Año del Bicentenario del
Banco de la Provincia de Buenos Aires

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT DECEMBER 31, 2021 AND COMPARATIVE INFORMATION FOR THE PREVIOUS YEAR

(In thousands of pesos in constant currency - Note 3)

(Translation of Financial Statements originally issued in Spanish)

Note 1 - General information

1.1. Bank information

Banco de la Provincia de Buenos Aires ("the Bank" or "the Entity"), as a state-owned Bank, is a self-administered provincial public institution, the origin, guaranties 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 and in provincial Constitution and laws.

Section 7 of the national union pact dated November 11, 1859 (San José de Flores Treaty) established that the Province of Buenos Aires reserved for itself the exclusive rights, among others, to govern its Provincial State Bank and to pass the necessary laws to that effect. For that reason, the Bank, its assets, acts and doings, agreements, contracts and transactions as well as the rights arising therefrom in its favor shall be exempted from any liens, taxes, charges or contributions of any nature whatsoever.

The Entity is governed by a Charter approved under Provincial Law No. 9434/79, Law of Financial Institutions No. 21526, its amendments and related provisions, and by the regulations imposed by the Argentine Central Bank (BCRA).

Likewise, as a public financial institution, the Bank is subject to audits by entities created under the provincial Constitution: the General Accounting Office and the Auditing Office of the Province of Buenos Aires for control and budgetary performance purposes.

The Bank is registered with the Argentine Securities Commission (*Comisión Nacional de Valores*-CNV) Registry to act as Comprehensive Settlement and Clearing Agent and Trading Agent, and as Mutual Funds Depository Company.

Banco de la Provincia de Buenos Aires' main activity is focused on providing retail banking services.

The Bank has two branches abroad: Sao Paulo and Montevideo.

These consolidated financial statements include the Entity and all its subsidiaries, i.e., structured entities or companies controlled by the Bank. Information on subsidiaries is provided in Note 39.

In these financial statements, information about the "Bank" includes the Head Office as well as domestic and overseas branches; and information about the "Group" includes the Bank and its consolidated structured entities and companies.

1.2 The Argentine economic context and COVID 19 – its impact on the Bank's economic and financial position

On March 11, 2020, the World Health Organization declared the outbreak of Coronavirus (COVID-19) a pandemic, due to its rapid spreading throughout the world, having affected more than 150 countries. Most governments took restrictive measures to contain the spread, including: isolation, confinement, quarantine and restrictions to the free movement of people, closure of governmental and private facilities, other than those deemed essential (i.e., health, food, fuel and communication facilities), border closures, and drastic reductions of air, maritime, rail and land transport.

At the date of issuance of these financial statements, the productive and commercial activity was gradually returning to normal, with strict health protocols.

The adoption of such measures had a contractive impact on production and employment both at global and domestic levels.

As for Argentina, where the Entity operates, on March 12, 2020, Executive Order No. 260/20, as amended, was issued, declaring the country in health emergency in order to cope with the crisis brought about by the COVID-19. Finally, on March 19, 2020, the National Executive Branch issued Order No. 291/20 mandating preventive social distancing measures, effective from March 20, 2020 up to the date of issuance of these financial statements, pursuant to successive extensions established by subsequent executive orders published in the Official Gazette, which term may be extended for as long as deemed required by the Executive Branch to address the pandemic.

To face the negative impact on the economy, in due time, the Government established a series of measures so as to maintain families' income and job positions, through direct transfers and loans and/or guarantees. In order to help those families whose income was affected, a series of one-time transfers destined to the recipients of the Universal Child Allowance, the Pregnancy Allowance and pensions and retirements were established. Additionally, an unprecedented program, "Family Extraordinary Income", was launched. It was focused on those persons whose income was reduced and could not support themselves due to isolation effects. Likewise, credit assistance programs were implemented, aimed at self-employed workers and freelancers not covered by other measures introduced by the Government since the beginning of the pandemic. The deferral of payments owed to the National Social Security Administration (*Administracion Nacional de Seguridad Social* - ANSES) and more recently the launching of the "Loan Facility for MiSME Productive Investment" were also announced. All these measures have been supplemented by the increase in those budgetary items destined to health and to the greater demand of community dining rooms.

Measures intended to support companies (including transferences for the payment of salaries, reduction in the employer's contributions and specific credit assistance programs) were taken. Mention should be made of the Employment and Production Emergency Assistance Program, which postpones the deadline to pay social security contributions or reduces them by 95% and grants a compensatory allowance for the salary. Likewise, specific guarantee and credit facilities destined to SMEs were launched.

The local economy, which was affected by the recession that started in 2018 and significantly intensified in 2020, showed signs of recovery in annual aggregate figures. This was the result of a constant vaccination process which, together with a greater population adaptation, caused a significant improvement in the movement of people that lead to the current production reactivation. Thus, most economic sectors managed to normalize their operations after the adverse impact on supply and demand caused by the pandemic. Throughout 2021, the economic activity improved as against the previous year, leaving behind the longest and deepest crisis in the last twenty years.

In this context, on March 11, 2021, the Social Solidarity and Productive Reactivation Law in the public emergency context ("Economic Emergency Law"), declaring the public emergency on economic, financial, administrative, retirement/pension, energy, sanitary and social matters was extended until December 31, 2021. Afterwards, the Executive Order No. 12/22 dated January 11, 2022 extended the effectiveness of such emergency situation until December 31, 2022.

Thus, the Economy Emergency Law also suspended until December 31, 2021 the reduction of the income tax rate as well as the 2017 fiscal agreement which established the gradual reduction of the gross income tax until December 31, 2020.

As detailed in Note 33, Law No. 27630 enacted on June 16, 2021 repealed the general reduction in rates and introduced a tax rate brackets system for the income tax, which will be effective for fiscal years beginning on or after January 1, 2021.

In an effort to address the challenges brought about by the pandemic, the BCRA took several measures primarily aimed at facilitating credit access by economic players, including, without limitation:

a) until June 1, 2021, eased calculation of days in arrears and suspension of certain mandatory reclassification provisions for purposes of the financial system debtors' classification and allowance assessment, according to the BCRA's rules and regulations;

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b) restrictions on positions held by entities in Bills issued by the BCRA (LELIQs);

c) credit facilities to micro, small and medium enterprises (MiSMEs) at an annual nominal interest rate of 24% to cover working capital requirements or to pay for wages;

d) extension of the payment term of credit card outstanding balances, and suspended indexation of mortgage loan payments; the unpaid balances corresponding to credit card financings maturing in September will be automatically refinanced at a minimum twelve-month term, with a 3 month grace period, in 9 equal and consecutive monthly instalments, at a maximum annual nominal interest rate of 40%. At the same time, the measure stating that unpaid financing installments (excluding credit cards) shall be added at the end of the credit lifecycle was extended until March 31, 2021;

e) for mortgage and pledge loans adjustable by UVA, by means of Decrees No. 319/20 and 767/20, the Argentine government suspended hikes in outstanding installments until January 2021. In addition, a convergence period will commence in February 2021 in order to reach the amount of contractual installments. The difference between the payments made pursuant to contractual conditions and those arising from the suspension will be payable at the end of the contract;

f) suspended hikes in fees and commissions from February 19, 2020, for a term of 180 days; from November 5, 2020 hikes with maximum percentages allowed by the BCRA must be communicated to such regulatory authority at least 30 days before sending the pertinent information to users and they may only be applied 60 days after users being duly informed;

g) ceiling rates on credit card financing arrangements and floor rates on time deposits;

h) new credit facilities at a subsidized interest rate of 24%, including a special tranche for Argentine-sourced capital goods and minimum requirements for companies which had no access to bank loans;

i) implementation of corporate loans at subsidized interest rates under the Employment and Production Emergency Assistance Program, which interest rates are determined considering the year-on-year changes in the company's turnover, and zero-interest rate credit facilities in pesos exclusively for taxpayers under the simplified tax regime and self-employed workers engaged in cultural activities;

j) maintenance of the Ahora 12 y 18 Program that will imply the financing of purchases made by families; financing in 24 and 30 installments was allowed for certain consumption items as provided by Resolution No. 753/21 of the Secretary of Interior Commerce published on July 30, 2021;

k) new scheme of Lending Facilities for MiSMEs productive investment that entities shall maintain from October 16, 2020 in order to finance investment projects, working capital and discount of deferred payment checks and other documents, and other special cases with ceiling rates between 30% and 35% and maximum terms of 24 and 36 months, according to the use of proceeds. The facilities should be granted according to the quotas defined as of the pertinent date - 2020, 2021 and 2021/2022 Quotas. As per BCRA Communication "B" 12161, the 2020 quota amounted to $32,877,817 and was fully disbursed. As per BCRA Communication "B" 12164, the 2021 quota amounted to $41,240,833 and was fully disbursed. Finally, as per BCRA Communication "B" 12238 the 2021-2022 quota amounted to $48,301,926. Detailed information about this lending facility is disclosed in Note 10 to these consolidated financial statements;

l) On May 13, 2021, under BCRA Communication "A" 7285, financial institutions were required to defer unpaid installments of loan facilities granted to employer customers eligible for the Productive Recovery Program II (REPRO II), with maturities as from the effective date of such Communication, to the month following the end of the credit life. The compensatory interest shall only accrue at the contractually agreed-upon rate. Such loan restructuring shall not imply a refinancing due to the customer's inability to pay its debts as provided by the "Debtors' Classification Rules";

m) On June 16, 2021 a new tender offer of Argentine Treasury Bills (Ledes, Lepase and Lecer) was conducted and the exchange of the BONCER 2021 (TC21) bond for a basket of CER-linked securities maturing on 2022 and 2023 was offered. The position held by the Bank and exchanged as indicated above amounted to NV58,000. This exchange was made pursuant the criteria laid down in BCRA Communication "A" 7014;

n) By Resolution No. 646/21 dated October 13, 2021, the Ministry of Economy approved a new proceeding for eligible securities -not included in the debt restructuring transaction under the Argentine law- to be made in the local market. Such proceeding was destined to bondholders declining their participation in the exchanges provided under Resolutions Nos. 381 and 540 dated August 17, 2020 and November 4, 2020, respectively. It also decided to discontinue the listing of eligible securities as from December 1, 2021 on the Argentine markets and stock exchanges.

Additionally, the distribution of dividends by financial institutions was suspended until December 31, 2021. The BCRA Communication "A" 7427 dated December 23, 2021 stated that as of January 1, 2022, and until December 31, 2022, financial institutions will be able to distribute dividends for up to 20% of what would have corresponded if the current regulation had been applied. As of such date, financial institutions authorized by the BCRA, shall do such distribution in 12 equal monthly consecutive payments.

Through Communication "A" 7405 dated November 25, 2021, the Central Bank provided that, as of December 1, 2021, the spot position defined in the rules regarding "Foreign Currency Global Net Position" should not exceed 0% of the prior month's Regulatory Capital. At the closing date of these financial statements, the Bank, when applying such rule, recorded no impact on its foreign currency spot position since it fell within the stipulated limits and no excesses were observed.

The situations herein mentioned impact on the Bank's transactions, on the measurement of expected losses within the framework of IFRS No. 9 and on the valuation of public sector debt instruments with reduction of the financial margins and limitations on the collection of fees in certain activities.

At the date of these financial statements, such events have not significantly impacted on the Bank's financial condition, its profits/(losses) and/or its cash flows. The Board of Directors and the General Management consider that the Bank will not be significantly affected in the future if it keeps the current level of activity.

