

Annual Report 2021



Annual Report

2021

200
AÑOS

 Banco
Provincia





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A close-up, low-angle photograph of a classical column capital, likely Corinthian, showing the fluted abacus and the volutes. The image is in warm, slightly desaturated tones, with a teal-colored rectangular overlay in the bottom right corner.

1 | Authorities

Authorities

Province of Buenos Aires



Governor
Axel Kicillof



Vice Governor
Verónica María Magario



Cabinet Chief
Martín Insaurralde

Banco de la Provincia de Buenos Aires

Board of Directors:

TITLE

President
Vicepresident
Director Secretary
Director
Director
Director

NAME

CUATTROMO, Juan
BARRERA, Daniel
VIVALDO, Humberto Andrés
FORMENTO, Alejandro
GALMARINI, Sebastián
RODRIGO, Diego

Senior Management:

TITLE

General Manager
Senior Deputy General Manager
Administration Deputy General Manager
Legal Affairs Deputy General Manager
Marketing and Loans Deputy General Manager
Commercial Strategy and Development Deputy General Manager
Finance Deputy General Manager
Human Resources Deputy General Manager
Business Support Deputy General Manager
Technology and Processes Deputy General Manager
Assistant Deputy General Manager

NAME

GONZALEZ OCANTOS, Rubén
ARES, Sergio
MORÓN, Carlos F.
LEBED, Gabriela R.
ARIAS, Gustavo
CARUSSO, Silvia E.
GONZÁLEZ, Alejandro
CORREA, María Laura
ZARLENGA, Marcelo F.
CASTILLA, Claudia B. A.
CASANOVAS, Marcelo





2 | Summary

Message from the President



This year is very special for Banco Provincia members because we are celebrating the 200th anniversary of the Bank. In this framework, we face the challenge of providing assistance to individuals and productive sectors in a complex domestic and international scenario in which the hope for overcoming the pandemic coexists with the uncertainty for the future.

In 2020, there were incipient signs of economic recovery after many restrictions and closed activities. During all that period, Banco Provincia provided financial assistance to companies at special conditions, digitalized many products and services to ease customers' access to virtual transactions and took several actions to provide provincial inhabitants with specific solutions to cope with the various challenges posed by the new context.

The above initiatives were based on the three main pillars governing the Bank's management: productive development, innovation and closeness. Thus, we seek to recover the best historical tradition of the oldest financial institution in Spanish America and comply with the mission entrusted by our governor Axel Kicillof: to position Banco Provincia as the promoter of the development of the Province of Buenos Aires and its people.

In 2021, the following financing goals stood out: expansion of productive loans at special rates, particularly through the SME Reactivation Program and the launching of new investment facilities such as "Provincia en Marcha" and "Impulso Mujeres"; loans at subsidized rates for nursing staff, "Provincia Renueva" facility destined to the refurbishment of housing units, installment relief on mortgage loans

granted to families and refinancing of debts to individuals and companies falling into arrears during the sanitary emergency.

As regards innovation, the Bank consolidated the use of the e-Cheq with a scheme of special rates; launched the first digital loan for working capital destined to SMEs, digitalized foreign trade transactions through the BIP Comex microsite and, in line with BCRA regulations, implemented the Electronic Credit Invoice system. All these tools allow companies to carry out transactions in a simpler and more efficient way.

Undoubtedly, the Bank's major innovation milestone was Cuenta DNI. In 2021, it consolidated as the leading digital wallet in the provincial territory with 4 million users. During the second half of the year and as the result of a provincial public policy oriented to promote consumption, more than 28,000 stores experienced an increase in sales due to the benefits and discounts offered by the app.

In November, we launched Cuenta DNI Comercios, a new digital collection tool for business customers, 100% interoperable with other wallets. With this tool, which does not require payment terminals and allows collections from a mobile phone, Banco Provincia became the first Argentine financial institution to issue and accept payments.

Our desire is to be close to provincial inhabitants providing support to their most urgent needs. In conjunction with the national government, we issued and delivered more than 600,000 "Alimentar" (food program) cards throughout the provincial territory. In two years, 82 ATMs were installed in locations with null or scarce banking presence thus

preventing people from moving from one place to another while boosting consumption in nearby shops. Nowadays, the Bank has a network of 1,900 ATMs.

We are convinced that public banking is ready to lead the digital transformation, focusing not only on inclusion but on the financial education of the new generations and the

Together with Grupo Provincia, we provided comprehensive financial solutions to productive units, municipal activities and the various agents involved in the multiple realities of the Province of Buenos Aires. Through Provincia Microcréditos, the Bank promoted productive loans among thousands of independent workers and small local producers who were excluded from the traditional financial system.



“We are convinced that public banking is ready to lead the digital transformation, focusing not only on inclusion but on the financial education of the new generations and the elderly people”.

elderly people as pursued under our “Incluir” program, an initiative that fills us with pride and inspires us to keep improving it through more training and resources.

Clearly, the creation of the first Sexual Diversity, Gender Identity and Women’s Rights Commission in the Argentine financial system was a key milestone paving the way for the bank we want to be: a bank encompassing all identities and contributing to do away with any type of discrimination based on gender, sexual orientation, and identity and gender expression.

In line with our social responsibility, we gave support to all the solidarity campaigns carried out by Banco Provincia Foundation for the benefit of the most in need: from eyeglasses for school-aged kids to construction and building improvements in sport clubs in order to encourage sports activities.

After 20 years, in 2021, the Bank complied with all the requirements of the compliance schedule defined by the BCRA. Nowadays, Banco Provincia’s

liquidity levels surpass the system’s average and, in 2020, the Bank recorded a strong regulatory capital position, unprecedented in the recent history. This accounted for a profit of \$8,816 million at year end, a 42% increase over the previous year.

As 2022 promises to be the post-pandemic year, we hope to celebrate our bicentenary with the joy of a new beginning and a single goal: to place Banco Provincia at the service of its sole owner, the people of the Province of Buenos Aires.

International Context

As health restrictions eased and the economies adapted to new ways of working, the activity bounced back as from the second half of 2020. However, the speed of the vaccination strategy, the fiscal support and the evolution of financial conditions and commodities' prices set different recovery paths since the second half of 2021. Additionally, the increase of Delta variant cases and many climatic factors that affected the supply chain undermined such recovery, placing pressure on the domestic prices of almost all world economies. This situation caused a tightening of the monetary policy in emerging markets as against the performance observed during 2020.



This year, the global economic activity made up for lost ground during the first year of the Coronavirus shutdown, surpassing pre-pandemic levels. However, the initial promising scenario was strongly affected by the interruption in the recovery of global trade observed since the second half of the year. This was due to the shutdown of business in China to cope with the increase of COVID cases, the bottlenecks at the main maritime ports around the world, which account for 80% of global trade, and the lower availability of containers due to the impossibility of cargo loading and unloading derived from adverse weather conditions and the health restrictions imposed in Asia.

In this framework, the increased price of commodities and the recovery of demand in a context of offer restrictions accelerated international inflation rates. This behavior caused the U.S. Federal Reserve authorities to analyze the timing for tightening the monetary policy. At the end of February 2022, it maintained the expansionary levels recorded in 2020 but an ever-increasing number of directors forecast a rise in the short term. The last Federal Reserve Open Committee announced a deceleration in its asset purchases since November 2021.

At a regional level, the increase of prices significantly accelerated in Latin America in 2021. Due to its size and the insertion of the Argentine industry in its economy, the

Brazilian case is the most emblematic. The main Mercosur member country recorded a two-digit increase in prices during the second year of the pandemic, the highest level in more than ten years. Consequently, the inflationary pressure and the capital outflow that entailed a tighter FED's position -better yield in risk-free assets- led to changes in the monetary policies of the emerging countries' Central Banks. Mention should be made that, in those countries, the interest rate not only serves as a tool of anti-inflationary policy -discouraging consumption and loans - but also helps moderate the depreciation of the currencies, while making local placements more attractive.

Despite this less favorable scenario observed during the last part of the year, the prices of the main Argentine exportable commodities maintained historically high levels -alike the emerging currencies, the other financial assets lose value when U.S. Treasury bonds become more profitable. Thus, international conditions via terms of trade became one of the main factors fueling the expansion of the country. This strong dynamism of international prices was subordinated to the movement of financial funds towards the purchase of commodity futures due to the low interest rates in the U.S.A. and the accelerated Chinese demand for real and financial assets. Consequently, the possibility of a stronger FED observed in June 2021 translated into higher volatility and lower dynamism, though still maintaining levels not seen since 2014-2016, depending on the case.

Domestic Context

The local economy, that was affected by the recession that started at the end of 2017 and significantly intensified in 2020, showed signs of recovery in annual aggregate figures. This was due to a constant vaccination process that, together with greater population adaptation, resulted in a higher circulation of people, leading to the current production reactivation. Thus, most of the economic sectors were able to normalize their operations, which had been lagged by the singular impact on supply and demand caused by the pandemic. As a consequence, in 2021, the economic activity recorded a y/y improvement, leaving behind the longest and deepest crisis in the last twenty years. The Monthly Estimator of Economic Activity (EMAE, for its Spanish acronym) rose significantly by 10.3% y/y in 2021, accumulating four consecutive quarters of improvements compared to the same period in 2020. Despite this progress, this indicator remains 0.3% below the 2019 average. Therefore, there is still a minimum ground to recover.

The supply of goods recovered throughout the year, exceeding pre-pandemic levels. In 2021, the highest increases concentrated on Construction (+27.5% y/y, the most affected industry in 2020 due to the need of close contact and transportation) and Manufacturing Industry (+15.7% y/y). The agriculture, livestock, hunting and forestry sectors slightly contracted by 0.3% y/y during the year, while gas, electricity and water generation and distribution went up by 3.4% y/y. Regarding the offer of services, all surveyed sectors recorded positive y/y variations, particularly Other Community, Social and Personal

Service activities (+29.3% y/y), Hotels and restaurants (+21.5% y/y) and Commerce (+13.0% y/y).

Mention should be made that the aforementioned productive recovery process was supported by the implementation of strict health protocols at work spaces, a growing supply of loans at subsidized rates, and the extension and expansion of financing programs. Imports increased by 22.6% y/y during the first nine months of 2021 -no data on Argentine Accounts broken down by demand components was available by the end of 2021- boosting the greater domestic demand.

Thus, demand caused a significant recovery of investment and private consumption from January to September 2021 (+45.8% y/y and +10.3% y/y, respectively). The gradual recovery of real income and, mainly, of job positions, the improvement in growth expectations and the decrease of uncertainty enabled the realization of the procurement decisions that had been left behind due to the context. Public consumption rose by 6.8% y/y during the same period due to the possibility of returning to the workplace; exports expanded 5.1% y/y.

The recovery of the economic activity -together with the supporting measures implemented- had a positive impact on the labor market which, by the third quarter of 2021, improved compared to both the previous period and the same quarter of 2020. In the third quarter of 2021, the unemployment rate fell up to 8.2%/EAP, a substantially lower value compared to the same period in 2019, and accounted for the lowest





figure for a third quarter since 2013. In 2016, methodological changes were implemented in this series -that had been discontinued-, which makes this achievement even more significant. During the third quarter of the year, active population rose by 0.3 percentage points (p.p.) compared to the same period in 2019, totaling 12.4 million in the largest population centers of the country.

During the first eleven months of 2021, formal employment rose by 1.8% y/y -still 0.1% below compared to the same period of 2019- totaling 12 million workers approximately. Mention should be made that private sector employees are still 3.3% below the levels of the same period in 2019. Though this group of employees recovered 168,000 job positions since the worst pandemic level, 18,000 positions (0.3%) are still necessary to reach pre-pandemic values. This behavior is a consequence of the heterogeneities among the various sectors involved, which were differently affected during the pandemic context. The production of goods was driven by the gradual return of activities with protocols. Significant improvements in jobs positions were observed in the manufacturing and construction industries, which increased 2.5% y/y and 8.3% y/y, respectively, during the first eleven months. In spite of the above, the construction sector still doesn't reach the figures of the same period in 2019. Within the service production sectors, job positions in the trade segment experienced a gradual recovery, showing a slight increase of 0.2% y/y. However, there are still contractive dynamics within the sectors most affected by the restrictions imposed on the circulation of people, such as Hotels and Restaurants; and Community, Social and Personal Services, which declined 11.8% y/y and 5.5% y/y respectively, between January-November 2021.

With respect to fiscal accounts, accumulated figures for 2021 showed that the National Non-Financial Public Sector (NFPS) total

income increased 17.7% y/y in real terms, while primary spending rose 0.9% -deflated- compared to 2020. The resources received by the NFPS in 2021 surpassed \$8.4 trillion, including \$243,333 million corresponding to the Extraordinary Solidarity Contribution (Law No. 27605) and without taking into account the Special Drawing Rights (SDRs) for \$407,401 million received from the IMF. This figure accounts for a 74.6% increase with respect to the same period of 2020 (+17.7% real) and is equivalent to almost 18% of the estimated annual GDP. Foreign trade taxes increased their contribution to the growth of total income as against 2020. Thus, export duties improved their share in the tax revenue growth up to 18.0%, while import duties contributed 4.5%. According to the annual analysis, primary spending surpassed \$9.8 trillion (including the extraordinary spending related to the pandemic). This figure is equivalent to 21.1% of GDP, accounting for a 0.9% y/y increase in real terms.

Within this framework, the National NFPS fiscal result, taking in account the Extraordinary Solidarity Contribution (Law No. 27605), but not considering the SDRs included in public accounts in September of this year (NUD No. 662), accumulated a \$1.4 trillion primary deficit. This figure is equivalent to 3.0% of GDP (below the 4.0% deficit targeted in the National Budget). On the other hand, the financial deficit accounted for 4.5% of GDP (after including the SDRs, fiscal accounts figures fell to 2.1% and 3.6% of GDP, respectively).

International trade expanded significantly, driven by imports and exports. This performance was due to the expansion in the commercial relations with Argentina's main trading partners. Thus, exports rose 42.0% y/y in 2021, reaching US\$77,935 million, accounting for the highest value since 2013.

This dynamism was driven by agricultural manufactures (soy products, such as oil, flour and pellets stood out). The growth of manufactures of industrial origin was important as well. Their export volume rose 32.9% y/y and their prices climbed 12.8% y/y, fueled by the strong international demand. Primary products increased 34.7% y/y, driven by higher prices. Fuel and energy exports recorded significant improvements, reaching values unprecedented in the last ten years. Imports rose 49.2% y/y, totaling US\$63,184 million, in line with the domestic activity recovery, with a significant growth in all the surveyed items. Intermediate goods and capital goods grew 53.6% y/y and 38.1% y/y, respectively. The dynamism of commercial trade resulted in a US\$14,750 million surplus in the trade balance, US\$2,222 million over 2020. This figure was close to that obtained in 2019, becoming the second highest value since 2010.

In financial terms, a higher volatility was observed in the prices of Argentine assets. The monetary authority participated actively in the spot and forward exchange markets to preserve the exchange, financial and monetary stability. In this regard, the BCRA accumulated foreign currency purchases for US\$ 5,144 million during the year. However, international reserves only grew US\$275 million, amounting to US\$39,662 million.

Within this framework, the monetary base expanded 40.0% in 2021, equivalent to a 7.2% contraction in real terms. In terms of GDP, this value was below the historical average. Regarding the creation of secondary money, loans to the private sector in pesos increased 48.0% y/y (-2.0% in real terms) as a result of the fall in consumer loans -deflated. This performance was partially offset by the slight improvement in the commercial segment which was fostered by the Lending Facility

for MiSMEs Productive Investment (LFIP, for its Spanish acronym). Loans granted under this facility amounted to approximately \$1.5 trillion since its implementation, involving more than 209,000 companies. The BCRA extended the term of this facility to the first quarter of 2022. It is important to highlight that consumer loans performed dynamically since the last quarter, mainly fostered by the zero rate financing destined to taxpayers under the simplified tax regime and by the implementation of the Ahora 12 program. In 2021, deposits in pesos grew 5.2% in real terms, driven by sight deposits and, to a lesser extent, term placements.

2022 Prospects

Challenges arise mainly from the possible response of developed countries if inflation persists beyond the second half of 2022, when the FED and the IMF predict that pressures will ease. An increase in interest rates before 2023 could result in a strong capital outflow, a drastic worsening of financial conditions and reduced recovery prospects, especially in some emerging markets and highly leveraged developing economies.

In terms of economic activity, the market expects that growth will moderate in 2022, due to the ending of the fiscal stimulus measures which still remain in the major economies. Likewise, the emergence of a new type of Coronavirus, such as Omicron, could result in new lockouts affecting production, global supply chains and, hence, inflation persistence around the world.

Mention should be made that the restructuring of the standby arrangement with the IMF, as well as its goals on fiscal, financial support and accumulated reserves matters will be essential for determining the course of the real economy

in the short and medium terms. In this sense, it should be noted that the National Public Sector would not be a growth driver, since it will experience -at most- a moderate acceleration in expenditure. Likewise, and not less important, the reserves targets will impose a floor on the exchange depreciation rate and, therefore, on inflation, forcing to obtain a surplus in goods capable of paying all debt obligations. On the contrary, the net financing to be obtained from other Multilateral Lending Agencies and the inflow of investments, especially productive investments, may relax these goals.



About us

Our mission

We are the Bank of the people of the Province of Buenos Aires

Our mission is to foster the development of the Province of Buenos Aires and its people.

Our commitment:

To promote the financial inclusion of provincial inhabitants through accessible and quality banking products and services.

To expand the offer of products and services through digital channels, improving customer service and pursuing sustainability.

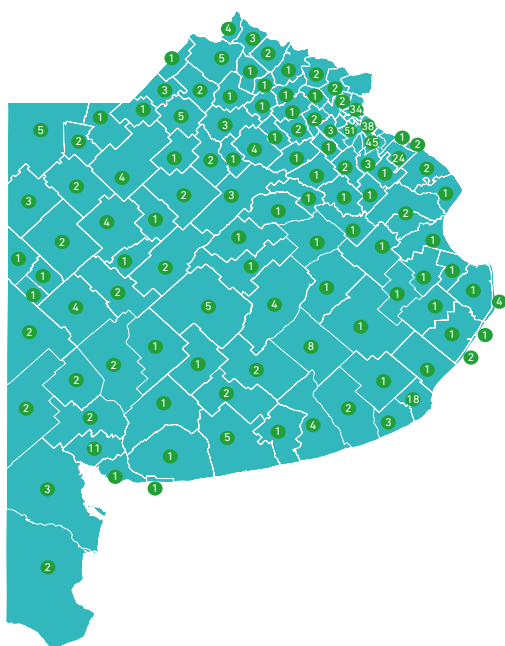
To consolidate data governance and all customers' data protection.

To support the development of productive sectors of the Province of Buenos Aires, offering them financial solutions.

To back SMEs as the engine of the economy and the agricultural sector as the basis of our productive system.

To encourage the progress of all provincial inhabitants through financial tools to make their dreams come true.

To provide financial assistance in our role as a **social and public bank** to municipalities, social and sport clubs, regional economies and the culture sector of the Province of Buenos Aires.



The Bank has
420 branches

- 1,900 ATMs
- 80 historic buildings
- 2 museums

10,500
employees

Our History

The history of Banco Provincia started together with our identity as country and society. In its role as a public bank, the Institution has adapted and modernized to meet the changing needs. During its existence of almost 2 centuries, the Bank has accompanied the development of the provincial people, building with them a path to prosperity. A history that is written day by day.

The Bank, founded in 1822, was the first financial institution to operate in Argentina and Spanish America. It has a valuable experience of 200 years and a long-term vision based on economic sustainability and innovation, which enable the Bank to improve the quality of products and services.

