	5389	778.125	1	778.125	-	-	778.125	-	778.125
Bill variable rate + margin maturing on 01/29/21	5387	530.744	1	530.744	-	-	530.744	-	530.744
Treasury Bond linked to USD 04/29/22	5499	264.151	1	264.151	-	-	264.151	-	264.151
Republic of Argentina bonds in USD Step Up 2030	5921	66.223	1	66.223	-	-	66.223	-	66.223
Treasury Bonds in pesos TX24 CER 1.50% 2024	5493	26.173	1	26.173	-	-	26.173	-	26.173
National Government bonds in pesos 2038 - PARP	45695	16.855	1	16.855	14.646	16.113	16.855	-	16.855
Bonar Step-Up 2038	5923	15.840	1	15.840	-	-	15.840	-	15.840
National Government bonds in pesos 2045 - CUAP	45697	10.289	1	10.289	8.780	10.348	10.289	-	10.289
Bonar Step-Up 2029	5927	6.201	1	6.201	-	-	6.201	-	6.201
Treasury Bonds in pesos T2X2 CER 1.30% 2022	5495	1.819	1	1.819	-	-	1.819	-	1.819
Argentine bonds USD 2020 - AO20	5468	-	1	-	58.245	156.024	-	-	-
Treasury bonds in pesos 2020 - TC20	4502	-	1	-	29.292	-	-	-	-
8th series consolidation bonds 2020-PR15	2571	-	1	-	28.497	-	-	-	-
Argentine bonds \$ 2024- BONAR 2024	5458	-	1	-	-	100.687	-	-	-
TD CABA23 2028\$ - CAB23	32976	-	1	-	-	75.604	-	-	-
Fixed-rate Argentine Treasury Bond in pesos maturing in 2020	5330	-	1	-	-	63.457	-	-	-
Securities related to GDP, in USD, maturing in 2035	40290	-	1	-	-	23.469	-	-	-
Republic of Argentina Bonds Discount Argentine Law in USD maturing in 2033	45700	-	1	-	-	8.117	-	-	-
Securities related to GDP, in USD, maturing in 2035	40790	-	1	-	-	7.527	-	-	-
Securities related to GDP, maturing in 2035	45701	-	1	-	-	4.193	-	-	-
Securities Securities related to GDP in pesos, 12/15/2035	45698	-	1	-	-	1.141	-	-	-
Private securities									
Garantizar SGR	8003	731.321	2	731.321	572.893	766.428	731.321	-	731.321
Cuyo Aval SGR	8004	49.609	2	49.609	50.862	70.345	49.609	-	49.609
Acindar Pymes SGR	8005	10.207	2	10.207	16.093	70.801	10.207	-	10.207

Consolidated  
08. financial statements  
as of 12-31-2020

Exhibits

Item	IDENTIFICATION	FAIR VALUE	FAIR VALUE LEVEL	HOLDING			POSITION WITHOUT OPTIONS	OPTIONS	FINAL POSITION
				BOOK VALUE	BOOK VALUE	BOOK VALUE			
				12/31/2020	12/31/2019	12/31/2018			
OTHER DEBT SECURITIES NET OF ALLOWANCES		11.381.648		11.694.621	7.097.766	10.486.596	11.694.621	-	11.694.621
Allowances		-		(833.781)	(741.465)	(46.158)	(833.781)	-	(833.781)
OTHER DEBT SECURITIES		11.381.648		12.528.402	7.839.231	10.532.754	12.528.402	-	12.528.402
Measured at fair value through profit or loss:		1.639.143		1.639.143	127.379	306.348	1.639.143	-	1.639.143
ARGENTINE									
Government securities									
Boncer 2024 - maturing on 03/25/2024	5493	500.165	1	500.165	-	-	500.165	-	500.165
Boncer 2023 - maturing on 3/25/2023	5492	487.629	1	487.629	-	-	487.629	-	487.629
Boncer 2021 - maturing on 8/5/2021	5359	395.312	1	395.312	-	-	395.312	-	395.312
Boncer 2022 - maturing on 3/18/2022	5491	256.037	1	256.037	-	-	256.037	-	256.037
Argentine bonds USD- BONAR 2024 - AY24	5458	-	1	-	127.379	306.348	-	-	-
Measured at amortized cost		9.742.505		10.889.259	7.711.852	10.226.406	10.889.259	-	10.889.259
ARGENTINE									
Government securities									
Bonar Step-Up 2035	5922	1.598.560	1	2.664.279	-	-	2.664.279	-	2.664.279
BCRA bills (LELIQ maturing on 01.19.2021)	13672	1.524.390	1	1.525.701	-	-	1.525.701	-	1.525.701
BCRA bills (LELIQ maturing on 01.12.2021)	13670	1.180.173	1	1.181.188	-	-	1.181.188	-	1.181.188
BCRA bills (LELIQ maturing on 01.05.2021)	13668	1.081.825	1	1.082.755	-	-	1.082.755	-	1.082.755
BCRA bills (LELIQ maturing on 01.28.2021)	13675	786.782	1	787.459	-	-	787.459	-	787.459
Boncer 2% 2026	5925	216.315	1	303.375	-	-	303.375	-	303.375
Treasury Bills in USD Decree 668 - maturing on 29.06.21		106.155	1	106.155	-	-	106.155	-	106.155
Treasury Bills in USD Decree 668 - maturing on 01.08.21		6.003	1	6.003	-	-	6.003	-	6.003
Treasury Bills in USD - maturing on 08.30.2019 (1)	5283	-	1	-	1.193.323	-	-	-	-
Treasury Bills in USD - maturing on 02.28.2020 (1)	5342	-	1	-	466.113	-	-	-	-
Argentine bond Dual - AF20	5486	-	1	-	425.581	-	-	-	-
Treasury Bills in USD - maturing on 12.20.2019 (1)	5334	-	1	-	391.335	-	-	-	-
Treasury Bills in USD - maturing on 02.14.2020 (1)	5339	-	1	-	311.091	-	-	-	-
Treasury Bills in USD - maturing on 09.27.2019 (1)	5286	-	1	-	186.903	-	-	-	-
Treasury Bills in USD - maturing on 09.13.2019 (1)	5285	-	1	-	91.689	-	-	-	-
Treasury Bills in USD - maturing on 05.10.19	5272	-	1	-	-	2.179.037	-	-	-

(1) Instruments reprofiled pursuant to Presidential Decrees No. 49/2019 (see Note 34).

Item	IDENTIFICATION	HOLDING					POSITION WITHOUT OPTIONS	OPTIONS	FINAL POSITION
		FAIR VALUE	FAIR VALUE LEVEL	BOOK VALUE	BOOK VALUE	BOOK VALUE			
				12/31/2020	12/31/2019	12/31/2018			
ARGENTINE (CONT.)									
Government securities (Cont.)									
Treasury Bills in USD - maturing on 01.25.19	5249	-	1	-	-	1.524.006	-	-	-
Treasury Bills in USD - maturing on 06.14.19	5275	-	1	-	-	774.998	-	-	-
Treasury Bills in USD - maturing on 06.28.19	5276	-	1	-	-	541.527	-	-	-
Treasury Bills in USD - maturing on 02.22.19	5251	-	1	-	-	393.537	-	-	-
Other		-	1	-	190.222	78.397	-	-	-
Private securities (2)									
ON YPF Energía Eléctrica SA s1	54191	851.290	2	853.625	827.113	-	853.625	-	853.625
VD Fideicomiso Financiero Vicentin Export 8 CL "A"	54123	790.449	2	781.041	737.927	-	781.041	-	781.041
VD Fideicomiso Financiero NASA Serie II "A" USD	37935	381.167	2	381.167	476.891	563.714	381.167	-	381.167
ON Vista Oil&Gas	54346	382.342	2	394.011	382.094	-	394.011	-	394.011
ON Generación Mediterránea s3	54492	316.438	2	311.406	331.407	-	311.406	-	311.406
ON Asociados Don Mario SA s4	52719	98.738	2	103.407	150.286	194.551	103.407	-	103.407
ON Roch SA CL5	54166	92.027	2	91.759	83.988	-	91.759	-	91.759
ON Angel Estrada SA	53405	55.940	2	54.574	77.223	118.830	54.574	-	54.574
ON Lonngvie SA	52980	37.144	2	36.145	38.492	54.401	36.145	-	36.145
ON Esquina 3	53450	29.938	2	31.063	30.088	29.236	31.063	-	31.063
Other		206.829		194.146	1.169.182	3.628.226	194.146	-	194.146
FOREIGN									
Government securities									
Republic of Argentina Peru bonds (Par Bond) 3% maturing 3/7/2027	7434	-	-	-	150.904	145.946	-	-	-
INVESTMENTS IN EQUITY INSTRUMENTS		3.897.650		3.897.650	3.671.846	3.487.993	3.897.650	-	3.897.650
Measured at fair value through profit or loss:		3.897.650		3.897.650	3.671.846	3.487.993	3.897.650	-	3.897.650
ARGENTINE									
Garantizar S.A.	80003	50.104	2	50.104	56.102	79.761	50.104	-	50.104
Cuyo Aval S.A.	80004	1.224	2	1.224	1.478	1.439	1.224	-	1.224
Mercado Abierto Electrónico (over-the-counter electronic market)	80005	16.025	2	16.025	9.852	10.964	16.025	-	16.025
FOREIGN									
CAF	80006	3.830.297	2	3.830.297	3.604.414	3.395.829	3.830.297	-	3.830.297

(2) See Exhibits B and C

## EXHIBIT B

## Consolidated classification of loans and other financing facilities by situation and guarantees received

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9)

ITEM	12/31/2020	12/31/2019	12/31/2018
<b>COMMERCIAL PORTFOLIO</b>			
<b>Performing</b>			
With "A" preferred guarantees and counter-guarantees	857.013	2.084.130	3.792.563
With "B" preferred guarantees and counter-guarantees	5.472.429	9.639.035	14.133.910
Without preferred guarantees or counter-guarantees	29.882.585	43.458.600	54.035.426
	36.212.027	55.181.765	71.961.899
<b>Subject to special monitoring</b>			
<b>In observation</b>			
With "B" preferred guarantees and counter-guarantees	-	96.878	1.500.336
Without preferred guarantees or counter-guarantees	-	-	2.705.519
	-	96.878	4.205.855
<b>In negotiation or under refinancing agreements</b>			
With "B" preferred guarantees and counter-guarantees	485.940	21.891	909.857
Without preferred guarantees or counter-guarantees	633.354	292.659	586.588
	1.119.294	314.550	1.496.445
<b>Troubled</b>			
With "A" preferred guarantees and counter-guarantees	-	30.090	-
With "B" preferred guarantees and counter-guarantees	103.736	170.806	382.481
Without preferred guarantees or counter-guarantees	453.632	63.305	254.742
	557.368	264.201	637.223
<b>With high risk of insolvency</b>			
With "A" preferred guarantees and counter-guarantees	39.891	17.981	-
With "B" preferred guarantees and counter-guarantees	359.019	758.289	342.901
Without preferred guarantees or counter-guarantees	1.456.861	2.531.853	209.923
	1.855.771	3.308.123	552.824
<b>Irrecoverable</b>			
With "A" preferred guarantees and counter-guarantees	-	381.067	-
With "B" preferred guarantees and counter-guarantees	365.617	864.814	42.883
Without preferred guarantees or counter-guarantees	944.600	1.035.653	224.691
	1.310.217	2.281.534	267.574
<b>TOTAL COMMERCIAL LOAN PORTFOLIO</b>	<b>41.054.677</b>	<b>61.447.051</b>	<b>79.121.820</b>

ITEM	12/31/2020	12/31/2019	12/31/2018
<b>CONSUMER AND/OR HOME LOAN PORTFOLIO</b>			
<b>Performing</b>			
With "A" preferred guarantees and counter-guarantees	7.958.211	7.808.228	9.901.625
With "B" preferred guarantees and counter-guarantees	4.773.784	5.916.561	4.140.254
Without preferred guarantees or counter-guarantees	4.638.098	2.832.150	4.925.696
	17.370.093	16.556.939	18.967.575
<b>Low risk</b>			
With "A" preferred guarantees and counter-guarantees	-	139.412	18.627
With "B" preferred guarantees and counter-guarantees	-	320.199	290.062
Without preferred guarantees or counter-guarantees	36.145	207.827	147.708
	36.145	667.438	456.397
<b>Low risk - special treatment</b>			
With "B" preferred guarantees and counter-guarantees	31.159	-	-
Without preferred guarantees or counter-guarantees	40.678	-	-
	71.837	-	-
<b>Medium risk</b>			
With "A" preferred guarantees and counter-guarantees	-	18.687	-
With "B" preferred guarantees and counter-guarantees	-	183.226	2.633
Without preferred guarantees or counter-guarantees	-	98.270	58.066
	-	300.183	60.699
<b>High risk</b>			
With "A" preferred guarantees and counter-guarantees	858	17.083	-
With "B" preferred guarantees and counter-guarantees	55.665	168.454	5.575
Without preferred guarantees or counter-guarantees	57.377	205.892	-
	113.900	391.429	5.575
<b>Irrecoverable</b>			
With "A" preferred guarantees and counter-guarantees	11.806	10.895	-
With "B" preferred guarantees and counter-guarantees	215.643	80.391	11.242
Without preferred guarantees or counter-guarantees	470.795	194.028	27.469
	698.244	285.314	38.711
<b>TOTAL CONSUMER AND HOME LOAN PORTFOLIO</b>	<b>18.290.219</b>	<b>18.201.303</b>	<b>19.528.957</b>

ANEXO B

	12/31/2020	12/31/2019	12/31/2018
GRAND TOTAL	59.344.896	79.648.354	98.650.777
Loans and other financing facilities- IFRS ADJUSTMENTS	(580.265)	(1.115.400)	(1.759.596)
Other debt securities. ON/VRD (Exhibit A)	(3.232.344)	(4.304.691)	(4.588.958)
Loans and other financing facilities. ALLOWANCES FOR LOAN LOSSES (Exhibit R)	(3.062.945)	(4.835.340)	(1.737.378)
Off-balance items. GUARANTEES GRANTED (Note 7)	-	(1.792.416)	(549.051)
TOTAL LOANS AND OTHER FINANCING FACILITIES	52.469.342	67.600.507	90.015.794

EXHIBIT C

Consolidated concentration of loans and other financing facilities

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9)

Number of customers	FINANCING					
	12/31/2020		12/31/2019		12/31/2018	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	17.754.780	30%	21.245.967	27%	21.853.330	22%
50 next largest customers	17.485.620	29%	23.696.388	30%	24.249.657	25%
100 next largest customers	8.362.637	14%	12.517.009	16%	15.474.628	16%
Rest of customers	15.741.859	27%	22.188.990	27%	37.073.162	37%
Total	59.344.896	100%	79.648.354	100%	98.650.777	100%

	12/31/2020	12/31/2019	12/31/2018
Loans and other financing facilities- IFRS ADJUSTMENTS	(580.265)	(1.115.400)	(1.759.596)
Other debt securities. ON/VRD (Exhibit A)	(3.232.344)	(4.304.691)	(4.588.958)
Loans and other financing facilities. ALLOWANCES FOR LOAN LOSSES (Exhibit R)	(3.062.945)	(4.835.340)	(1.737.378)
Off-balance items. GUARANTEES GRANTED (Note 7)	-	(1.792.416)	(549.051)
TOTAL LOANS AND OTHER FINANCING FACILITIES	52.469.342	67.600.507	90.015.794

EXHIBIT D

Consolidated loans and financing-facilities breakdown by term

As of december 31, 2020. Figures stated in thousands of Argentine pesos (Note 3.9)

DECEMBER 31, 2020								
Item	Matured	Term remaining to maturity						Total
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Nonfinancial government sector	4.384	331.241	28.537	34.468	5.488	-	-	404.118
Financial sector	-	556.733	759.168	1.392.085	1.623.476	2.148.018	1.593.981	8.073.461
Nonfinancial private sector and foreign residents	5.105.547	13.429.555	6.196.740	6.675.467	8.728.390	13.325.476	18.869.193	72.330.368
TOTAL	5.109.931	14.317.529	6.984.445	8.102.020	10.357.354	15.473.494	20.463.174	80.807.947



EXHIBIT F

Consolidated changes in property and bank premises

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9)

Item	Original value at beginning of year	Total estimated useful life in years	Additions	Transfers	Retirements	Depreciation					Residual Value at end of the year 12/31/2020	Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
						Accumulated	Retirements	Transfers	For the year	At year- end			
MEASUREMENT AT COST													
Real property	437.078	Between 46 and 50	3.069	(86.162)	-	(19.486)	-	6.893	(26.850)	(39.443)	314.542	417.592	425.573
Furniture and fixtures	132.161	5	7.636	-	(1.064)	(78.712)	27	-	(14.577)	(93.262)	45.471	53.449	15.459
Machinery and equipment	268.808	5	42.541	-	(11.283)	(177.713)	4.223	-	(28.479)	(201.969)	98.097	91.095	41.048
Vehicles	7.258	5	-	-	-	(5.391)	-	-	(890)	(6.281)	977	1.867	2.754
Rights to use leased real property (*)	401.251	(**)	1.816	-	-	(85.283)	-	-	(85.553)	(170.836)	232.231	315.968	-
TOTAL PROPERTY AND BANK PREMISES AT 12/31/2020	1.246.556		55.062	(86.162)	(12.347)	(366.585)	4.250	6.893	(156.349)	(511.791)	691.318	879.971	484.834

(\*) The original value is related to assets recognized for the right to use lease contracts pursuant to IFRS 16 (see note 9).

(\*\*) According to the term of each lease contract.

EXHIBIT F BIS

Consolidated changes in investment properties

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9)

Item	Original value at beginning of year	Total estimated useful life in years	Transfers	Transferencia	Depreciation				Residual Value at end of the year 12/31/2020	Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
					Accumulated	Transfers	For the year	At year-end			
MEASUREMENT AT COST											
Real property	103.188	50	-	180.165	(5.311)	(10.810)	(7.015)	(23.136)	260.217	97.877	99.063
TOTAL PROPERTY AND BANK PREMISES AT 12/31/2019	103.188		-	180.165	(5.311)	(10.810)	(7.015)	(23.136)	260.217	97.877	99.063

EXHIBIT G

Consolidated changes in intangible assets

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9)

Item	Original value at beginning of year	Total estimated useful life in years	Additions	Transfers	Retirements	Amortization					"Residual Value at end of the year 12/31/2020"	"Residual Value at end of the year 12/31/2019"	"Residual Value at end of the year 12/31/2018"
						Accumulated	Retirements	Transfers	For the year	At year-end			
MEASUREMENT AT COST													
Licenses	316.691	2 to 5	24.773	(74.485)	-	(166.887)	-	8.164	(28.782)	(187.505)	79.474	149.804	58.474
Other intangible assets	28.598	(*)	-	(22.586)	-	(3.916)	-	(2.096)	-	(6.012)	-	24.682	22.277
TOTAL INTANGIBLE ASSETS AT 12/31/2020	345.289		24.773	-97.071	-	(170.803)	-	6.068	(28.782)	(193.517)	79.474	174.486	80.751

(\*) According to the term of each lease contract.

EXHIBIT H

Consolidated deposit concentration

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9)

Number of customers	DEPOSITS					
	12/31/2020		12/31/2019		12/31/2018	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	38.655.080	91%	33.358.761	88%	46.389.951	91%
50 next largest customers	3.791.762	9%	4.609.127	12%	4.835.718	9%
TOTAL	42.446.842	100%	37.967.888	100%	51.225.669	100%

EXHIBIT I

Consolidated breakdown of financial liabilities by remaining term

As of december 31, 2020. Figures stated in thousands of Argentine pesos (Note 3.9)

DECEMBER 31, 2020							
Item	Term remaining to maturity						Total
	1 month	3 months	6 months	12 months	24 months	Over 24 months	
Deposits	31.162.038	11.728.591	11.677	-	-	-	42.902.306
Nonfinancial government sector	29.482.841	7.352.932	-	-	-	-	36.835.773
Nonfinancial private sector and foreign residents	1.679.197	4.375.659	11.677	-	-	-	6.066.533
Derivatives	220	-	-	-	-	-	220
Other financial liabilities	2.415.850	953.732	287.815	813.252	1.622.012	10.886.664	16.979.325
Financing obtained from the BCRA and other financial institutions	49.781	172.067	2.728.607	2.163.666	4.451.123	12.627.949	22.193.193
Corporate bonds issued	2.898.724	-	-	-	-	-	2.898.724
TOTAL	36.526.613	12.854.390	3.028.099	2.976.918	6.073.135	23.514.613	84.973.768

EXHIBIT J

Consolidated changes in provisions

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9)

Breakdown	Balances at beginning of year	Increases	Decreases		Monetary gain/loss provided by provisions	Residual Value at end of the year 12/31/2020	Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
			Reversals	Utilizations				
INCLUDED IN LIABILITIES								
Provisions for contingencies	30.759	72.472 (1)	(6.011)	(4.976)	(11.700)	80.544	30.759	154.443
Provision for post-employment benefits (Note 12.3)	140.571	59.445 (2)	-	(2.848)	(44.234)	152.934	140.571	74.705
TOTAL PROVISIONS AT 12/31/2020	171.330	131.917	(6.011) (3)	(7.824)	(55.934)	233.478	171.330	229.148

(1) Included in line “Other operating expenses” of Statement of income (Note 19.6).

(2) Included in line “Employee benefits” of Statement of income (Note 19.4).

(3) Included in line “Other operating income” of Statement of income (Note 19.3).

EXHIBIT K

Consolidated capital structure

As of december 31, 2020. Figures stated in thousands of Argentine pesos (Note 3.9)

DECEMBER 31, 2020 (*)							
Shares				Capital stock			
Class	Quantity	Nominal vote per share	Votes per share	Issued	Pending issuance or distribution	Paid-in	Not paid-in
				Outstanding			
Book-entry shares of common stock	6.875.325	1.000	1	6.875.325	480.336	7.355.661	-
Book-entry shares of preferred stock Cumulative dividend equivalent to 1% of annual profit	4.524.568	1.000	-	4.524.568	-	4.524.568	-
Total	11.399.893			11.399.893	480.336	11.880.229	-

(\*) See Note 1.