1.3 Regularization and reorganization plans

On June 15, 2018, the BCRA issued Resolution No. 277/18 restating the Regularization and Reorganization Plan according to the provisions of section 34 of the Law of Financial Institutions No. 21526, as amended. Among the exceptions described therein, we can mention those linked to prudential regulations on minimum capital requirements and credit risk diversification. Banco de la Provincia de Buenos Aires is required to maintain the criterion to charge all contributions made to the Retirement and Pension Fund for Banco de la Provincia de Buenos Aires Personnel (*Caja de Jubilaciones, Subsidios y Pensiones del Personal del Banco de la Provincia de Buenos Aires)* against income/(loss) when becoming effective, as long as the circumstances mentioned in the Letter submitted to the BCRA regarding the regulation of Provincial Law No. 15008, the implementation of the mechanism stated in Section 11, paragraph L) therein, and the possibility to quantify the potential impact on the Bank remain the same. This plan was in force until September 30, 2021.

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On that date, the Bank submitted a report to the BCRA indicating the compliance status with Resolution No. 277/18. Moreover, the Bank requested an extension as provided in item 5 thereof and considering its consequent impact on the public sector credit risk diversification.

On October 15, 2021, the BCRA took knowledge of the situation, making no remarks on the proposal made by the Bank, which should be submitted within 180 days and should contemplate the adjustment of interests in related companies in accordance with the regulations in force.

As indicated by the regulator, on December 28, 2021, the Bank's Board of Directors decided to instruct its controlled company - Grupo Banco Provincia SA - to split up those companies performing supplementing financial activities as stipulated by the BCRA regulations in force. They will become part of "Provincia Servicios Financieros", the new company to be created after such split-up and under the control of the Bank.

The equity holdings in insurance-related companies will continue within Grupo Banco Provincia SA's structure. The objective to transfer those activities to the Province of Buenos Aires after approval of the pertinent split-up plan was set. At the date of these financial statements, such plan was pending approval.

As decided by the Board of Directors, such split-up does not result in a change on the Bank's net worth or control as a result of the corporate reorganization process.

On December 29, 2021, the Shareholders Meeting of Grupo Banco Provincia SA decided to approve the split-up process described above. The management of such company is working on the administrative and legal steps required to execute such decision.

Note 2 - Criteria for presentation of the financial statements

These consolidated financial statements as of December 31, 2021 were prepared in accordance with the regulations issued by the BCRA which provide that entities under its supervision shall be required to submit financial statements prepared pursuant to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), with the following exceptions ("financial reporting framework set forth by the BCRA"):

a) Impairment of Financial Assets

Pursuant to Communication "A" 6847 issued by the BCRA, the Entity has applied the expected loss model set forth under paragraph 5.5. of IFRS 9, except for debt instruments issued by the non-financial public sector which were excluded from the scope of such standard; a possible application of this rule to this type of exposure would cause a significant increase in the expected credit losses.

b) Contributions to the Retirement and Pension Fund for Banco de la Provincia de Buenos Aires Personnel

Through Resolution No. 277/18 dated June 15, 2018, the BCRA instructed Banco de la Provincia de Buenos Aires to maintain the criterion to charge all contributions made to the Retirement and Pension Fund for Banco de la Provincia de Buenos Aires Personnel (*Caja de Jubilaciones, Subsidios y Pensiones del Personal del Banco de la Provincia de Buenos Aires*) against income/(loss) when becoming effective, as long as the circumstances regarding the regulation of Provincial Law No. 15008, the implementation of the mechanism stated in Section 11, paragraph L) therein, and the possibility to quantify the potential impact on the Bank remain the same. The criterion applied implies a deviation from IAS 19 and, even though the Bank is unable to fairly quantify its impact, it may have a significant effect and must be taken into account by the users of these financial statements.

c) Measurement of the remaining investment in Prisma Medios de Pago SA

In view of the put exercise notice delivered by the Bank and the remaining Class B Stockholders on October 1, 2021 within the framework of Prisma Medios de Pago SA disinvestment plan, at December 31, 2021, such investment was recognized under "Non-current assets held for sale" and valued according to the provisions of BCRA Memorandum No. 142, which results in a deviation from IFRS. It is worth noting that, at the date of these financial statements, the transaction price has not been determined yet.

d) Exchange of debt

According to BCRA Communication "A" 7014, debt instruments issued by the public sector received in exchange for other instruments are measured upon initial recognition at the book amount as of that date of the instruments delivered in replacement thereof.

The exceptions described above have not been quantified by the Bank even though they imply significant deviations from IFRS, which must be considered in the interpretation of these financial statements.

By Communications "A" 6323 and 6324, as amended, the BCRA established guidelines for the preparation and presentation of financial statements by financial institutions for fiscal years beginning on or after January 1, 2018, including additional reporting requirements as well as information to be presented as exhibits.

The figures shown in the financial statements derived from books of accounts that were signed by the General Accounting Office of the Province of Buenos Aires, which have been kept in accordance with usual procedures.

These financial statements were approved by the Bank's Board of Directors on March 10, 2022.

Note 3 - Functional and presentation currency

The Bank considers the Argentine Peso as the functional and presentation currency. All amounts are stated in thousands of pesos, restated in constant currency, unless otherwise stated.

Unit of measurement

IAS 29 requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy be stated in the unit of measurement current at the reporting period end. IAS No. 29 provides certain qualitative guidelines and a quantitative guideline to determine the existence of a hyperinflationary economy. Accordingly, hyperinflation shall be deemed to exist where the last three years' cumulative inflation approaches or exceeds 100%. In Argentina, consensus has been reached among local professional associations in that, commencing on July 1, 2018, the Argentine economy should be regarded as hyperinflationary based on the guidelines established in IAS 29.

Entities should rely on the following price indexes for such purposes:

- For items subsequent to December 2016: Consumer Price Index (CPI) compiled by the Argentine Institute of Statistics and Census (*Instituto Nacional de Estadísticas y Censos* - INDEC).

- For items previous to December 2016: the price index released by the Argentine Federation of Professional Councils in Economic Sciences (*Federación Argentina de Consejos Profesionales en Ciencias Económicas* - FACPCE).

The CPI increased by 50.9% during the year ended December 31, 2021 and by 36.14% during the year ended December

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31, 2020.

In applying IAS 29 to the Balance Sheet, the Bank has relied on the following methodology and criteria:

a) Non-monetary assets were restated applying the price index. The restated amounts were written down to their recoverable values, applying the pertinent IFRS, where appropriate.

b) Monetary assets were not restated.

c) Assets and liabilities contractually related to changes in prices, such as index-linked securities and loans, were measured on the basis of the pertinent contract.

d) The measurement of investments accounted for under the equity method was based on associates' and joint ventures' information prepared in accordance with IAS 29.

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

f) As of January 1, 2019, all net worth items, other than Retained Earnings, were restated by applying the price index, as from the date of contribution or origination. In subsequent periods, all such items were restated by applying the price index since the beginning of the year, or since the contribution date, if later.

In applying IAS 29 to the Statements of Income, Other Comprehensive Income and Cash Flows, the Bank has relied on the following methodology and criteria:

a) all items of the Statements of Income, Other Comprehensive Income and Cash flows were restated into the unit of measurement current at December 31, 2021;

b) the gain or loss on net monetary position is recognized in the Statement of Income;

c) gains or losses on cash and cash equivalents are disclosed in the Statement of Cash Flows separately from the cash flows from operating, investing and financing activities, as a reconciling item between cash and cash equivalents at the beginning and at the end of the period.

Note 4 - Accounting estimates and judgements

In preparing these consolidated financial statements, the Management has to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

The related estimates and assumptions are based on expectations and other factors deemed reasonable, the result of which are the basis for the judgments on the value of assets and liabilities, which are not easily obtained from other sources. Actual results may differ from these estimates.

The underlying estimates and assumptions are continuously under review. The effect of the review of accounting estimates is recognized prospectively.

4.1 Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in these consolidated financial statements is described in the following Notes:

Note 5.1. – Determination of the existence of control over other entities

Note 5.4.b) – Classification of financial assets

Note 5.4.g) – Impairment of financial assets

Nota 5.7 – Determination of fair values of real property

Note 5.11 – Impairment of non-financial assets

Note 5.13 – Classification of post-employment personnel benefits

4.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in these consolidated financial statements is included in the following Notes:

Note 5.4.g) – Impairment of financial assets

Note 21 – Recognition and measurement of provisions

Note 23 – Measurement of personnel benefits

Note 23.3 – Measurement of the accounting impact of Provincial Law No. 15008

Note 37 – Fair values of financial assets Level 2 and 3.

4.3 Measurement at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Group measures the fair value of a financial instrument using the quoted price in an active market. A market is considered active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques maximizing the use of relevant market inputs and minimizing the use of unobservable inputs. The choice of a valuation technique includes all factors market participants would take into consideration for the purposes of setting the price of the transaction.

Fair values are categorized into different levels in the fair value hierarchy based on the input data used in the measurement techniques, as follows:

- Level 1: quoted prices in active markets (no adjustment) for identical assets or liabilities.
- Level 2: valuation models using observable market data as significant inputs.

- Level 3: valuation models using unobservable market data as significant inputs.

The fair value hierarchy of assets and liabilities measured at fair value at December 31, 2021 is detailed in Exhibit "P".

Note 5 – Significant accounting policies and changes in the accounting policies

The Group has consistently applied the accounting policies defined in accordance with the IFRS and the financial reporting framework set forth by the BCRA in all fiscal years included in these financial statements.

On January 1, 2020, IAS 29 "Financial reporting in hyperinflationary economies" and section 5.5 of IFRS 9 "Impairment of financial instruments" were implemented in accordance to the guidelines established by the BCRA, with retroactive application as of January 1, 2019.

5.1 Basis of consolidation

a) Subsidiaries

Subsidiaries are all the entities (including structured entities, if any) controlled by the Group. The Group owns a controlling interest in an entity when it is exposed to, or has rights over, the variable returns for its interest in the participated company, and has the ability to affect those returns through its power over the entity. The Group reevaluates if its control is maintained when there are changes in any of the conditions mentioned.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

b) Non-controlling interests

Non-controlling interests are the portion of profit or loss and net worth which does not belong to the Group and are disclosed as a separate line in the Consolidated Balance Sheet and the Statements of Income, Other Comprehensive Income and Changes in Net Worth.

c) Securitization vehicles

Certain securitization vehicles developed by the Group are used according to the basis determined in their initial design. The Group is exposed to changes in the return of vehicles through its holdings of debt securities or participation certificates. In general, key decisions on these vehicles are related to loans classified under category 2 or worst pursuant to the BCRA´s Debtors' Classification Rules. Therefore, when considering if the Group has the control, it is analyzed if the Group takes the key decisions that significantly affect the vehicle returns. In relation to the trusts managed by the controlled company Provincia Fideicomisos SAU, the Bank completed such analyses as of December 31, 2021 and 2020 concluding that, in no case, it exerts control over such vehicles.

d) Mutual funds

The Group acts as fund manager to a number of mutual funds (see Note 47). To determine whether the Group controls such mutual funds, the aggregate economic interest of the Group in the mutual fund (comprising any carried interests and management fees) is usually assessed and it is considered that investors have no right to remove the fund manager without cause. In cases where the economic interest is less than 37%, the Group concludes that it acts as an agent for the investors and therefore does not consolidate those mutual funds (see Note 39) with respect to the mutual funds that have been consolidated.

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e) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, as well as any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements.

Unrealized gains arising from transactions with associates are eliminated in proportion to the Group's interests in such associates. Unrealized losses are similarly eliminated, provided that there is no evidence of impairment.