Banco de la Provincia de Buenos Aires, as a state-owned Bank, is a self-administered public institution, the origin, guarantees and privileges of which are set forth in the Preamble and in Sections 31 and 121 of the National Constitution, in the National Law No. 1029 of 1880, and in the Provincial Constitution and laws. It started operations under the name of Banco de Buenos Aires, and was the first Argentine corporation of its kind with state promotion and private capital.

Throughout its history, the Bank has maintained its strong commitment towards the development of the Province of Buenos Aires and its people. The Bank granted the first mortgage loan in the country (1856) and launched the first loan facility for the agricultural sector (1941).

Banco Provincia inaugurated its first three branches in 1863 and, afterwards, has consolidated as the financial institution with the greater presence province-wide with more than 421 business units. As part of the commitment to be close to people who need support, the Bank launched its own ATMs network in 1989. Nowadays, it is the most extensive network within the provincial territory with 1,901 terminals operating even in places where other banks are not present.

Towards the Bicentenary

Approaching its bicentenary, and as a result of a strategic repositioning, Banco Provincia launched its new brand identity in October. This change also included a new slogan: "Here, we produce".

Under the coordination of the Institutional Communication management, the design was in charge of the Bank's creative team who developed a simple and dynamic logo to convey support to productive sectors and closeness to provincial inhabitants. The structure of the isotype contains two elements shaping the letter "P" and representing the geography of the Province of Buenos Aires.

The renewal of the corporate identity was planned in accordance with the Bank's positioning strategies: promotion of productive development, permanent innovation and social inclusion in a context of strong geographical presence.

The new identity was launched in the digital environment and some branches. It will be gradually implemented in the remaining branches until September 6, 2022, when the Bank will celebrate its 200th anniversary. This change also involved Grupo Provincia, Banco Provincia Foundation and Provincia Microcréditos.

Institutional Governance

According to the guidelines of Corporate Governance in Financial Institutions, the Bank issued its Institutional Governance Code in 2012, which is periodically reviewed and updated. It provides guidance on how the objectives of the Board of Directors and Senior Management are set and achieved.

It is intended to protect depositors' interests and ensure business compliance with security and solvency requirements in line with prevailing laws and rules.

In this sense, the purpose of the Institutional Governance, Ethics and Compliance Committee is to review and recommend the approval of suitable policies, ensuring that the Bank has the adequate tools for appropriate decision making and compliance with regulations.

In the latest updating, both the Committee and the Board of Directors asserted that the Institutional Governance Code implemented by the Bank fits its profile, complexity and importance.

Thus, Banco Provincia is in line with good governance practices, and, according to its Transparency Policy, the Institutional Governance Code and other codes are publicly available on the Bank's website.

In accordance with the standards of the BCRA, the Bank has several committees under the supervision of the Board of Directors:

1. Auditing Committee

This Committee assists the Board of Directors, within the scope of its specific duties, with the monitoring of internal controls, the management of individual and corporate risks, the compliance with the rules set forth by the Bank, the Argentine Central Bank and the prevailing laws.

2. IT, Systems and Processes Committee

It gives an institutional treatment to policies and strategies on information technology, information systems, and related resources, and monitors their implementation and compliance with the rules set forth by the regulatory authorities.

3. Protection of Financial Services Users Committee

This Committee gives an institutional treatment to the Bank's activities in compliance with the regulations concerning the protection of financial services users and public interest rules protecting consumers' and users' rights.

4. Anti-Money Laundering Committee

It assesses the compliance with the prevailing regulations concerning anti-money laundering (AML) and the pertinent policies and goals set forth by the Board of Directors.

5. Risks Committee

This Committee analyzes institutional policies, strategies and procedures for managing the Bank's risks pursuant to prevailing regulations and best practices, ensuring their correct implementation and compliance.

6. Institutional Governance, Ethics and Compliance Committee

It reviews and recommends the approval of institutional governance, ethics and compliance policies.

7. Staff Incentive Committee

This Committee controls the structure of the staff economic and non-economic incentives



system and its implementation, ensuring its consistency with the Bank's purposes.

Likewise, the Bank has created the following additional commissions under the supervision of the Board of Directors:

Administration Commission

It considers proposals related to direct purchases and the acquisition of goods, services and works through a bidding process as established in the Procurement Regulations of Banco de la Provincia de Buenos Aires.

Assets and Liabilities Management Commission

This Commission follows up the Bank's Projections and Business Plan, and verifies compliance with the strategic goals set by the Board of Directors. It participates in the definition of policies involving the determination of yield and lending interest rates applicable to the different products offered by the Bank.

Loans Management Commission

It discusses credit policies proposals oriented to attract customers and build customer loyalty as well as to provide financing to individuals and to the different economic sectors of the Province of Buenos Aires. This Commission determines, according to its powers, the credit rating applicable to the Bank's customers.

Internal Affairs Commission

This Commission evaluates proposals for the resolution of internal cases, both in the disciplinary and financial fields, when the pertinent rules or the distinctive features of the issue require the Board of Directors' approval.

Legal Affairs and Delinquency Commission

It assesses payment proposals, administrative executions, legal matters, hiring and performance of independent law firms and collection agencies, and the establishment of recovery policies on the delinquent loan portfolio.

Finance Commission

This Commission formulates the Bank's financial strategy within the framework of the applicable rules, policies and limits.

Commercial Strategy Commission

It analyzes the commercial strategy proposals oriented to achieve the institutional goals set by the Board of Directors.

During the year, the regulatory context has changed and the implementation terms for data reporting have been shortened,

requiring coordinated efforts throughout the Bank, especially in the business-related areas. Taking into account this situation, and in order to speed up processes, a collaborative tool has been designed to report the regulatory changes, the impact on the Bank's internal rules, the designation



of officers-in-charge and the follow-up of actions taken.

The Bank fully complied with the 2021 Working Plan on Anti-Money Laundering and Terrorist Financing.

In the context of risks management, the Board of Directors approved the Risk Self-Assessment, Risk Tolerance Statement and Customer Acceptance Policy, submitted in due time and form to the supervisory and control bodies (Financial Information Unit, Argentine Central Bank and National Securities Commission (CNV, for its Spanish acronym)).

In addition, the obligations arising from the Consolidated Supervision regime were complied with according to the regulatory requirements.

For the fourth consecutive year, the Bank

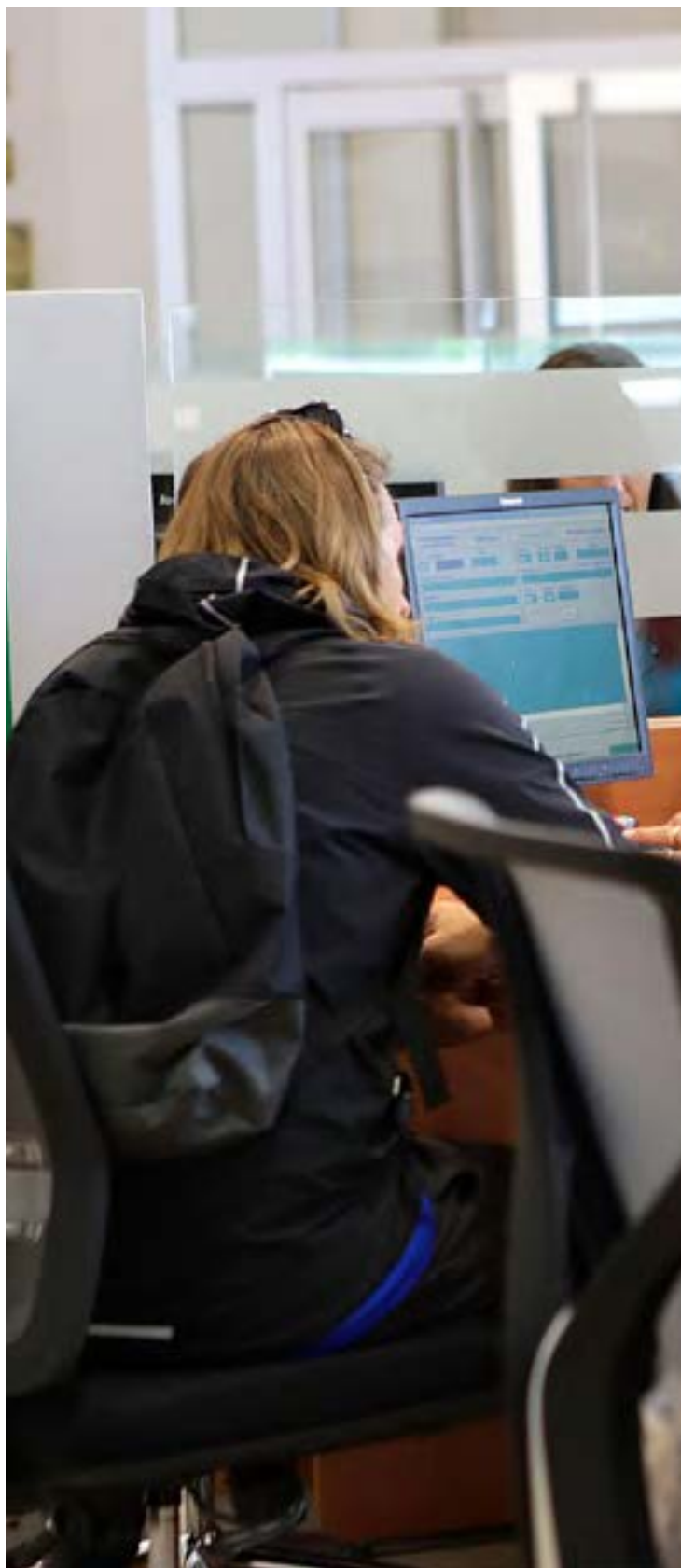
obtained an "adequate" rating in the Independent External Review, carried out under the provisions of Resolution No. 30-E/2017 of the Financial Information Unit.

With respect to staff training, actions were taken towards the application of the "Know Your Customer" and "Risk-Based Approach" principles.

A regular feedback was maintained with other financial institutions, regulatory bodies and sectorial chambers.

Sexual Diversity, Gender Identity and Women's Rights Commission

This Commission promotes the implementation of institutional policies on gender equality and equal opportunities, and respect for people's sexual orientation, gender identity and gender expression to be applied to all the Bank's sectors.



Our Bank is the driving force of the development of the Province of Buenos Aires and its people

"Here, we produce"

Relationship with the Public Sector

All provincial agencies and municipalities represent a fundamental customer segment for the Bank. Accordingly, we constantly take steps to build new relationships, keep communication channels open and reaffirm our support and assistance. These principles have always guided our actions.

One of the essential tools that the Bank made available to its public sector customers is the BIP Institucional platform, a new internet banking platform specially developed for this segment. The migration of municipalities began in 2020 and was completed in 2021. Currently, 135 municipalities and other agencies are operating more straightforwardly and with better functionalities.

At the same time, more people joined our different alternative e-collection and payment services such as payment to suppliers, payment of benefits and fees, and the COPRES system for official vehicles (prepaid cards that may be used to pay for fuel and car-related maintenance services). These services replace checks as means of payment, reducing the number of in-person

transactions and allowing for a more efficient management of payments.

Regarding financial assistance, we continued promoting our facility to finance public works and purchase vehicles, road machinery, and hospital equipment.

Concerning the payment of retirement/pension benefits and social plans, we sought to migrate the benefits collected at cash desks to the ATM network to encourage the use of ATMs for cash withdrawals and debit cards in merchants affiliated to Visa.

We are about to launch e-Cheq, an electronic check that will be used by the entire public sector. This product will speed up and reduce transaction costs.

In 2022, the goal is to further improve the relationship with municipalities and encourage the migration of collection and payment services to alternative channels in order to reduce the operative workload at business units and enhance the efficiency of processes.



Commercial Network

We will continue improving the quality of service, mainly by promoting and encouraging the use of digital channels and scheduled appointments to resolve customers' queries and/or the sale of products and services.

In 2021 and in line with the goals set by the Bank to improve the quality of the service provided to provincial people, the Bank:

1 - Increased the number of ATMs (automated teller machines) by installing modules to guarantee access to the service in areas without banking presence.

2 - Implemented the functionality to operate ATMs through biometric data authentication (fingerprint readers). At present, 172 ATMs have this functionality enabled.

3 - Awarded contracts to purchase 448 fingerprint readers to be installed in operational ATMs.

4 - Installed 52 new ATMs, raising the total number of installed and operational ATMs to 1,901.

5 - Started the administrative process to purchase 691 new ATMs, out of which 206 will be installed in new locations, and 485 will replace existing units.

6 - Refurbished 15 Business Units and opened 2 new Business Units (Ezeiza and Nine Moreno) between 2020 and 2021, a difficult and challenging period.

7 - Enhanced the value of buildings of historical interest, maintaining their asset value to the Bank.

8 - Optimized physical spaces to achieve better use of buildings. To this end, each of the functions related to banking transactions was adequately defined, which streamlined the global operability of each branch.

9 - Projected the integral refurbishment of 35 branches and the construction of 6 new Business Units on land acquired by the Bank to relocate branches in 2022.

10 - Developed a new customer service modality at Provincia NET stores, making it possible to serve provincial inhabitants in new locations. Local Net - Alberdi and Local Net - Puente La Noria are the first two stores opened under this modality.

11 - Implemented biometric signature PADS. A digital file is created to replace paper forms and protect the signature's biometric data. This operation guarantees the integrity of the forms' content, avoids adulterations, and automatically provides visualization in the digital file. In 2021, 3,291 PADs were installed in 413 locations.

12 - Enabled the reception and acceptance of documents digitally signed by customers, which allows sending information remotely to the Bank in an agile and straightforward manner. This made it possible to use less paper, facilitate the integration of digital files and, mainly, reduce the number of in-person transactions at the branches.



Financial Banking

In 2021, the Foreign Exchange Trading area processed the sale of US\$240 million (notes) to individuals and traded foreign currency in the spot market through the Mercado Abierto Electrónico (MAE, for its Spanish acronym) for US\$4,974.9 million. In the same period, a total of US\$185 million was traded in futures, US\$103.5 million through the MAE and US\$81.5 million through the ROFEX. Simultaneously, commercial negotiations were conducted to build new relationships with customers and maintain the current ones by holding virtual meetings also attended by other areas of the Bank.

The Bank, through the Securities Trading area, traded over \$6,935 million of fixed-income securities at Bolsas y Mercados Argentinos S.A. (BYMA, for its Spanish acronym) of its own and third-party portfolio. As regards equities, the Bank traded the equivalent of \$2,932 million (practically, the total amount traded accounted for third-party transactions). Compared to 2020, the amounts traded went up by 151% in the case of fixed-income securities, primarily due to an increase in customers' trading operations.

Since August 2021, the Bank has participated in the "Creadores de Mercado" program, developed by the Ministry of Economy, to increase liquidity in its short/medium-term debt instruments (Ledes - Lecer - Lepase). Participation in this program allowed us to improve the volume of transactions, build customer loyalty and increase the number of customers, both in the primary and secondary markets.

The set of measures adopted by the BCRA during 2020 concerning deposits remained in force (on November 12, 2020, the BCRA published a 37% annual nominal interest rate for deposits of up to Pesos 1 million made by individuals; deposits made by individuals for larger amounts would bear a

34% annual nominal interest rate, the same rate applicable to legal persons). At December 2021 and in this context of minimum interest rate adjustments, deposits in the Bank from the Retail Private Sector increased by 20.37% p.a. (2.30% above the system's figures) and by 54.06% when made by the Wholesale Private Sector (as against 67.06% in the financial system).

UVA-linked fixed-term deposits increased by 338.57% during the year, while in the financial system, they went up by 193.07% at December 2021. This increase was due to the performance of traditional UVA-linked fixed-term deposits and term deposits offering early withdrawal and fixed interest rate. This product was in high demand by both individuals and legal entities.

Likewise, the "Interest-Bearing Checking Account" had an outstanding performance during 2021. It was launched in mid-2020 and offered to customers until reaching 33 interest-bearing counterparties to operate in Mutual Funds. This product helped increase our level of private deposits by 4.59% over the financial system and optimize the funding cost.

In October, the Argentine Institute of Standardization and Certification (IRAM, for its Spanish acronym) performed the recertification audit on the "Fixed-Term Deposits at Pre-Agreed Rate" process, which holds an ISO 9001:2015 certification, consolidating even further the quality management system.

Evolution of deposits

The Bank's total deposits grew by 53.9%. Deposits in local currency recorded an increase of 60.8%, while deposits in foreign currency grew by 22.2% if considered in local currency.

When analyzing the performance by sector, deposits collected from the non-financial private sector showed a higher growth than those from the public sector (56.3% vs. 47.2% y/y).

The most significant expansion within the non-financial private sector was observed in checking accounts, which recorded an increase of 102.8% y/y. Second came fixed-term deposits, which increased by 47.3% y/y, slightly higher than the 46.6% y/y growth in savings accounts.

Concerning the public sector, term deposits increased by 54.0%, while sight deposits grew by 43.0% compared to the previous year.

Regarding the Bank's funding structure, at the end of 2021 sight deposit balances accounted for 56.1% of total deposits, while term deposit balances accounted for the remaining 43.9%.

Locally, at the end of 2021, there was a slight increase in the market share of peso-denominated private sector deposits (from 9.6% to 9.9%). Total deposits in local currency maintained their share as against the previous year (9.9%). Foreign currency deposits performed similarly as their share did not change when compared to 2020 (8.3%).

The Bank reinforced its commitment and role in capital markets, facilitating customers' access to the different investment products through Banca Internet Provincia platform, a dynamic and interactive tool that positions the Bank as a market leader.

We actively support the development of the local capital market and assist companies in obtaining financing through corporate bonds and financial trusts. The Bank reached record participation in private sector issuances, exceeding previous years in quantity and volume. As arrangers and underwriters, we have supported companies such as YPF, Pan American Energy, Albanesi Energía, Newsan, Red Surcos, San Miguel, Vista Oil & Gas, RG Albanesi, IRSA, Generación Mediterránea, Central Térmica Roca, CT Barragán, CGC, Profertil, Cresud, Petroagro, Laboratorios Richmond and MSU, among others.

The usual Provincial Treasury Bills auctions were held and the Bank, once again, was the leading manager and underwriter of these instruments, awarding a total of \$114,413 million.

Funds managed by the "1822 Raíces" mutual funds rose from \$44,000 million (December 2020) to more than \$147,000 million (December 2021), recording an annual growth of 235%. In 2021, we launched the "1822 Raíces Pyme" fund, designed to invest in financial instruments issued by



SMEs. The Fund already manages assets for \$1,900 million. Likewise, we are actively working on the launching of three new mutual funds that will complement the portfolio of mutual funds to be offered to our customers.

We have continued working to enhance customers' experience with securities and mutual funds transactions through our Banca Internet Provincia (BIP, for its Spanish acronym) platform, adding information and functionalities to improve processes. As a result of this effort, 98% of the securities traded and 99% of the mutual funds underwritten and redeemed are currently channeled through our digital platform. Thus, our branches have been able to minimize their operative workload, mitigate the operational and legal risks and, above all, encourage financial inclusion.

This year, like in 2020, we were one of the few banks in the system that made it possible for our customers to exchange National and Provincial Debt Securities in a completely digital way, offering exclusive information channels and permanent support.

In 2022, we will continue helping more and more companies, particularly SMEs, to gain access to capital market financing. This measure is intended to channel savings into production, strengthen SMEs as the economy's driving force, and promote equal opportunities and financial inclusion.

Personal Banking

In 2021, "Cuenta DNI" became the Bank's main channel for attracting new customers, enabling a 6% growth in its customer base.

We worked hard to achieve our objectives, building on the pillars of productive development, innovation, and inclusion. In this sense, the following actions were carried out:

We continued optimizing the "Cuenta DNI" digital wallet, adding new functionalities, such as paying by QR scanning, sending and requesting money to and from phone contacts, adding NFC (Near-field communication) payments, and redesigning the "look & feel" of the application.