## EXHIBIT L

## Consolidated foreign currency amounts

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9)

ITEMS	Head office and Argentina branches	TOTAL AS OF 12/31/2020	TOTAL AS OF 12/31/2020 (by currency)		Total as of 12/31/2019	Total as of 12/31/2018
			Euros	US dollar		
<b>ASSETS</b>						
CASH AND DEPOSITS WITH BANKS	9.515.801	9.515.801	761.279	8.754.522	5.544.388	14.405.476
SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	280.979	280.979	-	280.979	2.885	205.288
OTHER FINANCIAL ASSETS	193.439	193.439	-	193.439	212.972	290.651
LOANS AND OTHER FINANCING FACILITIES	29.293.926	29.293.926	-	29.293.926	33.771.194	25.247.160
Nonfinancial government sector	66.085	66.085	-	66.085	192.794	311.208
Other financial institutions	3.630.799	3.630.799	-	3.630.799	3.672.693	1.437.931
Nonfinancial private sector and foreign residents	25.597.042	25.597.042	-	25.597.042	29.905.707	23.498.021
OTHER DEBT SECURITIES	4.886.133	4.886.133	-	4.886.133	6.582.904	8.573.676
FINANCIAL ASSETS DELIVERED IN GUARANTEE	3.171	3.171	-	3.171	2.000.145	1.954.519
INVESTMENTS IN EQUITY INSTRUMENTS	3.830.297	3.830.297	-	3.830.297	3.604.416	3.395.832
OTHER NONFINANCIAL ASSETS	1.262	1.262	-	1.262	1.153	1.187
<b>TOTAL ASSETS</b>	<b>48.005.008</b>	<b>48.005.008</b>	<b>761.279</b>	<b>47.243.729</b>	<b>51.720.057</b>	<b>54.073.789</b>
<b>LIABILITIES</b>						
DEPOSITS	(17.192.406)	(17.192.406)	-	(17.192.406)	(21.801.916)	(32.628.748)
Nonfinancial government sector	(15.977.250)	(15.977.250)	-	(15.977.250)	(17.649.917)	(26.127.674)
Nonfinancial private sector and foreign residents	(1.215.156)	(1.215.156)	-	(1.215.156)	(4.151.999)	(6.501.074)
DERIVATIVES	-	-	-	-	-	(12.813)
OTHER FINANCIAL LIABILITIES	(13.308.016)	(13.308.016)	-	(13.308.016)	(13.324.296)	(12.214.682)
FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS	(17.623.192)	(17.623.192)	(4.607.818)	(13.015.374)	(18.607.059)	(21.667.867)
OTHER NONFINANCIAL LIABILITIES	(171.360)	(171.360)	(7.198)	(164.162)	(213.524)	(225.374)
<b>TOTAL LIABILITIES</b>	<b>(48.294.974)</b>	<b>(48.294.974)</b>	<b>(4.615.016)</b>	<b>(43.679.958)</b>	<b>(53.946.795)</b>	<b>(66.749.484)</b>

EXHIBIT O

Consolidated derivative financial instruments

As of december 31, 2020. Figures stated in thousands of Argentine pesos (Note 3.9)

Type of contract	Purpose of transactions	Type of agreement	Underlying asset	Type of settlement	Negotiation environment or counter party	Originally agreed-upon average weighted term (*)	Residual average weighted term (*)	Average weighted term of settlement of differences (**)	Amount as of 12/31/2020
Repo transactions	Intermediation on own account	Other	Argentine Government Securities	With delivery of underlying asset	MAE	-	-	7	9.925.706
Forward contracts in foreign currency									
ROFEX futures- Purchases	Hedge in foreign currency	Fair value hedge	Foreign currency	Daily settlement of differences	ROFEX	2	2	1	184.300
ROFEX futures- Sales	Hedge in foreign currency	Fair value hedge	Foreign currency	Daily settlement of differences	ROFEX	3	3	1	574.700

(\*) Stated in months

(\*\*) Stated in days

## EXHIBIT P

## Consolidated classification of financial assets and liabilities

As of december 31, 2020. Figures stated in thousands of Argentine pesos (Note 3.9)

DECEMBER 31, 2020							
ITEMS	Amortized cost	Fair value through other comprehensive income	Fair value through profit		Fair value hierarchy		
			Initially designated in accordance with IFRS 9, point 6.7.1	Mandatory measurement	Level 1	Level 2	Level 3
CASH AND DEPOSITS WITH BANKS	9.828.002	-	-	-	-	-	-
Cash	60	-	-	-	-	-	-
Financial institutions and correspondents	9.827.942	-	-	-	-	-	-
Current account	8.595.604	-	-	-	-	-	-
Other in Argentina and abroad	1.232.338	-	-	-	-	-	-
SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	8.637.772	7.846.635	791.137	-
DERIVATIVES	-	-	-	820	820	-	-
REPO TRANSACTIONS	9.925.706	-	-	-	-	-	-
OTHER FINANCIAL ASSETS	594.236	-	-	181.868	181.868	-	-
LOANS AND OTHER FINANCING FACILITIES	52.469.342	-	-	-	-	-	-
Nonfinancial government sector	388.823	-	-	-	-	-	-
Other financial institutions	6.615.140	-	-	-	-	-	-
Nonfinancial private sector and foreign residents	45.465.379	-	-	-	-	-	-
Notes	23.292.469	-	-	-	-	-	-
Mortgage loans	8.301.045	-	-	-	-	-	-
Collateral loans	1.193.845	-	-	-	-	-	-
Finance lease	4.089.322	-	-	-	-	-	-
Other	8.588.698	-	-	-	-	-	-
OTHER DEBT SECURITIES	11.694.621	-	-	-	-	-	-
FINANCIAL ASSETS DELIVERED IN GUARANTEE	690.764	-	-	-	-	-	-
INVESTMENTS IN EQUITY INSTRUMENTS	-	-	-	3.897.650	-	3.897.650	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>85.202.671</b>	<b>-</b>	<b>-</b>	<b>12.718.110</b>	<b>8.029.323</b>	<b>4.688.787</b>	<b>-</b>

EXHIBIT P

DECEMBER 31, 2020							
ITEMS	Amortized cost	Fair value through other comprehensive income	Fair value through profit		Fair value hierarchy		
			Initially designated in accordance with IFRS 9, point 6.7.1	Mandatory measurement	Level 1	Level 2	Level 3
DEPOSITS	42.446.842	-	-	-	-	-	-
Nonfinancial government sector	36.531.270	-	-	-	-	-	-
Nonfinancial private sector and foreign residents	5.915.572	-	-	-	-	-	-
DERIVATIVES	-	-	-	220	220	-	-
OTHER FINANCIAL LIABILITIES	15.375.218	-	-	-	-	-	-
FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS	19.210.549	-	-	-	-	-	-
CORPORATE BONDS ISSUED	2.804.546	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	79.837.155	-	-	220	220	-	-

EXHIBIT Q

Consolidated breakdown of profit (loss)

For the years ended december 31, 2020 and 2019. Figures stated in thousands of Argentine pesos (Note 3.9)

Items	12/31/2020		12/31/2019	
	Financial income /(expense), net		Financial income /(expense), net	
	Initially designated in accordance with IFRS 9, point 6.7.1	Mandatory measurement	Initially designated in accordance with IFRS 9, point 6.7.1	Mandatory measurement
From financial assets at fair value through profit or loss				
Profit from government securities	-	1.475.466	-	372.335
Profit from derivative financial instruments	-	26.040	-	(162.846)
Forward transactions	-	26.040	-	(162.846)
Investments in equity instruments	-	267.701	-	515.250
TOTAL	-	1.769.207	-	724.739

## EXHIBIT Q

Interest and adjustments due to the application of the effective interest rate on financial assets and liabilities measured at amortized cost	12/31/2020	12/31/2019
	Financial income / (expense), net	Financial income / (expense), net
<b>Interest income</b>		
Cash and deposits with banks	21.024	37.579
Private securities	329.998	793.579
Government securities	3.181.562	8.107.247
Loans and other financings	9.804.456	20.484.437
To the financial sector	1.933.284	6.321.870
Notes	4.343.760	7.643.742
Mortgage loans	1.553.468	2.407.141
Collateral loans	264.813	471.076
Finance lease	1.640.924	3.191.182
Other	68.207	449.426
Repo transactions	994.353	985.459
BCRA	928.631	846.165
Other financial institutions	65.722	139.294
<b>TOTAL</b>	<b>14.331.393</b>	<b>30.408.301</b>
<b>Interest expense</b>		
Deposits	(5.812.230)	(12.402.467)
Certificates of deposit and term investments	(5.812.230)	(12.402.467)
Financing obtained from the BCRA and other financial institutions	(1.846.382)	(7.493.712)
Other financial liabilities	(45.246)	(61.598)
Corporate bonds issued	(983.354)	(2.773.089)
<b>TOTAL</b>	<b>(8.687.212)</b>	<b>(22.730.866)</b>

EXHIBIT Q

Interest and adjustments due to the application of the effective interest rate on financial assets measured at fair value through profit or loss	12/31/2020		12/31/2019	
	Net loss	ORI	Net loss	ORI
Government debt securities	19.678	(169.985)	23.731	(84.415)
TOTAL	19.678	(169.985)	23.731	(84.415)

	12/31/2020	12/31/2019
Commission income		
Commissions from receivables	14.524	14.258
Commissions on loan commitments and financial guarantees	-	380
Commissions for collection management services	26.571	74.751
Commissions from foreign exchange transactions	69.606	134.300
TOTAL	110.701	223.689
Commission expense		
Other	(74.521)	(60.594)
TOTAL	(74.521)	(60.594)



## EXHIBIT R

**Adjustment due to losses. Allowances for loan losses**

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9)

Breakdown	Balances at beginning of year	Increases	Decreases		Monetary gain/loss provided by provisions	Residual Value at end of the year 12/31/2020	Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
			Reversals	Utilizations				
Other financial assets	162.651	36.851	(543)	-	(44.941)	154.018	162.651	218.187
Loans and other financing facilities (3)								
Other financial institutions	116.684	24.604	(40.574)	-	(33.365)	67.349	116.684	202.385
Nonfinancial private sector and foreign residents								
Notes	2.524.925	1.027.700	(208.918)	(487.876)	(777.684)	2.078.147	2.524.925	963.528
Mortgage loans	281.223	147.585	(42.424)	(91.717)	(87.565)	207.102	281.223	198.358
Collateral loans	987.210	375.974	(20.644)	(985.733)	(326.620)	30.187	987.210	126.985
Finance lease	599.047	171.748	(74.964)	-	(160.351)	535.480	599.047	242.032
Other	326.251	59.568	(23.974)	(114.104)	(103.061)	144.680	326.251	4.090
Other debt securities	741.465	341.924	(18.269)	-	(231.339)	833.781	741.465	46.158
<b>TOTAL ALLOWANCES FOR LOAN LOSSES</b>	<b>5.739.456</b>	<b>2.185.954 (1)</b>	<b>(430.310) (2)</b>	<b>(1.679.430)</b>	<b>(1.764.926)</b>	<b>4.050.744</b>	<b>5.739.456</b>	<b>2.001.723</b>

The allowance for loan losses is set up based on the uncollectibility risk of the portfolio.

(1) Included in line "Other operating expenses" of Statement of income.

(2) Included in line "Other operating income" of Statement of income (Note 19.3).

(3) Exhibit B, C, and Note 6

## Reporting summary as of december 31,2020

(Figures stated in thousands of Argentine pesos)

This reporting summary was prepared on the basis of the consolidated financial statements as of December 31, 2020, in accordance with the accounting information framework established by the BCRA (Central Bank of Argentina).

During the year ended December 31, 2020, the Bank earned net income in the amount of thousands of ARS 1,657,451, which implies an increase in income in the amount of thousands of ARS 10,499,257 with respect to the net loss for fiscal year 2019 in the amount of thousands of ARS 8,841,806.

The variation in net income with respect to fiscal year 2019 is mainly related to: the decrease in the loss on net monetary position, as a result of a higher inflation rate for fiscal year ended December 31, 2019 compared to fiscal year ended December 31, 2020; a decrease in allowance for loan losses, and as a result of the impaired classification of debtors during fiscal year 2019; and increased income from differences in quoted prices of foreign currency as a result of the redenomination into pesos of the financing line Fonplata. On the other hand, the allowance for deferred tax assets was reversed, as such credit is expected to be used in future fiscal years as mentioned in Note 17.

For the preparation of the financial statements as of December 31, 2020, the Bank applied the preparation and consolidation basis, the significant accounting policies and judgment, estimates and assumptions described in Notes 2 and 3 to the consolidated financial statements.

Up to fiscal year ended December 31, 2019, the Bank prepared its financial statements without applying the monetary restatement under IAS 29. Therefore, the comparative information includes periods beginning on January 1, 2019, as the prior periods were not prepared on a comparable basis.

Consolidated  
08. financial statements  
as of 12-31-2020

### Equity structure / changes in the main accounts of the statement of financial position

	12/31/2020	12/31/2019
Cash and deposits with banks	9,828,002	6,314,263
Securities at fair value through profit or loss	8,637,772	779,308
Derivatives	820	48
Repo transactions	9,925,706	8,869,377
Other financial assets	776,104	598,686
Loans and other financing facilities	52,469,342	67,600,507
Other debt securities	11,694,621	7,097,766
Financial assets delivered in guarantee	690,764	2,000,529
Current income tax assets	131,787	-
Investments in equity instruments	3,897,650	3,671,846
Bank premises and equipment	691,318	879,971
Intangible assets	79,474	174,486
Deferred income tax assets	2,308,907	1,344,109
Other nonfinancial assets	587,149	290,904
<b>Total assets</b>	<b>101,719,416</b>	<b>99,621,800</b>

	12/31/2020	12/31/2019
Deposits	42,446,842	37,967,888
Derivatives	220	7,624
Other financial liabilities	15,375,218	14,639,621
Financing obtained from the BCRA and other financial institutions	19,210,549	21,262,248
Corporate bonds issued	2,804,546	5,237,493
Current income tax liabilities	21,592	161,726
Provisions	233,478	171,330
Other nonfinancial liabilities	1,149,582	1,452,802
<b>Total liabilities</b>	<b>81,242,027</b>	<b>80,900,732</b>
Shareholders' equity attributable to the parent company's owners	0,470,394	18,716,057
Shareholders' equity attributable to noncontrolling interests	6,995	5,011
<b>Total liabilities plus net equity</b>	<b>101,719,416</b>	<b>99,621,800</b>

Reporting summary as of  
december 31, 2020

## 1. EQUITY STRUCTURE / CHANGES IN THE MAIN ACCOUNTS OF THE STATEMENT OF FINANCIAL INCOME

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Interest income/loss	5,644,181	7,677,435
Fee income/loss	36,180	163,095
Net gain on financial instruments at fair value through profit or loss	1,769,207	724,739
Gain/Loss on assets written off measured at amortized cost	( 911)	-
Difference in quoted prices of gold and foreign currency	2,777,789	1,155,984
Other operating income	1,833,913	1,569,508
Allowance for loan losses	( 2,185,954)	( 5,378,206)
Employee benefits	( 2,039,387)	( 2,424,549)
Administrative expenses	( 802,741)	( 1,568,272)
Depreciation and impairment in value of assets	( 192,146)	( 158,174)
Other operating expenses	( 1,163,816)	( 1,215,095)
Gain/loss on net monetary position	( 4,794,857)	( 9,952,320)
Income tax relating to continuing operations	873,275	767,348
<b>Profit for the year</b>	<b>1,754,733</b>	<b>( 8,638,507)</b>
Accumulated actuarial losses from post-employment defined benefit plans	-	( 34,103)
Profit (loss) for the year from hedge instruments	19,084	( 119,757)
Gains or losses on financial instruments carried at fair value through OCI	( 169,985)	( 84,415)
Income tax	53,619	34,976
<b>Other comprehensive income (loss)</b>	<b>( 97,282)</b>	<b>( 203,299)</b>
<b>Total comprehensive income (loss)</b>	<b>1,657,451</b>	<b>( 8,841,806)</b>
Total comprehensive income attributable to the parent company's owners	1,655,467	( 8,840,888)
Total comprehensive income attributable to non controlling interest	1,984	( 918)

## 2. STATEMENT OF CASH FLOWS

	12/31/2020	12/31/2019
Cash flows from operating activities	9,319,220	14,524,404
Cash flows from investing activities	( 34,941)	( 79,213)
Cash flows from financing activities	( 7,025,626)	( 17,758,032)
Effects of changes in the exchange rate	2,960,049	1,362,351
Effect of cash flows monetary gains/losses	( 1,704,963)	( 8,573,756)
<b>Total cash flows provided (used) during the fiscal year</b>	<b>3,513,739</b>	<b>( 10,524,246)</b>

## 3. CHANGES IN DISBURSEMENTS (\*)

In fiscal 2020, disbursements amounted to thousands of ARS 14,651,000, while in fiscal 2019 it amounted to thousands of ARS 30,217,399, which represents a 51.51% decrease in the level of disbursements.

(\*) It corresponds to loans granted by the Bank.

#### 4. RATIOS

		31 /12/2020		31 /12/2019	
<b>Liquidity</b>	Current assets	68,513,149	128.40%	57,574,081	126.47%
	Current liabilities	53,358,766		45,522,367	
<b>Solvency</b>	Net equity/	20,470,394	25.20%	18,716,057	23.13%
	Liabilities	81,242,027		80,900,732	
<b>Non-current assets to total assets</b>	Non-current assets/	33,206,267	32.64%	42,047,719	42.21%
	Total assets	101,719,416		99,621,800	
<b>Profitability</b>	ROE (Profit (loss) for the year	1,752,749	9.66%	( 8,637,589)	-43.34%
	/ average shareholders' equity)	18,139,808		19,930,239	
	ROE (Profit (loss) for the year	1,752,749	1.78%	( 8,637,589)	-7.31%
	/ average assets)	98,280,189		118,115,590	
<b>Leverage</b>	(Liabilities + net equity)	101,719,416	4.97	99,621,800	5.32
	Net equity	20,477,389		18,721,068	
<b>Efficiency</b>	Expenses/	4,198,090	4.27%	5,366,090	4.54%
	Average assets	98,280,189		118,115,590	
<b>Portfolio quality</b>	Non-performing portfolio /	4,535,500	7.64%	6,830,784	8.58%
	financing	59,344,895		79,648,354	

#### 5. PROSPECTS FOR THE FISCAL YEAR

The goals set by BICE's Board of Directors for next fiscal year is that the Bank may serve a government policy focused on medium- and long-term investments for the development and inclusion of the country in the global economy by adding value.

We understand that the Bank has the role of promoting the inclusive and integrated growth of the country, to reduce sector and territory differences. Our action is focused on generating financial instruments to be used by the small, medium and large companies all over the country to be part of national, regional and global value chains.

From the moment this Board took office by the end of January, we have the firm commitment to align the Bank with the needs of the productive sector, focused on reverting and remedying the impact of policies against production of the last years,

by reducing interest rates and adjusting our products to the real needs of players of the real economy, with whom we have a fluent and direct communication. This was our aim from the very beginning and needs time to show results.

Accordingly, and at the beginning of our term of office, the crisis arising from the breakout of the COVID -19 pandemic imposed emergency measures and the need to implement new lines addressed to the productive sector in connection with its needs for financing of working capital, which implied structural changes in the Bank's management within a very short term.

In addition to the Bank unit and after the merger of BICE Leasing S. A. and BICE Factoring S.A. in year 2019, our general focus is placed on lease and factoring business units as well as our subsidiary BICE Fideicomisos. The four segments of the activity are part of our general strategy and involvement in the furtherance of the objectives proposed and to achieve them with the maximum effectiveness.

We are part of the public banking sector. As such, our mission together with that of our main shareholder, that is, the national government through the Ministry of Production Development, is to contribute to the objectives set in the government policies. Our aim is to play a leading role in the strategy for achieving a sustainable commercial and productive development for our country. ■





## Independent auditors' report on consolidated financial statements

### 1. REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Banco de Inversión y Comercio Exterior S.A. (the “Bank”) and its subsidiary, which comprise: the consolidated statement of financial position as of December 31, 2020, the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the year then ended, and notes 1 through 36 and exhibits A through D, F through L and N through R. .

### 2. BOARD OF DIRECTORS' AND MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Bank's Board of Directors is responsible for the preparation and fair presentation of the accompanying financial statements in conformity with the accounting framework established by the BCRA (Central Bank of Argentina) which, as indicated in Note 2 to those financial statements, is based on the International Financial Reporting Standards (IFRS ) as issued by the IASB (International Accounting Standards Board) and adopted by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences), subject to the exceptions described in Note 2. The Bank's Board of Directors and Management are also responsible for such internal control as it determines is necessary to enable

the preparation of the financial statements that are free from material misstatement whether due to error or irregularities.

### 3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these accompanying consolidated financial statements based on our audit. We conducted our audit in accordance with the auditing standards set forth by Technical Resolution No. 37 of the Argentine Federation of Professional Councils of Economic Sciences and the auditing standards issued by the BCRA applicable to the audit of financial statements (“Minimum Requirements on External Audits”). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the



financial statements are free from material misstatement. An audit includes examining, on a selective test basis, evidence supporting the accounting information included in the financial statements. We relied on our professional judgment to select the procedures to be performed, including assessing the risk that the financial statements may include material misstatements. When performing this risk assessment, we considered the Bank's existing internal controls on the preparation and presentation of financial statements for the purpose of selecting the adequate auditing procedures, but not of expressing an opinion on the efficiency of the Bank's internal controls. An audit also includes assessing the accounting principles used and the reasonableness of the significant estimates made by the Board of Directors as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 4. OPINION

In our opinion, the consolidated financial statements mentioned in paragraph 1 present fairly, in all material respects, the financial position of Banco de Inversión y Comercio Exterior S.A. as of December 31, 2020, as well as the results of its operations, changes in shareholders' equity and cash flows for the year then ended, in conformity with the accounting information framework established by the BCRA mentioned in paragraph 2.

#### 5. EMPHASIS ON CERTAIN ASPECTS DISCLOSED IN THE FINANCIAL STATEMENTS

Without further modifying our opinion, we draw the attention of the users of this report to the following information disclosed in the accompanying financial statements mentioned in paragraph 1:

i) as indicated in Note 2 to the accompanying consolidated financial statements mentioned in paragraph 1, they have been prepared by the Bank's Board of Directors and Management according to the accounting framework issued by the BCRA. Such accounting framework differs from the IFRS, as follows:

a. As indicated in Note 2.a), the application of section 5.5 "Impairment of value" under IFRS 9 "Financial instruments" was temporary excluded from the accounting framework issued by the BCRA applicable to financial institutions;

b. As indicated in Note 2.b), as provided for by Communication "A" 7014 issued by the BCRA on May 14, 2020 and to be effective as from such date, the debt instruments of the government sector received as swap are measured upon initial recognition at the book value at such date of the instruments delivered for replacement purposes. Should

the provisions of IFRS 9 have been applied to financial assets measured at fair value through other comprehensive income, income would have been recognized in the amount of thousands of ARS 361,804 and a loss in the same amount would have been recognized in the statement of income for the year. Whereas if the provisions of IFRS 9 had been applied to financial assets measured at amortized cost, a loss in the amount of thousands of ARS 666,229 would have been recognized in the statement of income for the year, and

c. As indicated in Note 2. c), as provided for by BCRA Communication "A" 6849, loss on the net monetary position related to financial assets recognized at fair value with an impact on Other comprehensive income (loss) is presented in the "Statement of other comprehensive income". This situation implies a departure from the provisions of IAS 29 that require that gain/loss on

net monetary position be presented in the “Statement of income”. Should the amount of the gain/loss on net monetary position have been recognized by applying the disclosure criterion established by IAS 29, the gain/loss would have not accounted for an impact as of December 31, 2020, while as of December 31, 2019, a loss amounting to thousands of ARS 25,656 would have been recognized in the “Statement of income” with a decrease in such loss recognized in the Statement of other comprehensive income”.