5.2 Foreign Currency

a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group entities at the reference exchange rate published by the BCRA at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the reference exchange rate prevailing at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the reference exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the reference exchange rate prevailing at the date of the transaction.

Exchange rate differences are recognized in the Consolidated Statement of Income in the line "Gold and foreign currency quotation difference".

b) Transactions abroad

Assets and liabilities in foreign currency are translated into pesos at the reference exchange rate published by the BCRA. The results were monthly converted, using the monthly average reference exchange rate of the BCRA.

Exchange rate differences are recognized in the Consolidated Statement of Other Comprehensive Income, under the "Exchange difference for conversion of financial statements" caption.

5.3 Cash and deposits in banks

"Cash and cash equivalents" includes cash and balances with no restrictions kept with the central banks and on-demand accounts held at local and foreign financial institutions.

5.4 Financial assets and liabilities

a) Recognition

The Group initially recognizes loans, deposits, debt securities issued and liabilities at origination. All other financial instruments (including ordinary purchase and sale of financial assets) are recognized on the date of negotiation, that is to say, the date when the Group becomes part of the instrument's contractual provisions.

The Group recognizes purchases of financial instruments with the commitment of non-optional repurchase at a certain price (repos) as a financing granted in the line "Repo transactions" in the Consolidated Balance Sheet. The difference between the purchase and sale prices of those instruments is recorded as interest accrued during the term of the transactions using the effective interest method.

Financial assets and liabilities are initially recognized at their fair value. Instruments not measured at fair value through profit or loss are recognized at fair value plus (in the case of assets) or less (in the case of liabilities) the transaction costs directly attributable to the acquisition of the asset or the issuance of the liability.

The transaction price is usually the best evidence of fair value at initial recognition. However, if the Group determines that the fair value at initial recognition is different from the consideration received or paid, when the fair value is in hierarchies 1 or 2, the financial instrument is initially recognized at fair value and the difference is recognized in profit or loss. If the fair value at initial recognition is hierarchy 3, the difference between the fair value and the consideration is deferred over the term of the instrument.

b) Classification of financial assets

On initial recognition, financial assets are classified and measured at amortized cost, fair value through other comprehensive income (OCI) or fair value through profit or loss.

A financial asset is measured at amortized cost if it meets both of the following conditions:

* the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
* the contractual terms of the financial asset give rise to cash flows that are "solely payments of principal and interest".

A debt instrument is measured at fair value through OCI when:

* the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
* the contractual terms of the financial asset give rise to cash flows that are "solely payments of principal and interest".

On initial recognition of an equity instrument that is not held for trading, the Group may elect, for each individual instrument, to present any changes in fair value in OCI.

All other financial assets are classified as measured at fair value through profit or loss. This category includes derivative financial instruments.

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level. The information considered includes:

* the stated policies and objectives for the portfolio and the implementation of those policies. In particular, whether Management's strategy focuses on earning contractual interest revenue;
* how the performance of the portfolio is evaluated and reported to the Group's Management;
* the risks that affect the performance of the business model and how those risks are managed;
* how managers of the portfolio are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
* the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's objective for managing the financial assets is defined.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

In the assessment on whether contractual cash flows are "solely payments of principal and interest", 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risks associated with the principal amount outstanding and for other basic risks associated with a loan. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial assets are not reclassified after their initial recognition, except for a change in the Group's business models.

c) Classification of financial liabilities

The Group classifies its financial liabilities, other than derivatives, guarantees issued and liabilities, as measured at amortized cost.

Derivative financial instruments are measured at fair value through profit or loss.

d) Derecognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or if the Group neither transfers nor retains substantially all of the risks and rewards of ownership, it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received and any recognized balance in OCI is recognized in profit or loss.

When the Group transfers a financial asset but retains substantially all the risks and rewards of ownership of the financial asset, the Group does not derecognize the transferred financial asset.

The Group recognizes sales of financial instruments with the commitment of non-optional repurchase at a certain price (repos) as a financing received in the line "Repo transactions" in the Consolidated Balance Sheet. The difference between the purchase and sale prices of those instruments is recorded as interest accrued during the term of the transactions using the effective interest method.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. When an existing financial liability is replaced with another from the same borrower under significantly different conditions, or the conditions are substantially modified, said replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference is recognized in the line "Other financial income - From derecognition or significant change in financial liabilities" of the Consolidated Statement of Income.

e) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is booked in the consolidated Balance Sheet if, and only if, the Group has a legally enforceable right to set-off the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by IFRS, or for profits and losses arising from a group of similar transactions.

f) Measurement at amortized cost

The amortized cost of a financial asset or liability is the amount of its initial recognition less the principal reimbursements, plus or less the amortization, using the effective interest method, of any difference between the initial amount and the amount at maturity. In the case of financial assets, it also includes any impairment adjustments (doubtful accounts).

g) Impairment of financial assets

The Bank recognizes an allowance for loan losses on the basis of the expected credit loss model, in applying the financial reporting framework which provided the application of Section 5.5 of IFRS 9 with certain exceptions in its scope (IFRS 9 as per BCRA), for the following financial instruments which are not measured at fair value through profit or loss:

- financial assets that are debt instruments,
- lease receivables,
- financial guarantee contracts, and
- loan commitments.

No impairment is recognized in respect of debt instruments issued by the non-financial public sector or in respect of equity instruments.

The Bank measures the allowance for loan losses as the expected credit losses for the following twelve months on financial instruments (other than lease receivables) which have not experienced a significant increase in credit risk since initial recognition. The expected credit losses for the following 12 months represent the portion of expected credit losses resulting from a default event on a financial instrument which is likely to occur within 12 months after the reporting period end.

As for the rest, the Bank measures the allowance for loan losses at an amount equal to the expected credit losses throughout the instrument lifetime.

Measurement of expected credit losses

Expected Credit Losses are a weighted average, which is calculated by considering:

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- financial assets that are not impaired at the reporting period end: the present value of the difference between cash flows owed to the Bank calculated on the basis of contractual terms, and the cash flows the Bank expects to receive;

- financial assets that are impaired at the reporting period end: it is the difference between the book value (before allowances) and the estimated present value of future cash flows;

- undisbursed loan commitments: the present value of the difference between contractual cash flows if the Bank grants a loan, and the cash flows the Bank expects to receive; and

- financial guarantee contracts: payments expected to be reimbursed to the guarantee holder, net of any amount the Bank expects to recover.

Restructured financial assets

If the terms of a financial asset are renegotiated or amended, or if the financial asset is replaced for another one as a consequence of debtor's financial distress, then such financial asset will be assessed for derecognition, and an allowance for loan losses will be calculated as follows:

- If the expected restructuring does not result in the derecognition of the existing asset, then, the existence of a significant increase in credit risk is assessed in order to calculate the allowance, or

- If the expected restructuring results in the derecognition of the existing asset, then, it is considered as an impaired financial assets in order to calculate the allowance.

Impaired financial assets

At each year end, the Bank assesses assets measured at amortized cost and debt instruments (financial assets) measured at fair value through OCI for impairment. A financial asset is impaired when one or more events have occurred having a negative impact on the estimated cash flows from the financial asset.

Evidence that a financial asset is impaired includes the following observable inputs:

- debtor's or issuer's significant financial distress,

- contractual breach,

- restructuring of a loan under conditions the Bank would not otherwise agree to,

- when debtor is likely to go into bankruptcy or other form of financial reorganization, or

- disappearance of an active market for a security due to issuer's financial distress.

A loan that was renegotiated due to an impairment in the debtor's credit status is usually deemed impaired, unless objective evidence exists that the risk of not receiving contractual cash flows has decreased, with no other evidence of impairment. In addition, a consumer loan in arrears by more than 90 days is considered impaired.

Recognition of the allowance for expected credit losses

The allowance for expected credit losses is recognized in the Balance Sheet as follows:

- Financial assets measured at amortized cost: as a write-down of the asset book balance.

- Loan commitments and financial guarantees contracts: recognized under the line Provision for contingent liabilities under liabilities.

Derecognitions

Loans are derecognized (partially or totally) when there are no realistic expectations of recovery.

5.5 Investments in equity instruments

Considered as such by the issuer, an equity instrument does not include a contractual obligation to pay and evidences a residual interest in the asset of the issuer after deducting all of its liabilities. Such instruments are measured at fair value through profit or loss.

5.6 Investments in associates

An associate is an entity over which the Group has a significant influence but no control or joint control over financial and operating policies.

Interests in associates are recorded applying the equity method. They are initially recognized at cost, including transaction costs. After the initial recognition, the consolidated financial statements include the Group's share in profit or loss and OCI of investments accounted for using the equity method, until the date when the significant influence ceases.

5.7 Property and equipment

The Group has adopted the revaluation method since it reliably reflects the value of such assets. Therefore, the valuation of real property was updated at December 31, 2018, based on the appraisal carried out by an independent professional, applying the Level 3 valuation techniques. For that purpose, a market approach was used based on the determination of fair values carried out by third-party appraisers.

Under such model, assets are measured at fair value at revaluation date, minus accumulated depreciation and accumulated impairment of losses, if any. The counterbalance entry of such higher value is recognized under the "Other Comprehensive Income" caption.

The revaluation frequency will depend on the changes in the fair value of the items under revaluation. At December 31, 2021 and based on the evolution of market conditions observed by the Entity's Management, it was deemed unnecessary to update the fair values timely estimated.

Depreciation method and useful life are reviewed at each closing date and adjusted prospectively, if necessary.

The remaining items of property and equipment are measured at cost, net of accumulated depreciation and accumulated impairment of losses, if any. The cost includes the spot purchase price and expenses directly attributable to taking the asset to the location and those necessary for its operation as expected by the Board of Directors.

Depreciations are calculated using the straight line method, applying the necessary rates to extinguish the amounts at the end of the estimated useful life of the assets.

According to IAS 36, a "Valuation of Real Property Assets" report was prepared by an independent professional regarding the conservation, impairment and value updating of the Bank´s real property assets.

5.8 Intangible assets

Intangible assets include costs relating to the acquisition and implementation of information systems. They are measured at cost, minus accumulated amortization and impairments, if any.

Subsequent expenses related to information systems are only capitalized if the economic benefits of the pertinent asset increase. All other expenses are recognized as a loss when incurred.

Information systems are amortized using the straight line method over the estimated useful life of 5 years.

Amortization method as well as the useful life are reviewed at each closing date and adjusted prospectively, if applicable.

5.9 Other non-financial assets

a) Works of art and collection pieces

Works of art and collection pieces are measured at cost.

b) Investment properties

The Group has used the option under IFRS 1 to consider the fair value of all its investment properties items as the deemed cost as of January 1, 2017. Fair value was assessed based on the appraisal carried out by an independent professional, applying the Level 3 valuation techniques. For that purpose, a market approach was used.

c) Assets acquired as security for loans

Assets acquired as security for loans are measured at fair value at the date on which the Group becomes the owner thereof and any difference with the accounting balance of the related loan is recognized in profit or loss.

5.10 Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly likely that they will be recovered mainly through their sale, which is estimated to occur within the twelve months following the date of their classification.

These assets, this group of assets or group of assets and liabilities are generally measured at the lesser of their book value and fair value less the cost of sale.

When a property, plant and equipment item is classified as "non-current assets held for sale", depreciation is no longer applied.

On February 1, 2019, 374,087 registered, common shares with a nominal value of $1 each and one vote per share, owned by the Bank in Prisma Medios de Pago SA, were transferred to AI Zenith (Netherlands) B.V. (a company related to Advent International Global Private Equity).