As to merchants, we launched "Cuenta DNI Comercios", a digital solution that allows collecting from customers by scanning a QR code. Customers also have access to tools in order to improve business management quickly and straightforwardly. Funds are credited immediately and users can enjoy the benefits given by the Bank. The application is meant for independent workers reporting under the simplified tax return system (monotributo) and for registered taxpayers (responsable inscripto).

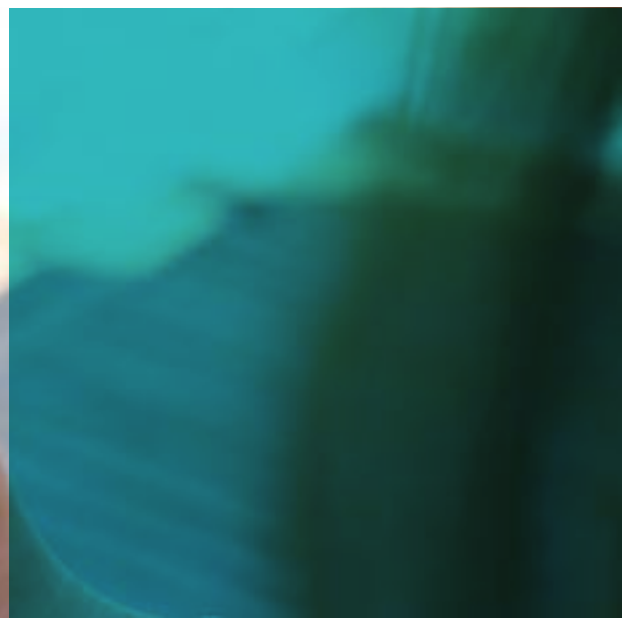
Implementation of Transfers 3.0. In line with BCRA regulations, this new payment method was implemented in November, allowing the Bank's merchant customers to collect from their terminals, both from users of "Cuenta DNI" and/or of any other electronic wallet in the market.

We launched the "Inclusión" package, approved during the third quarter of 2021 and to be implemented in 2022. This package has been designed for independent workers reporting under the lowest categories of the simplified tax return system, who are not qualified for the existing commercial packages.

We implemented the "Special Deposit and Settlement Account for Argentine Construction" (CECON.AR, for its Spanish acronym). Customers may deposit in these special accounts the funds declared in the voluntary affidavit of foreign or domestic currency as held in the country and abroad. The above is aimed at fostering the development and investment in real estate projects in Argentina.

We implemented the "Special Account for Extraordinary Solidarity Contribution - Repatriation of Funds". This special account will be used for repatriation of financial assets held abroad. Funds may be used for placing a "Fixed Term Deposit - Repatriation of Funds - Law No. 27605". By depositing funds in this account, customers could be entitled to a tax rate reduction.

In 2022, we intend to expand our customer base by means of our "Cuenta DNI" targeting the adolescent population on the basis of the app digitalization and monetization strategy.



Marketing

We continue supporting strategies to achieve different solutions and benefits in order to improve the socio-economic conditions of the inhabitants of the Province of Buenos Aires.

Among the actions taken to encourage the use of the "Cuenta DNI" app as a means of payment in stores, we must highlight the discount program jointly undertaken with the Government of the Province of Buenos Aires since July. These actions represented important savings for the Province of Buenos Aires families. They had helped rekindle the economy in general and provincial neighborhood merchants in particular. The benefit program also included discounts for "recharges" and "payment of services" functionalities.

To continue promoting financial inclusion and the use of the "Cuenta DNI" digital wallet, more than 30 virtual and 10 face-to-face meetings were held under the "Incluir" Program and the "Alas" Program as well as with Municipalities and provincial Chambers of Commerce. Different communications campaigns were carried out to attract, educate and build customer loyalty. To this end, a community was created around the brand, which participates in draws and streaming experiences.

Concerning credit and debit cards, regular benefits have been designed in different consumption sectors to develop and build customer loyalty. The Bank planned campaigns

and actions for special dates such as "Back to School", "Father's Day", "Winter Holidays", "Children's Day", "Spring Day", "Mother's Day", "Special Paint Shop Day", "Special Sports Store for online shopping", "Special Tire Day", "Book Fair", "Christmas" and "Epiphany".

In October, the first stage of the new Bicentennial website project was implemented, aimed at strategically repositioning the Bank's products and services, and providing customers with a better and more inclusive experience through an intuitive and straightforward browsing experience. A new space called "Te Ayudamos" was launched, which provides a quick and agile solution to respond to our customers' most frequent queries and problems through easy-to-understand materials such as tutorials, frequently asked questions, and online manuals.

We implemented a new methodology to capture the voice of the customer. Throughout the year, we carried out continuous surveys on the acquisition of new products, the use of channels and the opening/use of Cuenta DNI, thus monitoring the evolution and stabilizing customer experience indicators.

In 2022, we will continue implementing the different stages of the new Bicentennial website project and repositioning our commercial strategy on products and services. We will also maintain the actions on benefits and the voice of the customer as well.



Customer Management

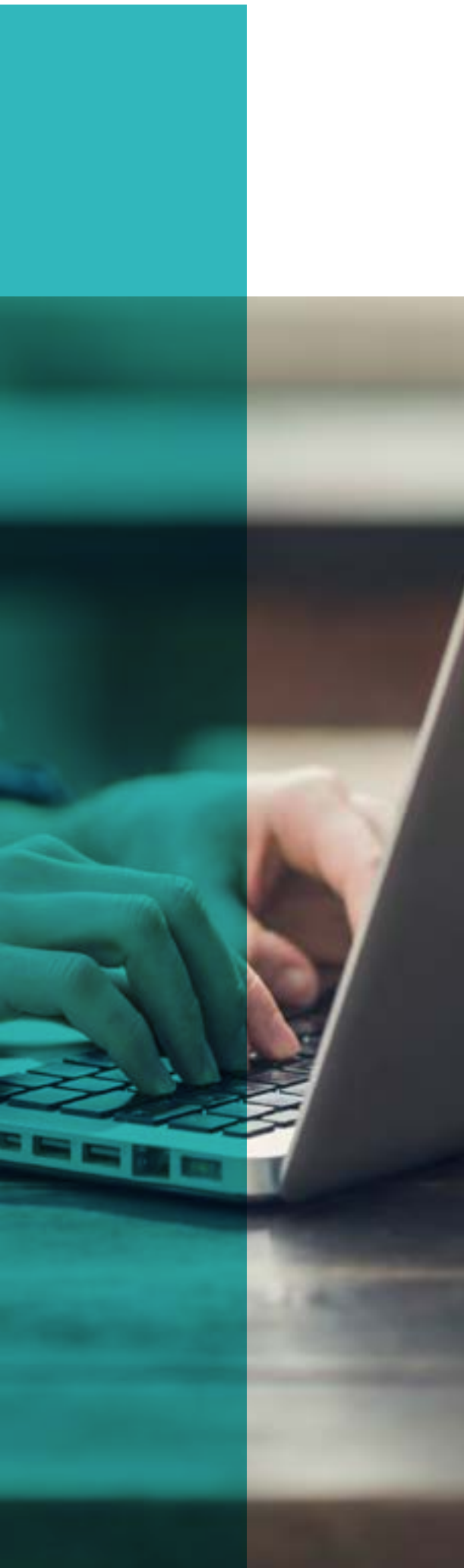
In 2021, the Customer Relationship Management was created to ensure quality standards in our interaction with customers and users of our financial services, promoting a comprehensive service that enhances commercial management at every point of contact. The objective is to resolve and anticipate customers' needs to offer a good experience and ensure compliance with regulations related to the protection of the users of financial services.

The purpose of this area is to achieve service management excellence through:

- The promotion of a customer-centric culture at all levels of the organization.
- A continuous customer management improvement process at every point of contact by monitoring the customer experience and actively listening to the voice of the customer.
- The design of omni-channel experiences.
- The creation of experiences that build customer loyalty and differentiate us from our competitors, favoring the development of new relationships.
- The definition of a customer-centric management strategy based on the following values: excellence, efficiency, self-management, co-creation, and proactivity.

The main achievements in 2021 were:

- Customized service, maintaining excellent satisfaction levels both over the phone and social media channels. The Bank's virtual assistant was also developed and implemented, with a high resolution rate on customers' inquiries.
- We developed a digital dashboard by incorporating standardized data in all channels, from registration and reason of contact to service performance indicators and VOC (voice of the customer).
- We offered ongoing training to our customer service contact center staff, updating them on the Bank's products and services. The objective is to provide reliable information in an organized manner, establishing continuous updating circuits and surveying the needs of both sides.



- We developed protocols for social engineering cases, quick detection of maneuvers and immediate response to customers, as well as for the registration of legal requirements corresponding to Consumer Defense instances and other competent agencies in the field.
 - We are working on a protocol to report fraud through the Call Center. With this solution, customers who are victims of fraud schemes can contact us by telephone to lodge their complaints or report irregularities.
 - We carried out communication and awareness campaigns on the security measures and actions to be taken in the event of suspicious situations.
 - In collaboration with the Cybercrime Investigation Department of the Police of the Province of Buenos Aires and with the Provincial Public Prosecutor's Office, we filed several criminal complaints for crimes committed against our customers.
-

Corporations

In 2021, the standards applied for the origination and granting of corporate loans remained the same.

We undertook an improvement process of the rating system, which resulted in greater automation and efficiency in the granting of loans. The challenge for 2022 will be to continue developing digital tools, striving for more efficiency in order to improve the Bank's business and the follow-up of loans granted to our customers.

Digital Products

The management of digital products for the corporate segment is a constant challenge and a business opportunity with high potential, given the ever-growing digital transformation which, in 2021, was driven by two of our flagship products: e-Cheq and Web Loans.



The amounts of e-Cheqs issued showed a sustainable growth as against 2020. In 2021, about 490,000 e-Cheqs were issued for approximately \$132,000 million. Today, 32,000 customers actively use the product (issuance, deposit, custody, and discount). Electronic check discounting has also achieved broad acceptance and already accounts for 78% of all securities discounted.

Loans for working capital granted through the BIP platform in May 2021 marked a milestone in managing digital products for corporations. More than 1,900 customers obtained over \$5,000 million financing through this tool. To continue strengthening the product, the borrowing limit for MiSMEs was raised from \$5 million to \$10 million, and the full term was extended from 12 to 24 months.

In 2022, emphasis will be placed on migrating different lending products to the digital channel to encourage self-management by corporate customers.

Collection and Payment Services

In line with the work proposed and carried out in recent years, we continued strengthening our commitment to migrate transactions to digital channels, reducing the operative workload at business units, taking care of our customers' needs, and providing comprehensive tools for the development of their business.

As a result, more than 1,400 collection agreements are currently in force through electronic channels, Pago Directo services and the Pagar Platform. This means that 85% of the total collection services are carried out digitally, thus collecting more than \$10,000 million in sight accounts.

Guarantees

We signed several agreements with the Argentine Guarantee Fund (FOGAR, for its Spanish acronym) and the Buenos Aires Guarantee Fund (FOGABA SAPEM, for its Spanish acronym), expanding the number of beneficiary SMEs reached.

We optimized the procedures with FOGABA SAPEM, reducing management times and improving the circuit of recovery, execution, and collection of guarantees.

We moved forward with the migration to the guarantee banking digital channel, including within the processes the acceptance of digital bonds issued by FOGABA SAPEM and the different mutual guarantee societies (SGR, for its Spanish acronym) wishing to be part of the project.

In 2022, improvements and validations will be implemented in the different platforms managing the guarantees designed during this fiscal year. This will allow us to continue optimizing the information quality and facilitating the operation of branches. Together with FOGABA SAPEM and Garantizar SGR, we will develop new agreements based on the analysis of the market needs detected, adding new products and reaching more beneficiaries.





Loans to the Corporate Sector

To continue supporting and promoting the productivity of small and medium-sized companies, the quotas of the "Working Capital" and "Check Discount" loan facilities, both corresponding to the SME Reactivation Program, were extended throughout 2021.

In addition, the demand for check discounting increased due to the significant reduction in interest rates, which allowed us to build customer loyalty and develop our customer base.

Under the "RESMEs Check Discount" facility, loans for \$22,599 million were granted to 2,825 customers during the year. Out of such amount, 35.48% was destined to small companies, 34.75% to medium-sized companies (tranche 1), 22.14% to micro enterprises and the remaining balance to medium-sized companies (tranche 2). When analyzing loans by sectors, 36.58% belong to Trade and Services, 34.09% to Industry and Mining, 3.98% to Construction, and 11.55% to other sectors of the economy.

Regarding the "RESMEs Working Capital" facility, loans for \$46,875 million were granted to 6,687 customers. Out of such amount, 44.49% was destined to medium-sized MiSMEs (tranche I); 29.03% to small companies; 17.58% to micro enterprises; 8.41% to medium-sized companies (tranche II); and 0.49% to exceptional financing. When analyzing loans by sectors, 37.41% belong to Trade and Services; 30.37% to Industry and Mining; 3.67% to Construction; and 8.36% to the other sectors of the economy.

In addition, we adapted the "Loan Facility for MiSMEs Productive Investment" to the terms of BCRA Communication "A" 7140, as amended and supplemented, thus granting a total of \$16,693 million to 1,928 companies.

In addition, we signed several agreements with agencies such as FONDEP, the Ministry of Agrarian Development, and the Ministry of Production, whereby loan facilities at subsidized lending rates were launched, providing investment financing to MiSMEs of the industrial, agro-industrial, industrial services, and trade sectors. For gender equality purposes, financing was also provided to women-led or women-owned MiSMEs.

In 2022, we will continue to enhance our lending facilities to make them more attractive, profitable, competitive, and accessible for companies, in line with their segmentation and sector.

SME Banking

We granted loans for more than \$100,000 million, mainly for working capital, investments, foreign trade, and document discounting (where loans for \$54,107 million at soft interest rates and the incorporation of e-Cheq discounting stood out).

The Bank worked towards easing financing for the most vulnerable companies and stimulating the economy's most dynamic sectors. To this end, several lending facilities programs were implemented. Among them, the SME Reactivation program stood out which included facilities destined to working capital, foreign trade, document discounting and investment. It also participated in the Financing of Productive Investments programs at subsidized lending rates supported by FONDEP and the Ministry of Production of the Province of Buenos Aires. Since the beginning

of the lockdown period, the Bank also supported SMEs with an emergency facility to pay salaries.

The Bank has also been present in the main provincial industrial centers, with a team of commercial banking officers specially trained to facilitate corporate access to the financial system and provide customized advice.

We participated in more than one hundred events to promote and spread the various financial tools available for SMEs, through which we sought to encourage companies to establish commercial links with the Bank.

It is worth mentioning the participation in the "Incluir" Program through a series of virtual training sessions on the access and safe use of essential financial products and services.

Agricultural Banking

The Bank granted loans to the Agro-Industrial sector for \$180,095 million, of which 83% was destined to the MiSMEs program which accounted for 56% of the Bank's total financing to the corporate sector.

The following facilities, offered on competitive terms, stood out: loans under the Procampo card, discount of documents at soft rates, loans for working capital under the SME Reactivation Program and pre-export financing facilities in foreign currency.

The Procampo card offered special financing conditions in the framework of agreements signed with the leading supplier companies of inputs and services. Thus, it became the agro-industrial card with the largest market share in the Province of Buenos Aires, billing over \$30,000 million in 2021. The update of margins in courtesy Procampo Cards and

the pre-established amounts per productive hectare, which increased Procampo's total margins by more than 85%, were some of the actions of greatest positive impact.

We continued supporting our Agro-Industrial sector customers with specialized commercial banking executives, providing personalized advice in the main productive areas of the province. New customers' onboarding and rating was streamlined, supporting and financing their activities and building their loyalty by offering the products and services of the Bank and Grupo Banco Provincia, thus improving the performance of the Agricultural portfolio.

We continued to promote the Procampo card as the Bank's main financing tool for the Agricultural sector. We supported farmers in the Province of Buenos Aires, offering special promotions with the Procampo Card



to acquire cattle, with a payment term of up to 180 days.

We entered into agreements with the Foundations and Rural Societies of each municipality within the framework of the Foot-and-Mouth Disease vaccination and Animal Health campaigns. The Bank subsidized part of the interest rate and financed the purchase of vaccines with terms of up to 90 days. Producers engaged in the summer and winter crops campaigns were offered special conditions and payment terms of up to 270 days for the purchase of seeds, fertilizers and agrochemicals, and payment terms of up to 150 days for the purchase of fuels, tires and renewable energy.

We entered into agreements for financing the acquisition of capital goods with leading companies in the machinery supplying sector, which allowed us to strengthen commercial relations with sector entities such as the Agricultural Machinery of the Province of Buenos Aires association (MAGRIBA, for its Spanish acronym) and the Argentine Chamber of Agricultural Machinery Manufacturers (CAFMA, for its Spanish acronym), benefiting their member companies with differential conditions that helped their productive development.

In 2022, we will once again participate at Expoagro, the most important outdoor agro-industrial fair in Argentina. The Bank will join as one of the main sponsors and offer special promotions with the Procampo card and investment financing at special rates to acquire capital goods based on agreements with machinery suppliers.

Our challenge will be to continue supporting farmers in realizing investment projects and acquiring capital goods to improve their activities. To this end, we will make available various medium and long-term loan facilities to help enhance such growth and productive development. We understand that it will be essential to continue working jointly with the chambers of agricultural machinery and sector entities, listening to the demands and needs of the different players in the agro-industrial value chain.

With the help of the agricultural officers performing at our branches and Head Office, we will work hard to attract new customers so as to increase placements and achieve a better performance of the agricultural portfolio.



Corporate Banking

In 2021, the balance of the Corporate Banking portfolio destined to economic groups, extra-large, large, and medium private enterprises located in Argentina remained the same as in 2020, totaling \$30,999 million in December 2021 (15.76% of total Corporate Sector). Thus, we adapted to market changes with a mixed virtual and on-site attendance scheme to maintain the customer service level desired.

Loans to this sector amounted to \$51,918.6 million (15.94% of total Corporate Sector).

We are focused on the continuous improvement of customer service. Together with the Foreign Trade, Capital Markets, Money Market, Foreign Exchange Trading and Financial Policy and Projections managements and the Group's companies, the Bank has managed to maintain its participation in the placement of Corporate Bonds, Advances on Checking Accounts, Funds, ART (Labor Risk Insurance) and Insurance contracts.

Foreign Trade

Loans for US\$238 million were granted to finance foreign trade, particularly to SMEs in the Province of Buenos Aires, recording a 61% growth compared to the previous year.

Special focus was laid on Customers, building our management model on Service Quality, Profitability, and new technologies applied to the business. This resulted in the processing of about 60,000 transactions, mainly transfers to and from abroad for import payments and export collections.

We consolidated the modules for incoming and outgoing transfers on the BIP platform and, in 2022, we will incorporate new functionalities to optimize service provision.

Commercially, we fostered business by using the new communication platforms, through programs such as "Vincular", "Compre en la Región" and "Oportunidades Comerciales con Embajadas" as well as through workshops and conferences. Our objective is to provide SMEs with the necessary tools to start exporting so as to promote and boost their presence in international markets.

International Division

We carry out actions to foster Banco Provincia's insertion in the international arena through constant interaction with correspondent banks and multilateral lending organizations. This relationship mainly aims at obtaining and granting loan facilities for international transactions, both originated at the Bank itself or derived from foreign banks.