The situations above do not modify the opinion stated in paragraph 4, but they should be taken into account by the users of IFRS for interpreting the accompanying financial statements mentioned in paragraph 1.

ii) As indicated in Note 3.9 to the accompanying financial statements mentioned in paragraph 1, and as provided for by the BCRA through Communication “A” 6651, the Bank has adopted as from January 1, 2020 the provisions of IAS 29 for the purposes of the presentation of the financial statements stated in the reporting currency at year-end. Such change is applied retrospectively to January 1, 2019 as provided for by the regulator, which implied modifications to the financial statements as of December 31, 2018 and December 31, 2019, presented for comparative purposes, as described in such note.

## 6. OTHER MATTERS

In connection with the consolidated financial statements presented for comparative purposes, we report that the consolidated financial statements as of December 31, 2019, prepared in accordance with the accounting framework of the BCRA were

audited by Auditoría General de la Nación and other professionals, who issued a report on February 20, 2020 including an emphasis paragraph in connection with the exceptions relevant to the application of the impairment model under IFRS 9 and IAS 29, to which we refer. Such report does not include the adjustments subsequently made by the Board of Directors and Management of the Bank considering the changes in the accounting policies indicated in Note 3.9 to the financial statements mentioned in paragraph 1, which were audited and the opinion on the preparation thereof was issued under the BCRA accounting framework.

## 7.

We also issued a separate report on the separate financial statements of Banco de Inversión y Comercio Exterior S.A. at the same date and for the same period indicated in paragraph 1.

## 8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In compliance with legal requirements in force, we report that:

- i) The Bank’s consolidated financial statements mentioned in paragraph 1, arise from books kept, in all material respects, pursuant to current legal requirements and conditions established by the I.G.J.(Supervisory Board of Companies) Authorization No. 06722 dated January 24, 2008;
- ii) As of December 31, 2020, as stated in Note 29 to the consolidated financial statements mentioned in paragraph 1, the Bank’s equity and its eligible assets exceed the minimum amounts required by the regulations of the Argentine Securities and Exchange Commission (CNV);

iii) we have reviewed paragraphs 1 through 3.a of the Reporting Summary and the additional information to the notes to the financial statements for the year ended December 31, 2020, required by the CNV prepared by the Bank's Board of Directors, based on which, as far as it relates to our area of responsibility, we have no observations. The financial information included in the reporting summary for fiscal year ended December 31, 2019 has been audited by Auditoría General de la Nación and other professionals who issued an auditor's report on February 20, 2020, to which we refer;

iv) as of December 31, 2020, the accrued liability for retirement and pension contributions payable to the Argentine Pension Fund System arising from the accounting records of the Bank amounted to ARS 47,603,238, no amounts being due as of that date.

v) as required by article 21, paragraph b, Section VI, Chapter III, Title II of 2013 compiled text of the CNV, both KPMG and AGN report that:

- the quotient between the total audit services provided by us for the issuance of reports on the financial statements and other special-purpose reports or attest reports on accounting or financial information invoiced to the Bank and the total amount invoiced to the Bank, including audit services, during the fiscal year ended December 31, 2020 is 95% and 100%, respectively;

- the ratio between the total audit services invoiced to the Bank and the total audit services invoiced to the Bank and its subsidiary is 100%, and

- the quotient between the total audit services invoiced to the Bank and the total amount invoiced to the Bank and its subsidiary, including audit services, is 95% and 100%, respectively. ■

## Statutory Audit Committee's report

### INTRODUCTION

In our capacity as members of the Statutory Audit Committee of Banco de Inversión y Comercio Exterior S.A., we have performed a review of the consolidated financial statements as of December 31, 2020 of the Entity and its subsidiary, which comprise (a) the consolidated statement of financial position, (b) the consolidated statement of income, (c) the consolidated statement of other comprehensive income, (d) the consolidated statement of changes in equity, (e) the consolidated statement of cash flows for the year then ended, Notes 1 through 36 and exhibits A through D and F through L and O through R. Additionally, we have examined the Letter to Shareholders for such year.

### MANAGEMENT'S RESPONSIBILITIES

The Bank's Board of Directors is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in conformity with the accounting information framework established by the BCRA (Central Bank of Argentina) which, as indicated in Note 2 to the consolidated financial statements, is based on the International Financial Reporting Standards (IFRS ) approved by the IASB (International Accounting Standards Board) and adopted by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences), subject to the exceptions described in Note 2. The Bank's Board of Directors is also responsible for such internal control as it determines is necessary to enable the preparation of

the financial statements that are free from material misstatement whether due to error or irregularities.

### STATUTORY AUDIT COMMITTEE'S RESPONSIBILITY

Our examination was made in compliance with the supervisory auditors' standards in force. Those standards require that the review of the documents detailed in the "Introduction" paragraph be made in conformity with the auditing standards applicable to the review of financial statements for annual periods. The review of financial statements for annual periods consists in verifying the fairness of the significant information of the documents examined and their consistency with the information on the corporate decisions

of which we became aware, as disclosed in the minutes of the Board of Directors' and Shareholders' Meetings as well as the compliance of such decisions with legal regulations and the bylaws in all formal and documentary respects.

To perform our professional work in connection with the documents detailed in the "Introduction" paragraph, we reviewed the work performed by the external auditors, Auditoría General de la Nación and KPMG, who issued a report dated March 25, 2021.

Such review included the verification of the audit planning, nature, scope and procedures applied as well as the results of the review performed by such professional firms.

As it is not the supervisory committee's responsibility to exercise management control, we have not considered the business criteria and decisions adopted by the Company, since they are the exclusive responsibility of the Board of Directors.

CONCLUSION

Based on our review, the consolidated financial statements mentioned in paragraph 1 present fairly, in all material respects, the financial position of Banco de Inversión y Comercio Exterior S.A. as of December 31, 2020, as well as the results of its operations, changes in shareholders' equity and cash flows for the year then ended, in conformity with the accounting information framework established by the BCRA mentioned in the "Management's responsibility" paragraph.

EMPHASIS OF MATTER

Without further modifying our conclusion, we draw the attention of the users of this report to the following information disclosed in the accompanying consolidated financial statements mentioned in the "Introduction" paragraph:

(a) In Note 2, it is stated that they have been prepared in accordance with the accounting information framework established by the BCRA. Such accounting information framework differs from the IFRS, as follows:

i. As indicated in Note 2.a), the application of section 5.5 "Impairment in value" under IFRS 9 "Financial instruments" was temporary excluded from the accounting information framework established by the BCRA applicable to financial institutions, and

ii. As indicated in Note 2.b), as provided for by Communication "A" 7014 issued by the BCRA on May 14, 2020 and to be effective as from such date, the debt instruments of the government sector received as swap are measured upon initial recognition at the book value at such date of the instruments delivered for replacement purposes. Should the provisions of IFRS 9 have been applied to financial assets measured at fair value through other comprehensive income, income would have been recognized in the amount of thousands of ARS 361,804 and a loss in the same amount would have been recognized in the statement of income for the year. Whereas if the provisions of IFRS 9 had been applied to financial assets measured at amortized cost, a loss in the amount of thousands of ARS 666,229 would have been recognized in the statement of income for the year, and

iii. As indicated in Note 2. c), as provided for by BCRA Communication “A” 6849, loss on the net monetary position related to financial assets recognized at fair value with an impact on Other comprehensive income (loss) is presented in the “Statement of other comprehensive income”. This situation implies a departure from the provisions of IAS 29 that require that gain/loss on net monetary position be presented in the “Statement of income”. Should the amount of the gain/loss on net monetary position have been recognized by applying the disclosure criterion established by IAS 29, the gain/loss would not account for an impact as of December 31, 2020 while as of December 31, 2019, a loss amounting to thousands of ARS 25,656 would have been recognized in the “Statement of income” with a decrease in such loss recognized in the Statement of other comprehensive income”.

The situations above do not modify the opinion stated in the “Conclusion” paragraph, but they should be taken into account by the users of IFRS for interpreting the accompanying financial statements mentioned in the “Introduction” paragraph.

(b) Note 3.9 indicates that as provided for by the BCRA through Communication “A” 6651, the Bank has adopted as from January 1, 2020 the provisions of IAS 29 for the purposes of the presentation of the financial statements stated in the reporting currency at year-end. Such change is applied retrospectively to January 1, 2019 as provided for by the regulator, which implied modifications to the financial statements as of December 31, 2018 and December 31, 2019, presented for comparative purposes, as described in such note.

(c) Note 35 discloses all COVID-19 aspects related to the operations of the Bank.

OTHER MATTERS

Without modifying our conclusion, we report that the consolidated financial statements as of December 31, 2019, prepared in accordance with the accounting information framework of the BCRA were audited by Auditoría General de la Nación and other professionals, who issued a report on February 20, 2020 including an emphasis of matter in connection with the exceptions relevant to the application of the impairment model under IFRS 9 and IAS 29, to which we refer. Such report does not include the adjustments subsequently made by the Board of Directors and Management of the Bank considering the changes in the accounting policies indicated in Note 3.9, which were audited and the opinion on the preparation thereof was issued under the BCRA accounting information framework.

REPORT ON LEGAL AND REGULATORY REQUIREMENTS

In compliance with legal requirements in force, we report that:

a) The financial statements of Banco de Inversión y Comercio Exterior S.A. referred to in the “Introduction” paragraph are recorded in the Inventory Book and comply, as it relates to our area of responsibility, with the provisions of the regulations in force;

b) Such financial statements arise from the accounting records which, in their formal aspects, are kept pursuant to regulations in force.



c) We have no observations, as it relates to our area of responsibility, regarding the Board of Directors' letter to shareholders for the year ended December 31, 2020, while it should be noted that any assertions under 2021 prospects are the exclusive responsibility of the Board of Directors. As to the report on the degree of compliance with the Corporate Governance Code, which is presented as an exhibit separately from the Letter to Shareholders, we advise that, based on the analysis performed, there are no indications of inaccurate information provided by the Board of Directors to this Statutory Audit Committee and disclosed in such report.

d) We have read the Reporting Summary and the additional information to the notes to the financial statements for the year ended December 31, 2020, required by the CNV, based on which, as far as it relates to our area of responsibility, we have no observations.

e) In conformity with section 105, Law No. 26831 and section 21, Article VI, Chapter III, Title II and section 4(d), Article III, Chapter I, Title XII of CNV Regulations (as revised in 2013), on the independence of the external auditor and on the quality of the audit policies applied by such auditor and the Bank's accounting policies, the external auditor's report mentioned in the "Statutory Audit Committee's responsibility" paragraph includes a representation that auditing standards effective in Argentina, including independence requirements, have been applied and does not include any qualifications in connection with the application of such standards and professional accounting standards effective in the City of Buenos Aires, Argentina, considering the issues disclosed in the emphasis-of-matter and other matters paragraphs of such Report.

f) We have performed the anti-money laundering and terrorist financing procedures set forth by the applicable professional standards.

g) We have no observations, as it relates to our area of responsibility, about the information included in Note 29 to the financial statements mentioned in the "Introduction" paragraph as of December 31, 2020, in connection with the minimum net equity and counterparty requirements imposed by the CNV.

h) We have verified the compliance with the acting directors' bonds to the date of issuance of the accompanying financial statements.

i) The provisions of section 294, Argentine Companies Law, were met. ■



09. Separate financial  
statements as of  
12-31-2020

## 09. Separate financial statements as of 12-31-2020

09. Separate financial  
statements as of  
12-31-2020

Statements of financial position

Separate statements of financial position

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

ASSETS	Notes / Exhibits	12/31/2020	12/31/2019	12/31/2018
CASH AND DEPOSITS WITH BANKS		9.797.303	6.275.131	16.823.176
Financial institutions and correspondents				
Current account		8.595.604	5.099.605	10.059.630
Other in Argentina and abroad		1.201.699	1.175.526	6.763.546
SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	A	7.978.037	309.510	865.905
DERIVATIVES	8	820	48	-
REPO TRANSACTIONS	5	9.925.706	8.869.377	1.873.060
OTHER FINANCIAL ASSETS	14.1	271.328	296.591	2.108.487
LOANS AND OTHER FINANCING FACILITIES	B/C	52.311.612	67.454.520	89.654.626
Nonfinancial government sector		388.823	522.652	784.576
Other financial institutions		6.615.140	11.550.556	20.036.125
Nonfinancial private sector and foreign residents		45.307.649	55.381.312	68.833.925
OTHER DEBT SECURITIES	A	11.581.505	6.905.019	10.486.596
FINANCIAL ASSETS DELIVERED IN GUARANTEE	4	690.758	1.993.447	1.949.743
CURRENT INCOME TAX ASSETS	17.1	131.787	-	-
INVESTMENTS IN EQUITY INSTRUMENTS	A	3.897.650	3.671.846	3.487.993
INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	E	1.288.369	912.505	933.648
PROPERTY AND BANK PREMISES	13.1/F	419.283	614.234	478.321
INTANGIBLE ASSETS	13.3/G	79.474	174.486	80.751
DEFERRED INCOME TAX ASSETS	17.1	2.171.790	1.292.019	493.806
OTHER NONFINANCIAL ASSETS	14.3	812.057	524.269	337.203
TOTAL ASSEETS		101.357.479	99.293.002	129.573.315

Notes 1 to 36 and Exhibits A to L and O to R to the accompanying separate financial statements are an integral part of these separate financial statements.

09. Separate financial  
statements as of  
12-31-2020

Statements of financial position

LIABILITIES	Notes / Exhibits	12/31/2020	12/31/2019	12/31/2018
DEPOSITS	H	42.446.842	37.967.888	51.225.669
Nonfinancial government sector		36.531.270	24.032.723	38.567.371
Nonfinancial private sector and foreign residents		5.915.572	13.935.165	12.658.298
DERIVATIVES	8	220	7.624	307.596
OTHER FINANCIAL LIABILITIES	14.2	15.375.218	14.639.621	13.956.673
FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS	15	19.210.549	21.262.248	26.530.644
CORPORATE BONDS ISSUED	32	2.804.546	5.237.493	7.974.610
CURRENT INCOME TAX LIABILITIES	17.1	-	149.123	342.353
PROVISIONS	16/J	167.283	157.352	207.822
OTHER NONFINANCIAL LIABILITIES	14.4	882.427	1.155.596	1.572.953
<b>TOTAL LIABILITIES</b>		<b>80.887.085</b>	<b>80.576.945</b>	<b>102.118.320</b>

NET EQUITY	Notes / Exhibits	12/31/2020	12/31/2019	12/31/2018
CAPITAL STOCK	1.3/K	11.880.229	11.535.033	11.399.893
CONTRIBUTIONS NOT CONVERTED INTO EQUITY		1.765	86.964	17.629
CAPITAL ADJUSTMENT		52.890.543	52.831.946	52.668.717
RETAINED EARNINGS		3.386.711	2.989.597	1.179.779
UNAPPROPRIATED RETAINED EARNINGS		(49.291.134)	(39.937.837)	(37.912.749)
OTHER ACCUMULATED COMPREHENSIVE INCOME (LOSS)		(150.469)	(152.057)	101.726
PROFIT FOR THE YEAR		1.752.749	(8.637.589)	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>20.470.394</b>	<b>18.716.057</b>	<b>27.454.995</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>101.357.479</b>	<b>99.293.002</b>	<b>129.573.315</b>

Notes 1 to 36 and Exhibits A to L and O to R to the accompanying separate financial statements are an integral part of these separate financial statements.

09. Separate financial  
statements as of  
12-31-2020

Statements of income

Separate statements of income

For the fiscal years ended December 31, 2020 and 2019. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements).

STATEMENTS OF INCOME	Notes / Exhibits	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Interest income	Q	14.222.351	30.300.254
Income from adjustments	Q	50.446	67.779
Interest expense	Q	(8.687.212)	(22.759.294)
INTEREST INCOME NET		5.585.585	7.608.739
Commission income	19.1 / Q	110.701	223.689
Commission expense	Q	(74.521)	(60.594)
COMMISSION INCOME NET		36.180	163.095
Net gain on financial instruments at fair value through profit or loss	Q	1.561.972	613.465
Gain/Loss on assets written off measured at amortized cost		(911)	-
Difference in quoted prices of foreign currency	19.2	2.724.715	1.087.274
Other operating income	19.3	1.128.686	1.016.535
Allowance for loan losses	R	(2.162.328)	(5.373.912)
NET OPERATING INCOME		8.873.899	5.115.196
Employee benefits	19.4	(1.767.765)	(2.133.153)
Administrative expenses	19.5	(707.764)	(1.418.356)
Depreciation and impairment in value of assets	F/F BIS/G	(183.226)	(148.825)
Other operating expenses	19.6	(1.128.665)	(1.181.409)
OPERATING INCOME		5.086.479	233.453
GAINS ON INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES		374.440	297.543
GAIN/LOSS FROM NET MONETARY POSITION		(4.505.220)	(9.913.007)
PROFIT BEFORE INCOME TAX		955.699	(9.382.011)
INCOME TAX	17.1	797.050	744.422
NET PROFIT / (LOSS)		1.752.749	(8.637.589)

Notes 1 to 36 and Exhibits A to L and O to R to the accompanying separate financial statements are an integral part of these separate financial statements.

09. Separate financial  
statements as of  
12-31-2020

Statements of other  
comprehensive income

Separate statements of other comprehensive income

For the fiscal years ended December 31, 2020 and 2019. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements).

OTHER COMPREHENSIVE INCOME (LOSS)	Notes / Exhibits	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Net profit / (loss)		1.752.749	(8.637.589)
Components of other comprehensive income (loss) not to be reclassified to profit for the year:			
POST-EMPLOYMENT DEFINED BENEFIT PLANS			
Accumulated actuarial losses from post-employment defined benefit plans	12.3	-	(34.103)
Components of other comprehensive income (loss) to be reclassified to profit for the year:			
GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (LOSS) (IFRS 9, point 4.1.2a)			
Gains or losses on financial instruments carried at fair value through OCI	Q	(169.985)	(84.415)
Income tax	17.1	53.619	34.976
GAINS (LOSSES) ON HEDGE INSTRUMENTS - CASH FLOW HEDGE (IFRS 9, 6.1.1)			
Profit (loss) for the year from the hedge instrument	8	19.084	(119.757)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		(97.282)	(203.299)
TOTAL COMPREHENSIVE INCOME		1.655.467	(8.840.888)

Notes 1 to 36 and Exhibits A to L and O to R to the accompanying separate financial statements are an integral part of these separate financial statements.

## Separate statements of changes in equity

For the years ended December 31, 2020, and 2019. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Changes	Note	Capital stock	Non-capitalized contributions		Adjustments to equity	Other comprehensive income (loss)			Retained earnings		Unappropriated retained earnings	Total shareholders' equity as of 12/31/2020
		Outstanding	Additional paid-in capital	Other		Accumulated gains or losses from postemployment defined benefit plans	Accumulated gains or losses from financial	Accumulated gains or losses from hedge instruments	Legal	Optional reserve		
Restated amounts at beginning of year		11.535.033	1.765	85.199	52.831.946	(34.103)	(91.973)	(25.981)	1.596.322	1.393.275	(48.575.426)	18.716.057
Total comprehensive income (loss)												
Total comprehensive income (loss)												
Profit for the year		-	-	-	-	-	-	-	-	-	1.752.749	1.752.749
Other comprehensive income(loss) for the year		-	-	-	-	-	(116.366)	19.084	-	-	-	(97.282)
Distribution of unappropriated retained earnings approved by the Shareholders' Meeting of May 29, 2020.												
Legal reserve	1.3	-	-	-	-	-	-	-	150.215	-	(150.215)	-
Optional reserve	1.3	-	-	-	-	-	-	-	-	246.899	(246.899)	-
Dividends in shares	1.3	259.997	-	-	58.597	-	-	-	-	-	(318.594)	-
Conversion into equity of irrevocable contributions	1.3	85.199	-	(85.199)	-	-	-	-	-	-	-	-
Reversal of reserves		-	-	-	-	-	91.973	6.897	-	-	-	98.870
Balances at year-end		11.880.229	1.765	-	52.890.543	(34.103)	(116.366)	-	1.746.537	1.640.174	(47.538.385)	20.470.394

Notes 1 to 36 and Exhibits A to L and O to R to the accompanying separate financial statements are an integral part of these separate financial statements.

09. Separate financial statements as of 12-31-2020

Statements of changes in equity

09. Separate financial  
statements as of  
12-31-2020

Statements of  
changes in equity

Changes	Note	Capital stock	Non-capitalized contributions		Adjustments to equity	Other comprehensive income (loss)			Retained earnings		Unappropriated retained earnings	Total shareholders' equity as of 12/31/2020
		Outstanding	Additional paid-in capital	Other		Accumulated gains or losses from postemployment defined benefit plans	Accumulated gains or losses from financial	Accumulated gains or losses from hedge instruments	Legal	Optional reserve		
Restated amounts at beginning of year		11,399.893	-	17,629	52,668.717	-	(42,534)	144,260	1,179.779	-	(37,912.749)	27,454.995
Total comprehensive income (loss)												
Total comprehensive income (loss)												
Profit for the year		-	-	-	-	-	-	-	-	-	(8,637.589)	(8,637.589)
Other comprehensive income(loss) for the year		-	-	-	-	(34,103)	(49,439)	(119,757)	-	-	-	(203,299)
Distribution of unappropriated retained earnings approved by the Shareholders' Meeting of May 29, 2020.												
Legal reserve		-	-	-	-	-	-	-	416,543	-	(416,543)	-
Optional reserve		-	-	-	-	-	-	-	-	1,393,275	(1,393,275)	-
Dividends in shares	1.3	114,895	-	-	100,374	-	-	-	-	-	(215,269)	-
Conversion into equity or capital increase approved by the Shareholders' Meeting	1.3	1	-	-	-	-	-	-	-	-	(1)	-
Conversion into equity of irrevocable contributions	1.3	17,629	-	(17,629)	-	-	-	-	-	-	-	-
Irrevocable contributions for future capital increases received during the year		-	-	85,199	60,573	-	-	-	-	-	-	145,772
Increase in capital stock and additional paid-in capital due to merger	1.2	2,615	1,765	-	2,282	-	-	-	-	-	-	6,662
Reversal of reserves		-	-	-	-	-	-	(50,484)	-	-	-	(50,484)
Balances at year-end		11,535.033	1,765	85,199	52,831,946	(34,103)	(91,973)	(25,981)	1,596,322	1,393,275	(48,575,426)	18,716,057

Notes 1 to 36 and Exhibits A to L and O to R to the accompanying separate financial statements are an integral part of these separate financial statements.