In accordance with the provisions of the Offer for the purchase of those shares by AI Zenith (Netherlands) B.V., and accepted by the Bank, the total estimated price adjusted was US$60,071 (thousands), out of which, on February 1, 2019, the Bank received US$36,268 (thousands) and the unpaid balance shall be deferred over the following 5 (five) years. Such balance is recorded in "Other financial assets" (Note 15) and reserved according to the IFRS 9 provisioning rules.

In view of the put exercise notice delivered by the Bank and the remaining Class B Stockholders on October 1, 2021 within the framework of Prisma Medios de Pago SA disinvestment plan, at December 31, 2021, such investment was recognized under "Non-current assets held for sale" (see Note 17) and valued according to the provisions of BCRA Memorandum No. 142, which results in a deviation from IFRS as indicated in Note 2.c.

It is worth noting that, at the date of these financial statements, the transaction price has not been determined yet.

5.11 Impairment of non-financial assets

At least at each closing date, the Group assesses whether there are indications that a non-financial asset may be impaired (except for deferred tax assets). If there is such an indication, the asset's recoverable value is estimated

For the impairment test, the assets are grouped into the smallest group of assets which generate inflows from ongoing use, which is independent from the cash inflows from other assets or other cash generating units (CGU).

The "recoverable value" of an asset or CGU is the highest of its value in use and its fair value less the cost of sale. The "value in use" is based on estimated cash flows, discounted at their present value using the pre-tax interest rate that reflects current market assessment of the time value of money and the risks specific to the asset or CGU.

If the accounting balance of an asset (or CGU) is higher than its recoverable value, the asset (or CGU), is considered impaired and its accounting balance is reduced to its recoverable value and the difference is recognized in profit or loss.

5.12 Provisions

The Group recognizes a provision if, as a result of a past event, there is a legal or implied obligation for an amount that can be reliably estimated and it is likely that an outflow of resources will be required to settle the liability.

To assess provisions, the existing risks and uncertainties were considered, taking into consideration the opinion of the Group's external and internal legal advisors. The Group, based on such analysis, recognizes a provision for the amount considered as the best estimate of the potential expense necessary to settle the present obligation at each closing date.

The provisions recognized by the Group are reviewed at each closing date and are adjusted to reflect the best available estimate.

A contingent liability is not recognized and is disclosed in the notes when:

a) it is a probable obligation, or
b) it is not probable that a disbursement of resources will be required to settle the obligation, or
c) the amount of the obligation can't be reliable estimated. However, when the disbursement required is considered to be remote, no disclosure is made.

Provisions and reserves related to the insurance activity were determined based on the General Rules for Insurance Activity (*Reglamento General de la Actividad Aseguradora- RGAA*). The insurance companies calculated the liability adequacy required by IFRS 4 at December 31, 2021.

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5.13 Personnel benefits

Personnel benefits include every type of consideration and other related expenses granted by the Entity on account of services provided by employees. Payable benefits are recognized as liabilities during the year in which employees have provided services to the entity.

a) Short -term personnel benefits

Short-term personnel benefits are recognized in profit or loss when the employee provides the related service. A provision is recognized if the Group has, as a result of past services provided by the employee, the legal or implied obligation to pay an amount that can be reliably estimated.

b) Defined contribution plans

Obligations related to defined contribution plans are recognized in profit or loss when the employee provides the pertinent services.

c) Post-employment defined benefit plans

The Group's net obligation related to post-employment defined benefit plans is calculated considering the current value of the future benefit that the employees have earned during the current period and prior periods.

Each year, this calculation is made by a qualified actuary using the projected unit credit method.

The new calculations of defined benefit obligations related to actuarial profits and losses are recognized in Other comprehensive income.

The Group determines the interest expense for the net defined benefit obligation for the year, applying a discount rate used to measure the defined benefit obligation at the beginning of the year, taking into account contributions and benefits paid during the year. Interest expenses and other expenses in connection to the defined benefits plans are recognized in profit or loss.

If the benefits of a plan change, the resulting change related to past services, is recognized in profit or loss.

d) Accounting effects of Law No. 15008 of the Province of Buenos Aires

According to the BCRA Resolution No. 277/18, the Entity monthly recognizes in profit or losses all the contributions (expenses) made by the Bank to the Retirement and Pension Fund for Banco de la Provincia de Buenos Aires Personnel (see Note 23.3).

e) Termination benefits

Termination benefits are recognized when the Group can no longer withdraw the offer of those benefits.

5.14 Interest income and expenses

Interest income and expenses are recognized in profit or loss using the effective interest rate method. The effective interest rate is the rate whereby the contractual payment and collection cash flows are discounted during the expected lifetime of the financial instrument at the book value of the financial asset or liability.

See our report dated
March 10, 2022
KPMG

(Partner)
C.P.C.E.P.B.A. V° 1 F° 193 Folder 193
María Gabriela Saavedra
Public Accountant (U.N.S.)
C.P.C.E.P.B.A. Volume 172 – Folio 1
Folder No. 44622/0
Taxpayer registration code:
27-22976216-3

Alejandro A. Garcia
General Accountant

Rubén O. González Ocantos
General Manager

Juan M. Cuattromo
President

The calculation of the effective interest rate includes transaction costs, commissions and other items paid or received that are an integral part of the effective interest rate. Transaction costs include increasing costs that are directly attributable to the acquisition of a financial asset or the issuance of a financial liability.

Interest income and expenses disclosed in the consolidated Statement of Income include interest in:

- financial assets and liabilities measured at amortized cost; and

- financial assets measured at fair value through OCI.

5.15 Commission income and expenses

Commissions, fees and similar items that are part of a financial asset's or liability's effective interest rate are included in the measurement of the effective interest rate (see Note 5.14).

The remaining commission income, such as fees for services, mutual funds management, sales commissions and syndicated loan commissions, are recognized when the pertinent service is provided.

The Bank has a customer loyalty program to accumulate points by using debit and credit cards. The customer can redeem points for products and/or air miles. The Bank recognizes the corresponding charge as a lower commission income, since it is considered as an item thereof. The obligation for the customer loyalty program is determined at fair value at each closing date and is recognized in Other non-financial liabilities.

The remaining commission expenses are recognized in profit or loss when the related service is received.

5.16 Leases

In January 2016, the IASB issued IFRS 16 "Leases", introducing a new model for recognizing, measuring, presenting and reporting leases. On September 10, 2018, the BCRA issued Communication "A" 6560 implementing IFRS 16 for fiscal years beginning on January 1, 2019 and introducing changes to the plan of accounts and the reporting regimes.

This IFRS states that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 requires the lessee to recognize an asset for right-of-use of the leased asset and a liability for the present value of the agreed future payments discounted at the contractual implicit rate. The above criterion is optional for short-term leases and low value asset leases. Lessor accounting remains unchanged from the classification stated in IAS 17 as regards Operating and Financial Leases.

The Bank assumes the condition of lessee in the lease contracts of some branches.

The Bank's policy is to measure the asset for the right-of-use at cost less the accumulated depreciation and impairment losses, adjusted by any new measurement of the lease liability. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability; any lease payments made on or before the commencement date, less any incentives received, any initial direct costs and restoring costs.

The right-of-use asset is depreciated on a straight-line-basis over the term of the lease contract.

On the commencement date, the lease liability is measured at the present value of the following payments not paid at the initial date, fixed payments less any lease incentives receivable, variable lease payments based on an index or rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the Bank is certain to exercise that option and payments of penalties for terminating the lease. After the commencement date, the Bank will increase the lease liability by the interest amount and will make the pertinent deduction to reflect payments made. Likewise, such liability will be re-measured to reflect any changes in lease payments, lease terms or in the evaluation of a purchase option for the underlying asset.

In case of short-term leases and leases of low value assets, the Bank´s policy is to recognize lease payments as an expense on a straight-line basis over the lease term.

The related amortization is charged to "depreciation and impairment of assets" and interest accrued on account of lease liabilities are recognized in the operating result under "Other operating expenses".

The Group has opted to apply the modified retrospective method consisting of recognizing lease liabilities for an amount equivalent to the current value of future payments agreed as of January 1, 2019.

5.17 Current and deferred income tax

The activities of the Bank and its local branches are exempted from the income tax. The income tax expense recognized in these consolidated financial statements relates to the transactions of its subsidiaries and branches abroad.

Income tax expense for each fiscal year includes the current income tax and deferred income tax and is recognized in profit or loss, except to the extent that it relates to an item recognized in OCI or directly in equity.

a) Current tax

Current income tax includes the income tax payable, or advances made during the year and any adjustment payable or receivable related to previous years. The amount of the current tax payable (or to be recovered) is the best estimate of the amount that is expected to be paid (or to be recovered) measured at the applicable rate at the closing date.

b) Deferred tax

Deferred income tax recognizes the tax effect of temporary differences between the accounting balances of the assets and liabilities and the related tax bases used to assess the taxable income.

A deferred tax liability is recognized for the tax effect of all taxable temporary differences.

A deferred tax asset is recognized for the tax effect of deductible temporary differences and unexpired tax losses, insofar as it is likely to have future taxable income to be used against such assets.

Deferred tax assets and liabilities are measured at the tax rates expected to be applicable during the year when the liability is settled or the asset is realized, in accordance with the laws substantially enacted at the closing date.

c) Income tax rate

According to the provisions of Law No. 27541, subsequently amended by Law No. 27630, the Group's companies applied the 30% tax rate for 2020. In 2021, they applied the tax rate brackets system effective for fiscal years beginning on or after January 1, 2021 (See Note 33.a).

5.18 Registration of debt instruments received in exchange for other instruments

By means of Communication "A" 7014 dated May 14, 2020, the BCRA mandated that debt instruments issued by the public sector received in exchange for other instruments should be measured upon initial recognition at the book value as of that date of the instruments delivered in replacement thereof.

This situation results in a deviation from IFRS as stated in Note 2 herein.

Note 6 - IFRS issued but not yet effective

The IASB has issued the annual improvements to IFRS Standards 2018–2020, which classify matters analyzed in IFRS 1, IFRS 9, IFRS 16 and IAS 46. Such interpretations will be implemented for the fiscal years commencing on or after January 1, 2022.

Additionally, the IASB amended the following standards to be effective for annual reporting periods beginning on or after January 1, 2023:

- clarifies that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period;
- clarifies that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- makes clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

With respect to relationships related to accounting policies, the IASB included the following requirements for the reporting periods beginning on or after January 1, 2023:

- requires companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifies that the accounting policies related to immaterial transactions, other events or conditions that are not themselves material need not be revised; and
- clarifies that not all accounting policies related to material transactions are themselves material to an entity’s financial statements.

Amendments are introduced to clarify how companies should distinguish changes in accounting estimates. Those amendments will be effective for annual reporting periods beginning on or after 1 January 2023.

As regards insurance contracts, on May 18, 2017, the IASB published IFRS 17 introducing significant amendments in the measurement of the insurance coverage. Such amendments will be effective as from January 1, 2023.

These amendments were not early adopted by the Bank.

Note 7- Debt securities at fair value through profit or loss

There follows a breakdown of this caption:

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	12.31.2021	12.31.2020
Argentina	**222,867,151**	**305,904,033**
Government securities	84,657,542	42,547,693
BCRA Bills	127,380,697	254,047,049
Trust debt securities	576,757	2,815,919
Other	10,252,155	6,493,372
Total	**222,867,151**	**305,904,033**

Note 8 - Repo transactions

There follows a breakdown of this caption:

	12.31.2021	12.31.2020
Assets	**340,506,028**	**182,597,391**
Government securities	338,537,273	180,284,235
Corporate securities	1,968,755	2,313,156
Liabilities	**48,112**	**709,306**
Government securities	48,112	709,306

Note 9 - Derivative financial instruments

Forward transactions with delivery of the underlying asset

At December 31, 2021, the Bank recorded $1,758,725 on account of forward transactions for foreign currency hedge at the Sao Paulo branch. Such transactions were booked in off-balance sheet items.