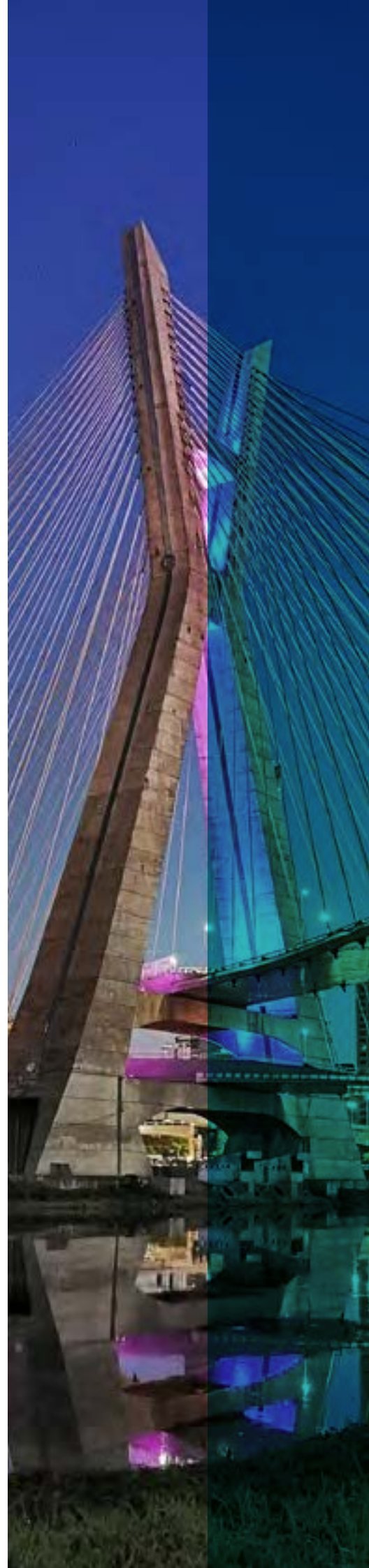
We actively manage the virtual participation of the Bank's top authorities in international events such as: the Annual Assembly of the Federation of Latin American Banks (FELABAN, for its Spanish acronym); the General Assembly of the Latin American Association of Development Financing Institutions (ALIDE, for its Spanish acronym), and the Latin American Congress of Foreign Trade (CLACE, for its Spanish acronym). Through this agenda, the Bank and the Province of Buenos Aires seek to heighten the relevance of the Bank and the Province of Buenos Aires in the international context, with particular emphasis on the search for business opportunities and greater economic and financial integration.

Banco Provincia has two operational branches located in Montevideo, Uruguay, and Sao Paulo, Brazil.

Branches abroad have the mission of promoting the Bank's participation in the markets where they operate and their respective areas of regional influence. The objective is to increase the volume of commercial transactions within Mercosur, thus benefiting SMEs in the Province of Buenos Aires.

We collaborate in the issuance of provincial government bonds to obtain external financing to implement policies destined to encourage production as a whole.

The challenge for 2022 is to reinforce Banco Provincia's international involvement by participating in international events and promoting correspondent relationships so as to reposition the institution as a leader in the Argentine market, boosting the performance of international commercial transactions to achieve a more effective economic and financial integration of the Province of Buenos Aires.



Regional Advisory Councils

Progress was made in the new modality adopted by the Regional Advisory Councils in 2020, which consolidated in 2021, destined to strengthen dialogue and promote active listening in the pursuit of a constant improvement.

In 2021, 46 meetings were held, divided in two rounds, based on the economic activities of each zonal center: Agro-Industry, Industry, Trade and Services. A total of 139 council members participated in these meetings, representing their

business associations (ADIBA, CARBAP, CEPBA, CONINAGRO, FAA, FEBA, UIPBA, and SRA), as well as officers from 26 areas of the Bank, Grupo Provincia, Provincia Microcréditos and FOGABA, who addressed the concerns raised by the council members.

In 2022, we will continue strengthening the spaces for dialogue with the productive sectors of the province to deepen our understanding of their demands and jointly develop public policies.



Risks Management

The Bank manages the risks to which it is exposed in a comprehensive manner, with tools that contribute to their identification, measurement, monitoring and mitigation, in accordance with the best practices and standards provided by the Basel Committee on Banking Supervision and adhered to by the Central Bank of the Argentine Republic.

To this end, and based on the Bank's features, the Board of Directors created the Risks Committee, which holds monthly meetings and analyses risk management issues at an institutional level.

The Risks Administration Management -supervised by the Economic Research and Risks Administration area, which directly reports to the Board of Directors- provides top supervisory officers with crucial information. Among its activities, the following stand out: drafting and submitting reports on the estimation of Expected Credit Losses, economic capital, risks integration with Grupo Provincia, information reporting to the BCRA, limit proposals and alerts, drafting of Contingency Plans, if applicable, among other follow-up indicators and reports.

In 2021, the estimation of the monthly Expected Credit Losses and of each of its risk parameters consolidated as stipulated by IFRS Standards. Concerning credit risks, the main challenge derived from the termination of the regulations issued by the BCRA to support debtors within the framework of the health emergency (Communication "A" 6938 and "A" 6949, among others); therefore, monitoring on these debtors was intensified and opportunities for improvement were identified to mitigate the impact on the loan portfolio

quality. At the same time, stress scenarios were analyzed in terms of the non-performing loan portfolio.

Concerning financial risks, reports and presentations were prepared on the impacts of the regulatory and economic measures imposed as well as on the liquidity of the Bank and the financial system. The control and follow-up indicators of the main variables in pesos and dollars were monitored against the context, adding a more detailed focus on deposits, loans, and interest rates. Likewise, new internal stress approaches were addressed, projecting the main financial variables and evaluating the limits set. Concerning market risks, tools were added for a more accurate identification of this risk.

Regarding operational risks, reports were made on several significant events with an impact on the Bank's transactions, especially on the evolution of the cybercrime risk, mainly linked to social engineering fraud during the confinement. Training was also provided to all our staff through the e-learning platform to strengthen the operational risk management culture, reinforce concepts and instruct on the adequate use of the tools available for such purpose.

Regarding IT Risks, and in compliance with the provisions of the Logical Security Operational Plan, a series of projects were designed within the framework of the 2020/2023 Logical Security Strategic Plan.

The IT security management system also allowed for adequate controls, ensuring the Integrity, Availability and Confidentiality of the information, based on the on-going improvement model, which involves permanent updating and verification tasks.

Sustainability

The Bank defined a Sustainability Policy intended to leverage its contribution to development and inclusion by responsibly integrating economic, social and environmental factors into the Bank's policies, processes and financial products. To that effect, five pillars were defined: transparency, human rights, inclusion, sustainable financing, and responsible consumption and production. Bearing in mind the Bank's Bicentenary, challenging goals will be set to position the Bank as the promoter of the sustainable development of the Province of Buenos Aires and of the communities and individuals living in it.

The work was focused on defining the general criteria to be considered when formulating specific policies, such as the Inclusion Policy, the Environmental Policy and the Responsible Financing and Investment Policy, all of them approved by the Board of Directors.

Inclusion Policy: it aims at improving the lives of individuals, families and companies living in the province, building an appropriate value proposal to include those who have not been served yet by the financial sector and broaden the relationship with our current customers on the basis of their needs.

Environmental Policy: defines the general performance principles of Banco Provincia regarding the achievement of environmental goals related to sustainable development, mainly environmental protection, prevention of any type of direct or indirect pollution resulting from the Bank's activity, responsible consumption, and development of products and services related to climate change.

Responsible Financing and Investment Policy: promotes the creation of financing solutions for companies and projects with social and environmental impact and provides investment tools to contribute to sustainable development.

The approach was to incorporate sustainability criteria to create financial products and services that can contribute to sustainable development by considering not only environmental principles, but also inclusion, diversity and equality as cross-cutting issues.

Under these policies, credit facilities with special conditions were developed to promote environmental protection or

the incorporation of sustainable production processes and to generate a positive social impact. In this context, the first two facilities approved by the Bank were "Agrosustentable" (for the purchase of biodigesters) and "Financiamiento de inversiones - línea mujeres" (for women-led companies).

The focus of the third strategy (incorporation of environmental and social criteria into the lending process) was to prepare a proposal laying down sustainability-related credit criteria, assessment and treatment.

The Bank also drafted, approved and published its first sustainability report - one of the most important milestones that honors the Bank's commitment to the UN Global Compact and the Sustainable Finance Protocol. The report is intended to disclose to stakeholders all efforts of corporate responsibility made in 2020 and to support the ten principles of the UN Global Compact regarding human rights, labor regulations, environmental and anti-corruption issues. It is one of the major management transparency tools and a summary of the actions taken throughout the year by Banco Provincia, in cooperation with Banco Provincia Foundation, Grupo Provincia and Provincia Microcréditos, as a contribution to the sustainable development of the men and women living in the Province of Buenos Aires. The report is publicly available at the Bank's web page and at the Global Compact site as a document internationally known as "Communication on Progress" (CoP). It is published once a year and is in line with the fourth strategic principle of the Sustainable Finance Protocol that promotes sustainable internal processes, reporting and indicators.

All of the Bank's employees received training on the basics of sustainability and sustainable finance.

In 2021, the model of sustainable management was strengthened through topic-based working groups in which various areas of the organization were involved and defined a collaborative and co-managed strategy. In particular, these working groups reviewed the proposals on some of the main sustainability-related areas of focus, such as:

An integrated inclusion strategy in line with the National Financial Inclusion Strategy.

A financial inclusion dashboard was defined to monitor and analyze indicators related to the holding and use of financial products and services, broken down by customer type (Individuals - Micro-entrepreneur and Business and Professionals, segregated by age group and gender).

Segmented financial inclusion: the needs, behavior and preferences of the provincial inhabitants and Bank's customers were analyzed and segregated by age group and socio-economic level in the belief that it is necessary to understand the various realities to outline inclusion and financial awareness campaigns of great impact. These studies resulted in various initiatives that are being worked upon, such as a proposal for the financial inclusion of popular economy workers and a financial training initiative targeted at young people using the Cuenta DNI digital wallet.

Gender Parity Initiative: together with the Human Resources and Women, Gender and Diversity Managements, proposals were analyzed and formulated under the light of the 2020 self-diagnosis made with the Gender Parity Initiative (IPG Argentina). The diagnosis was used to measure the proportion of women on the payroll and the differences in the distribution of leadership positions, among

other aspects, and showed the priority of gender-related issues in the action plan.

Analysis of the women segment: this segment was further reviewed by preparing a statistical dashboard to generate, together with other areas, new differentiated value propositions.

Additionally, we continued participating in the round-tables organized by the Sustainable Finance Protocol and the Argentine Association of Public and Private Banks (ABAPPRA, for its Spanish acronym), to lay down a working framework shared by all member banks. Focus mainly was made on incorporating social and environmental management criteria and a gender-sensitive perspective into the organizational structure and the value proposals to female customers. In this respect, these teams jointly defined the criteria that identify a women-led business. A diagnosis research was conducted on diversity and inclusion towards the organizational structure which was used as basis to prepare a best practice guidebook focused on gender equity. A guidebook was also prepared, including desirable contents and structures to be taken into account when formulating a sustainable banking policy. Another guidebook is being prepared to help the banks implement an environmental and social risk analysis.

Caring for People

The biggest challenges were to adapt to the various work modalities (remote/on-site) and work environments, look after employees within the framework of the COVID-19 pandemic and the diversity perspective, and develop our personnel to strengthen our teams so as to provide a quality service to the people of the Province of Buenos Aires.

Due to the health environment resulting from the pandemic, the Bank continued being focused on preventing and preserving the health of its employees, being particularly closer to those infected or taking preventive actions to care for the health of all its staff.

The internal communication was focused on spreading information about the bi-modality (on-site and remote) working experience so as to support and motivate our staff to participate in the initiatives aimed at celebrating the Bank's Bicentenary and to strengthen the new health-related practices. Special attention was given to the actions linked to the immunization campaign.

In line with the importance given to the Vaccination Campaigns launched by the national and provincial governments, vaccination leaves were granted to employees receiving the shot or accompanying a family member to a vaccination center. The data collected as of mid-December showed that 74.38% of the payroll had completed the vaccination schedule and 11.86% had received a first dose - a key fact for the health of everyone.

Based on the commitment of having a more diverse and integrating Bank, breastfeeding rooms were opened in the Head Office, the Esquina and Guanahani buildings, the Home Office (La Plata) and Mar del Plata, allowing employees to have an environment of intimacy and quietness at work to express breast milk and store it in a fridge.

In compliance with the gender-inclusive language provisions, job positions were renamed to avoid gender-related qualifiers. Employees were given the chance to request changes based on their gender identity.

With respect to headcount and equity, there were 10,327 employees as of year-end, out of which 45.3% were women. Additionally, the women-men ratio in leadership positions improved at the General Management, Central Areas, Regional Centers and leadership positions at branches. At present, women account for 36.4% of the General Management as against the 30% observed last year.



Diversity

The most important actions taken this year were related to:

- Enforcement of the “Protocol for Institutional Action to Address Situations of Violence, Discrimination based on Gender and/or Sexual Orientation.”
- Integral approach to queries and claims on gender-based workplace violence: any help, orientation and support to the people involved is permanent and has management priority.
- The Interdisciplinary Team’s approach follows the principles of respect, confidentiality, protection of the private life and privacy of people and non-revictimization, applying the gender-based focus required by these problems.
- WhatsApp hotline to the Interdisciplinary Team, in addition to the traditional email, regular mail, telephone and in-person channels.
- Articulated treatment of domestic violence: actions were taken and procedures were implemented to protect female employees against gender-based domestic violence.
- Dissemination of the Protocol for Institutional Action: virtual meetings were held among the Business Units’ Managers and Regional Managers, grouped by Regional Center. At the same time, the female managers of the Olivos, City of Buenos Aires and Avellaneda Regional Centers met virtually for the first time.
- Meetings were held with the different union representatives to exchange opinions, clear up doubts and discuss key concepts regarding the Protocol and its application.
- Implementation Plan of the Provincial Law No. 14783 (transvestite-transgender employment quota “Diana Sacayán”)
- An integral strategy was formulated to implement the “Diana Sacayán” provincial law. The strategy was divided into stages, including dissemination, training, fine-tuning of internal regulations and selection of transvestite-transgender candidates.
- Strategic plan to implement the Argentine Gender Parity Initiative (IPG).
- An interdisciplinary round-table was set to define an internal strategy to reach the institutional goals identified in the IPG’s “Feedback report”. Goals and targets were defined and compiled in a document entitled “Gender and Diversity Strategy - Internal Approach”.



- Plan to prevent, raise awareness and train on gender and violence.
 - Implementation of the “Workplace Violence” e-learning course: within the framework of ongoing actions to train and raise awareness in this respect, the first mandatory training for all employees on workplace violence was held in April, focusing on gender-related topics.
 - Special training on “Gender-Sensitive Perspective for Investigating Officers”: in March, a group of lawyers specialized in workplace and gender violence prepared a training session to promote gender-sensitive mainstreaming in the management of internal investigation processes and files.
 - Communication of anniversaries and special dates: dissemination and awareness-raising actions were designed and implemented for several commemorative dates.
 - Workplace Violence Awareness-Raising Campaign: during the social and mandatory lockdown, specific actions were taken to prevent cyber-harassment, based on the experience gained by the Interdisciplinary Team during the first stage, when addressing queries and claims. Actions were taken to raise awareness about the various types and modalities of workplace violence and the most important aspects of the Protocol.
 - Discussion groups: within the framework of 8M – International Women’s Day, the first virtual discussion group was held for all employees. Under the heading “Feminisms, Equality and Gender-based Violence”, it was intended to provide tools and key information to take action in case of gender-based violence.
 - The Bank hired its first female driver to instill diversity, particularly in an area that has been historically dominated by men.
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3 | Museum

Museum

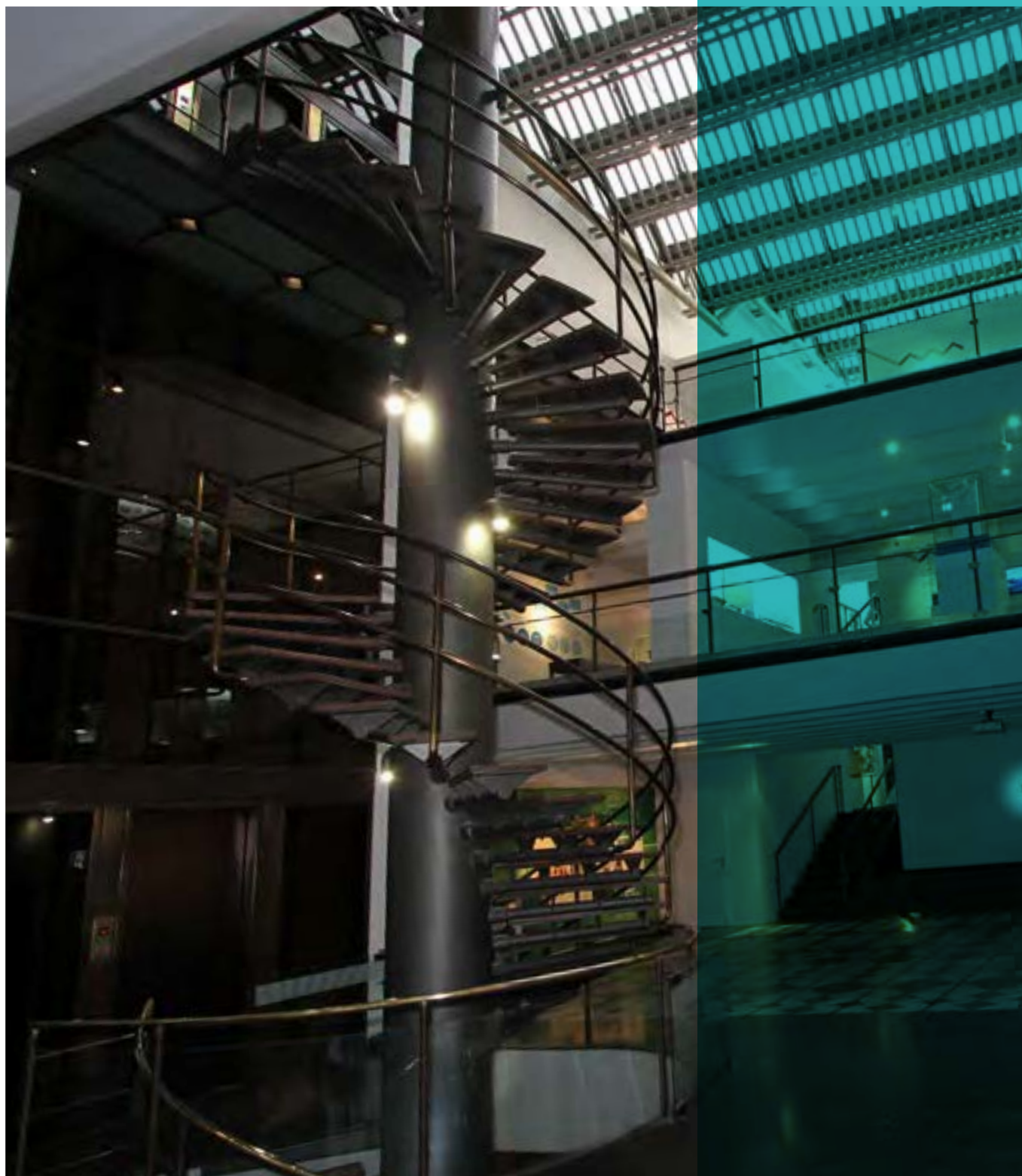
The Archives and Museum were opened in 1903. In 1872, half a century after the creation of the Banco de Buenos Ayres, the first institution of its kind in Spanish America, interest in its history began to grow and the first data collection was made. As a consequence, the Archives and Museum were created at the Bank's Home Office in the city of La Plata. In 1903, the first catalogue was issued. In 1967, the Archives had its first director appointed and was opened to the general public. In 1974, the institution was named "Dr. Arturo Jauretche Historical Archives and Museum of Banco de la Provincia de Buenos Aires" as a memorial to Arturo Jauretche, who had passed away a month before.