09. Separate financial  
statements as of  
12-31-2020

Statement of cash flows  
and cash equivalents

Separate statements of cash flows

For the years ended december 31, 2020 and 2019. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	Notes	12/31/2020	12/31/2019
Profit for the year before income tax		955.699	(9.382.011)
Adjustments from total monetary gain/loss for the year		4.505.220	9.913.007
Adjustments to determine cash flows provided by operating activities:		(5.282.264)	7.341.777
Amortization, depreciation and impairment in value	F/F BIS/G	183.226	148.825
Allowance for loan losses	R	2.162.328	5.373.912
Other adjustments		(7.627.818)	1.819.040
Net increase from operating assets:		4.403.473	17.209.418
Securities at fair value through profit or loss		(4.831.267)	556.395
Derivatives		(772)	(48)
Repo transactions		(1.056.329)	(6.996.317)
Loans and other financing facilities			
Nonfinancial government sector		133.829	261.924
Other financial institutions		4.984.751	8.571.270
Nonfinancial private sector and foreign residents		11.796.826	10.266.776
Other debt securities		(7.606.075)	2.886.292
Financial assets delivered in guarantee		1.302.689	(43.704)
Investments in equity instruments		(225.804)	(183.853)
Other assets		(94.375)	1.890.683
Net increases/(decreases) from operating liabilities:		4.730.438	(13.900.060)
Deposits			
Nonfinancial government sector		12.498.547	(14.534.648)
Nonfinancial private sector and foreign residents		(8.019.593)	1.276.867
Derivatives		(7.404)	(299.972)
Other liabilities		258.888	(342.307)
Income tax payments		(36.897)	-
TOTAL OPERATING ACTIVITIES		9.275.669	11.182.131

Notes 1 to 36 and Exhibits A to L and O to R to the accompanying separate financial statements are an integral part of these separate financial statements.

09. Separate financial  
statements as of  
12-31-2020

Statement of cash flows  
and cash equivalents

CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	Notes	12/31/2020	12/31/2019
<b>Payments:</b>			
Purchase of property and bank premises, intangible assets and other assets		(54.744)	-
Other payments related to investing activities		-	(256.227)
<b>Collections:</b>			
Sale of property and bank premises, intangible assets and other assets		732	-
Control lost over subsidiaries or other businesses		-	318.686
Other collections related to investing activities		33.907	146.518
<b>TOTAL INVESTING ACTIVITIES</b>		<b>(20.105)</b>	<b>208.977</b>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>			
<b>Payments:</b>			
Unsubordinated corporate bonds		(3.683.241)	(6.231.989)
BCRA (Central Bank of Argentina)		(706)	(1.572)
Financing received from financial institutions		(3.343.663)	(11.675.983)
Changes in the subsidiary that do not result in the parent losing control of the subsidiary			
Other payments related to financing activities		-	(4)
<b>Collections:</b>			
Issuance of proprietary equity instruments		-	6.662
Contributions for future capital increase		-	145.772
<b>TOTAL FINANCING ACTIVITIES</b>		<b>(7.027.610)</b>	<b>(17.757.114)</b>
<b>EFFECT OF CHANGES IN THE EXCHANGE RATE</b>		<b>2.960.049</b>	<b>1.705.094</b>
<b>EFFECT OF CASH FLOWS MONETARY GAINS/LOSS</b>		<b>(1.665.831)</b>	<b>(5.887.133)</b>
<b>TOTAL CHANGES IN CASH FLOWS</b>		<b>3.522.172</b>	<b>(10.548.045)</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>3.522.172</b>	<b>(10.548.045)</b>
<b>RESTATED CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	20	<b>6.275.131</b>	<b>16.823.176</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	20	<b>9.797.303</b>	<b>6.275.131</b>

Notes 1 to 36 and Exhibits A to L and O to R to the accompanying separate financial statements are an integral part of these separate financial statements.

09. Separate financial  
statements as of  
12-31-2020

Notes

**NOTE 1**  
**CORPORATE INFORMATION**

Note 1 to the consolidated financial statements contains the corporate information of Banco de Inversión y Comercio Exterior S.A. (the “Bank” or “BICE”).

On March 25, 2021, the Bank’s Board of Directors approved the issuance of these financial statements

**1.1. The Bank’s operations**

Note 1.1 to the consolidated financial statements describes the main transactions performed by the Bank.

**1.2 Merger**

Note 1.2. to the consolidated financial statements describes the preliminary merger agreement and approval of the merger of the subsidiaries BICE Leasing S.A. and BICE Factoring S.A.

**1.3. Equity interest**

Note 1.3 to the consolidated financial statements describes the Bank’s capital stock structure.

**1.4. Expiration date of the articles of incorporation**

Note 1.4 to the consolidated financial statements describes the expiration date of the articles of incorporation.

**NOTE 2**  
**CRITERIA FOR THE PREPARATION OF THE FINANCIAL STATEMENTS**

These separate financial statements for the year ended December 31, 2020 were prepared pursuant to BCRA regulations, whereby it is stated that entities under its supervision shall submit the financial statements prepared under International Financial Reporting Standards (IFRS), as issued by the IASB (International Accounting Standards Board) and adopted by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences), subject to the following exceptions (“BCRA accounting framework”):

09. Separate financial  
statements as of  
12-31-2020

Notes

a) In accordance with BCRA Communication “A” 6938, the Bank has applied the regulations described in Note 3.1 for the recognition of credit losses in these financial statements. Based on such regulations, the BCRA set forth that the Group “B” Financial Institutions shall start applying the provisions about Impairment of Financial Assets included in paragraph 5.5 of IFRS No. 9, for fiscal years beginning on or after January 1, 2021. On December 17, 2020, the BCRA issued Communication “A” 7181 that extended the effective date for fiscal years beginning on or after January 1, 2022. To such end, IFRS 9 provides for an expected credit loss model, whereby financial assets are classified into three impairment stages based on the changes in the credit quality since initial recognition. This indicates how an entity measures impairment losses and applies the effective interest method. It should be noted that by means of Communication “A” 6847, the BCRA set forth the special criterion

for measuring debt instruments of the nonfinancial government sector, which implies the temporary exclusion of such instruments from the scope of IFRS 9, impairment in value. To the date of issuance of these separate financial statements, the Bank is quantifying the effect of the application of section 5.5 “impairment in value” mentioned above, therefore, this effect should be considered upon interpreting the information disclosed by the Bank in the financial statements.

b) As provided for by Communication “A” 7014 issued by the BCRA on May 14, 2020 and to be effective as from such date, the debt instruments of the government sector received as swap are measured upon initial recognition at the book value at such date of the instruments delivered for replacement purposes. Consequently, the referred swap does not affect the separate statement of income.

As the securities received were classified as:

- Financial assets measured at fair value through other comprehensive income (loss), the difference between the book value upon acquisition and the market value at the end of the day of acquisition was recognized in other comprehensive income (loss). If the provisions of IFRS 9 had been applied, Other comprehensive income would have amounted to thousands of ARS 361,804, and a loss in the same amount would have been recognized in the statement of income for the year.
- Financial assets measured at amortized cost, the difference between the book value upon acquisition and the market value at the end of the day of acquisition was recognized in the statement of income. If the provisions of IFRS 9 had been applied, a loss in the amount of thousands of ARS 666,229 would have been recognized in the statement of income for the year.

c) Presentation of the loss on the net monetary position in “Other comprehensive income (loss)”

As provided for by BCRA Communication “A” 6849, loss on the net monetary position related to financial assets recognized at fair value with an impact on Other comprehensive income (loss) is presented in the “Statement of other comprehensive income (loss)” This situation implies a departure from the provisions of IAS 29 that require that gain/loss on net monetary position be presented in the “Statement of income”.

Based on the provisions of BCRA Communication “A” 7211, the amount of the gain/loss on net monetary position arising from the application of the disclosure criteria set forth by IAS 29 is thousands of ARS 25,656 as of December 31, 2019. No impact is recognized as of December 31, 2020.

09. Separate financial  
statements as of  
12-31-2020

Notes

The exceptions described imply a departure from the IFRS.

Additionally, BCRA Communications “A” 6323 and 6324 and amendments set forth the guidelines for the preparation and presentation of the financial institutions’ financial statements for fiscal years beginning on or after January 1, 2018, including the information additional requirements as well as the information to be disclosed in the Exhibits.

**NOTE 3**  
**BASIS FOR PRESENTATION OF THE**  
**FINANCIAL STATEMENTS**

**3.1. Significant accounting policies**

Note 3.1 through 3.9 to the consolidated financial statements thoroughly explains the significant accounting policies used in the financial statements and the new resolutions issued but not yet in effect as of the date of issuance of these financial statements. Everything explained there, except for note 3.6, is applicable to the separate financial statements.

Except for the disclosures made in Note 3.2 to the consolidated financial statements, the Bank has consistently applied the accounting policies detailed in Note 3.5 to the consolidated financial statements as of December 31, 2020 to all years presented in these financial statements.

**NOTE 4**  
**FINANCIAL ASSETS DELIVERED IN**  
**GUARANTEE AND RESTRICTED ASSETS**

As of December 31, 2020, 2019, and 2018, the Bank delivered as guarantee the financial assets detailed below:



09. Separate financial  
statements as of  
12-31-2020

Notes

Description	Beginning date	Purpose of the coverage	Amount guaranteed	Rate	Effective term	Carrying amount as of 21/31/2020
Securities delivered in guarantee for transactions carried out with the BCRA - DESARROLLO SAN JUAN program	3/12/2015	Auction	6.000	10%	Up to 15 years	4,831
Securities delivered in guarantee for the program FONDEFIN	4/10/2017	Auction	4.000	11,1%	Working capital 1 year /Investment: 3 to 10 years	2,684
Securities delivered in guarantee for transactions carried out with the MAE	5/15/2017	Transaction	N/A	N/A	N/A	8,588
Securities delivered in guarantee for transactions carried out with ROFEX	12/12/2017	Transaction	N/A	N/A	N/A	667,540
Securities delivered in guarantee for transactions carried out with BYMA	9/11/2020	Transaction	N/A	N/A	N/A	1,609
Lease security deposits in cash	(*)	Rentals	N/A	N/A	N/A	3,253
Guarantee account with the BCRA	N/A	Transaction	N/A	N/A	N/A	2,253
Total						690,758

Description	Beginning date	Purpose of the coverage	Amount guaranteed	Rate	Effective term	Carrying amount as of 21/31/2019
Securities delivered in guarantee for transactions carried out with the BCRA -DESARROLLO SAN JUAN program	3/12/2015	Auction	6.000	10%	Up to 15 years	24,464
Securities delivered in guarantee for the program FONDEFIN	4/10/2017	Auction	4.000	11,1%	Working capital 1 year /Investment: 3 to 10 years	15,638
Securities delivered in guarantee for transactions carried out with the MAE	5/15/2017	Transaction	N/A	N/A	N/A	6,503
Securities delivered in guarantee for transactions carried out with ROFEX	12/12/2017	Transaction	N/A	N/A	N/A	1,940,555
Lease security deposits in cash	(*)	Rentals	N/A	N/A	N/A	5,973
Guarantee account with the BCRA	N/A	Transaction	N/A	N/A	N/A	314
Total						1,993,447

(\*) Rentals effective at year-end.

09. Separate financial  
statements as of  
12-31-2020

Notes

Description	Beginning date	Purpose of the coverage	Amount guaranteed	Rate	Effective term	Carrying amount as of 21/31/2018
Securities delivered in guarantee for transactions carried out with the BCRA -DESARROLLO SAN JUAN program	3/12/2015	Auction	6.000	10%	Up to 15 years	44,571
Securities delivered in guarantee for the program FONDEFIN	4/10/2017	Auction	4.000	11,1%	Working capital 1 year /Investment: 3 to 10 years	17,047
Securities delivered in guarantee for transactions carried out with the MAE	5/15/2017	Transaction	N/A	N/A	N/A	11,848
Securities delivered in guarantee for transactions carried out with ROFEX	12/12/2017	Transaction	N/A	N/A	N/A	1,867,583
Lease security deposits in cash	(*)	Rentals	N/A	N/A	N/A	8,210
Guarantee account with the BCRA	N/A	Transaction	N/A	N/A	N/A	484
Total						1,949,743

(\*) Rentals effective at year-end.

Bank Management estimates that there will be no losses as a result of the restrictions on the abovementioned assets.

NOTE 5  
REPO TRANSACTIONS

Note 5 to the consolidated financial statements details the repo transactions executed with the BCRA and other financial institutions as of December 31, 2020, 2019, and 2018.

NOTE 6  
ADJUSTMENT DUE TO LOSSES.  
ALLOWANCE FOR LOAN LOSSES AND  
OTHER FINANCING FACILITIES

The following tables show the changes in the allowance by type of loans and other financing facilities:



09. Separate financial  
statements as of  
12-31-2020

Notes

	Commercial loan portfolio Allowance determined individually	Consumer and housing borrowing portfolio Allowance not determined individually	TOTAL
<b>As of December 31, 2019</b>	<b>4,335,510</b>	<b>498,356</b>	<b>4,833,866</b>
Charges	1,242,845	562,498	1,805,343
Reversals	( 281,210)	( 130,261)	( 411,471)
Utilizations	( 1,472,753)	( 206,677)	( 1,679,430)
Monetary gains/losses	( 1,433,556)	( 53,383)	( 1,486,939)
<b>As of December 31, 2020</b>	<b>2,390,836</b>	<b>670,533</b>	<b>3,061,369</b>

	Commercial loan portfolio Allowance determined individually	Consumer and housing borrowing portfolio Allowance not determined individually	TOTAL
<b>As of December 31, 2018</b>	<b>1,484,441</b>	<b>249,289</b>	<b>1,733,730</b>
Charges	3,722,989	515,818	4,238,807
Reversals	( 188,478)	( 171,298)	( 359,776)
Utilizations	( 162,265)	( 7,929)	( 170,194)
Monetary gains/losses	( 521,177)	( 87,524)	( 608,701)
<b>As of December 31, 2019</b>	<b>4,335,510</b>	<b>498,356</b>	<b>4,833,866</b>

The changes related to charges, reversals and utilizations of these allowances as of December 31, 2020, 2019 and 2018 are disclosed in Exhibit R “Adjustment due to losses. Allowance for loan losses”.

## NOTE 7 CONTINGENT TRANSACTIONS

Note 7 to the consolidated financial statements details the contingent transactions as of December 31, 2020, 2019, and 2018.

## NOTE 8 DERIVATIVE FINANCIAL INSTRUMENTS

Note 8 to the consolidated financial statements includes the information related to the Bank’s financial instruments as of December 31, 2020, 2019 and 2018.

## NOTE 9 LEASES

According to IFRS 16, as from the year beginning on January 1, 2019, the Bank and its subsidiaries assess all the contracts executed to identify whether they contain a lease, i.e. the right to control the use of an identified asset for a period of time for consideration.

### Operating lease commitments: Bank as lessee:

The Bank entered into commercial contracts involving the lease of offices, photocopying machines and a water dispenser. These lease contracts have an average life of one to seven years and contain no restrictions for the Bank. According to the exemptions allowed by IFRS 16, the Bank opted not to apply the recognition and measurement standards

09. Separate financial statements as of 12-31-2020

Notes

related to short-term lease contracts and those in which underlying assets have a low value.

As of December 31, 2020 and 2019, the assets recognized for the right to use the assets identified in the lease contracts previously mentioned amount to thousands of ARS 232,231 and thousands of ARS 315,968 (Exhibit F), respectively. Those assets were measured at cost, less any accumulated depreciation and accumulated impairment losses, and were charged to “Bank premises and equipment”. Asset depreciation charges for the year ended December 31, 2020 and 2019 amounted to thousands of ARS 85,553 (Exhibit F) and thousands of ARS 85,283, respectively and are recognized in “Depreciation and impairment in value of assets”.

The liabilities arising from lease contracts as of December 31, 2020 and 2019, amounted to thousands of ARS 269,625 and thousands of ARS 345,383 (Note 14.2), respectively. Those liabilities were measured at the present value of lease payments discounted at their imputed rates, increased by accrued interest, less payments made, and they were charged to “Other financial liabilities”. Interest accrued from those liabilities for the year ended December 31, 2020 and 2019, amounted to thousands of ARS 17,959 and thousands of ARS 23,532, respectively and it is recognized in “Other operating expenses” (Note 19.6).

Operating lease commitments: Bank as lessor:

The Bank entered into commercial contracts to lease its investment property, including three pieces of real property. The term for these leases is as follows:

Real property	Term
Piece of real property at 25 de Mayo 526	5 years
Piece of real property Carlos Pellegrini 675(*)	3 years
Piece of real property Puerto Deseado	2 years

(\*) Contract in force as from October 1, 2020. The amount of the contract is thousands of ARS 39,600.

The minimum future payments for non-cancellable operating lease contracts are as follows:

Term	12/31/2020	12/31/2019
Up to 1 year (**)	30,665	18,160
From 1 to 3 years	57,420	33,269
More than 3 years	11,440	33,269
Total	99,525	84,698

(\*\*) The contract for the piece of real property Puerto Deseado is monthly extended as provided for by Decree 766/2020.

Finance lease commitments and lease options:

The Bank entered into financial lease contracts related to machinery and vehicles.

The carrying amount of the assets incorporated under finance leases as of December 31, 2020, 2019 and 2018, amounts to thousands of ARS 4,675,126, thousands of ARS 6,915,047 and thousands of ARS 10,256,759, respectively. These assets were granted as collateral for the related finance leases.

The following table shows total gross investment in finance leases agreed to the present value of minimum payments to be received therefrom:

09. Separate financial statements as of 12-31-2020

Notes

Term	Balances as of 12/31/2020		Balances as of 12/31/2019		Balances as of 12/31/2018	
	Total investment	Current value of minimum payments	Total investment	Current value of minimum payments	Total investment	Current value of minimum payments
From 1 to 5 years	6,466,150	4,675,126	9,184,495	6,915,047	12,796,082	10,256,759
Total	6,466,150	4,675,126	9,184,495	6,915,047	12,796,082	10,256,759

As of December 31, 2020, 2019, and 2018, accumulated allowances for loan losses amount to thousands of ARS 535,480; thousands of ARS 599,047 and thousands of ARS 242,032, respectively (Exhibit R).

NOTE 10  
INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The Bank does not have any investments in associates or joint ventures to the date of issuance of these financial statements.

NOTE 11  
RELATED PARTIES

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

- has control or joint control over the Bank;
- has significant influence over the Bank;
- is a member of the key management personnel of the reporting entity or of a parent of the Bank;
- is a member of the same group.

Pursuant to IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Bank, directly or indirectly. Based on such definition, as of December 31, 2020, the Bank considers that key personnel include the Board members and the General Manager.

Below is a breakdown of the most significant transactions and balances with related parties, subject to the exception of paragraph 25 of IAS 24 and considering that the shareholders are BNA and the Ministry of Production Development.

09. Separate financial  
statements as of  
12-31-2020

## Notes

	12/31/2020	12/31/2019	12/31/2018
<b>Ministry of Production Development</b>			
Loans and other financing facilities	312,368	319,414	449,994
Other financial assets	-	-	23,753
Other financial liabilities (Note 14.2)	(14,754,999)	(13,691,216)	(13,192,320)
<b>BNA</b>			
Cash and deposits with banks	1,167,934	1,149,268	6,718,643
Loans and other financing facilities	4,165,258	4,036,653	-
Financing obtained from the BCRA and other financial institutions (Note 15)	(1,587,358)	(2,655,189)	(4,862,777)
Other financial liabilities (Note 14.2)	(135,737)	(123,196)	(94,758)

Profit or loss arising from transactions with related parties are detailed below:

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
<b>Ministry of Production Development</b>		
Interest income	279,260	398,987
Interest expense	( 301,879)	(380,619)
Commission income	3,150	765
<b>BNA</b>		
Interest income	9,028	10,426
Interest expense	( 301,426)	( 492,491)
Commission expense	( 9,777)	( 223)
Net gain on financial instruments carried at fair value	( 8)	-
Allowance for loan losses	( 42,073)	( 889)

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

Directors do not assume any executive positions at the Bank and, therefore, they do not earn any other remuneration, and the Bank's policy does not contemplate the possibility of granting other benefits such as equity interests.

The Bank has not granted share-backed loans to directors or other key management personnel. The compensation of key management personnel comprising salaries, fees and bonuses amounts to thousands of ARS 55,622 and thousands of ARS 62,632 as of December 31, 2020, and 2019, respectively.

As of December 31, 2020, 2019 and 2018, loans to employees amount to thousands of ARS 5,554, thousands of ARS 9,950 and thousands of ARS 4,958, respectively.

**NOTE 12**  
**EMPLOYEE BENEFITS PAYABLE****12.1. Short-term benefits**

The amounts payable to employee on account of short-term benefits are as follows:

09. Separate financial  
statements as of  
12-31-2020

Notes

	12/31/2020	12/31/2019	12/31/2018
Payroll and social security contributions payable	50,711	55,530	63,815
Provision for vacation days not taken	129,637	100,479	116,358
Provision for performance bonus	-	251,614	180,048
<b>Total short-term benefits (Note 14.4)</b>	<b>180,348</b>	<b>407,623</b>	<b>360,221</b>

12.2. Long-term benefits

The provision set up for the abovementioned benefits is broken down below:

	12/31/2020	12/31/2019	12/31/2018
5-year award	181	200	-
10-year award	5,174	6,750	1,751
20-year award	7,667	8,899	2,373
<b>Total long-term benefits (Note 14.4)</b>	<b>13,022</b>	<b>15,849</b>	<b>4,124</b>

12.3. Post employment benefits:

The provision set up for the abovementioned benefits is broken down below:

	12/31/2020	12/31/2019	12/31/2018
Post-employment benefit (Exhibit J)	152,934	140,571	74,705
<b>Total Post employment benefits</b>	<b>152,934</b>	<b>140,571</b>	<b>74,705</b>

12.4. Key assumptions used in measuring the present value of benefit liabilities

Note 12.4 to the consolidated financial statements as of December 31, 2020 discloses the main key assumptions used in determining the liabilities arising from post-employment benefit plans.

NOTE 13  
FIXED ASSETS

13.1. Bank premises and equipment

The account includes the assets owned by the Bank, used for its specific activity.

The changes in these assets as of December 31, 2020, 2019, and 2018 are disclosed in Exhibit F “Changes in Bank premises and equipment”.

13.2. Investment properties

The account includes the investment properties owned by the Bank, used for its specific activity.

The changes in these assets as of December 31, 2020, 2019, and 2018 are disclosed in exhibit F BIS “Changes in investment properties”.

13.3. Intangible assets

The account includes the intangible assets owned by the Bank, used for its specific activity.