Note 10 - Loans and other financing

The Group keeps loans and other financing under a business model for the purpose of collecting contractual cash flows. Therefore, it measures loans and other financing at amortized cost, unless they do not meet the "solely payment of principal and interest" criterion. In this case, they are measured at fair value through profit or loss.

In line with BCRA prudential regulations -which imply a deviation from the IFRS as per BCRA-, the information on the classification of loans and other financing according to condition and guarantees received is presented in Exhibit B. The information on the concentration of loans and other financing is detailed in Exhibit C. The reconciliation of the information included in those Exhibits with the accounting balances is shown below:

	12.31.2021	12.31.2020
Total loans and other financing	447,444,863	469,272,989
Items not included (Loans to staff and other)	(4,753,435)	(3,766,260)
(Allowances - Exhibit R)	32,571,370	38,823,607
Adjustment for measurement at amortized cost	7,921,898	7,469,310
Subtotal	**483,184,696**	**511,799,646**
Corporate securities - Corporate bonds - Measured at amortized cost (Note 11)	16,714,201	22,128,277
Corporate securities - Debt securities in financial trusts - Measured at amortized cost (Note 11)	1,094,282	793,845
Corporate securities - Corporate bonds - Measured at Fair Value through OCI (Note 11)	1,639,315	601,933
Subtotal	**19,447,798**	**23,524,055**

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Other Accrued interest receivable	-	6,388
Subtotal	**-**	**6,388**
Subtotal	**502,632,494**	**535,330,089**
OFF-BALANCE SHEET ITEMS		
Credit lines granted	295,735	154,605
Other guarantees granted included in the Debtors' Classification Rules	3,607,831	4,424,526
Other included in the Debtors' Classification Rules	1,868,112	2,336,159
Subtotal	**5,771,678**	**6,915,290**
Total Exhibits B and C	**508,404,172**	**542,245,379**

a) Non-financial public sector

	12.31.2021	12.31.2020
Non-financial public sector	**14,115,672**	**16,846,264**
. Loans Art. 9 item B) of the Bank's Charter (*)	3,941,770	5,949,756
. Bonds to be received from the Province of Buenos Aires	3,435,991	5,186,327
. Financial leases	2,701,991	2,655,645
. Other	4,035,920	3,054,536

(*) The Bank will act as the financial agent for the Government of the Province. It shall carry out all banking transactions undertaken by such Government and, on its behalf, it shall be empowered to service the Province's public debt in accordance with the directions given every year by the Ministry of Economy.

On July 31, 2013, the Bank was also informed that, through Executive Order No. 2094 of December 28, 2012, the Provincial Executive Branch approved the "Debt Consolidation Agreement" between the Provincial Ministry of Economy and the Bank providing for the reciprocal offsetting of claims, as identified and approved by the parties involved. After signing the pertinent agreement, a claim for $3,435,991 resulted in favor of the Bank, which shall be settled by the Province through the delivery of a Government Bond, at its nominal value up to the total contractual amount, repayable at six years from issuance date (December 28, 2012), according to the terms and conditions stated in Provincial Executive Order No. 2190/12. The Bank will take all the steps necessary before the Province of Buenos Aires for the settlement of the mentioned claim.

By virtue of BCRA Communication "A" 6778, loans and other financing to the non-financial public sector are excluded from the scope of application of the impairment model set forth in IFRS 9.

b) Non-financial private sector and residents abroad

There follows a breakdown of this caption:

	12.31.2021	12.31.2020
Non-financial private sector and residents abroad	**433,286,442**	**452,353,790**
Overdrafts	32,910,052	32,178,338
Notes	117,351,119	105,835,835
Mortgage loans	92,320,143	95,696,536
Pledge loans	17,778,098	13,695,966
Consumer loans	75,875,211	98,473,402
Credit cards	87,532,293	104,155,649
Financial leases	1,420,327	1,130,582
Other	40,670,457	40,011,033
Subtotal	**465,857,700**	**491,177,341**
Less: Allowances for loan losses (Exhibit R)	(32,571,258)	(38,823,551)
Total	**433,286,442**	**452,353,790**

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The composition in terms of portfolio is included below (Exhibit B):

	12.31.2021	12.31.2020
Commercial loan portfolio	96,825,165	117,665,947
Consumer and housing loan portfolio	411,579,007	424,579,432
Total	**508,404,172**	**542,245,379**

New credit facilities – COVID 19

To address the challenges brought about by the COVID-19 pandemic and in compliance with the different measures to support and promote the economic activity set by the National Government, the Bank launched the following credit facilities:

Zero interest rate credit facilities

Under the Employment and Production Emergency Assistance Program and as provided by the Executive Branch Emergency Decree No. 376/20 dated April 20, 2020 and BCRA Communication "A" 6993 of April 24, 2020, the Bank launched the "Zero interest rate credit facility".

The loan amount to be granted by beneficiary is determined by the Argentine Internal Revenue Service *(Administración Federal de Ingresos Públicos* – AFIP), according to the customer's request and the limit established for each taxpayer (which cannot exceed one-fourth of the higher gross income limit set for each category under the Simplified Regime for Small Taxpayers), with a maximum limit per customer of $150.

The Total Financial Cost of the loans so granted will be 100% subsidized. At the date of these financial statements, the amount disbursed under this loan facility totals $3,174,906.

Mortgage loans

Through Communication "A" 7254 dated March 25, 2021, the BCRA introduced a gradual transition in the definition of debtors' classification for customers who opted for the deferral of installment payments. This benefit was not renewed as from the end of March. As from April 2021, customers unable to pay installments had two months for reaching an agreement with a financial institution in order to reschedule such credit and avoid delinquency. Thus, unpaid installments during April and May were not taken into account by the Debtors' Center. Only since June, financial institutions classified debtors according to the preexisting arrears criteria of March 2020, prior to the emergency measures issued within the framework of the ASPO and DISPO policies adopted by the National Government.

Financing facility for productive investment - 2020 and 2021 Quotas

According to Resolution No. 220/20 dated April 8, 2020, the Bank implemented the "SME REACTIVATION - SME PLUS" credit facility destined to micro, small and medium-sized enterprises (MiSMEs) registered with the MiSMEs Registry, bearing a valid MiSME certificate, with employees registered under AFIP Form 931 and classified as 1, 2 or 3 according to BCRA's Debtors Classification Rules. The facility is intended to finance working capital and interest will accrue at an annual fixed nominal rate of 24%.

As stated in Note 1.2.k) to the condensed consolidated financial statements, the BCRA established a financing facility for productive investments of MiSMEs aimed at financing CAPEX and/or the construction of the facilities needed for the production and/or marketing of goods and/or services, financing working capital and discounting deferred checks and other instruments, and other special eligible facilities allowed by applicable laws. This credit facility was extended by the BCRA Communication "A" 7369 of September 23, 2021, which established the 2021-2022 Quotas with the following conditions:

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KPMG

(Partner)

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	2020 Quota	2021 Quota	2021-2022 Quota
Amount to be granted	At least, the equivalent to 7.5% of the monthly average of daily balances of non-financial private sector deposits in pesos in September 2020.	At least, the equivalent to 7.5% of the monthly average of daily balances of non-financial private sector deposits in pesos in June 2021.	At least, the equivalent to 7.5% of the monthly average of daily balances of non-financial private sector deposits in pesos in September 2021.
Calculation of applications	Between 10.16.2020 and 03.31.2021	Between 04.01.2021 and 09.30.2021	Between 10.01.2021 and 03.31.2022
Currency	Pesos		
Minimum term	At the time of disbursement, the credit facilities shall have an average term of at least 24 months, but the total term shall not be of less than 36 months. No minimum term will apply to credit facilities aimed at financing working capital and discounting deferred checks and other instruments.		
Maximum interest rate	Capped at an annual nominal fixed rate of 30% for investment projects, and at an annual nominal fixed rate of 35% for other purposes.		

Regarding 2020 and 2021 quotas, the total disbursed amount reached $39,819,472 and $75,327,132, respectively, thus complying with the BCRA requirements.

As of December 31, 2021, the total amount disbursed by the Entity under the financing facility for productive investment amounts to $181,382,384 and the simple average of daily balances of financings between October 16, 2020 and December 31, 2021 amounts to $73,761,009, having complied with the quota of $48,301,926 required by the BCRA to the Entity by Communication "B" 12238.

Loans to people affected by natural phenomena

The Bank has included this facility in its portfolio in order to provide financial assistance to the people of the Province of Buenos Aires who suffer material damages as a result of natural phenomena. It is intended to natural persons with or without a commercial activity and to legal entities affected by natural disasters, bearing a certificate issued by the provincial government. It can be used to repair material damages to real property (houses and stores) and vehicles (when not covered by an insurance policy). Likewise, in the case of natural persons and legal entities with a commercial activity, it can be destined to finance working capital improvement. Subject to credit rating, the maximum amounts that may be granted to natural persons without a commercial activity and to natural persons and legal entities with a commercial activity will be $300 (thousands) and $5,000 (thousands), respectively.

Loans to sustainable farming

Due to its social role, the Bank historically contributes through the provision of financing to reactivate and develop the activities of the provincial people and Micro, Small and Medium Enterprises with the purpose of strengthening the economic growth and development. The *Provincia en Marcha* Trust Fund (represented by Provincia Fideicomisos SAU) and the Bank have jointly launched a financial aid program for provincial agricultural producers aimed at allocating resources to finance investments destined to implement biodigesters in the Province of Buenos Aires.

This facility is offered at an annual nominal 30% rate in arrears for those beneficiaries included in the BCRA Communication "A" 7240, as amended and supplemented and at annual nominal 41% rate in arrears for those beneficiaries and purposes not included in such communication. Such interest rates will be subsidized by 4 (four) annual percentage points by the Trust Fund.

(In thousands of pesos in constant currency - Note 3)

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Loans to strengthen the fruit sector

These loans are intended to give financial assistance to the Micro, Small and Medium Enterprises of the Province of Buenos Aires and to surmount difficulties so as to maintain and foster the economic growth. The *Provincia en Marcha* Trust Fund (represented by Provincia Fideicomisos SAU) and the Bank have jointly launched a financial aid program for provincial Micro, Small and Medium Enterprises of the fruit sector, with the purpose of allocating resources to enlarge and renew fruit groves. Therefore, under the BCRA communication "A" 7240, a new facility was created aimed at enlarging and renewing the fruit grove. The Bank will apply an annual nominal 30% rate in arrears and the Trust Fund will finance such interest rate by 22.50 (twenty two point fifty) annual percentage points during the first 24 months of the loan life, free of commissions.

Suppliers of the Province of Buenos Aires

The facility "Suppliers of the Province of Buenos Aires" was launched as a credit tool destined to finance capital goods traded by eligible suppliers. It offers financing terms of 48 and 60 months and is intended to MiSMEs.

In order to be included in the Bank's "Suppliers" list, all interested parties must have a well-known reputation in the market, maintain a checking account with the Bank and prove that the manufacture, commercialization and post-sale service takes place in the Province of Buenos Aires. Likewise, they must agree to the terms and conditions detailed in an Offer Letter and accept the application of a commission upon the loans granted. This will allow to improve the interest rate offered to customers. These actions foster the creation of new commercial bonds with suppliers, and, at the same time, they give us the possibility to have access to their customers' portfolio, thus facilitating the commercialization of the different Bank's products.