Since its creation, it has been repeatedly moved to different offices of the Bank, until reaching its final destination in 1983: a premise specifically built for its use. In 2005, it was declared National Historical Monument by the National Commission of Museums and Monuments and Historical Places (National Executive Order No. 1563/05).

Nowadays, it is part of the organizational structure of the Bank and it reports directly to the Board of Directors. As well as being in charge of the preservation of the documentary heritage generated through almost 200 years of existence, the museum collaborates with the institutional cultural policy and is a member of the Institutional Architectural Heritage Preservation Commission.

Through its own web page and social networks profiles, the Museum promotes contents linked to the institutional, informational and museological heritage as well as information related to the Argentine history and culture.









4 | Evolution of the Transactions

Financial Statements

These Financial Statements have been prepared in compliance with the financial reporting framework set forth by the BCRA for the institutions under its supervision.

BALANCE SHEET

(in millions of pesos)

	December 2020	December 2021	Absolut Variation	Relative Variation
ASSETS	1,517,089	1,534,057	16,969	1.1%
Cash and Deposits in Banks	238,152	243,143	4,991	2.1%
Debt Securities at Fair Value through Profit or Loss	305,904	222,867	(83,037)	(27.1%)
Repo Transactions	182,597	340,506	157,909	86.5%
Other Financial Assets	56,444	48,314	(8,130)	(14.4%)
Loans and Other Financing	469,273	447,445	(21,828)	(4.7%)
Other Debt Securities	138,623	101,315	(37,308)	(26.9%)
Financial Assets Pledged as Collateral	25,651	26,980	1,329	5.2%
Investments in Equity Instruments	5,699	3,115	(2,584)	(45.3%)
Property and Equipment	84,962	84,034	(929)	(1.1%)
Deferred Income Tax Assets	96	984	888	926.2%
Other	9,687	15,354	5,667	58.5%
LIABILITIES	1,359,902	1,369,700	9,799	0.7%
Deposits	1,155,885	1,181,794	25,909	2.2%
Derivative Instruments	0	1	1	100.0%
Repo Transactions	709	48	(661)	(93.2%)
Other Financial Liabilities	38,784	37,257	(1,527)	(3.9%)
Financing Received from the BCRA and Other Financial Institutions	462	591	129	27.8%
Corporate Bonds Issued	7,360	2,222	(5,138)	(69.8%)
Current Income Tax Liabilities	340	642	302	88.9%
Provisions	15,708	13,360	(2,349)	(15.0%)
Deferred Income Tax Liabilities	1,798	527	(1,271)	(70.7%)
Other Non-Financial Liabilities	138,854	133,259	(5,595)	(4.0%)
NET WORTH	157,187	164,357	7,170	4.6%
Net Worth attributable to the Owners of the Controlling Company	150,739	159,486	8,747	5.8%
Net Worth attributable to Non-Controlling Interests	6,448	4,871	(1,576)	(24.5%)

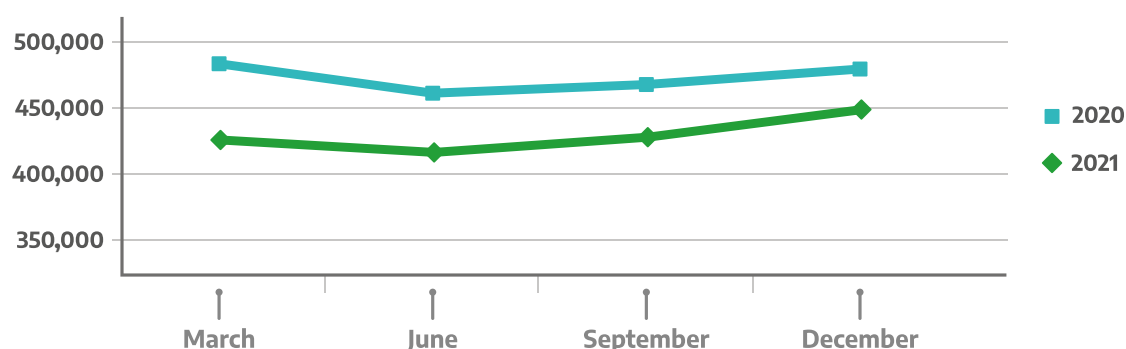
Assets

Consolidated figures for 2021 showed a 1.1% y/y growth in Assets totaling \$16,969 million mainly due to the following variations:

- Cash and Deposits in Banks increased by \$4,991 million (2.1% over 2020).
- Debt Securities at Fair Value through Profit or Loss recorded a reduction of \$83,037 million at the end of 2021, a 27.1% drop as compared to the preceding year. They mainly consist of BCRA Bills.
- The growth in Repo Transactions was mainly driven by transactions with government securities, which recorded a significant increase of \$157,909 million (86.5% as against the previous year).
- Other financial assets decreased by \$8,130 million (-14.4% below 2020). This performance was primarily caused by the drop in Fixed Term Deposits of Grupo Banco Provincia's companies (Provincia ART).
- Loans and Other Financing recorded a negative variation of \$21,828 million (-4.7%), mainly due to the fall in Private Sector Consumer Loans, which dropped \$22,598 million as against the previous year.
- Other Debt Securities decreased \$37,308 million (26.9% as against 2020).
- Financial Assets Pledged as Collateral rose \$1,329 million, a 5.2% increase, mainly on account of transactions with the BCRA.
- Remaining Assets showed a slight comparative change.

BPBA LOANS (total figures, net of allowances)

EVOLUTION OF LOANS - 2020 vs 2021 (in millions of pesos)



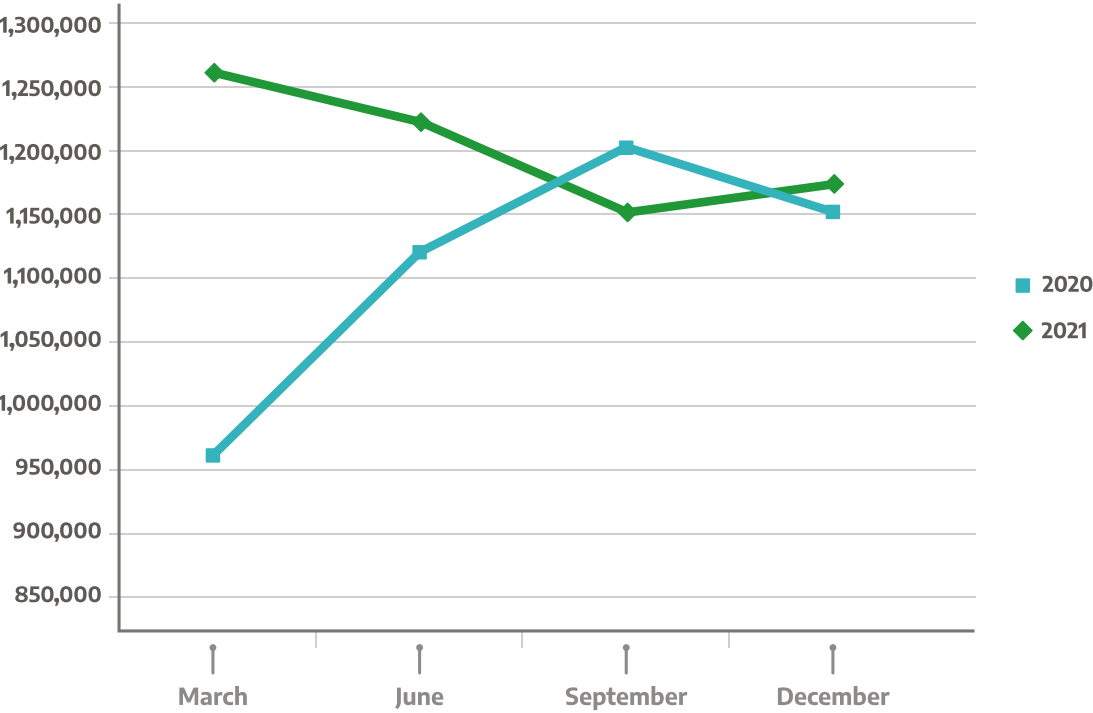
Liabilities

Consolidated figures showed a 0.7% increase (+\$9,799 million) in Liabilities, totaling \$1,369,700 million.

Deposits, its major caption, rose 2.2%, equivalent to \$25,909 million, amounting to \$1,181,794 million. This performance was primarily caused by the expansion of \$36,291 million in Non-Financial Private Sector Deposits (where Fixed Term Deposits and Checking Accounts for \$26,492 and \$58,810 million, respectively, stood out) and by a \$38,035 million fall in Investment Accounts.

BPBA DEPOSITS (total figures)

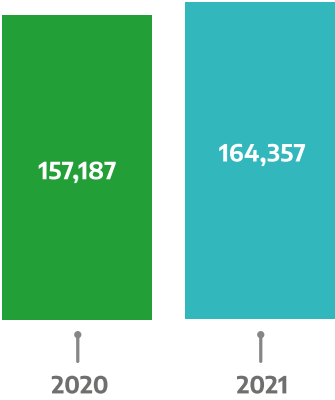
EVOLUTION OF DEPOSITS - 2020 vs 2021
(in millions of pesos)



Net Worth

In 2021, Net Worth increased \$7,170 million as against the previous year. This variation was explained by the Income/(Loss) for the Year and the Adjustment for Inflation impact.

CHANGES IN NET WORTH (in millions of pesos)



Statement of Income

Net Income for the Year was \$9,932 million, accounting for a 54.5% increase (\$3,503 million) as against the previous year.

Net Interest Income/(Loss) reached \$69,996 million, reflecting an increase of 14.3% as compared to 2020. This increase resulted from the growth in Repo Transactions,

offset by higher interest paid on terms investments from the Public and Private Sectors.

Net Commission Income/(Loss) totaled \$27,156 million, an increase of \$4,271 million mainly as a consequence of higher commissions from credit cards.

STATEMENT OF INCOME (in millions of pesos)

	December 2020	December 2021	Absolute Variation	Relative Variation
Interest Income	201,371	270,672	69,299	34.4%
Interest Expenses	140,125	200,676	60,551	43.2%
NET INTEREST INCOME/(LOSS)	61,247	69,996	8,749	14.3%
Commission Income	35,216	41,362	6,146	17.5%
Commission Expenses	12,331	14,206	1,875	15.2%
NET COMMISSION INCOME/(LOSS)	22,884	27,156	4,271	18.7%
Net Income/(Loss) from Measurement of Financial Instruments at Fair Value through Profit or Loss	105,869	113,125	7,229	6.8%
Income/(Loss) from Derecognition of Assets Measured at Amortized Cost	(33)	53	86	(261.5%)
Gold and Foreign Currency Quotation Difference	10,000	3,739	(6,262)	(62.6%)
Other Operating Income	113,867	106,630	(7,238)	(6.4%)
Allowance for Loan Losses	26,552	17,551	(9,001)	(33.9%)
NET OPERATING INCOME/(LOSS)	287,311	303,147	15,837	5.5%
Personnel Benefits	102,210	103,172	962	0.9%
Administrative Expenses	26,257	24,978	(1,278)	(4.9%)
Depreciation and Impairment of Assets	3,665	3,260	(405)	(11.1%)
Other Operating Expenses	123,237	135,327	12,089	9.8%
OPERATING INCOME	31,941	36,411	4,469	14.0%
Income/(Loss) from Associates and Joint Ventures	(1,067)	426	1,493	(139.9%)
Income/(Loss) from Net Monetary Position	(22,308)	(27,706)	(5,398)	24.2%
INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	8,567	9,130	564	6.6%
Income Tax from Continuing Operations	2,137	(802)	(2,939)	(137.5%)
NET INCOME FOR THE YEAR	6,429	9,932	3,503	54.5%
Other Comprehensive Income/(Loss)	(221)	(1,116)	(895)	404.20%
TOTAL COMPREHENSIVE INCOME	6,208	8,816	2,608	42.0%
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(174)	70	244	(140.1%)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE CONTROLLING COMPANY	6,382	8,747	2,365	37.1%

The following Net Operating Income/(Loss) components had a significant impact: Net Income/(Loss) from Measurement of Financial Instruments at Fair Value through Profit or Loss increased \$7,229 million; Quotation Difference dropped by \$6,262 million; Other Operating Income fell by \$7,238 million and Allowance for Loan Losses dropped \$9,001 million as compared to 2020.

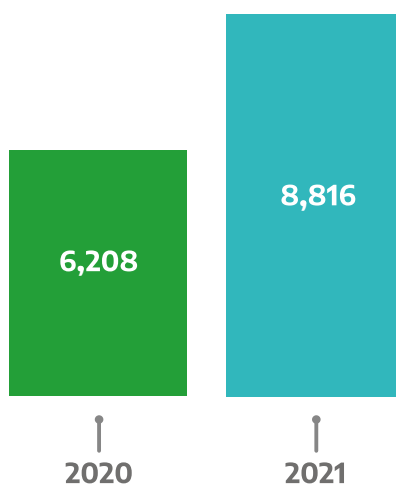
Thus, Net Operating Income/(Loss) stood at \$303,147 million, 5.5% above the previous year (\$15,837 million).

With respect to Operating Expenses, increases were observed in the following components: Personnel Benefits, \$962 million, Other Operating Expenses, \$12,089 million, mainly derived from Accrued Claims and Direct Marketing. On the other hand, Administrative Expenses decreased by \$1,278 million.

Other Comprehensive Income/(Loss) showed a negative result of \$1,116 million.

Total Comprehensive Income, the sum of Net Income for the Year plus Comprehensive Income, amounted to \$8,816 million, a 42.0% increase (+\$2,608 million) over the preceding year.

STATEMENT OF INCOME (in millions of pesos)







5 | Banco Provincia Foundation

Banco Provincia Foundation



Banco Provincia Foundation was founded in 1969 with the purpose of contributing to and improving the economic and social development of the Province of Buenos Aires.

It is currently focused on rights and gender issues, with the mission of contributing to building a more integrated, supporting, fair and productive province. In 2022, three work streams will be addressed: Education and Culture; Sports; Recreation and Health.

The Foundation pursues the development and financing of social projects aimed at children, teenagers and youths, vulnerable social groups, entrepreneurs and small producers of the Province of Buenos Aires to contribute to a better social infrastructure, the promotion of the right to education and health, the possibility of fully joining the labor market, and the productive development.

The most important actions of 2021 are summarized below:

Education and Culture

“Ver para Aprender” program

When children over 6 are visually impaired, their development and capacity to learn are impaired as well, affecting their performance at school.

Taking this into consideration, the Foundation promotes visual health through the “Ver para Aprender” program, making access to medical diagnosis and treatment easier for students at elementary schools in the Province of Buenos Aires through eye health checks and the provision of eyeglasses. The program is carried out jointly with the

Ministry of Health of the Province of Buenos Aires and the General Directorate of Culture and Education.

In 2021, a pilot plan was launched at 11 schools located in the districts of Quilmes, Lanús, Hurlingham, Moreno, La Matanza, Lomas de Zamora, Almirante Brown, Florencio Varela and La Plata.

Eye checks were made on 1,030 students and 264 eyeglasses were delivered.

"Se armó la orquesta" program

The "Se armó la orquesta" program is intended to secure access to education and culture by providing musical instruments and materials to the provincial orchestras and choirs.

In 2021, musical instruments and materials were delivered to the orchestras of Florencio Varela, Marcos Paz, Berazategui, José C. Paz, Partido de la Costa and La Matanza.

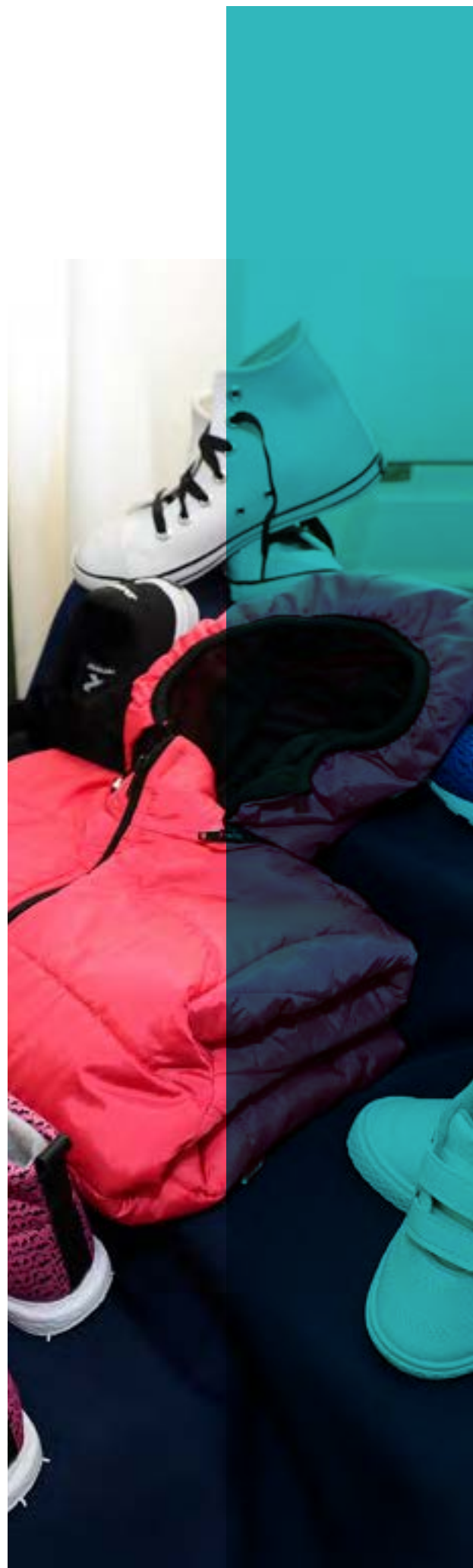
Additionally, 528 instruments and over 3,000 different materials were donated to the "Coros y Orquestas" program and the "Centro de Contención Agustín Gambier" supporting center, both of them reporting to the General Directorate of Culture and Education. The materials were then distributed among 20 choirs and 65 orchestras.

To close the year, on December 15, 2021, a concert was held in the "Argentino" Theater in the city of La Plata, with the performance of 4 ensembles representing Berazategui, Florencio Varela, José C. Paz and Marcos Paz, where a total of 120 musicians joined the stage.

"Acompañamos a las escuelas" program

With the purpose of promoting the right to education and strengthening the public education spaces in the Province of Buenos Aires, the Foundation works to develop projects in line with the initiatives launched by the provincial General Directorate of Culture and Education and that contribute to the educational development of children and teenagers.

Within this framework, the Foundation took part in the "Verano ATR" program, launched by the General Directorate of Culture and Education, purchasing 20,000 recreational and sports-related elements. A projector



for elementary school No. 1 in General Belgrano was also purchased and cooking material and supplies were delivered to elementary school No. 1 "Bernardino Rivadavia" in Exaltación de la Cruz.

The refurbishment of the restrooms and the kitchen at elementary school No. 7 in La Plata is under way, with funds channeled through the parents' association (cooperadora).

Sports and Recreation

"A jugar a la plaza" program

Squares are important places to consolidate community bonds. With the purpose of promoting recreational and leisure spaces for children and teenagers, the Foundation encourages projects that will boost gatherings among neighbors.

Twelve playgrounds were built in the following municipalities: Mercedes, Morón, Navarro, Berisso, Quilmes, General Las Heras, General Rodríguez, José C. Paz, Lomas de Zamora, Almirante Brown, Presidente Perón and Pilar. Additionally, an agreement was signed with the Provincial Agency for Sustainable Development (OPDS, for its Spanish acronym) intended to increase green infrastructure.

"Clubes en forma" program

The Foundation pushes for projects to foster and improve local clubs and social organizations in order to, strengthen these spaces where people gather and education, culture and sports are promoted as a means of inclusion for the children and teenagers of the Province of Buenos Aires.