The changes in these assets as of December 31, 2020, 2019, and 2018 are disclosed in Exhibit G “Changes in intangible assets”.

NOTA 14  
OTHER ASSETS AND LIABILITIES

14.1. Other financial assets

The Other financial assets held by the Bank are detailed as follows:

09. Separate financial  
statements as of  
12-31-2020

Notes

Item	Amount as of 12/31/2020	Amount as of 12/31/2019	Amount as of 12/31/2018
Sundry receivables	351,430	385,137	843,165
Investment in financial assets (former subsidiaries)	-	-	1,372,671
<b>Subtotal Other financial assets</b>	<b>351,430</b>	<b>385,137</b>	<b>2,215,836</b>
Allowance for loan losses (Exhibit R)	( 80,102)	( 88,546)	( 107,349)
<b>Total Other financial assets</b>	<b>271,328</b>	<b>296,591</b>	<b>2,108,487</b>

14.2. Other financial liabilities

The Other financial liabilities held by the Bank are detailed as follows:

	Payables as of 12/31/2020	Payables as of 12/31/2019	Payables as of 12/31/2018
Productive Transformation Department (Ministry of Production Development)- PROCER (Note 11)	511,286	685,906	1,055,146
Productive Transformation Department (Ministry of Production Development)- FONCER (Note 11)	136,309	185,572	285,470
Finance Fund for Developing the Río de la Plata Basin – FONPLATA (Ministry of Production Development) (Note 11)	1,854,986	3,471,683	3,151,005
Banco Europeo de Inversiones (BEI) line – (Ministry of Production Development) (Note 11)	6,272,072	5,969,295	5,619,155
World Bank line (Ministry of Production Development)(Note 11)	2,531,822	2,368,991	2,220,178
Fontar (Argentine technological fund)	121	660	2,651
Productive Transformation Department (Ministry of Production Development)- PROCER II (Note 11)	2,804,081	-	-
Finance lease (Note 9)	269,625	345,383	-
Administration of the program to boost the competitiveness of regional economies (PROCER – Ministry of Production Development) (Note 11)	644,443	1.009.769	861,366
Interest on BNA preferred stock (Note 11)	135,737	123,196	94,758
<b>Subtotal Other financial liabilities</b>	<b>15,160,482</b>	<b>14,160,455</b>	<b>13,289,729</b>
Other financial liabilities	214,736	479,166	666,944
<b>Total Other financial liabilities</b>	<b>15,375,218</b>	<b>14,639,621</b>	<b>13,956,673</b>

14.3. Other nonfinancial assets

The Other nonfinancial assets held by the Bank are detailed as follows:

09. Separate financial  
statements as of  
12-31-2020

Notes

Item	Amount as of 12/31/2020	Amount as of 12/31/2019	Amount as of 12/31/2018
Directors' and statutory auditors' fee advances	47,142	47,107	48,478
Advances to personnel	5,554	9,950	4,958
Prepayments	148,002	32,429	82,783
Prepayments for the purchase of assets	72,083	54,251	26,170
Investment properties (Exhibit F BIS)	505,820	346,115	54,983
Tax withholdings and collections	28,999	30,037	71,331
<b>Subtotal Other nonfinancial assets</b>	<b>807,600</b>	<b>519,889</b>	<b>288,703</b>
Other nonfinancial assets	4,457	4,380	48,500
<b>Total Other nonfinancial assets</b>	<b>812,057</b>	<b>524,269</b>	<b>337,203</b>

14.4. Other nonfinancial liabilities

The Other nonfinancial liabilities held by the Bank are detailed as follows:

Item	Payables as of 12/31/2020	Payables as of 12/31/2019	Payables as of 12/31/2018
Provision for Directors' fees	51,940	54,410	50,552
Provision for Statutory auditors' fees	12,899	12,369	14,815
Bonus collected in advance	91,857	180,098	288,933
Collections made in advance	30,796	56,689	114,042
Interest collected in advance	80	109	-
Provision for short-term employee benefits (Note 12.1)	180,348	407,623	360,221
Provision for long-term employee benefits (Note 12.2)	13,022	15,849	4,124
Other taxes payable	383,280	339,017	574,051
Other creditors	116,006	89,432	166,215
<b>Subtotal Other nonfinancial liabilities</b>	<b>880,228</b>	<b>1,155,596</b>	<b>1,572,953</b>
Other nonfinancial liabilities	2,199	-	-
<b>Total Other nonfinancial liabilities</b>	<b>882,427</b>	<b>1,155,596</b>	<b>1,572,953</b>

NOTE 15  
FINANCING OBTAINED FROM THE BCRA  
AND OTHER FINANCIAL INSTITUTIONS

The table below details the financing received:



09. Separate financial  
statements as of  
12-31-2020

Notes

Item	Payables as of 12/31/2020	Payables as of 12/31/2019	Payables as of 12/31/2018
China Development Bank (CDB)	10,161,543	1,467,063	13,111,505
International Development Bank (IDB)	993,140	662,108	3,001,631
International Development Bank (IDB)- sustainable bond	1,860,690	2,418,746	2,359,691
Foreign Trade Bank of Latin America (BLADEX)	-	-	2,402,523
Corporación Andina de Fomento (CAF)	-	-	792,517
Agencia Francesa de Desarrollo (AFD)	4,607,818	4,059,142	-
Banco de la Nación Argentina (Note 11)	1,587,358	2,655,189	4,862,777
Total financing obtained from the BCRA and other financial institutions	19,210,549	21,262,248	26,530,644

NOTE 16  
PROVISIONS

It includes the amounts estimated to meet current obligations that are probable.

Exhibit J “Changes in provisions” shows the changes in provisions over the year ended December 31, 2020. The increases in provisions in Exhibit J include the increase in the amount discounted as a result of the time elapsed and the effect of the change in the discount rate.

As of December 31, 2020, 2019 and 2018, the main provisions are as follows:

• Provisions for contingencies: Including the following provisions:

• Provision for court expenses arising from the turnover tax claim for the 2002-2004 period: Related to the provision for fees that may be set for the professionals involved in Case No. 14656/2009 (accountant expert witness and Buenos Aires City’s legal counsel). It is estimated that such amount and payment request as of December 31, 2020, 2019 and 2018 amounts to thousands of ARS 2,551, thousands of ARS 7,533 and thousands of ARS 12,764, respectively.

• Other contingencies involving labor lawsuits filed against the Bank. It is estimated that such amount and payment request as of December 31, 2020, 2019 and 2018 amounts to thousands of ARS 11,798, thousands of ARS 9,248 and thousands of ARS 36,726, respectively.

• Other contingencies: The provision was set up for the probable estimate of the amount to be disbursed in connection with the differences arising from the inspection made by the AGIP (Buenos Aires City Public Revenue Agency) on the turnover tax base for fiscal years 2014-2016, which in 2018 amounted to thousands of ARS 93,627

• Provision for post-employment defined benefit plans: related to the provision for post-employment benefits detailed in Note 12.3.

09. Separate financial statements as of 12-31-2020

Notes

The provision set up for the probable estimate of the amount to be disbursed in connection with the differences arising from the inspection made by the AGIP (Buenos Aires City Public Revenue Agency) on the turnover tax base for tax years 2014-2016 was used, since, by virtue of Record No. 1116, BICE’s Board of Directors approved the Bank joining the “Special system to amend tax obligations due on July 31, 2019”, established by Law No. 6195. Joining that system implied that compensatory and punitive interest for amended obligations be forgiven as well as the formal or monetary fines. The balance of the liability is presented in “Other nonfinancial liabilities” in the total amount of thousands of ARS 40,975.

In the opinion of the Bank’s Management and its legal counsels, there are no significant effects other than those disclosed in these separate financial statements, the amounts and payment terms of which were recorded based on the current value of those estimates as well as the probable date of their final resolution.

NOTE 17  
INCOME TAX

**17.1. Income tax**  
The Income tax shall be recognized by applying the liability method, which consists in recognizing (as a credit or debit) the tax effect of temporary differences between the carrying amount and tax base of assets and liabilities, and subsequently recording them in the statement of income for the years in which such differences are reversed, also considering the use of the tax loss carryforwards in the future.

The current income tax assets/liabilities disclosed in the statement of financial position are detailed as follows:

Income Tax	12/31/2020
Income tax prepayments	6,192
Other credits	30,705
Minimum presumed income tax (Note 17.2)	94,890
Net assets as of 12/31/2020	131,787

Income Tax	BICE	Merged companies		Position as of 12/31/2019
		BICE Leasing	BICE Factoring	
Income tax prepayments	8,430	158,959	126,902	294,291
Other credits	15,528	16,601	100,408	132,537
Provision for income tax	-	( 413,659)	( 291,475)	( 705,134)
Minimum presumed income tax	129,183	-	-	129,183
Net assets /(liabilities) as of 12/31/2019	153,141	( 238,099)	( 64,165)	( 149,123)

09. Separate financial  
statements as of  
12-31-2020

## Notes

Income Tax	BICE	Merged companies		Position as of 12/31/2018
		BICE Leasing	BICE Factoring	
Income tax prepayments	173,147	47,873	30,592	251,612
Other credits	18,377	4,930	200,281	223,588
Provision for income tax	( 17,525)	( 565,228)	( 421,794)	( 1,004,547)
Minimum presumed income tax	186,994	-	-	186,994
<b>Net assets /(liabilities) as of 12/31/2018</b>	<b>360,993</b>	<b>( 512,425)</b>	<b>( 190,921)</b>	<b>( 342,353)</b>

As of December 31, 2020, 2019 and 2018, deferred tax assets, net amounted to thousands of ARS 2,171,790, thousands of ARS 1,292,019 and thousands of ARS 493,806, respectively. The deferred tax assets and liabilities included in the statement of financial position are as follows:

	12/31/2020	12/31/2019	12/31/2018
<b>Deferred tax assets:</b>			
Loans	444,930	2,132,487	1,174,273
Other nonfinancial assets	16,835	-	-
Provisions included in liabilities	50,185	21,586	47,151
Inflation adjustment	1,908,951	490,606	-
Tax loss 2019	339,269	-	-
Employee benefits	42,794	66,759	56,535
<b>Other</b>	<b>5,070</b>	<b>1,836</b>	<b>49,382</b>
<b>Total deferred assets</b>	<b>2,808,034</b>	<b>2,713,274</b>	<b>1,327,341</b>
<b>Deferred tax liabilities:</b>			
Financial Instruments	( 120,044)	( 381,598)	( 3,545)
Investments in equity instruments	( 288,073)	( 831,502)	( 683,989)
Corporate bonds	( 22,274)	( 865)	( 2,728)
Loans and other financing facilities	( 58,105)	( 11,285)	( 12,217)
Finance lease	( 10,061)	( 39,940)	-
Other	( 8,842)	( 54,338)	( 59,496)
Bank premises and equipment	( 128,845)	( 101,727)	( 71,560)
<b>Total deferred liabilities</b>	<b>( 636,244)</b>	<b>( 1,421,255)</b>	<b>( 833,535)</b>
<b>Deferred tax assets, net</b>	<b>2,171,790</b>	<b>1,292,019</b>	<b>493,806</b>

09. Separate financial  
statements as of  
12-31-2020

Notes

The changes in deferred tax assets/  
liabilities, net, as of December 31, 2020,  
2019, and 2018 is summarized as follows:

	Position as of 12/31/2020
Deferred tax assets at beginning of year, net	1,292,019
Monetary gains/losses	( 231,939)
Deferred tax benefit recognized in profit or loss (net of the reversal of the provision)	1,139,555
Use of the tax loss in connection with the income tax	( 48,670)
Reversal of OCI reserve for reclassified securities	( 30,170)
Deferred tax expense through other comprehensive income	50,995
<b>Deferred assets as of 12/31/2020</b>	<b>2,171,790</b>

	BICE	Merged companies		Position as of 12/31/2019
		BICE Leasing	BICE Factoring	
Deferred tax assets at beginning of year, net	220,528	184,309	88,969	493,806
Monetary gains/losses	245,244	64,437	31,134	340,815
Deferred tax expense through profit or loss	565,464	( 82,104)	( 60,938)	422,422
Deferred tax expense through other comprehensive income	34,976	-	-	34,976
<b>Deferred assets as of 12/31/2019</b>	<b>1,066,212</b>	<b>166,642</b>	<b>59,165</b>	<b>1,292,019</b>

	BICE	Merged companies		Position as of 12/31/2018
		BICE Leasing	BICE Factoring	
Deferred tax assets at beginning of year, net	( 37,352)	163,406	36,078	162,132
Deferred tax expense through profit or loss	248,497	20,857	52,938	322,292
Deferred tax expense through other comprehensive income	9,382	-	-	9,382
<b>Deferred assets as of 12/31/2018</b>	<b>220,527</b>	<b>184,263</b>	<b>89,016</b>	<b>493,806</b>

The income tax expense disclosed in the  
income statement differs from the income  
tax expense that would result if all profits  
had been subject to the current tax rate.

The following table shows a reconciliation  
between the income tax expense and the  
amounts arising from applying the effective  
tax rate in Argentina to taxable profit:

09. Separate financial  
statements as of  
12-31-2020

Notes

	12/31/2020	12/31/2019
Income/ (loss) before income tax	955,699	( 9,382,011)
Other comprehensive income (loss) before income tax	( 150,901)	( 204,172)
<b>Total comprehensive income (loss) before income tax</b>	<b>804,798</b>	<b>( 9,586,183)</b>
Statutory income tax rate	30%	30%
Tax on income	( 241,439)	2,875,855
Permanent differences		
Non-deductible expenses (Law 24475)	( 131)	( 404)
Adjustment due to change in tax rate	8,152	-
Investments in equity instruments	41,230	40,434
Other equity interests	185,967	23,673
Other adjustments	35,862	-
Overstated/(understated) provision for income tax for the year	3,638	( 9,971)
Reversal /(allowance) tax loss	1,134,918	( 606,378)
Tax inflation adjustment	( 29,301)	598,010
Accounting inflation adjustment	( 288,227)	( 2,498,391)
Permanent differences of merged companies	-	356,570
<b>Total income tax benefit</b>	<b>850,669</b>	<b>779,398</b>

The income tax benefit disclosed in the statement of income is broken down as follows:

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Current income tax expense	( 48,670)	( 8,844)
Deferred tax benefit for the year	842,082	763,237
Overstated/(understated) provision for income tax for the year	3,638	( 9,971)
Deferred tax benefit through other comprehensive income (including accounting inflation adjustment)	53,619	34,976
<b>Total income tax benefit</b>	<b>850,669</b>	<b>779,398</b>

As of December 31, 2020, the Bank held a tax loss carryforward in connection with the income tax in the amount of thousands of ARS 399,269 to be offset against future taxable income, which is deemed to be recoverable before the expiration thereof in year 2024. Additionally, during the fiscal year, the Bank has offset income tax balances against prior tax losses in the total amount of thousands of ARS 48,670.

09. Separate financial statements as of 12-31-2020

Notes

17.2. Minimum presumed income tax

The minimum presumed income tax was established in fiscal year 1998 by Law No. 25063 for a term of ten fiscal years. After successive extensions, the referred tax was repealed by Law No. 27260 effective as from period 2019. The minimum presumed income tax was supplementary to the income tax because, whereas the latter was levied on taxable income for the year, minimum presumed income tax was a minimum levy on the potential income of certain productive assets at a 1% rate. Therefore, the Company’s tax liability was represented by the highest of the two taxes. The law that gave rise to this tax sets forth that, in case of entities under the Financial Institutions Law, they had to consider as taxable income 20% of their taxable assets, after deducting those assets defined as noncomputable.

However, if minimum presumed income tax exceeded income tax in a given fiscal year, such excess could be computed as a credit towards future income taxes, in excess of minimum presumed income tax, occurring in any of the next ten fiscal years, once the accumulated tax loss carryforwards have been used.

As of December 31, 2020, no minimum presumed income tax was assessed because it was repealed. A minimum presumed income tax balance of thousands of ARS 94,890 remains, as assessed in 2018 (Note 17.1).

17.3. Tax Reform

Note 17.3 to the consolidated financial statements describes the information on the tax reform.

17.4. Tax inflation adjustment

Note 17.4 to the consolidated financial statements describes the information on the inflation adjustment for tax purposes.

17.5. Corporate income tax rate

Note 17.5 to the consolidated financial statements describes the information on the corporate income tax rate.

NOTE 18  
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, 2020, 2019, and 2018:

09. Separate financial  
statements as of  
12-31-2020

Notes

	Past due/ with no due date	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	Total as of 12/31/2020
Cash and deposits with banks	9,797,303	-	-	-	-	-	-	9,797,303
Securities at fair value through profit or loss	19,609	4,439,680	2,221,280	778,125	116,153	305,205	97,985	7,978,037
Derivative instruments	-	820	-	-	-	-	-	820
Repo transactions	-	9,925,706	-	-	-	-	-	9,925,706
other financial assets (not including allowances)	351,430	-	-	-	-	-	-	351,430
Loans and other financing facilities (not including allowances)	5,109,931	11,649,218	3,129,363	4,812,364	5,829,712	8,880,625	15,961,768	55,372,981
Nonfinancial government sector	4,384	326,343	24,571	33,187	338	-	-	388,823
Other financial institutions	-	531,491	593,292	1,142,101	1,251,363	1,755,630	1,408,612	6,682,489
Nonfinancial private sector and foreign residents	5,105,547	10,791,384	2,511,500	3,637,076	4,578,011	7,124,995	14,553,156	48,301,669
Other debt securities (not including allowances)	822,167	4,626,448	54,748	1,216,084	116,813	535,601	5,043,415	12,415,276
Financial assets granted as collaterals	2,253	463	2,752	-	39	-	685,251	690,758
Investments in equity instruments	3,897,650	-	-	-	-	-	-	3,897,650
Allowances deducted from assets (Exhibit R)	( 3,975,242)	-	-	-	-	-	-	( 3,975,242)
<b>TOTAL ASSETS</b>	<b>16,025,101</b>	<b>30,642,335</b>	<b>5,408,143</b>	<b>6,806,573</b>	<b>6,062,717</b>	<b>9,721,431</b>	<b>21,788,419</b>	<b>96,454,719</b>
Deposits	-	30,859,450	11,577,192	10,200	-	-	-	42,446,842
Nonfinancial government sector	-	29,194,431	7,336,839	-	-	-	-	36,531,270
Nonfinancial private sector and foreign residents	-	1,665,019	4,240,353	10,200	-	-	-	5,915,572
Derivative instruments	-	220	-	-	-	-	-	220
Other financial liabilities	-	2,238,282	600,089	162,767	696,437	1,390,176	10,287,467	15,375,218
Financing facilities received from the BCRA and other financial institutions	-	47,260	158,159	2,438,023	1,744,549	3,759,445	11,063,113	19,210,549
Corporate bonds issued	-	2,804,546	-	-	-	-	-	2,804,546
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>35,949,758</b>	<b>12,335,440</b>	<b>2,610,990</b>	<b>2,440,986</b>	<b>5,149,621</b>	<b>21,350,580</b>	<b>79,837,375</b>



09. Separate financial  
statements as of  
12-31-2020

Notes

	Past due/ with no due date	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	Total as of 12/31/2019
Cash and deposits with banks	6,275,131	-	-	-	-	-	-	6,275,131
Securities at fair value through profit or loss	20,567	-	-	-	16,854	56,519	215,570	309,510
Derivative instruments	-	48	-	-	-	-	-	48
Repo transactions	-	8,869,377	-	-	-	-	-	8,869,377
Other financial assets (not including allowances)	385,137	-	-	-	-	-	-	385,137
Loans and other financing facilities (not including allowances)	4,829,820	11,265,870	5,811,886	6,040,680	6,663,321	12,026,115	25,650,694	72,288,386
Nonfinancial government sector	3,027	332,018	22,275	33,435	66,958	64,939	-	522,652
Other financial institutions	494	487,141	867,044	1,345,277	2,376,337	3,158,094	3,432,853	11,667,240
Nonfinancial private sector and foreign residents	4,826,299	10,446,711	4,922,567	4,661,968	4,220,026	8,803,082	22,217,841	60,098,494
Other debt securities (not including allowances) (*)	152,861	81,923	349,702	669,102	3,845,302	1,391,844	1,155,728	7,646,462
Financial assets delivered in guarantee (*)	16,707	-	163	3,574	1,941,585	448	30,970	1,993,447
Investments in equity instruments	3,671,846	-	-	-	-	-	-	3,671,846
Allowances deducted from assets (Exhibit R)	( 5,663,855)	-	-	-	-	-	-	( 5,663,855)
<b>TOTAL ASSETS</b>	<b>9,688,214</b>	<b>20,217,218</b>	<b>6,161,751</b>	<b>6,713,356</b>	<b>12,467,062</b>	<b>13,474,926</b>	<b>27,052,962</b>	<b>95,775,489</b>
Deposits	-	18,460,344	8,493,654	11,013,890	-	-	-	37,967,888
Nonfinancial government sector	-	12,201,837	2,580,230	9,250,656	-	-	-	24,032,723
Nonfinancial private sector and foreign residents	-	6,258,507	5,913,424	1,763,234	-	-	-	13,935,165
Derivative instruments	-	7,624	-	-	-	-	-	7,624
Other financial liabilities	-	2,061,091	75,732	41,794	409,441	1,639,372	10,412,191	14,639,621
Financing facilities obtained from the BCRA and other financial institutions	-	55,085	121,100	1,382,316	1,350,060	4,473,288	13,880,399	21,262,248
Corporate bonds issued	-	579,447	7,847	1,300,042	-	3,350,157	-	5,237,493
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>21,163,591</b>	<b>8,698,333</b>	<b>13,738,042</b>	<b>1,759,501</b>	<b>9,462,817</b>	<b>24,292,590</b>	<b>79,114,874</b>

(\*) Including reprofiled instruments as per Presidential Decrees No. 596/2019 and No. 49/2019 (see note 34).