Note 11 - Other debt securities

The breakdown of this caption considering measurement is included below:

	12.31.2021	12.31.2020
Measured at amortized cost	**98,058,835**	**133,337,440**
Argentina	***95,127,743***	***130,106,774***
. Government securities [(1)]	77,313,887	107,176,574
. Corporate securities	5,373	8,078
. Corporate bonds (Note 10)	16,714,201	22,128,277
. Debt securities in financial trusts (Note 10)	1,094,282	793,845
Foreign	***2,931,092***	***3,230,666***
. Government securities	846,624	1,084,408
. Corporate securities	2,084,468	2,146,258
Measured at fair value through OCI	**3,892,561**	**5,880,273**
Argentina	***2,412,307***	***974,269***
. Government securities [(1)]	772,992	372,336
. Corporate securities (Note 10)	1,639,315	601,933
Foreign	***1,480,254***	***4,906,004***
. Government securities	1,028,280	3,967,034
. Corporate securities	451,974	938,970
Allowances for loan losses (Exhibit R)	**(636,030)**	**(594,467)**
Total	**101,315,366**	**138,623,246**

[(1)] *Excluded from the scope of impairment as provided by BCRA Communication "A" 6847.*

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Note 12 - Financial assets pledged as collateral

At December 31, 2021 and 2020, the Group pledged as collateral the financial assets included below:

	12.31.2021	12.31.2020
Transactions with the BCRA	23,775,500	20,857,098
Forward purchases of securities	-	709,136
Deposits as collateral	3,197,215	4,082,086
Other	7,579	2,700
Total	**26,980,294**	**25,651,020**

Note 13 - Property and equipment

The breakdown of this item is shown in Exhibit F to these financial statements.

Note 14 - Intangible assets

This item mainly corresponds to software acquisition and development costs for internal use. The breakdown of this item is shown in Exhibit G to these financial statements.

Note 15 - Other financial assets

There follows a breakdown of this caption:

	12.31.2021	12.31.2020
Financial debtors from spot sales of foreign currency pending settlement	-	3,269
Financial debtors from spot sales of government securities pending settlement	787,770	-
(Other unallocated collections)	(1,505)	(1,722)
Balances to be recovered from claims	19,335	29,372
(Allowance for loan losses - Balances to be recovered from claims) (Annex "R")	(19,335)	(29,372)
Sundry debtors	1,911,034	1,936,988
(Allowance for loan losses) (Annex "R")	(1,685,448)	(1,709,671)
Receivables from sale of shares held in Prisma SA (Note 5.10)	2,534,680	2,938,681
Accrued interest receivable - Receivables from sale of shares held in Prisma S.A	149,862	170,906
(Allowance for loan losses - Receivables from sale of shares held in Prisma SA) (Annex "R")	(547)	(865)
Fixed-term deposits	1,258,750	7,575,569
Mutual funds	28,530,232	29,572,466
Service fees and commissions receivable	720,440	647,250
Insurance premiums receivable	10,710,400	12,001,981
Receivables from collection agents to be accounted for	656,215	1,091,172
Other	2,741,987	2,217,736
Total	**48,313,870**	**56,443,760**

Note 16 - Other non-financial assets

There follows a breakdown of this caption:

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	12.31.2021	12.31.2020
Assets acquired as security for loans	226,558	228,613
Investment Property (Exhibit F)	276,549	205,698
Attachment debtors (Worker's Compensation Insurance - ART)	972,254	1,506,200
Advances for purchase of assets	-	210,635
Tax advances	307,507	213,420
Advance payments	334,119	434,441
Claims and contingencies paid (ART)	1,724,522	1,323,620
Reserve fund - SRT Resolution (ART)	110,896	64,763
Extraordinary remedies (ART)	410,564	573,531
Trust Fund for Occupational Diseases (ART) (Note 39.2)	3,624,990	-
Other miscellaneous assets	609,300	614,094
Other	965,459	1,588,202
Total	**9,562,718**	**6,963,217**

Note 17 - Non-current assets held for sale

	12.31.2021	12.31.2020
Real property held for sale	808,417	809,849
Other assets held for sale (Note 5.10)	1,693,495	-
Total	**2,501,912**	**809,849**

Note 18 - Deposits

The information on concentration of deposits is included in Exhibit "H".

The breakdown of deposits is the following:

	12.31.2021	12.31.2020
1. Non-financial public sector	235,497,348	241,513,214
2. Financial sector	994,617	5,360,924
3. Non-financial private sector and residents abroad	945,302,131	909,011,182
3.1. Checking accounts	*196,241,341*	*137,431,145*
3.2. Savings accounts	*313,893,699*	*323,014,454*
3.3. Fixed-term deposits	*388,806,427*	*362,314,061*
3.4. Investment accounts	*26,161,206*	*64,196,510*
3.5. Other	*9,680,455*	*13,078,977*
3.6. Interest and adjustments	*10,519,003*	*8,976,035*
Total	**1,181,794,096**	**1,155,885,320**

Note 19 – Other financial liabilities

	12.31.2021	12.31.2020
Liabilities from financing of purchases	15,488,448	9,638,466
Miscellaneous liabilities subject to minimum cash requirements	4,505,270	6,864,992
Miscellaneous liabilities not subject to minimum cash requirements	4,044,714	4,285,982
Accrued adjustments payable for other financial liabilities indexed by CER	-	4,425,871
Other accrued interest payable	789,933	976,437
Foreign exchange transfers pending payment	2,729,601	3,592,919

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Collection pending transfer	2,024,589	2,400,563
Leases payable	169,580	109,785
Other accrued interest payable	1,592,767	1,968,823
Financial creditors for spot purchases of government securities pending settlement	2,229,090	-
Other	3,682,907	4,520,500
Total	**37,256,899**	**38,784,338**

Note 20 - Corporate bonds issued

Issues effective at year end

Under the Global Program of Short, Medium and Long Term Debt Securities for a maximum outstanding nominal amount of US$1,000,000 or its equivalent in pesos or other currencies, which was approved by the Board of Directors' Resolutions Nos. 690/16 and 568/17, the Bank completed five issues of Debt Securities in pesos in the local capital market.

On April 19, 2017, the Bank launched a second issue of Class IV Debt Securities for $285,714 at 48-month term, with maturity date April 19, 2021, repayable upon maturity in a single bullet payment. Interest was paid on a quarterly basis at a variable rate (BADLAR plus 3.00% nominal annual rate).

On April 18, 2018, the Bank launched the fourth issue of Classes VIII, and IX Debt Securities for $2,928,000 and $1,839,917 (UVA 80,592) at 48 and 36-month terms, respectively, and will be repayable upon maturity in a single bullet payment. Interest on Classes VIII will be paid on a quarterly basis at a variable rate (BADLAR rate plus 3.74%). Class IX Debt Securities were issued in UVA units at an initial rate of $/UVA 22.83. Class IX will accrue interest on a quarterly basis at a nominal annual 4.50% fixed rate.

On January 18, 2021, interest payments on Class VIII and IX Debt Securities were made for $252,175 and $51,990, respectively.

On January 19, 2021, an interest payment on Class IV Debt Securities was made for $24,223.

On April 19, 2021, interest payments on Class IV, VIII and IX Debt Securities were made for $24,577, $261,495 and $58,270 respectively. Moreover, Class IV and IX Debt Securities were amortized for $268,714 and $5,193,772, respectively.

On July 19, 2021, an interest payment on Class VIII Debt Securities was made for $261,648.

On October 18, 2021, an interest payment on Class VIII Debt Securities was made for $197,303.

At the end of the year, the following Bank's simple issues were in effect:

Issue Date	Currency	Class Number	Amount	Term (months)	Maturity Date	Rate	Principal Amount 12.31.2021	Principal Amount 12.31.2020
4/19/2017	Pesos	IV	285,714	48	4/19/2021	Badlar + 3.00%	-	431,260
4/18/2018	Pesos	VIII	2,928,000	48	4/18/2022	Badlar + 3.74%	2,928,000	4,419,559
4/18/2018	Pesos	IX (1)	1,839,917	36	4/18/2021	Fixed 4.50%	-	7,824,305(2)
Principal amount due and payable							**2,928,000**	**12,675,124**
Accrued interest							157,815	368,786
UVA adjustments(3)							-	(5,389,802)

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Class VIII Debt Securities Repurchases	(839,494)	(234,714)
Bank's total	**2,246,321**	**7,419,394**
Holdings [4]	24,690	59,576
Total	**2,221,631**	**7,359,818**

(1) Denominated in UVAs 80,592
(2) UVA Value 64.32
(3) Recorded under "Other financial liabilities" according to the BCRA.
(4) Corporate bonds held by other members of the Group.

Note 21 – Provisions

This caption includes the following items:

	12.31.2021	12.31.2020
For contingent liabilities (Exhibit "R")	21,565	37,983
For onerous contracts	154,125	190,514
For post-employment defined benefit plans (Note 23.2)	4,965,543	4,817,413
For unused credit card balances (Annex "R")	1,651,166	1,761,403
For unused agreed overdrafts in checking accounts (Annex "R")	47,644	89,997
Other	6,519,794	8,811,078
Total	**13,359,837**	**15,708,388**

The Bank estimates its provisions are sufficient to cover any unfavorable resolutions on these matters and other claims and, therefore, no negative effects are expected on its net worth.

Except for the situations described in this Note, there are no probable contingencies with a significant effect at the close of the year for which adequate provisions have not been set up.

The main provisions recorded by the Bank under "Other" are included below.

21.1 Association for the Defense of Consumers – (*Asociación de Defensa de los Consumidores* - ADECUA)

The Association for the Defense of Consumers brought a class action against the Bank for the collection of fees on group life insurance policies taken with the controlled company (Provincia Seguros) on loans. A defense for abandonment of legal suit was filed, which was declared and confirmed by the Appellate Court. The consumer association filed a claim with the Argentine Supreme Court of Justice due to the dismissal of the extraordinary remedy so presented. A similar class action brought by the Argentine Consumers' Network (*Red Argentina de Consumidores*) against the Bank is still pending. Such action is in the trial stage and a provision for $44,000 was recorded in the Detail of Lawsuits against the Bank at December 31, 2021.

21.2 Future dollar sale transactions

On November 22, 2012, the Bank was served notice of the complaint filed by Citibank for disagreement with future dollar sale transactions made before 2001. The Bank answered the complaint on December 19, 2012 and entered a motion to dismiss based on the lack of jurisdiction. In December 2014, the Argentine Supreme Court ruled favorably on the Bank's remedy and referred the case to be heard by a Federal Court instead of a Federal Court in Commercial Matters. At present, the case has been already tried and is pending before the National Court in Civil and Commercial Matters No. 8/16. The Court certified that the evidence was duly submitted and issued the order for arguments. On May 23, 2019, the arguments were presented. On June 27, 2019, the case was forwarded to the prosecutor's office before delivery of judgement. On September 17, 2019, the case was awaiting a decision. On November 11, 2019, the Court rendered a judgement that was appealed by both parties. On December 27, 2020, the Appellate Court rejected the appeals and ratified the first instance decision, ordering the payment of legal costs. The appealable nature of the decision is subject to analysis. On February 5, 2021, a federal extraordinary remedy was filed. On February 17, 2021, the Appellate Court ordered to serve notice of the extraordinary remedy upon the plaintiff. After Citibank answered the service of notice, by resolution dated June 17, 2021, the Division III denied such extraordinary remedy and ordered the Bank to pay the legal costs. On June 29, 2021, the Bank filed a petition for the denied federal extraordinary remedy, the resolution of which is still pending. On June 28, 2021, a legal fee of $100 was paid. On December 18, 2021, the accounting expert requested that the parties be compelled to settle so that the expert's legal fees may be regulated. The Bank rejected the request and the plaintiff, though considering it a premature decision, agreed to a subsidiary settlement as the judge ordered to serve notice upon the parties. At December 31, 2021, a provision for $2,201,917 was made on account of this process.