In 2021, 186 institutions in 90 municipalities of the province received financing for infrastructure and/or equipment.

Health

"Gestión menstrual acompañada" program

Uneven access to menstrual management products is a factor of inequality with a direct impact on the health of menstruating people. The Foundation supports projects intended to promote an equitable access to products and quality information to facilitate the use of the menstrual cups and reduce the adverse economic impact of disposable products.





A total of 12,000 menstrual cups were delivered to municipalities, clubs, two penitentiaries and a hospital located in the following districts: Necochea, Moreno, La Plata, Hurlingham, Las Flores, General San Martín, Magdalena, Villa Gesell, Navarro, Carlos Casares, San Nicolás, Tres de Febrero, Quilmes and Maipú.

"Integrando" program

In line with the mental health policies implemented by the government of the Province of Buenos Aires, the Foundation supports a project to finance surety bonds, in conjunction with Provincia Seguros and the Undersecretariat of Mental Health, Problematic Consumptions and Gender-based Violence, to help people discharged from mental health hospitals rent a house and become integrated into the community. In 2021, 4 surety bonds were financed.

"Acompañamos a los hospitales" program

The breakout of the pandemic showed the importance of public health and stronger institutions.

The Foundation supports work programs to improve the infrastructure, equipment and building of recreational spaces at various provincial hospitals.

In 2021, 4 toy libraries and cradle rooms were delivered to the following hospitals: Eva Perón (General San Martín); Luciano y Mariano de la Vega general acute care (Moreno); Elina de la Serna pediatric hospital (La Plata); Esteves (Lomas de Zamora); Dr. Paroissien interzonal hospital (La Matanza).

Additionally, 10 toy libraries were delivered to the Undersecretariat of Mental Health, Problematic Consumptions and Gender-based Violence, in connection with the Infancies and Youths, Mental Health Care and Assistance provincial program.

Computers, printers and equipment were donated to the Intensive Care Unit and the Oxygen Plant at the Campomar de Ranchos hospital (General Paz); equipment was donated to the Nursing School at the Centrángolo hospital (Vicente López); a motor vehicle was purchased and equipped to be used as an ambulance and donated to the friends association (cooperadora) of the San Luis municipal hospital (Bragado).

In 2022, the Foundation will continue supporting the programs described above with the purpose of expanding the rights of the inhabitants of the Province of Buenos Aires.



A photograph of a person's arm and hand, wearing a white shirt with black stripes, working with dough on a wooden surface. In the background, there is a green wall and a large, round, yellow object, possibly a piece of machinery or a large bowl. A teal-colored rectangular overlay is positioned in the lower right corner, containing the text "6 | Provincia Microempresas" in white.

6 | Provincia Microempresas

Provincia Microempresas S.A.

The core business of this Company is to provide financial services and comprehensive lending advice to entrepreneurs, micro-entrepreneurs, and independent workers in the Province of Buenos Aires.

The Provincia Microcréditos team trains and gives advice to individual customers for the sustainable expansion of their businesses and supports their initiatives and projects. The loans are targeted at increasing the working capital or purchasing fixed assets in view of promoting the productive development of the independent workers living in the province.

This Company started operations in February 2009 and grew fast to become the most important microcredit entity in Argentina. Its stockholders' equity as of the end of 2021 amounted to \$358.7 million, with inflation-adjusted profits for \$44.5 million.

In 2021, even with the impact of the pandemic, it kept on growing and its lending went up 39% in real terms, when compared with 2020. The loan portfolio totals \$5,336 million (8% higher than last year in real terms), and the number of active customers amounts to 44,396 (14% higher than in December 2020).

A commercial plan was put into operation in 2021, in which the men and women living in the Province of Buenos Aires were at the core of all projects and actions taken to promote development of micro-entrepreneurs and improve their quality of life. Among the most relevant actions, we may mention the following:

a) Solid support to public policies by signing multiple collaboration agreements with provincial municipalities and ministries with the purpose of significantly reducing the lending rate.

b) The Company consolidated its digital platform by implementing new tools that enhance the value proposition for individual customers: marketing of products through the BIP online banking platform, where loans may be disbursed using an agile, dynamic and electronic channel, reducing management and service times; Cuenta DNI and Cuenta DNI Comercios, two apps that provide multiple digital solutions to users and contribute to digitalized and democratized finances; and incorporation of Bot and WhatsApp as simple and fast communication channels for a real-time feedback.

c) Lending strategy aimed at productive segments, including current/non-current customers and new customers, mostly through commercial campaigns with pre-qualified loans for over 25 adjustable minimum living wages.

d) The repurchase campaigns for current and non-current customers were optimized by activity, tax category and score, so as to offer more and better pre-qualified proposals.

e) Development of the Agricultural segment under agreements signed with municipalities and government agencies, and commercial management directions given to the executives in the inland of the Province of Buenos Aires.

f) Mapping of the Province of Buenos Aires to explore the potential demand and instruct the commercial management to satisfy the same.

g) Change in the profile of commercial executives, so that a larger number of officers were dedicated to grant loans, thus increasing productivity, the total amount lent, and the number of micro-entrepreneurs in the Province of Buenos Aires.

h) Greater articulation in the formulation of the strategy with the relevant areas of Banco

Provincia. The cohesion between the teams helped unify the message conveyed by both entities and increase the number of referrals of customers not pre-qualified for one of the Bank's services or products.

i) Training courses to over 200 customers organized in two culture and digital strategy cycles, led by expert professors from the national University of Buenos Aires.

It is important to highlight that the Gender and Diversity Committee was created in 2021 to be focused on four work streams and promote gender respect and equity, as well as diversity inside the Company.

In terms of risk management, credit assessment and commercial management worked together shifting from traditional assessments to virtual assessments and using various scores to measure and monitor loan performance and the health situation.

Consequently, a decision engine continued being designed, which, according to the customer's profile and loan amount applied for, will allow for an automated credit pre-qualification that, in turn, will speed up loan approval.

The risk management tied to debt repayment was focused on offsetting the post-COVID-19

impact. A strategy was drawn in coordination with the commercial plan to mitigate the impact of the expiration of the BCRA's regulation that suspended all maturities and regularized the financial situation of customers with overdue installments during the lockdown.

In 2021, \$220 million of debts in arrears were refinanced, while the efforts to collect \$85 million of due and payable debt paid off, representing \$653 million of debt balance. Thus, alternative and digital payment channels gained momentum, particularly our Cuenta DNI digital wallet, used as a new inclusion and payment digitalization tool.

The Company identified a group of customers that could not repay their debts and was increasing the number of days in arrears, impacting on the non-performing indicator. Consequently, a comprehensive improvement proposal was developed for the following months, in order to expand the collection strategy and include proceedings for advanced delinquency.

The inflation-adjusted final profits totaled \$44.5 million which, if compared with 2020 in constant currency (\$34.7 million), show that the Company is still walking on an efficiency track and pursuing its economic and financial sustainability.





7 | Grupo Provincia

Grupo Provincia

Holding Company Profile

Grupo Banco Provincia S.A. (the "Group") is the holding company of Banco de la Provincia de Buenos Aires (BPBA) in charge of establishing the strategic guidelines of its different companies. The Group encompasses different supplementary activities within the financial activity related to stock investments; leasing; general, life and workers' compensation insurance.

The mission of the Group is to provide non-banking financial or supplementary services that stand out

because of their high-quality and accessibility, which contribute to the growth of families, entrepreneurs and companies; simultaneously, it provides support to the management of local governments of the Province of Buenos Aires.

The current structure of the holding is detailed below.

During 2021, the Group made a contribution of \$200 million to Provincia Leasing.

GRUPO BANCO PROVINCIA

Name of the Company	Direct Share	Indirect Share	Total Share
Insurance			
Provincia Seguros S.A.	60.000%	0.000%	60.000%
Provincia Aseguradora de Riesgos del Trabajo S.A.	99.970%	0.018%	99.988%
Provincia Seguros de Vida S.A.	60.000%	0.000%	60.000%
Internacional Compañía de Seguros de Vida S.A. ⁽¹⁾	40.780%	0.000%	40.780%
Services			
BAPRO Medios de Pago S.A.	99.970%	0.030%	100.000%
BAPRO Mandatos y Negocios S.A.U.	100.000%	0.000%	100.000%
Provincia Bursátil S.A. - Brokerage House	95.000%	0.000%	95.000%
Buenos Aires Desarrollo S.A. ⁽²⁾	50.000%	0.000%	50.000%
Finance			
Provincia Leasing S.A.	99.710%	0.271%	99.981%
Provinfondos S.A. - Manager of Mutual Funds	0.000%	85.500%	85.500%
Provincia Microempresas S.A.	0.677%	0.000%	0.677%

⁽¹⁾ Internacional Compañía de Seguros de Vida S.A. under liquidation process. ⁽²⁾ Buenos Aires Desarrollo S.A. under liquidation process.



Corporate Management

Grupo Provincia has concentrated its corporate management efforts on the coordination of its activities with Banco Provincia, the Province of Buenos Aires and the companies of the Group. For this purpose, it has strengthened its organizational structure by establishing the Commercial Integration and Intelligence Management and the Institutional Communication Management.

The Commercial Integration and Intelligence Management has the mission of designing and managing the Commercial Strategic Plan of the Group and its controlled companies with the purpose of maximizing results and boosting the management synergy among the companies and Banco Provincia.

The Institutional Communication Management coordinates and supervises the information, communication, press and public relations activities of the Group and its controlled companies.

Regarding the organization, progress has been made in the liquidation of Invierta Buenos Aires S.A. and Internacional Seguros de Vida Previsional S.A.

In 2021, within the framework of the corporate governance management, Grupo Provincia continued developing risk management activities and monitoring compliance with the requirements imposed by the BCRA and Banco Provincia.

In terms of anti-money laundering, Grupo Provincia and its companies worked with Banco Provincia under the regulation passed by the BCRA and the Financial Information Unit (UIF, for its Spanish acronym). It is worth mentioning that the Board of Directors of Grupo Provincia, although it is not legally bound, has adopted measures to prevent and control money

laundering and terrorist financing activities in all business sectors.

To ensure compliance with the technical ratios committed by Provincia Seguros S.A. and Provincia ART S.A. before the National Insurance Superintendency (SSN, for its Spanish acronym) in the minimum capital deficit adjustment and coverage plans, Grupo Provincia continuously monitors the activity of both companies.

In terms of Management Control and Planning, the business plans and budgets of the Grupo Provincia's companies are monitored to identify any possible deviation and suggest appropriate corrective actions, and to develop analysis and benchmark frameworks for each market segment.

The Management Control area and each company met to coordinate the budgetary process and standardize reporting, incorporating stockholders' guidelines for each of them. Focus was made on being aligned with the budgetary guidelines of Banco Provincia.

Corporate Finance monitored the investment portfolio of the Group's companies and provided ongoing advice on investment decisions and policies to be developed. In particular, the Corporate Finance Board focused on defining investment strategies, taking into account commercial reciprocity criteria and concentrating transactions at Provincia Bursátil and the mutual fund supermarket implemented by such stock brokerage firm.

In 2021, the Group distributed no dividends to its stockholders, but collected dividends from Provincia Bursátil (\$76.95 million) and Provincia Vida (\$105 million).





Gender perspective and diversity

Just like Banco Provincia, Grupo Provincia is aligned with the gender policies of the government of the Province of Buenos Aires in order to guarantee gender parity and equal opportunities and promote diversity.

Training in gender issues - Micaela Law. Training on the basics of gender topics is ongoing. It was firstly addressed to the authorities at the chairmanship, board of directors and top managers in the Communication and Human Resources areas. The purpose of this training is to raise awareness and formulate strategies to eliminate all forms of workplace violence based on gender and sexual orientation in the interior of the organization, the service provided to the general public, and the commercial policies.

Overview of the Group's companies

Insurance Sector



Provincia Seguros S.A. – Property Insurance

The Company operates in the property and group life insurance. Its total accrued underwriting amounted to \$28,117 million in 2021.

Claims accrued in 2021 totaled \$25,480 million, and marketing and administrative expenses amounted to \$11,945 million.

In 2021, financial income totaled \$9,773 million. Annual net profits amounted to \$470 million, and stockholders' equity totaled \$8,571 million as of December 31, 2021.

The Company complied with the minimum capital and coverage requirements of the regulatory agency as of December 2021.

In 2021, the Company undertook the following actions:

Producer Portal

New marketable products were launched, new communication channels and sales, management and self-management tools were implemented, and claims for 11 lines of business can now be reported through the portal.

Go Quoting System

A new quoting system was developed for the purpose of promoting direct sales with multiplan and multipromo quotation to speed up operations.

VacacionAR Portal

Based on an alliance with Sancor Seguros and Experta Seguros, "VacacionAR Seguro" was

launched. This product was specially designed to cover risks related to the COVID-19 pandemic in the 2020-2021 summer season throughout the Argentine territory.

It could be purchased by an individual or a family group and covered various types of assistance before or during scheduled vacations.

In this way, Provincia Seguros strengthened its commitment to work towards promoting production and an economic upswing in the Argentine tourist destinations.

MAS Platform (adaptable micro-sites for insurance)

A platform of digital quotation systems was developed and implemented for the online purchasing and issuance of new products.

Micro-site - Cell Phone Screen

A quotation system was implemented to commercialize the Cell Phone Screen product.

Banco de la Provincia de Buenos Aires (BPBA) BIP Integration

Services were developed and implemented to sell insurance through BPBA online banking platform.

Mobile App

The mobile app started to be redesigned. Insureds may use it to operate in their cell

phones as they do on the web, thus keeping direct communication with customers.

G-Claims (BPMN)

A project was launched for a new digital management system comprising claims from all lines and integrating all intervening parties into the same platform.

CRM

A circuit of commercial opportunities was put in place to respond to quotation requests between the automobile commercial and underwriting areas at the head office. A comprehensive commercial management module was implemented to automate quotations and/or sales of insurance.

Product Portal

An internal platform was developed to show the complete list of products marketed by the Company in an intuitive and novel fashion.

Lease bonds for transgender-transvestite people

Thanks to an agreement among Provincia Seguros, the Banco Provincia Foundation and the Ministry of Women, Gender Policies and Sexual Diversity of the Province of Buenos Aires, transgender and transvestite people who start working in the provincial public sector will have access to a lease bond to rent a place to live. The idea behind this agreement is to provide a tool to this collective, which has been excluded and discriminated time and again, to make access to housing easier.

Environmental Surety Bond

On June 3, 2021, the National Insurance

Superintendency issued the authorization to sell "Surety Bonds for Environmental Damage with Collective Impact."

Diversity, Inclusion and Gender Area

a. Micaela Law:

On May 3, an Awareness-Raising campaign on Violence, Gender Perspective and Diversity was launched, addressed to all employees of Provincia Seguros, within the framework of the above-mentioned law. It is intended to mainstream these topics and think over the cultural customs and practices, so as to raise awareness and reach higher levels of equity in society.

b. Communication Campaigns with Gender-Based Perspective:

The internal and external communication calendar now includes anniversaries and news related to gender, inclusion and diversity, targeted at initiating a new dialog among employees, make visible the current issues and raise awareness about them.

c. Talks and Training:

A series of talks were held in relation to subjects like co-responsibility, child-rearing, bias, equity and disability, to keep on providing different perspectives to the topics in today's agenda.

d. UN Women Win-Win Plan:

Provincia Seguros was recognized by the UN as one of the companies that presented a medium and long-term Action Plan regarding gender equity and perspective.

COVID-19 Protocol

With the purpose of caring for the health and integrity of employees in the context of the

health emergency resulting from the COVID-19 pandemic, a set of adequate hygiene and safety procedures and measures was implemented to prevent the transmission of each and every respiratory infection at the workplace.

Faced with the forthcoming year and as a management need, Provincia Seguros aspires to move forward with several developments that will have a direct impact on the optimization of processes.

Aiming at strengthening the improvements in place, new actions will be taken and changes will be made, to the extent possible, such as:

- Target new products and coverages at the needs of our insureds and, additionally, focus the same on the most vulnerable sectors.
- Intensify the technological transformation and digital innovation, being always in line with market advances.
- Improve service to both internal and external customers, aiming at producers and insureds.
- Improve processes and procedures; be more efficient in response times to insureds.



Provincia ART - Workers Compensation Insurance

The Company operates in the workers compensation insurance market under Law No. 24557/95 and Law No. 26773/12, as amended, and wrote premiums and surcharges for \$44,904 million in 2021.

Its investment portfolio reached \$62,025 million as of December 2021 - a y/y increase of 26.23%. Profits amounted to \$22,413 million, being 42.98% higher than those of 2020 (\$15,675 million). The stockholders' equity totaled \$8,169 million as of the closing of 2021.

At December 31, 2021, the insurance company was covering 1.85 million workers, a 10.4% increase as against 2020. At year-end, it was at the top of the ranking of companies by number of workers covered in the country and showed the greatest growth in the number of workers covered and agreements signed. In this context, Provincia ART manages the self-insurance of the Province of Buenos Aires, with a payroll of 560,000 workers.

The achievements of the year derived from the challenge to increase the customer portfolio through specific commercial actions and provide services to the insureds while returning to the new normal, ensuring a healthy and safe environment, while being as productive as before. The most relevant actions were:

Provide coverage to 33% of workers who tested positive for COVID-19 in the whole system.

- Manage a 35% increase in claims as against 2020 where conventional cases are returning to pre-pandemic figures and COVID-19 cases are going up by 30%.
- Manage a 206% increase in fatal cases over 2020 and 600% over 2019.
- Honor an estimated accrued cost of around \$20,000 million corresponding to COVID-19 cases accepted since the beginning of the pandemic.
- Ensure continued operations and the well-being of employees in a hybrid working modality that implied

investments in training and new working elements.

- Increase the SMEs portfolio by 11%.
- Sign a framework agreement with the Cabinet Chief's office to increase the public sector portfolio in approximately 77,000 workers.
- Continue investing in process improvement and automation using known technology, such as Robotic Process Automation (RPA), to achieve process scalability, bearing in mind the increase in the portfolio and claims and prioritizing the exchange of information with the Workers' Compensation Insurance Superintendency (SRT, for its Spanish acronym) in the disability and requirements areas.
- Agile Methodologies: Application of Agile Methodologies to develop software and adoption of new market paradigms to speed up the management and execution of the improvement projects required by the various areas of the Company, providing deliverables in a shorter period.
- Continue with the paperless project to reduce as much as possible the number of incoming and outgoing hard copies and replace them with digital copies, thus ensuring their completeness, security and, legal and evidentiary validity, making the general process and related processes more efficient to reduce costs, terms and workload.
- Digitalization: Processes based on the use of technology and digital data management. The starting point of this transformation is the redesign of critical processes to be more agile, simple and efficient. In 2021, the management of regular medical exams shifted to a completely digital circuit that helped optimize times, reduce costs and provide an agile response to companies and workers. Implementation of a market disruptive modality that allows for an immediate audit of exams within 24 hours, while the market shows a delay between 45 to 60 days. Consequently, immediate actions can be taken with respect to the health of workers and the availability of the exams performed.



Provincia Seguros de Vida S.A. – Individual Life Insurance

Provincia Vida is devoted to the commercialization of individual life insurance targeted to middle income consumers highly prone to protection and saving. Its minority shareholder is CNP Assurances Brasil Holding Ltda. with 40% of the capital stock. The Company operates under the “bancassurance” marketing model, mainly in collaboration with the Bank.

After the ASPO (Preventive, Mandatory and Social Lockdown) imposed in March 2020 and the DISPO (Preventive Mandatory and Social Distancing), when several economic activities started to operate again, the Company regained operations in a hybrid modality (working from home and at the

office), following all COVID-19 protocols and scheduling shifts according to the maximum number of people allowed to be at the office at the same time. Within this framework, the Company continued performing all its transactions efficiently.