09. Separate financial  
statements as of  
12-31-2020

Notes

	Past due/ with no due date	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	Total as of 12/31/2018
Cash and deposits with banks	16,823,176	-	-	-	-	-	-	16,823,176
Securities at fair value through profit or loss	-	-	-	-	-	-	865,905	865,905
Repo transactions	-	1,873,060	-	-	-	-	-	1,873,060
Other financial assets (not including allowances)	1,803,369	412,467	-	-	-	-	-	2,215,836
Loans and other financing facilities (not including allowances)	3,890,489	6,656,116	10,354,707	12,178,245	9,771,243	16,220,155	32,317,401	91,388,356
Nonfinancial government sector	4,205	464,137	22,698	33,454	65,572	133,615	60,895	784,576
Other financial institutions	196	991,553	1,190,458	1,794,545	3,381,897	6,416,853	6,463,008	20,238,510
Nonfinancial private sector and foreign residents	3,886,088	5,200,426	9,141,551	10,350,246	6,323,774	9,669,687	25,793,498	70,365,270
Other debt securities (not including allowances)	372	1,659,782	614,119	4,267,391	1,212,198	1,609,365	1,169,527	10,532,754
Financial assets delivered in guarantee	45,055	-	1,475,601	391,983	2,519	4,622	29,963	1,949,743
Investments in equity instruments	3,487,993	-	-	-	-	-	-	3,487,993
Allowances deducted from assets (Exhibit R)	( 1,887,237)	-	-	-	-	-	-	( 1,887,237)
<b>TOTAL ASSETS</b>	<b>24,163,217</b>	<b>10,601,425</b>	<b>12,444,427</b>	<b>16,837,619</b>	<b>10,985,960</b>	<b>17,834,142</b>	<b>34,382,796</b>	<b>127,249,586</b>
Deposits	-	23,017,003	12,019,141	16,189,525	-	-	-	51,225,669
Nonfinancial government sector	-	16,649,545	8,266,229	13,651,597	-	-	-	38,567,371
Nonfinancial private sector and foreign residents	-	6,367,458	3,752,912	2,537,928	-	-	-	12,658,298
Derivative instruments	-	51,502	195,883	60,211	-	-	-	307,596
Other financial liabilities	-	1,524,857	41,804	19,399	4,218	252,742	12,113,653	13,956,673
Financing facilities obtained from the BCRA and other financial institutions	-	1,632,160	2,810,535	2,531,432	2,158,551	2,931,427	14,466,539	26,530,644
Corporate bonds issued	-	388,110	106,819	-	3,870,770	2,012,606	1,596,305	7,974,610
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>26,613,632</b>	<b>15,174,182</b>	<b>18,800,567</b>	<b>6,033,539</b>	<b>5,196,775</b>	<b>28,176,497</b>	<b>99,995,192</b>

09. Separate financial  
statements as of  
12-31-2020

Notes

NOTE 19  
BREAKDOWN OF ACCOUNTS

19.1.Commission income

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Performance obligations satisfied at a point in time:		
Commissions for early repayment	2,465	3,983
Commissions on bank account debits	357	572
Commissions on collection management	26,571	74,751
Other fees	11,702	10,083
Performance obligations met over time:		
Commissions for foreign-trade transactions	69,606	134,300
	110,701	223,689

19.2. Difference in quoted prices of foreign  
currency

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Conversion into Argentine pesos of assets and liabilities in foreign currency	2,686,308	517,899
Foreign exchange gains (losses)	38,407	569,375
	2,724,715	1,087,274

19.3. Other operating income

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Proceeds from the sale of bank premises and equipment	732	-
Proceeds from investment properties and other nonfinancial assets	8,993	1,563
Rentals	21,694	3,315
Allowance reversed	620,028	496,133
Recovered receivables	-	3,168
Punitive interest	327,271	333,308
Trust management	105,742	126,125
Other	44,226	52,923
	1,128,686	1,016,535

19.4. Employee benefits

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Salaries and wages	( 1,320,810)	( 1,357,567)
Social security contributions	( 230,379)	( 242,289)
Severance pay and employee bonuses	(7,892)	( 18,876)
Services and benefits provided to employees	(149,239)	( 447,455)
Post-employment benefits. Defined benefits	(1) (59,445)	( 66,966)
	( 1,767,765)	( 2,133,153)

(1) Exhibit J

09. Separate financial  
statements as of  
12-31-2020

Notes

19.5. Administrative expenses

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Entertainment and per diem expenses	( 6,617)	( 32,299)
Administrative services hired	( 1,021)	( 1,675)
Surveillance services	( 10,463)	( 6,942)
Directors' and statutory auditor's fees	( 75,454)	( 104,989)
Other professional fees	( 79,727)	( 205,835)
Insurance	( 68,619)	( 28,722)
Rentals	( 20,098)	( 87,841)
Stationery and office supplies	( 660)	( 2,421)
Electric power and communications	( 51,736)	( 53,337)
Advertising and marketing	( 8,616)	( 14,574)
Taxes	( 105,258)	( 563,445)
Maintenance, conservation and repair expenses	( 114,008)	( 91,083)
Other	( 165,487)	( 225,193)
	( 707,764)	( 1,418,356)

19.6. Other operating expenses

	Accumulated as of 12/31/2020	Accumulated as of 12/31/2019
Contribution to the deposit guarantee fund	( 74,019)	( 90,713)
Finance leases taken	( 17,959)	( 23,532)
Turnover tax	( 953,921)	( 1,060,743)
Punitive interest and charges payable to the BCRA	( 102)	( 640)
Other allowances	(1) (16,114)	-
Donations	( 792)	-
Other	( 65,758)	( 5,781)
	( 1,128,665)	( 1,181,409)

(1) Exhibit J

NOTE 20  
ADDITIONAL INFORMATION ABOUT THE  
STATEMENT OF CASH FLOWS

The Bank presented the cash flows for its transactions using the indirect method. The Bank considers cash and cash equivalents as part of the “Cash and deposits with banks” account.

NOTE 21  
QUANTITATIVE AND QUALITATIVE  
INFORMATION ON FAIR VALUES

Exhibit P “Classification of financial assets and liabilities” shows the fair value measurement hierarchy of the Bank’s financial assets and liabilities.

Financial assets and liabilities not carried at fair value

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

- **Assets whose fair value is similar to the carrying amount:** : for financial assets and liabilities that are liquid or have short-term maturities (less than three months), it is considered that the carrying amount is similar to the fair value.
- **Fixed-rate 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. The estimated fair value of fixed-interest rate deposits was determined by discounting future cash

flows by using market interest rates for deposits with similar maturities to those of the Bank’s portfolio.

- **Listed assets:** the fair value was determined based on the market prices.
- **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.

The following tables show a comparison between the fair value and the carrying amount of financial instruments not carried at fair value as of December 31, 2020, 2019, and 2018:



09. Separate financial  
statements as of  
12-31-2020

Notes

Financial assets	12/31/2020				
	Carrying amount	Fair value			Total fair value
		Level 1	Level 2	Level 3	
Cash and due from the BCRA (Central Bank of Argentina)	8,595,604	8,595,604	-	-	8,595,604
Due from other financial institutions	1,201,699	1,201,699	-	-	1,201,699
Repo transactions	9,925,706	9,925,706	-	-	9,925,706
Other financial assets	271,328	-	271,328	-	271,328
Loans and other financing facilities	52,311,612	-	53,292,452	-	53,292,452
Other debt securities	11,581,505	8,027,188	3,242,301	-	11,269,489
Financial assets delivered in guarantee	690,758	690,758	-	-	690,758
Financial liabilities					
Deposits	42,446,842	-	42,413,402	-	42,413,402
Financing obtained from financial institutions and other financial liabilities	34,585,767	-	33,278,760	-	33,278,760
Corporate bonds	2,804,546	-	2,809,172	-	2,809,172

09. Separate financial  
statements as of  
12-31-2020

Notes

Financial assets	12/31/2019				
	Carrying amount	Fair value			Total fair value
		Level 1	Level 2	Level 3	
Cash and due from the BCRA (Central Bank of Argentina)	5,099,605	5,099,605	-	-	5,099,605
Due from other financial institutions	1,175,526	1,175,526	-	-	1,175,526
Repo transactions	8,869,377	8,869,377	-	-	8,869,377
Other financial assets	296,591	-	302,722	-	302,722
Loans and other financing facilities	67,454,520	-	48,706,299	-	48,706,299
Other debt securities	6,905,019	2,579,792	3,628,567	-	6,208,359
Financial assets delivered in guarantee	1,993,447	1,413,067	-	-	1,413,067
Financial liabilities					
Deposits	37,967,888	-	38,152,267	-	38,152,267
Financing obtained from financial institutions and other financial liabilities	35,901,869	-	40,806,381	-	40,806,381
Corporate bonds	5,237,493	-	5,457,413	-	5,457,413



09. Separate financial  
statements as of  
12-31-2020

Notes

Financial assets	12/31/2018				
	Carrying amount	Fair value			Total fair value
		Level 1	Level 2	Level 3	
Cash and due from the BCRA (Central Bank of Argentina)	10,059,630	10,059,630	-	-	10,059,630
Due from other financial institutions	6,763,546	6,763,546	-	-	6,763,546
Repo transactions	1,873,060	1,873,060	-	-	1,873,060
Other financial assets	2,108,487	735,803	-	-	735,803
Loans and other financing facilities	89,654,626	-	96,376,225	-	96,376,225
Other debt securities	10,486,596	5,591,477	5,784,924	-	11,376,401
Financial assets granted as collaterals	1,949,743	1,905,852	-	-	1,905,852
Financial liabilities					
Deposits	51,225,669	-	51,255,939	-	51,255,939
Financing obtained from financial institutions and other financial liabilities	40,487,317	-	38,202,242	-	38,202,242
Corporate bonds	7,974,610	-	9,431,708	-	9,431,708

The Managements of the Bank has not identified any further indicators of impairment in value of its financial assets as a result of differences in their fair value.

09. Separate financial  
statements as of  
12-31-2020

Notes

**NOTE 22**  
**SEGMENT REPORTING**

Note 22 to the consolidated financial statements includes the information related the Bank’s segments.

**NOTE 23**  
**RISK MANAGEMENT AND CORPORATE GOVERNANCE**

Note 23 to the consolidated financial statements describes the Bank’s main guidelines concerning risk management and corporate governance.

**NOTE 24**  
**CORPORATE GOVERNANCE TRANSPARENCY POLICY**

Note 24 to the consolidated financial statements describes the Bank’s main guidelines regarding the corporate governance transparency policy.

**NOTE 25**  
**TRUST ACTIVITIES**

Note 25 to the consolidated financial statements describes the Bank’s trust activities. Directly and indirectly carried out by means of the subsidiary–BICE Fideicomisos.

**NOTE 26**  
**ADMINISTRATION OF THE PROGRAM TO BOOST THE COMPETITIVENESS OF REGIONAL ECONOMIES (PROCER)**

Note 26 to the consolidated financial statements describes the program to boost the competitiveness of regional economies.

**NOTE 27**  
**DEPOSIT GUARANTEE INSURANCE**

Note 27 to the consolidated financial statements explains the deposit guarantee insurance system.

**NOTE 28**  
**RESTRICTION ON THE DISTRIBUTION OF EARNINGS**

Note 28 to the consolidated financial statements shows the restrictions on earnings distributions to the date of issuance of these financial statements.

**NOTE 29**  
**COMPLIANCE WITH THE REQUIREMENTS TO ACT IN THE DIFFERENT AGENT CATEGORIES DEFINED BY THE CNV**

Nota 29 to the consolidated financial statements discloses CNV provisions to act as the various categories of agent defined therein.

**NOTE 30**  
**CNV RESOLUTION NO. 629**

In compliance with General Resolution No. 629 of the CNV, it is informed that the Bank keeps and maintains the documentation supporting its accounting and management transactions from January 1, 2020, at its registered office, to the date of issuance of these financial statements as well as the accounting and corporate books.

The supporting documentation prior to the date above is kept at AdeA S.A., the warehouse of which is located in the provincial route No. 36, Km 31.500, Bosques, Florencio Varela, province of Buenos Aires.

09. Separate financial  
statements as of  
12-31-2020

Notes

**NOTE 31**  
**COMPLIANCE WITH MINIMUM CASH**  
**AND CAPITAL REQUIREMENTS**

**31.1. Accounts that identify compliance  
with minimum cash requirements**

To the date of issuance of these financial statements, in accordance with the BCRA regulations, BICE has considered the deposits held by the Bank as well as other liabilities from financial intermediation subject to minimum cash requirements as computable items. Compliance requirements are met through the balance of the accounts opened at the BCRA and LELIQ deposited in account 300 of CRYL (Department for the Registration and Settlement of Public Debt Instruments).

As of December 31, 2020, the balances corresponding to the minimum cash and capital requirements, in thousands, are as follows:

Currency	Minimum cash requirements Thousands of ARS	Compliance with minimum cash requirements in thousands of ARS	Account account BCRA
Argentine pesos	555,288	2,526,957	00300
US dollar	44,853	101,706	80300
Euros	-	61	11300

**31.2. Minimum capital requirement**

The table below summarizes the minimum capital requirements on a separate basis in connection with credit, market and operational risk for December 2020, together with the compliance therewith (computable equity) at the end of such month:

Item	12/31/2020
Computable equity	17,005,408
Minimum capital requirements	
Market risk	361,900
Operational risk	300,800
Credit risk	5,501,445
Compliance with capital requirements in excess	10,841,263

**NOTE 32**  
**ISSUANCE OF CORORATE BONDS**

Note 32 to the consolidated financial statements details the series and classes of corporate bonds issued by the Bank.

**NOTE 33**  
**PENALTIES APPLIED TO THE FINANCIAL**  
**INSTITUTION AND SUMMARY**  
**PROCEEDINGS INITIATED BY THE BCRA**

Note 33 to the consolidated financial statements details the summary proceedings filed by the BCRA against the Bank.

09. Separate financial  
statements as of  
12-31-2020

Notes

**NOTE 34**  
**CHANGES IN THE ARGENTINE**  
**MACROECONOMIC ENVIRONMENT AND**  
**THE SITUATION OF THE FINANCIAL AND**  
**CAPITAL SYSTEM**

Note 34 to the consolidated financial statements describes the changes in the macroeconomic context and the financial and capital system.

**NOTE 35**  
**COVID-19**

Note 35 to the consolidated financial statements describes the impact of the COVID-19 pandemic to the date of issuance of these financial statements.

**NOTE 36**  
**SUBSEQUENT EVENTS**

Note 36 to the consolidated financial statements describes the events subsequent to year-end. ■



EXHIBIT A

Breakdown of Government and Corporate Securities

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Item	IDENTIFICATION	HOLDING					POSITION WITHOUT OPTIONS	OPTIONS	FINAL POSITION
		FAIR VALUE	FAIR VALUE LEVEL	BOOK VALUE	BOOK VALUE	BOOK VALUE			
				12/31/2020	12/31/2019	12/31/2018			
SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		7.978.037		7.978.037	309.510	865.905	7.978.037	-	7.978.037
Argentine									
Government securities									
BCRA bills (LELIQ maturing on 1/14/2021)	13671	1.761.057	1	1.761.057	-	-	1.761.057	-	1.761.057
Treasury bills in pesos (variable rate +margin maturing 3/31/2021)	5388	1.273.786	1	1.273.786			1.273.786	-	1.273.786
BCRA bills (LELIQ maturing on 1/7/2021)	13669	1.076.202	1	1.076.202	-	-	1.076.202	-	1.076.202
Treasury bills in pesos (variable rate +margin maturing on 1/29/2021)	5381	1.072.170	1	1.072.170	-	-	1.072.170	-	1.072.170
Treasury bills in pesos (variable rate +margin maturing on 2/26/2021)	5385	947.000	1	947.000	-	-	947.000	-	947.000
Treasury bills in pesos (variable rate +margin maturing on 5/21/2021)	5389	778.125	1	778.125	-	-	778.125	-	778.125
Treasury bills in pesos (variable rate +margin maturing 1/29/2021)	5387	530.744	1	530.744	-	-	530.744	-	530.744
Treasury Bond linked to USD 4/29/2022)	5499	264.151	1	264.151	-	-	264.151	-	264.151
Bonar Step-Up 2038	5923	15.840	1	15.840	-	-	15.840	-	15.840
Bonar Step-Up 2029	5927	989	1	989	-	-	989	-	989
Argentine bonds USD 2020 - AO20	5468	-	-	-	-	156.024	-	-	-
TD CABA23 2028\$ - CAB23	32976	-	-	-	-	75.604	-	-	-
Fixed-rate Argentine Treasury Bond in pesos maturing in 2020	5330	-	-	-	-	63.457	-	-	-
Securities related to GDP, in USD, maturing in 2035	40290	-	-	-	-	23.469	-	-	-
Republic of Argentina Bonds Discount Argentine Law in USD maturing in 2033	45700	-	-	-	-	8.117	-	-	-
Securities related to GDP, in USD, maturing in 2035	40790	-	-	-	-	7.527	-	-	-
Securities related to GDP, maturing in 2035	45701	-	-	-	-	4.193	-	-	-
Securities Securities related to GDP in pesos, 12/15/2035	45698	-	-	-	-	1.141	-	-	-
Private securities									
Garantizar SGR	8003	238.364	2	238.364	288.945	498.347	238.364	-	238.364
Cuyo Aval SGR	8004	19.609	2	19.609	20.565	28.026	19.609	-	19.609

09. Separate financial  
statements as of  
12-31-2020

Exhibits

09. Separate financial  
statements as of  
12-31-2020

Exhibits

Item	IDENTIFICATION	FAIR VALUE	FAIR VALUE LEVEL	HOLDING			POSITION WITHOUT OPTIONS	OPTIONS	FINAL POSITION
				BOOK VALUE	BOOK VALUE	BOOK VALUE			
				12/31/>2020	12/31/>2019	12/31/>2018			
OTHER DEBT SECURITIES NET OF ALLOWANCES		11.269.489		11.581.505	6.905.019	10.486.596	11.581.505	-	11.581.505
Allowances		-		(833.771)	(741.443)	(46.158)	(833.771)	-	(833.771)
OTHER DEBT SECURITIES		11.269.489		12.415.276	7.646.462	10.532.754	12.415.276	-	12.415.276
Measured at fair value through profit or loss:		1.639.143		1.639.143	127.379	306.348	1.639.143	-	1.639.143
Argentine									
Government securities									
Boncer 2024 - maturing on 03/25/2024	5493	500.165	1	500.165	-	-	500.165	-	500.165
Boncer 2023 - maturing on 3/25/2023	5492	487.629	1	487.629	-	-	487.629	-	487.629
Boncer 2021 - maturing on 8/5/2021	5359	395.312	1	395.312	-	-	395.312	-	395.312
Boncer 2022 - maturing on 3/18/2022	5491	256.037	1	256.037	-	-	256.037	-	256.037
Argentine bonds USD- BONAR 2024 - AY24	5458	-	-	-	127.379	306.348	-	-	-
Measured at amortized cost		9.630.346		10.776.133	7.519.083	10.226.406	10.776.133	-	10.776.133
Argentine									
Government securities									
Bonar Step-Up 2035	5922	1.598.560	1	2.664.279	-	-	2.664.279	-	2.664.279
BCRA bills (LELIQ maturing on 01.19.2021)	13672	1.524.390	1	1.525.701	-	-	1.525.701	-	1.525.701
BCRA bills (LELIQ maturing on 01.12.2021)	13670	1.180.173	1	1.181.188	-	-	1.181.188	-	1.181.188
BCRA bills (LELIQ maturing on 01.05.2021)	13668	1.081.825	1	1.082.755	-	-	1.082.755	-	1.082.755
BCRA bills (LELIQ maturing on 01.28.2021)	13675	786.782	1	787.459	-	-	787.459	-	787.459
Boncer 2% 2026	5925	216.315	1	303.375	-	-	303.375	-	303.375
Treasury Bills in USD - maturing on 08.30.2019 (1)	5283	-	-	-	1.193.323	-	-	-	-
Treasury Bills in USD - maturing on 02.28.2020 (1)	5342	-	-	-	466.113	-	-	-	-
Argentine bond Dual - AF20	5486	-	-	-	425.581	-	-	-	-
Treasury Bills in USD - maturing on 12.20.2019 (1)	5334	-	-	-	391.335	-	-	-	-
Treasury Bills in USD - maturing on 02.14.2020 (1)	5339	-	-	-	311.091	-	-	-	-
Treasury Bills in USD - maturing on 09.27.2019 (1)	5286	-	-	-	186.903	-	-	-	-
Treasury Bills in USD - maturing on 09.13.2019 (1)	5285	-	-	-	91.689	-	-	-	-
Treasury Bills in USD - maturing on 05.10.19	5272	-	-	-	-	2.179.037	-	-	-
Treasury Bills in USD - maturing on 01.25.19	5249	-	-	-	-	1.524.006	-	-	-
Treasury Bills in USD - maturing on 06.14.19	5275	-	-	-	-	774.998	-	-	-

(1) Instruments reprofiled pursuant to CHAIRPERSONal Decrees No. 49/2019 (see Note 34).



09. Separate financial  
statements as of  
12-31-2020

Exhibits

Item	IDENTIFICATION	FAIR VALUE	FAIR VALUE LEVEL	HOLDING			POSITION WITHOUT OPTIONS	OPTIONS	FINAL POSITION
				BOOK VALUE	BOOK VALUE	BOOK VALUE			
				12/31/>2020	12/31/>2019	12/31/>2018			
<b>Argentine (cont.)</b>									
<b>Government securities (Cont.)</b>									
Treasury Bills in USD - maturing on 06.28.19	5276	-	-	-	-	541.527	-	-	-
Treasury Bills in USD - maturing on 02.22.19	5251	-	-	-	-	393.537	-	-	-
Treasury Bills in USD - maturing on 04.12.19	5254	-	-	-	-	78.397	-	-	-
<b>Private securities (2)</b>									
ON YPF Energía Eléctrica SA s1	54191	851.290	2	853.625	827.113	-	853.625	-	853.625
VD Fideicomiso Financiero Vicentin Export 8 CL "A"	54123	790.449	2	781.041	737.927	-	781.041	-	781.041
VD Fideicomiso Financiero NASA Serie II "A" USD	37935	381.167	2	381.167	476.891	563.714	381.167	-	381.167
ON Vista Oil&Gas	54346	382.342	2	394.011	382.094	-	394.011	-	394.011
ON Generación Mediterránea s3	54492	316.438	2	311.406	331.407	-	311.406	-	311.406
ON Asociados Don Mario SA s4	52719	98.738	2	103.407	150.286	194.551	103.407	-	103.407
ON Roch SA CL5	54166	92.027	2	91.759	83.988	-	91.759	-	91.759
ON Angel Estrada SA	53405	55.940	2	54.574	77.223	118.830	54.574	-	54.574
ON Lonngvie SA	52980	37.144	2	36.145	38.492	54.401	36.145	-	36.145
ON Esquina 3	53450	29.938	2	31.063	30.088	29.236	31.063	-	31.063
Other		206.828		193.178	1.166.635	3.628.226	193.178	-	193.178
<b>Foreign</b>									
<b>Government securities</b>									
Republic of Argentina Peru bonds (Par Bond) 3% maturing 3/7/2027	7434	-	2	-	150.904	145.946	-	-	-
<b>INVESTMENTS IN EQUITY INSTRUMENTS</b>		3.897.650		3.897.650	3.671.846	3.487.993	3.897.650	-	3.897.650
<b>Measured at fair value through profit or loss:</b>		3.897.650		3.897.650	3.671.846	3.487.993	3.897.650	-	3.897.650
<b>Argentine</b>									
Garantizar S.A.	80003	50.104	2	50.104	56.102	79.761	50.104	-	50.104
Cuyo Aval S.A.	80004	1.224	2	1.224	1.478	1.439	1.224	-	1.224
Mercado Abierto Electrónico (over-the-counter electronic market)	80005	16.025	2	16.025	9.852	10.964	16.025	-	16.025
<b>Foreign</b>									
CAF	80006	3.830.297	2	3.830.297	3.604.414	3.395.829	3.830.297	-	3.830.297

(1) Instruments reprofiled pursuant to CHAIRPERSONial Decrees No. 49/2019 (see Note 34).