21.3 Financing cost for deferred credit card payments

The "Proconsumer" consumer association brought an action against the Bank for reimbursement of the amounts charged to clients on account of "financing cost for deferred credit card payments". The association understood that said charge was neither expected nor authorized by the BCRA and that it represented a veiled interest amount. On February 26, 2015, the Court of Appeals upheld the judgment and notice was duly served on the Bank in March. The extraordinary remedy filed by the Bank was dismissed and is in the execution stage. The Bank has already refunded customers with active accounts (approximately $36,000 + US$2,500). To date, no resolution has been adopted with regard to the situation of former customers, the publishing of notices and the assessment of fees. The accounting expert reported a shortfall in the deposit made. The Court ordered the Bank to deposit the difference. This decision was appealed by the Bank and revoked by the Court of Appeals, which upheld the calculations made by the accounting expert. On December 26, 2019, the Bank was ordered to transfer to the pertinent account the amounts corresponding to AMEX/MASTERCARD customers and former customers for the 2003/2008 period. In order to comply with the above requirement, the amounts involved are being updated. Likewise, the Bank filed an extraordinary remedy regarding the application of funds belonging to former customers. The Federal Extraordinary Remedy is pending resolution. At December 31, 2021, a provision for $280,500 was recorded in the Detail of Lawsuits against the Bank on account of this process.

On September 10, 2008, Procurar filed a claim against the Bank for the revision and correction of the so-called "Salary Accounts" in order to stop the collection of certain fees and to get reimbursement of the amounts debited without a cause. The claim was sustained but just in relation to the fees on salary accounts collected between 2003 and 2008. The Court of Appeals partially rejected the decision and upheld the basis of appeal filed by the Bank. As delinquency date, the Court took into account the date on which the ruling was duly served (i.e. September 11, 2018) instead of the date on which the accounts were debited from 2003 to 2008. The expert and the Bank submitted their settlement documents. The court rejected the settlements made by the parties and, on its own initiative, prepared a settlement report with data provided by the Lawyers' Professional Association. The court approved the settlement at December 2020, which amounted to $378,000 on account of principal and interest for inactive and closed accounts. The pertinent amounts will be timely deposited to customers with active salary accounts. In the case of amounts owed to former customers, the resolution on this regard will be analyzed. Likewise, plaintiff's lawyers and experts fees for $51,959 were regulated. They have been appealed and reduced to $33,000. The pertinent amounts were paid to the mediator and two experts. Notwithstanding the foregoing, the Bank filed an extraordinary remedy for the fees regulated by the Court of Appeals. At December 31, 2021, a provision for $424,600 was made on account of this process.

21.4 Center for Consumer Guidance, Protection and Education (*Centro De Orientación, Defensa y Educación del Consumidor* -CODEC)

CODEC has brought an action against the Bank for breach of reporting duties under the consumers' protection law and for other issues related to consumer loans. A motion to dismiss based on the running of the statute of limitations was introduced, and a defense based on the plaintiff's lack of legal standing to sue was also filed. On March 21, 2017, the Court sustained the latter defense on the grounds of the many deficiencies in formal requirements claimed by the Bank and rejected the action, ordering the plaintiff to pay legal costs. The appeal filed by the plaintiff was dismissed by the Court of Appeals. The Provincial Supreme Court rejected the appeal filed by CODEC against the decision of the Court of Appeal, confirming the plaintiff's lack of legal standing to sue and sustained the claim only as regards the payment of legal costs. This situation improved the Bank's position. The payment of legal costs is still pending resolution. Thus, no provision has been recorded in the Detail of Lawsuits against the Bank at December 31, 2021.

CODEC has also filed an action against the Bank for charging Datanet fees to beneficiaries of transfers made through the Datanet system and for the return of amounts collected on such account from November 1, 2011 to date, plus interest and penalties. Such action is pending before the Commercial and Civil Court No. 4, La Plata. The Bank filed a "lack of standing to sue" defense and the complaint was answered on November 5, 2018. On April 5, 2019, the Commercial and Civil Court rejected such defense and the Court of Appeal confirmed this ruling. An "Inapplicability of the Law" remedy was filed but was rejected by the Provincial Supreme Court. The suit is pending and the Bank filed the pertinent answer. A settlement is being considered according to the terms of the Board of Directors' Resolution No. 879/21 of December 22, 2021. Consequently, at December 31, 2021, a provision for $218,177 was recorded on account of this process.

Before the Commercial and Civil Court No. 16, La Plata, CODEC filed an action against the Bank for charging fees related to the delivery of account statements and cards by mail. The Bank has not collected such fees. The complaint was duly answered by the Bank; however, hearings have already been called for. On October 9, 2020, the plaintiff´s lack of legal standing to sue claimed by the Bank was rejected. On October 29, 2020, the Bank appealed such resolution. An out-of-court settlement is being considered according to the terms of the Board of Directors' Resolution No. 879/21 of December 22, 2021. Taking into account the status of the lawsuit and the aforementioned actions, a provision for $1,437 at December 31, 2021 was included in the Detail of Lawsuits against the Bank on account of this process.

21.5 Association of Users and Consumers (*Usuarios y Consumidores Unidos* - UCU)

UCU brought a class action requiring the Court with jurisdiction over contentious and administrative matters No. 2 (La Plata) to order the Bank to pay a Bip or similar interest rate on judicial time-deposit placements and to pay the difference between the rate actually paid and the one resulting from application of the Bip or similar rate. The complaint was answered and a motion to dismiss was introduced. The allegation of lack of jurisdiction claimed by the Bank as an exception was dismissed at first instance. The judgement has been appealed and the case is pending resolution by the Court of Appeals. At December 31, 2021, a provision for $969,000 is maintained on account of this process.

In 2014, the Users and Consumers Association filed an injunction to prevent the Bank from collecting the over-the-purchase limit fees charged on credit card transactions. The injunction was granted because such fees had not been allowed by the BCRA. Consequently, the Bank suspended such collection. The association also filed a complaint for the refund of any mischarged amounts, which is pending before the Court in Commercial Matters No. 1 (City of Buenos Aires). This case is in the trial stage, the Bank has presented an argument and the rendering of judgment is pending. Considering that in similar cases the Court has rendered unfavorable judgements against other financial entities, at December 31, 2021 and based on the probable loss amount, a provision for $132,000 was set up in the Detail of Lawsuits against the Bank on account of this process.

The Users and Consumers Union (*Unión de Usuarios y Consumidores*) filed a class action with the National Court of First Instance in Commercial Matters No. 18 of the City of Buenos Aires, claiming for the Bank's charge of $1 ATM robbery insurance made without the customers' consent for the 2001-2003 period, requesting the reimbursement of the amounts so debited. The Bank answered the complaint and after due process, on September 8, 2004, the Court rendered judgement and ordered the Bank to pay back to customers and former customers the amounts so wrongfully debited and for the period claimed. Such adverse judgement is definite (the Bank filed an appeal, a federal extraordinary remedy and a claim with the Argentine Supreme Court of Justice, which were rejected). In order to comply with the judgement and according to its terms, in 2013 the amounts owed were paid to customers having accounts with the Bank. In the case of former customers, notices of the resolution were published so as to inform them of the amounts to be received in the different branches of the Bank. Fees for $1,800 were paid to the plaintiff's counsels and to the accounting expert. In the case of the amounts of former customers, the judgement is in the execution stage. At December 31, 2021, a provision for $27,208 was made.

(In thousands of pesos in constant currency - Note 3)

The Association of Users and Consumers filed a class action against the Bank with the National Court of First Instance in Commercial Matters No. 21 of the City of Buenos Aires. This claim, based on (2001/20013) BCRA regulation, sought for the repayment of the fees wrongfully charged by the Bank during the economic emergency on account of interbank deposits and electronic transfers. The Bank answered the complaint and after due process, judgement was rendered on September 22, 2009, ordering the Bank to repay the amounts wrongfully charged during the claimed period to customers and former customers. The Bank filed an appeal and a federal extraordinary remedy against such adverse judgement and both remedies were rejected. Being the case in the execution stage and with a definite judgement, in 2014 the Bank duly refunded fees to customers with accounts opened in 2014. In 2016, notices were published so as to inform former customers of the amounts to be received in the different branches of the Bank. As regards the amounts corresponding to former customers, judgement is in the execution stage. The assessment of fees is still pending. At December 31, 2021, a provision for $32,500 was set up.

21.6 Consumer Association – Proconsumer

The Consumer Association "Proconsumer" filed a class action against the Bank with the National Court of First Instance in Commercial Matters No. 22 of the City of Buenos Aires claiming for the collection of charges/fees in Visa credit cards on account of cuotaphone, visaphone and other services (interests for the quantification requested by customers for credit card balances) and their repayment. No judgement has been rendered. At December 31, 2021, a provision for $42,900 was set up on account of this process.

The "Proconsumer" consumer association brought an action against the Bank for an alleged general excess on income tax withholding on court payment orders. Such lawsuit is in the trial stage and the claim amount is undetermined. As a result of the expert evidences offered, expenses may arise. The experts have already been appointed but they have not accepted the position yet. There is still no evidence to assess probable expenses for the Bank. Anyway, at December 31, 2021, a provision for $120 was set up on account of experts' fees.

Note 22 – Other non-financial liabilities

This caption includes the following items:

	12.31.2021	12.31.2020
Debts with the insureds, reinsurers and coinsurers	91,401,127	95,894,573
Short-term personnel benefits	15,411,098	14,280,969
Taxes and rates payable	7,260,808	6,756,753
Mathematical reserve	2,634,457	2,974,659
Sundry creditors	6,334,438	6,144,648
Technical commitments	4,490,266	5,196,247
Other	5,726,310	7,606,139
Total	**133,258,504**	**138,853,988**

Note 23 - Personnel benefits

The Bank contributes to the Health and Social Services Commission (*Comisión de Servicios Sociales*), which arranges for the distribution of funds among its affiliated entities. Therefore, the Bank is not bound to make contributions to the Health

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and Social Services Institute for Bank Employees (*Instituto de Servicios Sociales Bancarios*), according to the provisions of Law No. 19322, Section 17.

The following table shows charges for personnel benefits:

	12.31.2021	12.31.2020
Payroll	65,354,777	65,444,326
Social security taxes	14,528,011	14,503,323
Compensation and bonuses to personnel	1,137,391	1,029,252
Personnel services	850,491	877,325
Other short-term personnel benefits	6,835,079	6,672,438
Post-employment benefits (See Note 23.3)	14,092,207	13,279,439
Post-employment benefits - Defined benefits (Note 23.2)	148,130	175,042
Other	225,823	228,701
TOTAL	**103,171,909**	**102,209,846**

23.1 Short-term benefits

Liabilities related to short term personnel benefits and post-employment defined benefits are recognized as "Other financial liabilities" and "Provisions", respectively.

23.2 Post-employment benefits

The Bank offers a benefit to its personnel after employment. Upon meeting all requirements, such benefit may be equal to 12 salaries.