In 2021, total underwriting amounted to \$1,103.8 million, and 76,842 policies were sold (55% new adjustable products). The current portfolio consists of 536,695 policies and 100,664 coverages paid and extended.

Provincia Vida registered net profits for \$832.4 million in 2021 in historic terms - up 63.5% from 2020. The Company's stockholders'

equity at historic values amounted to \$1,799 million as of December 2021, 57.6% higher than in December 2020.

The most important measures taken include the following:

- Extension of payment terms and suspension of policy cancellation. In view of the social environment, longer payment terms were granted to insureds who had no possibility of paying, so as to reduce as much as possible the number of uninsured people. The due date of approximately 8,500 policies was extended over six months in 2020, letting 6,500 persons maintain their coverage. In 2021, the Company continued managing collections to prevent these policies from lapsing.
- “Pago Online”, “Pago sin factura” and “Pagar” are the new payment alternatives. “Pago Online” and “Pago sin factura” from Provincia NET and “Pagar” from the Link network were added, so that when there is no possibility of making direct debits, insureds may pay their premiums as well. Currently, a mailing campaign is addressed to 28,500 policy holders to stimulate the regularization of debts.
- Collection: As in 2020 year-end, the Company’s total collection remained similar to that registered in the pre-pandemic period. Additionally, there has been no delay or default in payments to suppliers and/or creditors.
- +Actual, a CER-adjusted insurance product: A new product, +Actual, was launched in October 2020 providing death benefit, whatever the cause of death. Its most relevant feature is the annual and automatic renewal of the insured capital using the CER index (inflation adjustment index). Since its launch, sales have been increasing an average 50% month-over-month. In June 2021, the following additional coverages were added: partial losses, accidental death and traffic accident, disability, serious illnesses, among others.
- Enhancements to purchase insurance: In June 2021, new insurability and health requirements were specified to make insurance underwriting easier for both commercial channels and customers. This increased considerably the insured amounts to which customers may have access with minimum requirements. The age to purchase and maintain the coverage of an individual life insurance went up. The Company is currently selling coverage that may be purchased by people up to 70 years and maintained by people up to 80 years of age.
- ProvinFlex+ update: The ProvinFlex individual life insurance was updated in September 2021 and has a new name: ProvinFlex+. The most significant change is that the insured capital and premiums are now adjusted once a year. It still offers additional coverage such as accidental death, total and permanent disability, traffic accidents and diagnosis of serious diseases. It also maintains its savings component and adds the possibility of reinvesting the funds upon renewal, so as to build up a more representative capitalization fund for each period.
- Portfolio updating campaign: Together with Provincia NET, through its contact center, the portfolio is being updated by offering customers the possibility of renewing their current coverage with products like ProvinFlex+ and +Actual, so as to update the insured amount as well as the premium. This helps optimize the portfolio generating products tailored to the needs of customers when purchasing the insurance. For Provincia Vida, this also means having a portfolio with higher premiums and automatic renewable products.

- **Micro-insurance Launch:** Together with Provincia Seguros and Provincia Microcréditos, a specific product was exclusively designed to give support to individuals and small undertakings not previously covered. This project intends to promote the productive and social development of each and every inhabitant of the Province of Buenos Aires and their families. The product was launched in late October 2021.
 - **Incorporation to BIP's Real Time Decisions tool:** In March 2021, Provincia Vida joined the Real Time Decisions (RTD) tool, which offers individual life insurance to Banco Provincia's customers through the BIP online banking platform. The platform includes an ongoing learning mechanism to timely offer products based on historical, transactional and behavioral data. The +Actual and ProvinFlex+ products were also added to the BIP's proposal.
 - **New Provincia Vida Chatbot and WhatsApp:** In September 2021, a new omni-channel tool was implemented to serve all digital channels and social media. At the same time, a new chatbot on the Company's website and a WhatsApp corporate number were added. It is an advanced conversational platform with a technology that enables the connection between bots and customer service agents to generate digital experiences.
 - **Improvements to the Producers and Communication Web Portal:** The producers channel was strengthened and a web portal with better functionalities was created. Additionally, marketing and communications campaigns were launched to help the Company expand its presence in specialized mass media and social media as well.
 - **Gender and Diversity:** The Company joined the gender and diversity team made up by the insurance companies of Grupo Provincia to be aligned in gender and diversity issues. Provincia Vida also subscribed to the UN Women Win-Win program, approved a "Protocol against Violence and Discrimination", and organized training sessions on the Micaela Law for the complete payroll.
- For 2022, Provincia Vida plans to continue its activities, including the performance of different commercial actions, the updating of the IT functionalities to be used by the BPBA's executives, the incorporation of products of the insurance company in the special productivity measurement performed by the BPBA on its commercial structure as well as commercial actions in branches and regional centers. On the other hand, the Company intends to continue promoting the development of the producers' commercial channel.
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Internacional Seguros de Vida Previsional S.A. – Life and Disability Insurance (in liquidation)

Due to the enactment of Law No. 26222/07, as regulated, abolishing the obligation by retirement and pension fund administrators (AFJPs, for its Spanish acronym) to purchase a life and disability insurance, the Company had to discontinue underwriting as from January 1, 2008, and continued operating as a historic insurance coverage manager. Therefore, no new policies have been issued since that date and the Company's activity was limited to the collection of premiums outstanding as of June 30, 2007, and payment of claims, significantly reducing the volume of the investment portfolio under management.

Consequently, in the Regular and Special General Meeting held on October 25, 2019, the shareholders approved the dissolution of the Company under the terms of Law No. 19550, section 94, paragraph 1.

As of today, the final stages of the dissolution are being reached.



Services Sector



BADESARROLLO



Bapro Medios de Pagos S.A. (Provincia NET)

Bapro Medios de Pago S.A. is a member company of the Banco de la Provincia de Buenos Aires holding company, focused primarily on modernizing and using technology for economic development and social inclusion as well as on solving the daily problems of millions of people in the Province of Buenos Aires.

As part of the world of Information and Communication Technology (ICT) companies, Provincia NET is constantly evolving and expanding in order to strengthen its business units with its processing capacity in different areas. To this end, the Company owns a state-of-the-art Data Center with Cisco technology and TIER II certification granted by the international organization UPTIME INSTITUTE.

In 2021 and in the context of the second year of the COVID-19 pandemic, Bapro Medios de Pago S.A. strongly committed itself to achieve a sustainable economic recovery.

It should be noted that during 2020 and 2021 all of the Company's economic and operating variables as well as short and medium-term decision making suffered substantial changes due to this sanitary context.

In addition to the challenge of facing economic recovery, Provincia NET is committed to supporting the strategic policies of the Government of the Province of Buenos Aires in order to assist the provincial inhabitants. For this reason, progress was made with the implementation of the different initiatives from each of the business areas, including the following:

- Comprehensive attention to Banco Provincia's customers in the face of constant call overflows within a context characterized by difficulties for the normal operation of the branches. The company worked on omni-channel customer service.
- Technology projects as added value in hardware and software to different areas of the Province that were significantly affected by the COVID-19 pandemic (General Directorate of Culture and Education, Provincial Directorate of Information Systems and Technologies, General Accounting Office, Ministry of Labor, among others).
- Omni-channel collection of taxes in the Province of Buenos Aires, strengthening the physical network and incorporating electronic payment alternatives.

Regarding human resources, Provincia NET was able to go through both years of the pandemic with a deep commitment to maintaining jobs and building employee loyalty. At the end of 2021, the Company had already surpassed 1,200 employees. Their salaries and corresponding payment schedules were not affected at any time.

Given the uncertainty regarding the pandemic, teleworking (remote work modality) continued during 2021. The Human Resources Management worked jointly on learning, integrating, and improving tools for proper human and labor management.



Technological tools (Microsoft Teams) were efficiently implemented, as well as the use of a platform (closed community) for employee interaction at all hierarchical levels, in order to strengthen communication, benefits, organizational culture, and employee welfare.

Towards the end of 2021, Provincia NET presented, together with Banco Provincia and its holding of companies, a new visual identity that updates the corporate image according to different positioning strategies (promotion of productive development, permanent innovation, and social inclusion).

In this way, Bapro Medios de Pago S.A. has ended the 2021 fiscal year with a pre-tax result at constant values of \$441 million, showing a marked recovery with respect to 2020 and laying the foundations to continue with a sustained growth during the next fiscal years.

In this context, the company's turnover reached \$5,629 million (76% higher than in

2020), while gross profits exceeded \$876 million, tripling the same period of the previous year (206%).

The financial result reached \$673 million, an increase of 45% over the same period in 2020, which meant another year with low revenues. The portfolios maintained financial yields above the benchmark variables as a result of an active portfolio management and the positioning in high-performance instruments.

Transaction Processing: Non-Banking Collection System:

Provincia NET Pagos, a business unit dedicated to processing the collections of more than 1,500 companies in Argentina, is among the three main competitors in the non-banking collection market.

As a result of the COVID-19 pandemic, and due to the different lockdowns decreed by the Executive Branch, it was the most affected

business unit during 2020, and its effects continued throughout 2021.

To overcome this situation, the Company focused its commercial strategy on collection alternatives. As a result of different business analyses, it was shown that the market niche demanded a new omni-channel experience to improve the relationship with customers, creating a single point of contact for all payment and integration services. New payment solutions offer a wide range of service capabilities based on operating from the web and other more “user-friendly” devices. Moreover, the effects of the pandemic accelerated the transformation processes already contemplated by the Company in its strategic plan.

The payment website (Pago Online) was optimized: a 100% online service using debit card that provides not only a more profitable and secure transaction, but also greater comfort and satisfaction to the customers of Provincia NET Pagos. This online service was launched during the previous year. It collected \$4,344 million during this fiscal year through near 1.5 million transactions.

Meanwhile, we are working on another remote payment tool linked to mobile and WhatsApp.

The 2021 fiscal year ended with 25% of transactions through remote channels (10% higher than before the pandemic), namely:

- Debit card payment on the Provincia NET Pagos network.
- Cash withdrawals in the Provincia NET Pagos network.
- Telephone payment with credit card.
- Online payment on the Provincia NET Pagos website.

- Payment button on third-party websites.

As for the network, we worked on building loyalty and attracting agencies, adding 541 new collection points and reaching 2,209 agencies throughout Argentina at the end of the year, 9% higher than in the same period of 2020.

The main adverse effect during 2020 was associated with transaction loss. This factor led to multiple actions for the consolidation of agents, omni-channeling to users, communication, and marketing, ending 2021 with the processing of more than 46 million receipts.

Additionally, during this fiscal year we were able to process 100% of the transactions through our own system, thus generating direct savings in terms of processing.

Focused on its business segment, the Company faced the need to extend the plan for the readjustment of customer fees, achieving an increase in the average fee collected of 42.7%. Accordingly, emphasis was placed on optimizing operating costs, which resulted in a 30% increase in the average cost per transaction (12.7% below the average income).

The business segment billing reached \$1,300 million (46.5% higher than in 2020). Moreover, the business unit annual gross profits reached \$205 million (207% higher than in 2020).

As the main tax collection agent in the Province of Buenos Aires, the Company reached 66% of ARBA's collection (10 percentage points higher than in 2020).

Contact Center

Thanks to the redesign of the business segment in terms of the technological capital resources in place in the Company, the application of new communication tools, the economic

compensation for the new work modality, and, fundamentally, the joint work with the staff and the pertinent union representatives, we were able to provide solutions to our portfolio customers even in the current situation.

In contrast to other market participants, the business unit ended the year with 894 employees.

Provincia NET was able to support Banco Provincia in another difficult year as regards face-to-face customer service, causing a significant traffic of calls to the Contact Center. For the Company, this meant the deployment of 646 teleoperators and an annual billing of \$930 million.

The BIP and Cuenta DNI telephone service was reinforced by sending post-call e-mails to customers to avoid repeating calls.

Changes were made to the AV, which allowed for increased channel resolution (Examples: Incorporation of instructional video from YouTube, FAQ menu, possibility to print information from the chatbot, improved sound, font enlargement, emoticons, colors and aesthetics, etc.)

IVR: Solving options were implemented with informative messages so as to avoid operator assistance. As a result, and taking into account “BIP Individuos” experience, a 40% resolution rate was achieved in IVR. Banco clientes, Cuenta DNI, APP Cobros, and Créditos Hipotecarios are the other campaigns that currently share the same dynamics.

SOCIAL MEDIA: A new communication channel was added to our digital attention service through the integration of the Cuenta DNI app into the Play Store. In addition, we began to run a private Instagram account. Thanks to the use of the corresponding APPI, it was possible to carry out the account management, providing the customer with another communication channel.

In addition, we worked hard to strengthen and promote the Chatbot service, which was launched in 2020 to provide Banco Provincia with a solution. The bot reached peaks of 230,000 monthly queries.

The Chatbot was also implemented in the Provincia Microcréditos website, while we are working to incorporate it to WhatsApp. Moreover, Provincia ART service is already available in both channels.

An agreement was signed with IOMA whereby a mixed Contact Center is implemented between Provincia NET and the agency, providing teleoperation, infrastructure, CRM, IVR, among other services. More than \$11 million were billed for the agreement during 2021.

Currently, Contact Center's clients include Banco Provincia, Provincia Seguros, Provincia ART, Provincia Microcréditos, and ATOS, among others, which generated an annual billing of \$1,344 million, representing a 73% increase with respect to 2020.

As a result, the business segment ended 2021 with a gross profit of \$246.5 million (394% higher than in the previous period).

Data Processing: Information Technology / Bet Capture Service

As part of its role related to technological solutions, Provincia NET has become a key agent within the Holding Company and public sector organizations, contributing to a smart and proactive public service. In the private sector, it has managed to generate sustained growth over the last few years.

Within the context of the COVID-19 pandemic and in order to strengthen itself as a strategic partner of the Province of Buenos Aires,

Provincia NET worked together with the General Directorate of Culture and Education in the “Continuemos estudiando” and “Aulas del Bicentenario” projects. These projects provide a flexible infrastructure to host the programs and the MODLE platform, and they guarantee the pedagogical continuity of mid-level education. Additionally, we worked together with the Provincial Directorate of Information Systems and Technologies in the development of the “Nuestra Escuela” application.

Meanwhile, together with the Ministry of Labor of the Province of Buenos Aires, the Company conducted the “Plataforma de Gestión de la Formación Laboral” and “Impulsar Oficio” projects.

We worked with the Provincial Directorate of Information Systems and Technologies on the training and implementation of Exchange Server, in addition to the services provided in technological infrastructure.

The agreements with the SRT were renewed, optimizing the services provided and reaching an annual billing of \$70 million (52% higher than in 2020).

Accordingly, and as the company of the holding group engaged in technology and communication, intercompany technological solutions were provided to the companies with an annual billing of \$60.6 million (87% above the same period in 2020).

As a result, the billing of the business unit reached \$248.2 million (98% higher than in the previous year). Gross profits reached \$88.5 million, doubling the amount generated during 2020.

The agreement entered into with the Provincial Institute of Lotteries and Casinos is a proof of the strategic partner nature of the

Province of Buenos Aires. By means of such agreement, Provincia NET agreed to provide the integration, administration, and operation management service of the online and real time data capture transactional system, either by fixed and/or mobile computer terminals. Such system allows the processing and administration of betting information and network management, of its own games and/or games coming from outside the jurisdiction authorized by the INSTITUTE in the Province of Buenos Aires.

Through the execution of this agreement, the Province of Buenos Aires redirected the processing cost and was able to reduce it progressively during the term of the agreement.

The annual amount bet increased by 90% with respect to 2020, exceeding \$71,000 million.

The business segment's billing in 2021 was \$2,738 million (93% higher than in 2020). Gross profits increased by 168%, reaching \$336 million.

The 2022 budget contemplates a pre-tax economic result of \$703.1 million (\$203 million final in uniform currency), showing an upward trend and a sustainable economic recovery to confront the COVID-19 global pandemic situation.

Consequently, and as a result of the natural synergy among its business units, Provincia NET proposes to strengthen itself in each market in order to continue with the brand positioning undertaken during the last periods and to carry out the necessary investments to maintain a state-of-the-art Data Processing Center.

CAPEX (Investments in Capital Goods): \$106.4 million.

Continued corporate synergy in order to contribute with solutions that pursue the



objectives outlined by the Province of Buenos Aires and Banco Provincia.

Expanding the technology sales portfolio, incorporating the commercialization of infrastructure to small and medium-sized companies as a new market segment.

New Service Centers were opened in the province of Buenos Aires to provide access to provincial people to the different services offered by the Company and Banco Provincia.

Continued integration with Banco Provincia to incorporate banking services to the Provincia NET Pagos network (e.g., CASH IN - Micro-deposits of Banco Provincia customers in the Provincia NET Pagos network).

Increasing new payment agenda functionalities and due date notifications from the web site

and enhancing the ONLINE PAYMENT service to channel customer demand towards new bill payment methods.

Increasing the sale of digital solutions in the Contact Center.

Working jointly in the operation of the Contact Center in remote work modality, redoubling efforts to improve the productivity and motivation of the employees of the business unit.

Provincia NET, in line with Banco Provincia and its holding companies, will continue with the plan to update the corporate image of the entire network.

Thus, the Budget considers a billing of \$8,310 million, 48% over 2021 and Gross Profits of \$1,486 million (70% higher than in the previous period).

Provincia Fideicomisos S.A.U

Provincia Fideicomisos S.A.U. (the "Company" or "Profisa") is a company of Grupo Banco Provincia specialized in the structuring and administration of ordinary, guarantee and financial trusts.

During 2021, the Company's policy has been to maintain the level of resources used during 2020, to deepen the commercial relationship with the different levels of the provincial public sector, to continue proposing and accelerating trust structuring processes initiated in previous years, and, finally, to adapt its institutional image to the services that the Company provides in the market and in line with the characteristics of the economic group to which it belongs.

As regards the closing and formal liquidation process of trust structures with no operating activity, non-profitable, or generating expenses and conflicts to the Company, during 2021, five trusts with said characteristics were terminated (through liquidation or transfer) (La Economía Comercial - trustor: La Economía Comercial S.A. de Seguros Generales, currently in bankruptcy-; of Sanitary Infrastructure - trustor: Aguas Bonaerenses S.A.-; Puerto Palmas - trustor: Puerto Palmas S.A.-; Forestal I and Forestal II - trustor in both funds: Emprendimientos del Litoral S.A.-). Significant progress was made in the transfer of a sixth structure (Punta Médanos - trustors: Canevas S.A. and Azul Marino S.A.-), which is expected to be completed promptly. In none of the aforementioned cases there are any management fees or expenses to be received or, as the case may be, recovered.

The Company also continued with the effective litigation management of different trust structures under its administration, with significant advances in several on-going proceedings, in spite of the health emergency measures in force during almost the entire period.

As regards the liquidation process of the Estrella del Sur Trust and its related events, the necessary filings and appeals were made to prevent the funds obtained from the auction of the only trust property from being distributed in prejudice of the former beneficiaries who were verified unsecured creditors in the judicial liquidation. It was not until second instance that the Company managed to apply

an updated exchange rate to compare the liquid proceeds of the auction (in dollars) with the verified unsecured credits (in pesos); thus clearly benefitting unsecured creditors who will receive more dollars and will be able to recover 97.81% of their verified credits in pesos (as opposed to the 42.20% resulting from the exchange rate proposed by the Receivership and validated in first instance), against the liquidation creditors (receivers, auctioneers, attorneys, etc.) who, in this way, will receive fewer dollars. These creditors will receive their claims (directly in dollars) during January 2022, pursuant to the distribution project finally approved and the consequent payment of liquidation dividends ordered on December 22, 2021.