(2) See Exhibits B and C



EXHIBIT B

Separate classification of loans and other financing facilities by situation and guarantees received

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

ITEM	12/31/2020	12/31/2019	12/31/2018
COMMERCIAL LOAN PORTFOLIO			
PERFORMING			
With "A" preferred guarantees and counter-guarantees	857.013	2.084.130	3.792.563
With "B" preferred guarantees and counter-guarantees	5.472.429	9.639.035	14.133.910
Without preferred guarantees or counter-guarantees	29.722.311	43.308.592	53.670.610
	36.051.753	55.031.757	71.597.083
SUBJECT TO SPECIAL MONITORING			
In observation			
With "B" preferred guarantees and counter-guarantees	-	96.878	1.500.336
Without preferred guarantees or counter-guarantees	-	-	2.705.519
	-	96.878	4.205.855
In negotiation or under refinancing agreements			
With "B" preferred guarantees and counter-guarantees	485.940	21.891	909.857
Without preferred guarantees or counter-guarantees	633.354	292.659	586.588
	1.119.294	314.550	1.496.445
Troubled			
With "A" preferred guarantees and counter-guarantees	-	30.090	-
With "B" preferred guarantees and counter-guarantees	103.736	170.806	382.481
Without preferred guarantees or counter-guarantees	453.632	63.305	254.742
	557.368	264.201	637.223
With high risk of insolvency			
With "A" preferred guarantees and counter-guarantees	39.891	17.981	-
With "B" preferred guarantees and counter-guarantees	359.019	758.289	342.901
Without preferred guarantees or counter-guarantees	1.456.861	2.531.853	209.923
	1.855.771	3.308.123	552.824
Irrecoverable			
With "A" preferred guarantees and counter-guarantees	-	381.067	-
With "B" preferred guarantees and counter-guarantees	365.617	864.814	42.883
Without preferred guarantees or counter-guarantees	944.600	1.035.653	224.691
	1.310.217	2.281.534	267.574
TOTAL COMMERCIAL LOAN PORTFOLIO	40.894.403	61.297.043	78.757.004

09. Separate financial  
statements as of  
12-31-2020

Exhibits

09. Separate financial  
statements as of  
12-31-2020

Exhibits

ITEM	12/31/2020	12/31/2019	12/31/2018
CONSUMER AND/OR HOME LOAN PORTFOLIO			
Performing			
With “A” preferred guarantees and counter-guarantees	7.958.211	7.808.228	9.901.625
With “B” preferred guarantees and counter-guarantees	4.773.784	5.916.561	4.140.254
Without preferred guarantees or counter-guarantees	4.638.098	2.832.150	4.925.696
	17.370.093	16.556.939	18.967.575
Low risk			
With “A” preferred guarantees and counter-guarantees	-	139.412	18.627
With “B” preferred guarantees and counter-guarantees	-	320.199	290.062
Without preferred guarantees or counter-guarantees	36.145	207.827	147.708
	36.145	667.438	456.397
Low risk - special treatment			
With “B” preferred guarantees and counter-guarantees	31.159	-	-
Without preferred guarantees or counter-guarantees	40.678	-	-
	71.837	-	-
Medium risk			
With “A” preferred guarantees and counter-guarantees	-	18.687	-
With “B” preferred guarantees and counter-guarantees	-	183.226	2.633
Without preferred guarantees or counter-guarantees	-	98.270	58.066
	-	300.183	60.699
High risk			
With “A” preferred guarantees and counter-guarantees	858	17.083	-
With “B” preferred guarantees and counter-guarantees	55.665	168.454	5.575
Without preferred guarantees or counter-guarantees	57.377	205.892	-
	113.900	391.429	5.575
Irrecoverable			
With “A” preferred guarantees and counter-guarantees	11.806	10.895	-
With “B” preferred guarantees and counter-guarantees	215.643	80.391	11.242
Without preferred guarantees or counter-guarantees	470.795	194.028	27.469
	698.244	285.314	38.711
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	18.290.219	18.201.303	19.528.957

09. Separate financial  
statements as of  
12-31-2020

Exhibits

ITEM	12/31/2020	12/31/2019	12/31/2018
GRAND TOTAL	59.184.622	79.498.346	98.285.961
Loans and other financing facilities- IFRS ADJUSTMENTS	(580.265)	(1.115.400)	(1.759.596)
Other debt securities. ON/VRD (Exhibit A)	(3.231.376)	(4.302.144)	(4.588.958)
Loans and other financing facilities. ALLOWANCES FOR LOAN LOSSES (Exhibit R)	(3.061.369)	(4.833.866)	(1.733.730)
Off-balance items. GUARANTEES GRANTED	-	(1.792.416)	(549.051)
TOTAL LOANS AND OTHER FINANCING FACILITIES	52.311.612	67.454.520	89.654.626

09. Separate financial  
statements as of  
12-31-2020

Exhibits

EXHIBIT C

Concentration of loans and other financing facilities

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Number of customers	FINANCING					
	12/31/2020		12/31/2019		12/31/2018	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	17.754.780	30%	21.245.967	27%	21.853.330	22%
50 next largest customers	17.485.620	30%	23.696.388	30%	24.249.657	25%
100 next largest customers	8.247.341	14%	12.433.826	16%	15.344.307	16%
Rest of customers	15.696.881	26%	22.122.165	27%	36.838.667	37%
Total	59.184.622	100%	79.498.346	100%	98.285.961	100%
Loans and other financing facilities- IFRS ADJUSTMENTS	(580.265)		(1.115.400)		(1.759.596)	
Other debt securities. ON/VRD (Exhibit A)	(3.231.376)		(4.302.144)		(4.588.958)	
Loans and other financing facilities. ALLOWANCES FOR LOAN LOSSES (Exhibit R)	(3.061.369)		(4.833.866)		(1.733.730)	
Off-balance items. GUARANTEES GRANTED	-		(1.792.416)		(549.051)	
TOTAL LOANS AND OTHER FINANCING FACILITIES	52.311.612		67.454.520		89.654.626	

09. Separate financial  
statements as of  
12-31-2020

Exhibits

EXHIBIT D

Loans and financing-facilities breakdown by term

As of december 31, 2020. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

DECEMBER 31, 2020								
Item	Matured	Term remaining to maturity						Total
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Nonfinancial government sector	4.384	331.241	28.537	34.468	5.488	-	-	404.118
Financial sector	-	556.733	759.168	1.392.085	1.623.476	2.148.018	1.593.981	8.073.461
Nonfinancial private sector and foreign residents	5.105.547	13.270.249	6.196.740	6.675.467	8.728.390	13.325.476	18.869.193	72.171.062
TOTAL	5.109.931	14.158.223	6.984.445	8.102.020	10.357.354	15.473.494	20.463.174	80.648.641

09. Separate financial statements as of 12-31-2020

Exhibits

EXHIBIT E

Breakdown of investments in other companies

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Item								Information on the issuer				
								Main business	Latest financial statement information			
Name	Class	Nominal value per unit	Votes per share	Quantity	Amount 12/31/2020	Amount 12/31/2019	Amount 12/31/2018		Year-end date	Capital	Net equity	Net loss
INVESTMENTS IN OTHER COMPANIES					1.288.369	912.505	933.648				(*)	(*)
CONTROLLED												
In Argentina												
BICE Fideicomisos S.A.	Common	\$ 100	1	2.805.899	1.288.369	912.505	933.648	649	12/31/2020	282.113	1.295.025	376.085

(\*) Those amounts are adjusted for inflation.

EXHIBIT F

Changes in property and bank premises

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Item	Original value at beginning of year	Total estimated useful life in years	Additions	Transfers	Retirements	Depreciación					Residual Value at end of the year 12/31/2020	Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
						Accumulated	Retirements	Transfers	For the year	At			
MEASUREMENT AT COST													
- Real property	180.165	Between 46 and 50	3.069	(86.162)	-	(10.810)	-	6.893	(24.216)	(28.133)	68.939	169.355	425.573
Furniture and fixtures	120.985	5	297	-	-	(76.056)	-	-	(11.447)	(87.503)	33.779	44.929	13.200
Machinery and equipment	186.061	5	26.605	-	(5.319)	(103.946)	2.644	-	(22.688)	(123.990)	83.357	82.115	36.794
Vehicles	5.570	5	-	-	-	(3.703)	-	-	(890)	(4.593)	977	1.867	2.754
- Rights to use leased real property (*)	401.251	(**)	1.816	-	-	(85.283)	-	-	(85.553)	(170.836)	232.231	315.968	-
PROPERTY AND BANK PREMISES AT 12/31/2020	894.032		31.787	(86.162)	(5.319)	(279.798)	2.644	6.893	(144.794)	(415.055)	419.283	614.234	478.321

(\*) The original value is related to assets recognized for the right to use lease contracts pursuant to IFRS 16 (see note 9).

(\*\*) According to the term of each lease contract.



EXHIBIT F BIS

Changes in investment properties

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Item	Original value at beginning of year	Total estimated useful life in years	Transfers	Depreciation				Residual Value at end of the year 12/31/2020	Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018 (1)
				Accumulated	Transfers	For the year	At			
MEASUREMENT AT COST										
Real property	360.982	50	180.165	(14.867)	(10.810)	(9.650)	(35.327)	505.820	346.115	54.983
TOTAL INVESTMENT PROPERTIES AT 12/31/2020	360.982		180.165	(14.867)	(10.810)	(9.650)	(35.327)	505.820	346.115	54.983

(1) See Note 14.3

09. Separate financial  
statements as of  
12-31-2020

Exhibits

EXHIBIT G

Changes in intangible assets

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Item	Original value at beginning of year	Total estimated useful life in years	Additions	Transfers	Retirements	Amortization					Residual Value at end of the year 12/31/2020	Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
						Accumulated	Retirements	Transfers	For the year	At			
MEASUREMENT AT COST													
- Licenses	316.691	2 to 5	24.773	(74.485)	-	(166.887)	-	8.164	(28.782)	(187.505)	79.474	149.804	58.474
- Other intangible assets	28.598	(*)	-	(22.586)	-	(3.916)	-	(2.096)	-	(6.012)	-	24.682	22.277
TOTAL INTANGIBLE ASSETS AT 12/31/2020	345.289		24.773	(97.071)	-	(170.803)	-	6.068	(28.782)	(193.517)	79.474	174.486	80.751

(\*) According to the term of each lease contract.

09. Separate financial  
statements as of  
12-31-2020

Exhibits

EXHIBIT H

Deposits concentration

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Number of customers	DEPOSITS					
	12/31/2020		12/31/2019		12/31/2018	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	38.655.080	91%	33.358.761	88%	46.389.951	91%
50 next largest customers	3.791.762	9%	4.609.127	12%	4.835.718	9%
TOTAL	42.446.842	100%	37.967.888	100%	51.225.669	100%

09. Separate financial  
statements as of  
12-31-2020

Exhibits

EXHIBIT I

Breakdown of financial liabilities by remaining term

As of december 31, 2020. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

DECEMBER 31, 2020							
Item	Term remaining to maturity						Total
	1 month	3 months	6 months	12 months	24 months	Over 24 months	
Deposits	31.162.038	11.728.591	11.677	-	-	-	42.902.306
Nonfinancial government sector	29.482.841	7.352.932	-	-	-	-	36.835.773
Nonfinancial private sector and foreign residents	1.679.197	4.375.659	11.677	-	-	-	6.066.533
Liabilities at fair value through profit or loss							
Derivatives	220	-	-	-	-	-	220
Repo transactions							
Other financial liabilities	2.415.850	953.732	287.815	813.252	1.622.012	10.886.664	16.979.325
Financing obtained from the BCRA and other financial institutions	49.781	172.067	2.728.607	2.163.666	4.451.123	12.627.949	22.193.193
Corporate bonds issued	2.898.724	-	-	-	-	-	2.898.724
TOTAL	36.526.613	12.854.390	3.028.099	2.976.918	6.073.135	23.514.613	84.973.768

09. Separate financial  
statements as of  
12-31-2020

Exhibits

EXHIBIT J

Changes in provisions

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Breakdown	Balances at beginning of year	Increases	Decreases		Monetary gain/loss provided by provisions	Residual Value at end of the year 12/31/2020	Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
			Reversals	Utilizations				
INCLUDED IN LIABILITIES								
- Provisions for contingencies	16.781	16.114 (1)	(5.467)	(4.976)	(8.103)	14.349	16.781	133.117
- Provision for post-employment benefits (Note 12.3)	140.571	59.445 (2)	-	(2.848)	(44.234)	152.934	140.571	74.705
TOTAL PROVISIONS AS OF 12/31/2020	157.352	75.559	(5.467)	(7.824)	(52.337)	167.283	157.352	207.822

(1) Included in line "Other operating expenses" of Statement of income (Note 19.6).

(2) Included in line "Employee benefits" of Statement of income (Note 19.4).

EXHIBIT K

Capital structure

As of december 31, 2020. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

DECEMBER 31, 2020 (*)								
Shares				Capital stock				
Class	Quantity	Nominal vote per share	Votes per share	Issued		Pending issuance or distribution	Paid-in	Not paid-in
				Outstanding	Treasury			
Registered common	6.875.325	1.000	1	6.875.325	-	480.336	7.355.661	-
Book-entry shares of preferred stock - Cumulative dividend equivalent to 1% of annual profit	4.524.568	1.000	-	4.524.568	-	-	4.524.568	-
Total	11.399.893			11.399.893	-	480.336	11.880.229	-

(\*) See Note 1.

## EXHIBIT L

## Balances in foreign currency

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

ITEMS	Head office and branches in Argentina	TOTAL AS OF 12/31/2020	Total as of 12/31/2020 (by currency)			TOTAL AS OF 12/31/2019	TOTAL AS OF 12/31/2018
			Euros	US dollar	Canadian dollar		
<b>ASSETS</b>							
CASH AND DEPOSITS WITH BANKS	9.507.437	9.507.437	761.279	8.746.158	-	5.538.025	14.403.509
SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	280.979	280.979	-	280.979	-	-	199.326
OTHER FINANCIAL ASSETS	17.061	17.061	-	17.061	-	21.991	70.427
LOANS AND OTHER FINANCING FACILITIES	29.134.620	29.134.620	-	29.134.620	-	31.249.828	25.247.160
- Nonfinancial government sector	66.085	66.085	-	66.085	-	192.794	311.208
- Other financial institutions	3.630.799	3.630.799	-	3.630.799	-	3.672.693	1.437.931
- Nonfinancial private sector and foreign residents	25.437.736	25.437.736	-	25.437.736	-	27.384.341	23.498.021
OTHER DEBT SECURITIES	4.886.133	4.886.133	-	4.886.133	-	6.534.066	8.573.676
FINANCIAL ASSETS DELIVERED IN GUARANTEE	3.171	3.171	-	3.171	-	1.993.071	1.949.191
INVESTMENTS IN EQUITY INSTRUMENTS	3.830.297	3.830.297	-	3.830.297	-	3.604.416	3.395.830
OTHER NONFINANCIAL ASSETS	1.262	1.262	-	1.262	-	1.153	1.187
<b>TOTAL ASSETS</b>	<b>47.660.960</b>	<b>47.660.960</b>	<b>761.279</b>	<b>46.899.681</b>	<b>-</b>	<b>48.942.550</b>	<b>53.840.306</b>
<b>DEPOSITS</b>	<b>(17.192.406)</b>	<b>(17.192.406)</b>	<b>-</b>	<b>(17.192.406)</b>	<b>-</b>	<b>(21.801.916)</b>	<b>(32.628.748)</b>
- Nonfinancial government sector	(15.977.250)	(15.977.250)	-	(15.977.250)	-	(17.649.917)	(26.127.674)
- Nonfinancial private sector and foreign residents	(1.215.156)	(1.215.156)	-	(1.215.156)	-	(4.151.999)	(6.501.074)
DERIVATIVES	-	-	-	-	-	-	(12.813)
OTHER FINANCIAL LIABILITIES	(13.308.016)	(13.308.016)	-	(13.308.016)	-	(13.324.296)	(12.181.646)
FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS	(17.623.191)	(17.623.191)	(4.607.818)	(13.015.373)	-	(18.607.059)	(21.667.867)
OTHER NONFINANCIAL LIABILITIES	(20.009)	(20.009)	(7.198)	(12.811)	-	(33.133)	(24.107)
<b>TOTAL LIABILITIES</b>	<b>(48.143.622)</b>	<b>(48.143.622)</b>	<b>(4.615.016)</b>	<b>(43.528.606)</b>	<b>-</b>	<b>(53.766.404)</b>	<b>(66.515.181)</b>

09. Separate financial  
statements as of  
12-31-2020

Exhibits



EXHIBIT O

Derivative financial instruments

As of december 31, 2020. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Type of contract	Type of agreement	Underlying asset	Activo Subyacente	Type of settlement	Negotiation environment or counter party	Originally agreed-upon average weighted term (*)	Residual average weighted term (*)	Average weighted term of settlement of differences (**)	Amount as of 12/31/2020
Repo transactions	Intermediation on own account	Other	Argentine Government Securities	Delivery of underlying asset	MAE	-	-	7	9.925.706
Forward contracts in foreign currency									
ROFEX futures- Purchases	Hedge in foreign currency	Fair value hedge	Foreign currency	Daily settlement of differences	ROFEX	2	2	1	184.300
ROFEX futures- Sales	Hedge in foreign currency	Fair value hedge	Foreign currency	Daily settlement of differences	ROFEX	3	3	1	574.700

(\*) Stated in months

(\*\*) Stated in days

EXHIBIT P

Classification of financial assets and liabilities

As of december 31, 2020. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

ITEMS	DECEMBER 31, 2020						
	Amortized cost	Fair value through other comprehensive income	Fair value through profit		Fair value hierarchy		
			Initially designated in accordance with IFRS 9, point 6.7.1	Mandatory measurement	Level 1	Level 2	Level 3
CASH AND DEPOSITS WITH BANKS	9.797.303	-	-	-	-	-	-
Financial institutions and correspondents	9.797.303	-	-	-	-	-	-
Current account	8.595.604	-	-	-	-	-	-
Other in Argentina and abroad	1.201.699	-	-	-	-	-	-
SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	7.978.037	7.720.064	257.973	-
DERIVATIVES	-	-	-	820	820	-	-
REPO TRANSACTIONS	9.925.706	-	-	-	-	-	-
OTHER FINANCIAL ASSETS	271.328	-	-	-	-	-	-
LOANS AND OTHER FINANCING FACILITIES	52.311.612	-	-	-	-	-	-
Nonfinancial government sector	388.823	-	-	-	-	-	-
Other financial institutions	6.615.140	-	-	-	-	-	-
Nonfinancial private sector and foreign residents	45.307.649	-	-	-	-	-	-
Notes	23.292.469	-	-	-	-	-	-
Mortgage loans	8.301.045	-	-	-	-	-	-
Collatera loans	1.193.845	-	-	-	-	-	-
Finance lease	4.089.322	-	-	-	-	-	-
Other	8.430.968	-	-	-	-	-	-
OTHER DEBT SECURITIES	11.581.505	-	-	-	-	-	-
FINANCIAL ASSETS DELIVERED IN GUARANTEE	690.758	-	-	-	-	-	-
INVESTMENTS IN EQUITY INSTRUMENTS	-	-	-	3.897.650	-	3.897.650	-
TOTAL FINANCIAL ASSETS	84.578.212	-	-	11.876.507	7.720.884	4.155.623	-
DEPOSITS	42.446.842	-	-	-	-	-	-
Nonfinancial government sector	36.531.270	-	-	-	-	-	-
Nonfinancial private sector and foreign residents	5.915.572	-	-	-	-	-	-
LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	-	-	-	-
DERIVATIVES	-	-	-	220	220	-	-
OTHER FINANCIAL LIABILITIES	15.375.218	-	-	-	-	-	-
FINANCING OBTAINED FROM THE BCRA AND OTHER FINANCIAL INSTITUTIONS	19.210.549	-	-	-	-	-	-
CORPORATE BONDS ISSUED	2.804.546	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	79.837.155	-	-	220	220	-	-

09. Separate financial statements as of 12-31-2020

Exhibits

EXHIBIT Q

Breakdown of profit (loss)

For the fiscal years ended december 31, 2020 and 2019. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Items	12/31/2020		12/31/2019	
	Financial income /(expense), net		Financial income /(expense), net	
	Initially designated in accordance with IFRS 9, point 6.7.1	Mandatory measurement	Initially designated in accordance with IFRS 9, point 6.7.1	Mandatory measurement
From financial assets at fair value through profit or loss				
Profit from government securities	-	1.376.970	-	338.484
Profit from derivative financial instruments	-	26.040	-	(162.846)
Forward transactions	-	26.040	-	(162.846)
Investments in equity instruments	-	158.962	-	437.827
TOTAL	-	1.561.972	-	613.465

09. Separate financial statements as of 12-31-2020

Exhibits

09. Separate financial  
statements as of  
12-31-2020

Exhibits

EXHIBIT Q

Interest and adjustments due to the application of the effective interest rate on financial assets and liabilities measured at amortized cost	12/31/2020	12/31/2019
	Financial income / (expense), net	Financial income / (expense), net
<b>Interest income and adjustments</b>		
Cash and deposits with banks	21.024	37.579
Private securities	329.998	793.579
Government securities	3.157.195	8.076.434
Loans and other financings	9.770.227	20.474.982
- To the financial sector	1.933.284	6.321.870
- Notes	4.343.760	7.643.742
- Mortgage loans	1.553.468	2.407.141
- Collateral loans	264.813	471.076
- Finance lease	1.640.924	3.191.182
- Other	33.978	439.971
Repo transactions	994.353	985.459
BCRA	928.631	846.165
- Other financial institutions	65.722	139.294
<b>TOTAL</b>	<b>14.272.797</b>	<b>30.368.033</b>
<b>Interest expense</b>		
Deposits	(5.812.230)	(12.430.895)
- Certificates of deposit and term investments	(5.812.230)	(12.430.895)
Financing obtained from the BCRA and other financial institutions	(1.846.382)	(7.493.712)
Other financial liabilities	(45.246)	(61.598)
Corporate bonds issued	(983.354)	(2.773.089)
<b>TOTAL</b>	<b>(8.687.212)</b>	<b>(22.759.294)</b>

09. Separate financial  
statements as of  
12-31-2020

Exhibits

EXHIBIT Q

Interest and adjustments due to the application of the effective interest rate on financial assets measured at fair value through profit or loss	12/31/2020		12/31/2019	
	Net loss	ORI	Net loss	ORI
Government debt securities	19.678	(169.985)	23.731	(84.415)
TOTAL	19.678	(169.985)	23.731	(84.415)

Commission income	12/31/2020	12/31/2019
Commissions from receivables	14.524	14.258
Commissions on loan commitments and financial guarantees	-	380
Commissions for collection management services	26.571	74.751
Commissions from foreign exchange transactions	69.606	134.300
TOTAL	110.701	223.689
Commission expense	12/31/2020	12/31/2019
Other	(74.521)	(60.594)
TOTAL	(74.521)	(60.594)

EXHIBIT R

Adjustment due to losses. Allowances for loan losses

As of december 31, 2020, 2019 and 2018. Figures stated in thousands of Argentine pesos (Note 3.9 to the consolidated financial statements)

Breakdown	Balances at beginning of year	Increases	Decreases		Monetary gain/ loss provided by provisions	Residual Value at end of the year 12/31/2020	Residual Value at end of the year 12/31/2019	Residual Value at end of the year 12/31/2018
			Reversals	Utilizations				
Other financial assets	88.546	15.061	-	-	(23.505)	80.102	88.546	107.349
Loans and other financing facilities (3)								
Other financial institutions	116.684	24.604	(40.574)	-	(33.365)	67.349	116.684	202.385
Nonfinancial private sector and foreign residents								
Notes	2.524.925	1.027.700	(208.918)	(487.876)	(777.684)	2.078.147	2.524.925	963.528
Mortgage loans	281.223	147.585	(42.424)	(91.717)	(87.565)	207.102	281.223	198.358
Collatera loans	987.210	375.974	(20.644)	(985.733)	(326.620)	30.187	987.210	126.985
Finance lease	599.047	171.748	(74.964)	-	(160.351)	535.480	599.047	242.032
Other	324.777	57.732	(23.947)	(114.104)	(101.354)	143.104	324.777	442
Other debt securities	741.443	341.924	(18.269)	-	(231.327)	833.771	741.443	46.158
TOTAL ALLOWANCS FOR LOAN LOSSES AS OF 12/31/2020	5.663.855	2.162.328 (1)	(429.740) (2)	(1.679.430)	(1.741.771)	3.975.242	5.663.855	1.887.237

The allowance for loan losses is set up based on the uncollectibility risk of the portfolio as provided for by the BCRA accounting framework.