As regards the civil cases that former beneficiaries have been promoting individually against the Company, the actions undertaken while verifying the existence of new files improved the contracting conditions of the law firms and provided more time to work on the defense of the Company's interests, particularly, including the improvement of the future probatory frameworks, through the participation of technical consultants. In this regard, during 2021, 57 new lawsuits were notified (notwithstanding other individual lawsuits still pending notification). Since 50 of them were notified during December, there is still time to file the respective responses.

As regards the Samaagro Trust, during November and December, Provincia Fideicomisos was notified of two new awards, in the "Acerra y Otros" and "Escobar" cases. Although these cases resulted in sentences against the Company and were consequently appealed before the National Commercial Court, by virtue of the new probatory frameworks proposed as from "Acerra y Otros", there are clear improvements in comparison with previous awards. In addition, the plea of statute of limitations filed in three arbitration proceedings will be insisted upon up to the last instance as prior and special pronouncements that the Procedural Department of the General Arbitration Tribunal of the Buenos Aires Stock Exchange has mostly accepted, the Arbitration Tribunal later rejected and, on which, the National Commercial Court of Appeals must, in due course, rule when reviewing the respective final awards of the Arbitration Tribunal. It is understood that the results will ultimately be favorable to the Company's interests.

As regards the Sucre Trust, with the support of the beneficiaries of the Fideicomiso de Administración Consorcio Complejo Sucre (also beneficiaries of the Sucre Trust), during 2021 we were able to settle 5 more legal proceedings. In all cases the respective transactional agreements were fully complied with, including the delivery of possession of the functional units in conflict, as well as the assumption and payment (by the Trust) of legal expenses, when applicable. Independently of any legal conflict, it should be noted that, after hiring new professionals during 2020, the technical documentation for the assignment to the Special Horizontal Property Regime (As-Built Designs, Co-ownership & Administration Regulations, etc.) continues to progress. In a reasonable period of time, this will allow the individual deed of the functional units that are the final object of the Trust and its consequent extinction.

In the proceedings related to the Puerto Palmas Trust, all the precautionary measures on the trust assets (real estate) were removed, preventing them from being transferred to a Successor Trustee; such transfer was formalized on May 28, 2021, by means of a public deed transferring the trust domain.

Lastly, with respect to the Punta Médanos Trust (also in litigation), during 2021, significant progress was made in formalizing the transfer of the trust assets (real estate) to a Successor Trustee — (initially agreed with the trustors on March 23, 2021) — resolving several judicial (injunctions), tax (real estate tax and municipal tax debts) and notarial (certificates of parcel status, tax debt-free certificate, etc.) obstacles that conditioned it. It is estimated that the effective transfer may finally be formalized in February 2022.

As regards the administration of the Company itself, it is worth mentioning that during 2021 there was a strong commitment to formalize processes of automatic updating of fiduciary fees, after achieving their adjustment in a significant number of structures in 2020, where the fees received were significantly outdated in comparison with the costs associated with the resources assigned to the management of those contracts.

Once again, in 2021, and to contribute to the management of the Province of Buenos Aires, its municipalities and Banco de la Provincia de Buenos Aires, we worked together with these parties to design and propose a large number of new fiduciary structures. This is reflected in the 2022 Provincial Budget, where, in addition to strengthening and reconfiguring existing structures, the “Fondo Fiduciario para el Desendeudamiento de Mujeres” trust fund and the “Fondo Fiduciario



de Obras Educativas de la Provincia de Buenos Aires, FOEBA” trust fund were created, for which the Company will act as Trustee.

As regards new private or mixed trust structures, in December 2021 a new trust agreement called “Rovella Carranza - International Public Bid N° 01/2016” was signed, to guarantee the use of the collection rights of the main contractor (and trustor) awarded the International Public Bid N°01/2016 related to the 'Construction of the High Voltage Line -LAT- in 132 kV, single-circuit line, Alto Padilla - El Volcán, and the new 132/33/13.2 kV Transformer Station -ET-, El Volcán'. These projects will be carried out in the province of Jujuy, within the framework of the construction contract underlying the trust agreement.

In addition, during 2021, the trust agreement relating to the (public) trust fund formerly called “BA INNOVA”, now called “Buenos Aires - Fondo de Impulso Productivo”, was amended, expanding its purpose (and changing its name) to give it greater scope and reach more beneficiaries in the Province.

During 2021, in the area of human resources, the policy of reinforcing existing managements with more resources has continued, doubling the number of their professionals – specifically, in the case of the Legal Affairs Management. Additionally, two new areas were created: the “Process Systematization and Computerization Unit”, on a temporary basis and with the purpose of accelerating the final tuning of all the modules of the Company's computerized management system or fiduciary core; and the “Management Audit Unit” for the review and continuous improvement of internal processes. In the 2022 period, human resources are expected to be added to reinforce the new tasks that would arise from the projected increased operational activity.

It is worth noting that, in spite of the Preventive, Mandatory and Social Lockdown and Distancing measures in force during most of 2021, all normal and customary activities of the Company have continued without any interruption during the entire period.



As in previous years, the Company has not resorted to external financing and has covered the cost of its usual and normal operations with the generation of its own resources, through the process of updating management fees and the revision of fees paid to external advisors.

The Company continues to comply, normally, with the equity and minimum liquid assets maintenance requirements established by General Resolution No. 795/19 of the CNV (as amended), inherent to the registry of public financial trustees kept by such regulator, in which the Company has been uninterruptedly listed since 2000.



BA Desarrollo S.A. (in liquidation)

BA Desarrollo S.A. is part of Grupo Provincia S.A., whose main activity is focused on the promotion and development of technical and financial assistance for the development of the different productive, commercial and service sectors of the Province of Buenos Aires. It acted as executing and organizing agent, including the rendering of services related to the survey, technical coordination, financial structuring and planning on the aspects of its competence and related aspects, with experts in the field.

As a result of various factors, both external and internal, which have led to a slowdown in

economic growth, an increase in inflation rates and high volatility in the domestic financial and foreign exchange markets, the Company has terminated all the contracts entered into in 2018, thus discontinuing its activity.

In the 13th Regular and Special General Meeting held on December 28, 2018, the shareholders approved the dissolution of the Company according to the provisions of Section 94, Paragraph 1 of Law No. 19550.

As of the end of 2021, the Company is in the process of liquidation and has appointed a new liquidator and receiver.

Provincia Bursátil S.A. Brokerage House

Brokerage House

From a corporate standpoint, in February 2020, the new authorities took over the management of Provincia Bursátil. With the general coordination of Grupo Provincia, a new coordinated financial and commercial strategy was established in order to generate synergy and a larger scale of operating volumes as a result of the higher commercial reciprocity with the counterparties; thus, comprehensively taking advantage of the presence of the Group as regards investments in the financial and capital market.

Provincia Bursátil closed fiscal year 2020 with a profit of \$145.1 million (120.9% higher than in 2019 in constant currency).

Pursuant to the corporate guidelines, during 2021, the management of Provincia Bursátil undertook actions aimed at sustaining the synergy achieved with the related companies and taking advantage of the presence of the Group as regards investments in the financial and capital market.

In this sense, the “Mutual Funds Supermarket” marketing channel was developed through the Byma Fondos platform.

The main challenge in 2021 was to optimize its processes, thus achieving a more efficient resource management, prioritizing regulatory compliance and close monitoring of the budget control.

In this fiscal year, the Anti-Money Laundering and Terrorist Financing Unit continued to consolidate the process of its system for the control and monitoring of customers operations. The same high standards were observed in the review carried out by the Independent External Reviewer.

The development of the Risks Committee, in charge of the integral management process of all significant risks, was further strengthened, ensuring compliance with the policies in force on the matter, approved by the Board of Directors.

Provincia Bursátil has rules of conduct contained in the Code of Ethics and Business Conduct. A gender and diversity approach was incorporated to this Code with a Protocol on labor and gender violence.

From the operational standpoint, Provincia Bursátil continued performing as Placement and Sub-Placement Agent of primary issuances of financial assets, mainly of financial trusts, corporate bonds and bills issued by the Province of Buenos Aires, in coordination with Banco Provincia, Provincia Fideicomisos and Provincia Leasing.

The Company continued to actively participate in staff training. A portfolio management executive was incorporated to the organizational structure of Provincia Bursátil, who is in charge of developing a new line of business.

In the area of information security and pursuant to the initial diagnosis made by Provincia NET, a Business Continuity Plan (BCP) and a Data Recovery Plan (DRP) were developed.

The projections for 2022 foresee maintaining the current product mix, including the following:

- Stock exchange fees for financial brokerage.
- Revenues generated in the Bilateral Trading Segment.
- Commissions for placement and sub-placement of financial assets in the primary market.
- Commissions for placement and distribution of Mutual Funds.

In order to support the commercial strategy, the objective for the coming year will be the sustained growth of the customer base through the implementation of a consultative and transactional system that will allow its members to access their account statements and be able to operate from any device. On the other hand, it is expected to incorporate SME customers for the negotiation of Deferred Payment Checks, based on the reciprocity with the SGRs in which, as an economic group, Provincia Fondos is the supporting partner. Finally, it is also expected to incorporate to the customer base Mutual Funds to trade in Rofex futures and institutional clients to trade in the Mutual Funds Supermarket, accessing the Rofex Fondos platform to expand the offer of mutual funds and operating alternatives.



Financial Sector



**Provincia
Leasing**



**Provincia
Fondos**

Provincia Leasing S.A.

Provincia Leasing S.A. has the primary purpose of providing leasing services with respect to personal or real property, trademarks, industrial models or patents, software and/or any other assets permitted by law.

In 2021, Provincia Leasing S.A. consolidated its position among the four biggest leasing providers in the market increasing its placements (signed agreements) by 92% compared to 2020 (i.e. 41% in real terms). The Company has maintained its leadership in the public sector leasing segment, assisting municipalities in the Province of Buenos Aires and different provincial and national agencies. In addition, the portfolio of private sector customers doubled in amount and also grew in number of customers, which are mainly — as in previous years— provincial MiSMEs.

In 2021, the distribution of operations between the different segments was as follows: public sector \$2,071.8 million and private sector \$972.7 million.

The average value of the transactions signed in 2021 was \$30.1 million for the public sector and \$10.9 million for the private sector. Transactions with the public sector accounted for 68% and with the private sector, 32%, providing great support to the productive sector of the Province of Buenos Aires.

Regarding provincial municipalities, the main financing investments during 2021 consisted of public works (33%), urban services (27%) and vehicles (24%). The main type of assets financed under the active portfolio (including

public and private portfolio), are vehicles used for transportation and logistics (53%), machinery used in construction and public works (19%), and industrial equipment (12%).

Finally, the Company has provided and continues to provide an optimal financing instrument for the modernization and technological updating of MiSMEs from different productive sectors, through the equipment or installation of industrial plants or machinery not only for the industrial sector but also for the construction and service-providing sectors.

As for the financing strategy, the Company's Board of Directors carried out a mixed strategy; the principal funding came from banking sources, mainly Banco Provincia and, in a lesser extent, the BICE bank. On the other hand, a capital contribution of \$200 million was received from the holding company and the Company resorted to the capital market, raising net financing for \$418 million.

The commercial strategy was adapted to the current context and, due to the continuity of the pandemic, the Company participated in different meetings and virtual talks with different chambers, interacting with potential customers and suppliers, with the presence of representatives from Banco Provincia (branches and regional centers) and Grupo Banco Provincia, thus strengthening the commercial relationship. Agreements were signed with the Argentine Chamber of Trailer and Semi-trailer Manufacturers (CAFAS, for its



Spanish acronym), thus promoting domestic production and industry.

As regards the Company's operations, a hybrid modality of in-person/distance attendance was implemented for all positions. In addition, the network infrastructure and remote connection services for distance working were reinforced and improved.

Regarding the relationship with Banco Provincia and the companies of Grupo Provincia, we continued working together to expand the scope of the leasing segment and improve the offering conditions, favorably impacting on the Group as a whole, for example, in terms of insurance placements, etc.

The Company's final (historical) result rose to \$303 million (-\$105 million inflation-adjusted). Profitability was affected by increases in relevant tax rates (gross income and income tax) and, in terms of the inflation-adjusted result, by the month-to-month inflationary rhythm on equity.

Looking ahead to 2022, the challenge will be to increase territorial coverage in the Province of Buenos Aires, seeking to reach a greater number of municipalities and offering the leasing product to more MiSMEs throughout the territory. Therefore, bank funding will remain as our priority. We will seek to have a competitive product in line with market needs and aligned with the credit conditions offered by competitors.

Provinfondos S.A. Manager of Collective Investment Products (Provincia Fondos)

The main business of the Company is the management of mutual funds' portfolios, acting as Manager of Collective Investment Products. Banco Provincia acts as Custodian of Collective Investment Products - Mutual Funds pursuant to the terms of Law No. 24083.

The equity structure of the Company is the following: Provincia Bursátil S.A. (Company controlled by Grupo Provincia): 90%; and Retirement and Pension Fund for Banco de la Provincia de Buenos Aires Personnel: 10%.

The Company has operated during 2021 within a complex economic context. Its main variables presented great volatility as a result of the recession started in previous years and deepened by the COVID-19 pandemic and its impact on the real economy.

The authorities of the Board of Directors continued implementing the commercial and financial strategy coordinated with Grupo Provincia and the Bank, originally applied upon taking office in February 2020. Such strategy was aimed at increasing the assets of the mutual funds administered by the managing company.

As a consequence of the persistent health risks caused by the COVID-19 pandemic, the Company continued with the emergency measures to face such situation:

Joint activation with the Human Resources Management of Grupo Banco Provincia of a protection protocol and preventive measures suggested for employees, customers and suppliers aimed at improving coverage level and mitigating health risks.

For this purpose, actions were taken so that all the staff of the Company was able to work at home.

Economic and financial projections were made on the evolution of the core business to assess

the impact on the Company's profitability, liquidity and risk.

As a consequence of the results of such analysis and in response to the higher need for liquidity by customers, the corresponding precautions were maintained through prudent policies that prioritize and maximize the liquidity levels of the Company and the funds managed. In the case of the latter, competitive returns were maintained so as to simultaneously, timely and in due form, comply with the financial obligations of the Company as well as with the potential redemptions by investors.

Likewise, the Company continued managing expenses in a monitored and controlled way.

Towards the end of 2021, a hybrid program was established based on a work bubble strategy that would contribute to avoid the possibility of infections among the personnel and allow a gradual reopening of the activities in the Company's offices.

As of the date of issuance of this document, the Company has not suffered significant impacts derived from these events on its equity and financial position, on its results and/or on its cash flows. On the contrary, and thanks to the implementation of such strategy, Provinfondos performance placed the mutual fund management company as the one with the highest relative growth in the market and the highest increase in the ranking of assets under management, ranking 6th at the end of 2021.

In addition, the Company's Board of Directors approved the Code of Ethics and Business Conduct, which incorporated a gender perspective and diversity approach. One of the most relevant modifications made was the inclusion of a Protocol on labor and gender violence.

In addition, during 2021, the Company continued with the application of the investment policy in SGRs. This centralized policy, coordinated with all the companies of the Group, defines the investment of the available margins in this type of vehicles. Considering that such contributions grant the Company financial and tax benefits, the Board of Directors decided to make new contributions to those already existing in this type of companies.

Evolution of the Mutual Fund industry and 2021 Prospects

During 2021, and despite the prevailing volatility, the Mutual Fund industry continued to demonstrate its strength and ended the year with \$3.4 trillion in assets under management, regardless of the fact that 2021 was a year characterized by national legislative elections and economic uncertainties.

In annual accumulated figures, mutual funds' total assets increased by \$1.8 trillion (83%) compared to the volume of investments in 2020, being the search for hedging one of the elements that aroused interest in mutual funds.

Immediate liquidity funds took 51% of the market share, followed by fixed income funds, which already account for 34% of the industry. The two categories concentrate more than 80% of the total figure.

Mixed income funds and SME funds accounted for 7% and 4%, respectively. Finally, equity and

total return funds accounted for 1% of the total.

After the legislative elections, the attraction for exchange rate hedging was maintained. This was due to an uncertain scenario basically derived from the ongoing negotiations with the IMF and the restrictive exchange rate measures, which led to a preference for money market funds.

As of December 31, 2021, assets managed by Provinfondos S.A. amounted to \$138,873,897 million, representing a 4.08% market share and a 217% growth as against the assets managed as of December 31, 2020, measured in nominal values.

This performance was basically due to the continuity of the policy to expand the customer base implemented by the Company with a greater number of customers from the provincial and municipal public sector, the strong cooperation among the Group's companies, the new managing companies engaged in the administration of other funds, and the important support from Banco Provincia.

At the same time, and thanks to the work of our professional teams, the Company offered highly competitive yields and redesigned investment strategies in the fund offerings.

As detailed below, all Mutual Funds managed by the Company have significantly increased their equity as against the values recorded at the end of 2020:

Fund	Equity (in \$) 2021	Equity (in \$) 2020	Variation (%)
1822 Raíces Valores Negociables	1,653,873,702	853,957,419	94%
1822 Raíces Renta en Pesos	2,414,077,869	381,811,095	532%
Abierto PYMES 1822 Raíces PYME	1,919,935,460	514,671,954	273%
1822 Raíces Ahorro Pesos	119,381,386,096	38,701,302,884	208%
1822 Raíces Valores Fiduciarios	3,140,873,705	2,267,525,623	39%
1822 Raíces Inversión	9,484,625,437	232,238,806	3984%
1822 Raíces Dólares Plus	879,124,465	870,115,120	1%
Total	138,873,896,734	43,821,622,901	217%

During 2021, we worked on the development of two new Mutual Funds; one of them, "1822 Raíces Gestión", will focus on managing the investments of Grupo Provincia's companies, i.e., the only clients of this Fund will be the companies that make up the Group. This fund will have a broad investment horizon, so that the companies of the holding group may optimize their returns. The other fund, "1822 Raíces Cobertura" will aim at covering the risks inherent to specific sectors and will be offered to the general public. We also worked on the diversification and mix of the investors of the different managed funds, maintaining competitiveness in terms of yield.

On August 25, 2021, the National Securities Commission approved the new Mutual Funds "1822 Raíces Gestión" and "1822 Raíces Cobertura", with Provinfondos S.A. Sociedad

Gerente de Fondos Comunes de Inversión and Banco de la Provincia de Buenos Aires as Manager and Custodian, respectively; they are not operative as of this date.

On September 7, 2021, the Board of Directors of the Company approved the creation of the Mutual Fund "1822 Raíces Infraestructura Fondo Común de Inversión Abierto para el Financiamiento de la Infraestructura y la Economía Real"; filings have been made before the National Securities Commission for its approval, but the Regulator has not issued a decision yet.

Professional Rating Services ACR S.A. (ProRatings), based on the national standards and on the performance and credit quality of assets on which the mutual funds managed by Provinfondos invest on, issued the following ratings:

Fund	2021	2020
1822 Raíces Ahorro Pesos	AA	AA
1822 Raíces Valores Fiduciarios	A	A
1822 Raíces Inversión	A	BBB
1822 Abierto PYME (former Raíces Renta Global)	A	A
1822 Raíces Renta en Pesos	A+	A+
1822 Raíces Valores Negociables	A	A
1822 Raíces Dólares Plus	BBB+	BBB+

Estimates for 2022 indicate that assets under management will remain at the same levels recorded in 2021; and the Company expects to:

- Consolidate and maintain the significant growth in the managed equity
- Continue improving the offering of products by intensifying investment alternatives

Considering that Banco Provincia's BIP platform is the main commercial channel of Provinfondos, the Company expects to work on a greater diversification, generating alternative channels with its controlling company, Provincia Bursátil, so that the latter, in its new role as Agent of Commercialization and Comprehensive Distribution of Collective Investment Products, offers Provinfondos mutual funds.



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