(1) Included in line “Other operating expenses” of Statement of income.

(2) Included in line “Other operating income” of Statement of income (Note 19.3).

(3) Exhibit B, Exhibit C and Note 6

09. Separate financial  
statements as of  
12-31-2020

Exhibits

09. Separate financial  
statements as of  
12-31-2020

Exhibits

EARNINGS DISTRIBUTION

Earnings distribution proposal

For the fiscal year ended december 31, 2020. Figures stated in thousands of Argentine pesos

UNAPPROPRIATED RETAINED EARNINGS	1.752.749
To the legal reserve (20% of 1.752.748.997,77 pesos)	350.550
To reserve as per bylaws	-
To special reserve for IFRS first-time application	-
To the special reserve held by cooperatives	-
Adjustments to point 2.3 of "Distribution of earnings", revised text	-
Adjustments to point 2.4 of "Distribution of earnings", revised text	-
SUBTOTAL 1	1.402.199
To the special statutory reserve for subordinated debt instruments	-
Adjustments to point 2.1 of "Distribution of earnings", revised text	-
Adjustments to point 2.2 of "Distribution of earnings", revised text	-
SUBTOTAL 2	1.402.199
DISTRIBUTABLE AMOUNTS	1.402.199
DISTRIBUTED EARNINGS	1.402.199
To Optional reserves	-
To share dividends (100% of 1.402.199.198,22 pesos)	1.402.199
To cash dividends	-
- Shares of preferred stock	-
- Shares of common stock	-
- Federal, provincial or municipal government	-
- Head Office based abroad	-
To capital assigned	-
Other uses	-
UNDISTRIBUTED EARNINGS	-



09. Separate financial  
statements as of  
12-31-2020

Additional information to the  
notes to the financial statements

Additional information to the notes to the financial statements. CNV General Resolution No. 622/13, Section 12 for the fiscal year beginning january 1, 2020 and ended december 31, 2020

(Figures stated in thousands of Argentine pesos)

**Note 1: SPECIFIC AND SIGNIFICANT LEGAL SYSTEMS IMPLYING THE CONTINGENT DEFEASANCE OR REINSTATEMENT OF THE BENEFITS PROVIDED BY SUCH PROVISIONS**

None.

**Note 2: SIGNIFICANT CHANGES IN THE ACTIVITIES UNDERTAKEN BY THE BANK OR OTHER SIMILAR CIRCUMSTANCES OCURRED OVER THE FISCAL YEARS INCLUDED IN THE FINANCIAL STATEMENTS AND AFFECTING THEIR COMPARABILITY WITH THOSE PRESENTED IN PRIOR FISCAL YEARS, OR WHICH MAY AFFECT THEIR COMPARABILITY WITH THOSE TO BE PRESENTED IN FUTURE FISCAL YEARS**

See notes 1.2 and 3.4 to the consolidated financial statements.

**Notes 3 and 4: CLASSIFICATIONS OF RECEIVABLES AND PAYABLES BY CATEGORY. CLASSIFICATION OF RECEIVABLES AND PAYABLES BY FINANCIAL EFFECT**

Receivables: See Exhibit B, Exhibit C, Exhibit D and Note 18 to the separate financial statements.

Payables: See Exhibit H, Exhibit I and Note 18 to the separate financial statements.

09. Separate financial statements as of 12-31-2020

Additional information to the notes to the financial statements

**Note 5: BREAKDOWN OF EQUITY INTEREST RELATED TO COMPANIES UNDER SECTION 33, LAW NO. 19550 (SUBSIDIARIES AND AFFILIATES)**

See Notes 1.3 and 3.6 to the consolidated financial statements and Exhibit E to the separate financial statements.

**Note 6: TRADE RECEIVABLES OR LOANS TO DIRECTORS, STATUTORY AUDITORS, MEMBERS OF THE SURVEILLANCE COMMITTEE AND THEIR RELATIVES UP TO THE SECOND DEGREE OF KINSHIP INCLUSIVE**

None.

**Note 7: PHYSICAL COUNT OF INVENTORIES**

Not applicable.

**Note 8: CURRENT VALUES FOR VALUING INVENTORIES, BANK PREMISES AND EQUIPMENT, AND OTHER ASSETS**

Not applicable.

**Note 9: BANK PREMISES AND EQUIPMENT SUBJECT TO APPRAISAL REVALUATION**

Not applicable.

**Note 10: UNUSED GOODS DUE TO OBSOLESCENCE**

None.

**Note 11: INVESTMENTS IN OTHER COMPANIES**

See “Equity instruments” in exhibit A to the separate condensed financial statements, Exhibit E to the separate financial statements and Note 1.2 to the consolidated financial statements.

**Note 12: RECOVERABLE VALUES**

See Notes 2 and 3.3. to the consolidated financial statements.

**Note 13: INSURANCE**

INSURED ASSETS	INSURED RISK	INSURED AMOUNT in thousands of ARS	CARRYING AMOUNT in thousands of ARS
Real property, machinery, equipment, furniture and fixtures	Comprehensive business, fire and theft insurance	1,215,000	622,956
Vehicles	All risk insurance 3% deductible, brand new car price	5,446	977

**Note 14: CONTINGENCIES (GAINS/LOSSES)**

See Note 6 to the consolidated financial statements.

**Note 15: CONTINGENY SITUATIONS**

See Note 11 to the consolidated financial statements.

**Note 16: IRREVOCABLE ADVANCES FOR FUTURE SUBSCRIPTIONS**

See Note 1.3 to the consolidated financial statements.

**Note 17: OUTSTANDING CUMULATIVE DIVIDENDS ON SHARES OF PREFERRED STOCK**

See Note 1.3 to the consolidated financial statements.

**Note 18: CONDITIONS, CIRCUMSTANCES OR TERMS FOR ENDING THE RESTRICTIONS TO THE DISTRIBUTION OF UNAPPROPRIATED RETAINED EARNINGS**

See Note 28 to the consolidated financial statements. ■

## Independent auditors' report on separate financial statements

### 1. REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying separate financial statements of Banco de Inversión y Comercio Exterior S.A. (the “Bank”), which comprise: the separate statement of financial position as of December 31, 2020, the separate statements of income and other comprehensive income, changes in equity and cash flows for the year then ended, and notes 1 through 36 and exhibits A through L and O through R..

### 2. BOARD OF DIRECTORS' AND MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS Y LA GERENCIA DE LA ENTIDAD

The Bank's Board of Directors is responsible for the preparation and fair presentation of the accompanying financial statements in conformity with the accounting framework established by the BCRA (Central Bank of Argentina) which, as indicated in Note 2 to those financial statements, is based on the International Financial Reporting Standards (IFRS ) as issued by the IASB (International Accounting Standards Board) and adopted by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences), subject to the exceptions described in Note 2. The Bank's Board of Directors and Management are also responsible for such internal control as it determines is necessary to enable

the preparation of the financial statements that are free from material misstatement whether due to error or irregularities..

### 3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these accompanying separate financial statements based on our audit. We conducted our audit in accordance with the auditing standards set forth by Technical Resolution No. 37 of the Argentine Federation of Professional Councils of Economic Sciences and the auditing standards issued by the BCRA applicable to the audit of financial statements (“Minimum Requirements on External Audits”). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements

are free from material misstatement. An audit includes examining, on a selective test basis, evidence supporting the accounting information included in the financial statements. We relied on our professional judgment to select the procedures to be performed, including assessing the risk that the financial statements may include material misstatements. When performing this risk assessment, we considered the Bank's existing internal controls on the preparation and presentation of financial statements for the purpose of selecting the adequate auditing procedures, but not of expressing an opinion on the efficiency of the Bank's internal controls. An audit also includes assessing the accounting principles used and the reasonableness of the significant estimates made by the Board of Directors as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. OPINION

In our opinion, the separate financial statements mentioned in paragraph 1 present fairly, in all material respects, the financial position of Banco de Inversión y Comercio Exterior S.A. as of December 31, 2020, as well as the results of its operations, changes in shareholders' equity and cash flows for the year then ended, in conformity with the accounting information framework established by the BCRA mentioned in paragraph 2.

5. EMPHASIS ON CERTAIN ASPECTS  
DISCLOSED IN THE FINANCIAL  
STATEMENTS

Without further modifying our opinion, we draw the attention of the users of this report to the following information disclosed in accompanying financial statements mentioned in paragraph 1::

i) as indicated in Note 2 to the accompanying separate financial statements mentioned in paragraph 1, they have been prepared by the Bank's Board of Directors and Management according to the accounting framework issued by the BCRA. Such accounting framework differs from the IFRS, as follows:

- a. As indicated in Note 2.a), the application of section 5.5 "Impairment in value" under IFRS 9 "Financial instruments" was temporary excluded from the accounting framework issued by the BCRA applicable to financial institutions;
- b. As indicated in Note 2.b), as provided for by Communication "A" 7014 issued by the BCRA on May 14, 2020 and to be effective as from such date, the debt instruments of the government sector received as swap are measured upon initial recognition at the book value at such date of the instruments delivered for replacement purposes. Should

the provisions of IFRS 9 have been applied to financial assets measured at fair value through other comprehensive income, income would have been recognized in the amount of thousands of ARS 361,804 and a loss in the same amount would have been recognized in the statement of income for the year. Whereas if the provisions of IFRS 9 had been applied to financial assets measured at amortized cost, a loss in the amount of thousands of ARS 666,229 would have been recognized in the statement of income for the year, and

c. As indicated in Note 2. c), as provided for by BCRA Communication "A" 6849, loss on the net monetary position related to financial assets recognized at fair value with an impact on Other comprehensive income (loss) is presented in the "Statement of other comprehensive income". This situation implies a departure from the provisions of IAS 29 that require that gain/loss on

09. Separate financial  
statements as of  
12-31-2020

Independent auditors' report

net monetary position be presented in the “Statement of income”. Should the amount of the gain/loss on net monetary position have been recognized by applying the disclosure criterion established by IAS 29, the gain/loss would have not accounted for an impact as of December 31, 2020 while as of December 31, 2019, a loss amounting to thousands of ARS 25,656 would have been recognized in the “Statement of income” with a decrease in such loss recognized in the Statement of other comprehensive income”.

The situations above do not modify the opinion stated in paragraph 4, but they should be taken into account by the users of IFRS for interpreting the accompanying financial statements mentioned in paragraph 1.

ii) As indicated in Note 3.1 to the accompanying separate financial statements mentioned in paragraph 1 above and as provided for by the BCRA through Communication “A” 6651, the Bank has adopted as from January 1, 2020 the provisions of IAS 29 for the purposes of the presentation of the financial statements stated in the reporting currency at year-end. Such change is applied retrospectively to January 1, 2019 as provided for by the regulator, which implied modifications to the financial statements as of December 31, 2018 and December 31, 2019, presented for comparative purposes, as described in such note; and

6. OTHER MATTERS

In connection with the separate financial statements presented for comparative purposes, we report that the separate financial statements as of December 31, 2019, prepared in accordance with the accounting framework of the BCRA were audited by Auditoría General de la Nación and other professionals, who issued a report on February 20, 2020 including an emphasis paragraph in connection with the exceptions relevant to the application of the impairment model under IFRS 9 and IAS 29, to which we refer. Such report does not include the adjustments subsequently made by the Board of Directors and Management of the Bank considering the changes in the accounting policies indicated in Note 3.1 to the separate financial statements mentioned in paragraph 1, which were audited and the opinion on the preparation thereof was issued under the BCRA accounting information framework.

7.

We also issued a separate report on the consolidated financial statements of Banco de Inversión y Comercio Exterior S.A. And its subsidiary at the same date and for the same period indicated in paragraph 1.

8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In compliance with legal requirements in force, we report that:

i) The Bank’s separate financial statements mentioned in paragraph 1, arise from books kept, in all material respects, pursuant to current legal requirements and conditions established by the I.G.J.(Supervisory Board of Companies) Authorization No. 06722 dated January 24, 2008;



09. Separate financial  
statements as of  
12-31-2020

ii) As of December 31, 2020, as stated in Note 29 to the separate financial statements mentioned in paragraph 1, the Bank's equity and its eligible assets exceed the minimum amounts required by the regulations of the Argentine Securities and Exchange Commission (CNV); and

iii) as of December 31, 2020, the accrued liability for retirement and pension contributions payable to the Argentine Pension Fund System arising from the accounting records of the Bank amounted to ARS 39,153,007 no amounts being due as of that date. ■

Independent auditors' report



## Statutory audit committee's report

### INTRODUCTION

In our capacity as members of the Statutory Audit Committee of Banco de Inversión y Comercio Exterior S.A., we have performed a review of the separate financial statements as of December 31, 2020 of the Entity and its subsidiary, which comprise (a) the separate statement of financial position, (b) the separate statement of income, (c) the separate statement of other comprehensive income, (d) the separate statement of changes in equity, (e) the separate statement of cash flows for the year then ended, Notes 1 through 36 and exhibits A through L and O through R. Additionally, we have examined the Letter to Shareholders for such year.

### MANAGEMENT'S RESPONSIBILITIES

The Bank's Board of Directors is responsible for the preparation and fair presentation of the accompanying separate financial statements in conformity with the accounting information framework established by the BCRA (Central Bank of Argentina) which, as indicated in Note 2 to the separate financial statements, is based on the International Financial Reporting Standards (IFRS ) approved by the IASB (International Accounting Standards Board) and adopted by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences), subject to the exceptions described in Note 2. The Bank's Board of Directors is also responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from

material misstatement whether due to error or irregularities.

### STATUTORY AUDIT COMMITTEE'S RESPONSIBILITY

Our examination was made in compliance with the supervisory auditors' standards in force. Those standards require that the review of the documents detailed in the "Introduction" paragraph be made in conformity with the auditing standards applicable to the review of financial statements for annual periods. The review of financial statements for annual periods consists in verifying the fairness of the significant information of the documents examined and their consistency with the information on the corporate decisions of which we became aware, as disclosed



09. Separate financial statements as of 12-31-2020

Statutory auditors' report

in the minutes of the Board of Directors' and Shareholders' Meetings as well as the compliance of such decisions with legal regulations and the bylaws in all formal and documentary respects.

To perform our professional work in connection with the documents detailed in the "Introduction" paragraph, we reviewed the work performed by the external auditors, Auditoría General de la Nación and KPMG, who issued a report dated March 25, 2021.

Such review included the verification of the audit planning, nature, scope and procedures applied as well as the results of the review performed by such professional firms.

As it is not the Statutory Audit Committee's responsibility to exercise management control, we have not considered the business criteria and decisions adopted by the Entity, since they are the exclusive responsibility of the Board of Directors.

CONCLUSION

Based on our review, the separate financial statements mentioned in paragraph 1 present fairly, in all material respects, the financial position of Banco de Inversión y Comercio Exterior S.A. as of December 31, 2020, as well as the results of its operations, changes in shareholders' equity and cash flows for the year then ended, in conformity with the accounting information framework established by the BCRA mentioned in the "Management's responsibility" paragraph.

EMPHASIS OF MATTER

Without further modifying our conclusion, we draw the attention of the users of this report to the following information disclosed in the accompanying separate financial statements mentioned in the "Introduction" paragraph:

(a) In Note 2, it is stated that they have been prepared in accordance with the accounting information framework established by the BCRA. Such accounting information framework differs from the IFRS, as follows:

- i. As indicated in Note 2.a), the application of section 5.5 "Impairment in value" under IFRS 9 "Financial instruments" was temporary excluded from the accounting information framework established by the BCRA applicable to financial institutions, and
- ii. As indicated in Note 2.b), as provided for by Communication "A" 7014 issued by the BCRA on May 14, 2020 and to be effective as from such date, the debt instruments of the government sector received as swap are measured upon initial recognition at the book value at such date of the instruments delivered for replacement purposes. Should the provisions of IFRS 9 have been applied to financial assets measured at fair value through other comprehensive income,

income would have been recognized in the amount of thousands of ARS 361,804 and a loss in the same amount would have been recognized in the statement of income for the year. Whereas if the provisions of IFRS 9 had been applied to financial assets measured at amortized cost, a loss in the amount of thousands of ARS 666,229 would have been recognized in the statement of income for the year, and

iii. as indicated in Note 2. c), as provided for by BCRA Communication "A" 6849, loss on the net monetary position related to financial assets recognized at fair value with an impact on Other comprehensive income (loss) is presented in the "Statement of other comprehensive income". This situation implies a departure from the provisions of IAS 29 that require that gain/loss on net monetary position be presented in the "Statement of income". Should the amount of the gain/loss on net monetary

09. Separate financial  
statements as of  
12-31-2020

Statutory auditors' report

position have been recognized by applying the disclosure criterion established by IAS 29, the gain/loss would not account for an impact as of December 31, 2020 while as of December 31, 2019, a loss amounting to thousands of ARS 25,656 would have been recognized in the “Statement of income” with a decrease in such loss recognized in the Statement of other comprehensive income”.

The situations above do not modify the opinion stated in the “Conclusion” paragraph, but they should be taken into account by the users of IFRS for interpreting the accompanying financial statements mentioned in the “Introduction” paragraph.

(b) Note 3.1 indicates that as provided for by the BCRA through Communication “A” 6651, the Bank has adopted as from January 1, 2020 the provisions of IAS 29 for the purposes of the presentation of the financial statements stated in the reporting

currency at year-end. Such change is applied retrospectively to January 1, 2019 as provided for by the regulator, which implied modifications to the financial statements as of December 31, 2018 and December 31, 2019, presented for comparative purposes, as described in such note.

(c) Note 35 discloses all COVID-19 aspects related to the operations of the Bank.

OTHER MATTERS

Without modifying our conclusion, we report that the separate financial statements as of December 31, 2019, prepared in accordance with the accounting information framework of the BCRA were audited by Auditoría General de la Nación and other professionals, who issued a report on February 20, 2020 including an emphasis of matter in connection with the exceptions relevant to the application of the impairment model under IFRS 9 and

IAS 29, to which we refer. Such report does not include the adjustments subsequently made by the Board of Directors and Management of the Bank considering the changes in the accounting policies indicated in Note 3.1, which were audited and the opinion on the preparation thereof was issued under the BCRA accounting information framework.

REPORT ON LEGAL AND REGULATORY REQUIREMENTS

In compliance with legal requirements in force, we report that:

a) The financial statements of Banco de Inversión y Comercio Exterior S.A. referred to in the “Introduction” paragraph are recorded in the Inventory Book and comply, as it relates to our area of responsibility, with the provisions of the regulations in force;

b) Such financial statements arise from the accounting records which, in their formal aspects, are kept pursuant to regulations in force.

c) We have no observations, as it relates to our area of responsibility, regarding the Board of Directors’ letter to shareholders for the year ended December 31, 2020, while it should be noted that any assertions under 2021 prospects are the exclusive responsibility of the Board of Directors. As to the report on the degree of compliance with the Corporate Governance Code, which is presented as an exhibit separately from the Letter to Shareholders, we advise that, based on the analysis performed, there are no indications of inaccurate information provided by the Board of Directors to this Statutory Audit Committee and disclosed in such report.

09. Separate financial  
statements as of  
12-31-2020

Statutory auditors' report

d) We have read the Reporting Summary and the additional information to the notes to the financial statements for the year ended December 31, 2020, required by the CNV, based on which, as far as it relates to our area of responsibility, we have no observations.

e) In conformity with section 105, Law No. 26831 and section 21, Article VI, Chapter III, Title II and section 4(d), Article III, Chapter I, Title XII of CNV Regulations (as revised in 2013), on the independence of the external auditor and on the quality of the audit policies applied by such auditor and the Bank's accounting policies, the external auditor's report mentioned in the "Statutory Audit Committee's responsibility" paragraph includes a representation that auditing standards effective in Argentina, including independence requirements, have been applied and does not include any qualifications in connection with the application of such standards and

professional accounting standards effective in the City of Buenos Aires, Argentina, considering the issues disclosed in the Emphasis-of-matter and Other matters paragraphs of such Report.

f) We have performed the anti-money laundering and terrorist financing procedures set forth by the applicable professional standards.

g) We have no observations, as it relates to our area of responsibility, about the information included in Note 29 to the financial statements mentioned in the "Introduction" paragraph as of December 31, 2020, in connection with the minimum net equity and counterparty requirements imposed by the CNV.

h) We have verified the compliance with the acting directors bonds to the date of issuance of the accompanying financial statements.

i) The provisions of section 294, Argentine Companies Law, were met. ■

El presente documento es una versión diseñada sobre la información contenida  
en la Memoria BICE 2020 y el Balance BICE 2020

**BICE** 



[bice.com.ar](http://bice.com.ar)