Actuarial assumptions

	12.31.2021	12.31.2020
Updating rate	5%	5%
Mortality table	CS80	CS80
Real wage growth	0	0
Accrual	Length of service/Total labor life	Length of service/Total labor life
	2021 (*)	**2020 (*)**
Initial balance	4,817,413	4,642,371
Charge for quarterly accrual	2,482,489	1,946,628
Payments made	(346,262)	(287,262)
Monetary Gain/(Loss) for post-employment defined benefits provisions	(1,988,097)	(1,484,324)
Balance	4,965,543	4,817,413
Variation for the year recorded in income/(loss)	148,130	175,042

(*) the balances reported correspond to the 12-salary benefit variation for 2021 and 2020, respectively.

Below there is a detail of the main actuarial assumptions used to determine the present value of the liability for the up-to-12-salary defined benefit granted to the Bank's personnel. The model considers a stationary population, neither growing nor shrinking in size. Each estimation takes into account the whole payroll, which allows a population balancing against the new structure each time a provision is calculated (whether quarterly, semi-annually or annually).

Therefore, changes in financial and biometric assumptions and in population are considered. The approach does not refer to a closed population or a specific person under analysis throughout the time, but takes into account the position or office held (regardless of the person holding office). This way, a constant structure (stationary population) over time is computed, whose composition is adjusted each time a new payroll is processed.

A 5% real rate over inflation has been considered since it is the current minimum market rate for inflation-adjusted long-term bonds (PARP: 5.94% Tir; DICP: 5.24% Tir).

A real wage growth rate keeping with inflation has been applied (no profit or loss is recorded on real wage as against inflation). The model does not show the evolution of an individual's labor life. Throughout his/her labor life and due to the pertinent promotions, the real wage can grow faster than inflation. The whole population or chart of positions and offices is analyzed at the same time, thus enabling to reflect the future labor promotions and growth of all individuals. When considering the value of the position or office, the holder thereof is not relevant.

23.3 Provincial Law No. 15008 - Retirement and Pension Fund for Banco de la Provincia de Buenos Aires Personnel

On January 16, 2018, Law No. 15008 was published in the Official Gazette of the Province of Buenos Aires. Such law, approved by the Provincial Legislature, modifies the retirement and pension regime applicable to the Retirement and Pension Fund for Banco de la Provincia de Buenos Aires Personnel.

At the date of issuance of these financial statements, the law at issue has not been regulated and the Province of Buenos Aires and the National Social Security Administration (*Administración Nacional de Seguridad Social*) have not determined the amounts to be transferred by the National Government according to Law No. 27260, as indicated by section 11 L) of Law No. 15008.

Since the Bank is unable to make a reasonable estimation of the potential impact of Law No. 15008 on its equity and financial position, as mentioned in Note 5, through Resolution No. 277/18 dated June 15, 2018, the BCRA instructed Banco de la Provincia de Buenos Aires to maintain the criterion to charge all contributions made to the Retirement and Pension Fund for Banco de la Provincia de Buenos Aires Personnel against income/(loss) when becoming effective, as long as the circumstances regarding the regulation of Provincial Law No. 15008, the implementation of the mechanism stated in Section 11, paragraph L) therein, and the possibility to quantify the potential impact on the Bank remain the same.

According to BCRA Resolution No. 277/18, during the fiscal years ended December 31, 2021 and 2020, the Bank charged $14,092,207 and $13,279,439, respectively against income/(loss) for contributions to the Retirement and Pension Fund for Banco de la Provincia de Buenos Aires Personnel. Nevertheless, at year-end, the Bank recorded positive results, and a final resolution regarding the application of the provisions of Section 11 paragraph L) of Law No. 15008 is still pending.

As stated in IAS 20, the charge corresponding to the year ended December 31, 2020 is disclosed net of the provincial government assistance received through the bond with a fair value of $3,248,154 in constant currency at December 31, 2021 (Bond of the Province of Buenos Aires July 2024). Such bond is recorded at amortized cost for an amount of $1,931,956 at year end.

Note 24 - Capital

The capital subscribed and paid in by Banco de la Provincia de Buenos Aires amounts to $1,250,000.

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Note 25 - Interest Income

	12.31.2021	12.31.2020
Cash and deposits in banks	878,046	5,128,860
Corporate securities	6,612,002	6,284,119
Government securities	27,787,348	22,154,574
Other financial assets	9,412,151	6,336,707
Loans and other financing	135,040,684	134,443,806
. To the non-financial public sector	902,460	-
. To the financial sector	-	*12,807*
. Overdrafts	*2,592,700*	*1,739,069*
. Notes	*30,799,133*	*23,148,109*
. Mortgage loans	*41,313,884*	*33,685,502*
. Pledge loans	*3,468,798*	*1,918,688*
. Consumer loans	*42,878,013*	*58,580,937*
. Credit cards	*7,998,241*	*8,732,854*
. Financial leases	*594,377*	*1,472,042*
. Other	*4,493,078*	*5,153,798*
Repo transactions	90,941,048	27,023,718
. Argentine Central Bank	*90,941,048*	*27,023,692*
. Other financial institutions	-	*26*
Public debt securities	616	684
TOTAL	**270,671,895**	**201,372,468**

Note 26 - Interest expenses

	12.31.2021	12.31.2020
Deposits	198,347,744	131,129,098
. Checking accounts	*226,808*	*1,272*
. Savings accounts	*1,309,389*	*1,194,079*
. Time deposits and term investments	*154,641,336*	*117,614,326*
. Other	*42,170,211*	*12,319,421*
Financing received from the BCRA and other financial institutions	119,984	258,822
Repo transactions	12,107	7,031
. Other financial institutions	*12,107*	*7,031*
Other financial liabilities	2,196,275	8,730,270
TOTAL	**200,676,110**	**140,125,221**

Note 27 - Commission income

The breakdown of commission income from the agreements with customers and included in the scope of IFRS 15 is detailed below:

	12.31.2021	12.31.2020
Linked to liabilities	2,789,835	2,927,586
Linked to credits	4,962,405	4,037,536
Linked to loan commitments and financial guarantees	29,754	15,983
Linked to securities	224,812	179,963
From credit cards	30,178,799	26,286,489

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(Partner)

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From insurance	181,599	199,867
From foreign trade and foreign currency transactions	752,639	770,283
Other	2,242,295	797,953
TOTAL	**41,362,138**	**35,215,660**

Note 28 - Commission expenses

	12.31.2021	12.31.2020
Paid to Red Link	4,981,064	3,400,126
Linked to clearing services	252,235	242,873
Paid to Caja de Valores	53,402	59,168
From foreign trade and foreign currency transactions	138,514	205,629
Issuance	5,744,903	6,689,996
Linked to transactions with securities	31,230	43,048
Other	3,004,957	1,690,424
TOTAL	**14,206,305**	**12,331,264**

Note 29 - Net income/(loss) from measurement of financial instruments at fair value through profit or loss

	12.31.2021	12.31.2020
Income/(loss) from government securities	103,020,779	93,627,725
Income/(loss) from corporate securities	741,727	2,357,605
Income/(loss) from derivative financial instruments	(4,932)	5,817
. Forward transactions	*(4,932)*	*5,817*
Investments in Equity Instruments	(1,114)	47,492
Income/(loss) from sale or derecognition of financial assets at fair value	2,011	-
Income/(loss) from other financial assets	9,366,676	9,857,531
TOTAL	**113,125,147**	**105,896,170**

Note 30 - Other operating income

	12.31.2021	12.31.2020
Premiums and surcharges for insurance policies	82,168,983	84,744,175
Allowances reversed	4,870,773	10,643,528
Other adjustments and interest on miscellaneous receivables	2,745,507	1,668,913
Commissions collected from Red Link	1,837,316	1,787,413
Income from other receivables from financial brokerage	908,090	3,407
Receivables recovered	880,829	1,336,903
Safe deposit box rental	820,462	1,025,045
Commissions for direct payment	445,987	310,057
Penalty interest	374,438	133,221
Commissions for online Datanet transfer	373,180	355,006
Commissions collected from ATMs	358,498	224,323
Commissions collected from suppliers	354,578	1,220,336
Commissions for check collection management	352,259	312,171
Adjustments on other miscellaneous receivables with CER index	331,377	251,519
Commissions on inter-branch cash transactions	202,357	194,097
Commissions for prepayment of loans	187,762	165,567
Income from structuring and management of trusts	166,336	120,400
Income from insurance technical structure	158,682	2,033,885
Commissions for clearing services - Provincial public sector	145,388	140,318

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Income from sale of investment property and other non-financial assets	21,516	4,026
Leases	17,924	16,576
Income from derecognition or significant change in financial liabilities	-	92,221
Other	8,907,442	7,084,176
TOTAL	**106,629,684**	**113,867,283**

Note 31 – Administrative expenses

	12.31.2021	12.31.2020
Travel and entertainment expenses	299,018	222,472
Administrative services hired	1,634,224	2,186,101
Security services	2,234,415	2,488,319
Directors' and Syndics' fees	121,631	133,061
Other fees	1,760,255	1,764,740
Insurance	53,563	113,120
Leases	396,709	567,107
Office supplies and stationary	261,642	511,816
Electricity and communications	1,170,275	1,437,404
Advertising and publicity	2,425,803	1,860,950
Taxes	4,379,466	5,313,280
Maintenance costs	6,008,428	6,383,409
Other	4,232,732	3,274,854
TOTAL	**24,978,161**	**26,256,633**

Note 32 - Other operating expenses

	12.31.2021	12.31.2020
Accrued claims	99,376,666	89,394,367
Income from initial recognition of loans	4,789,103	2,062,406
Direct Marketing	4,252,567	1,306,481
Commissions and other charges paid to Prisma - VISA Card	2,384,511	2,612,874
Charges for other allowances	2,067,337	4,086,169
Contributions to the Deposit Guarantee Fund (Note 44)	1,937,958	1,711,366
Other contributions on financial income	1,900,977	1,939,549
Assigned reinsurance premiums	1,439,644	1,920,653
Life insurance on financing	1,400,913	1,521,983
Payments for advisory services to Provincia Microempresas	1,159,075	1,371,213
Expenditure for technical structure	1,002,505	3,252,534
Other contributions on income from services	824,104	792,755
Donations	519,472	372,600
Visa Argentina - MasterCard processing charges	422,560	1,305,355
Insurance policy surrenders and accrued temporary annuities	112,652	130,991
Other contributions on miscellaneous income	62,338	35,382
Interest on lease liabilities	51,229	32,768
Charges for onerous contracts	34,833	63,403
Income from significant change in financial liabilities	6,966	-
Income/(loss) from refinancing of financial assets	-	638,586
National Social Security Administration (ANSES) deceased beneficiaries - Uncollectible benefits	-	245,393
Other	11,581,112	8,440,590
TOTAL	**135,326,522**	**123,237,418**

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(Partner)

C.P.C.E.P.B.A. Vº 1 Fº 193 Folder 193

Alejandro A. Garcia
General Accountant

Rubén O. González Ocantos
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Taxpayer registration code:
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Note 33 - Income tax

The Bank is exempt from the income tax as provided in section 7 of the National Union Pact dated November 11, 1859 (San José de Flores Treaty) which establishes that the Province of Buenos Aires reserves for itself the exclusive right, among others, to govern its Provincial State Bank and to pass the necessary laws to that effect. For that reason, the Bank, its assets, acts and doings, agreements, contracts and transactions as well as the rights arising therefrom in its favor shall be exempted from any liens, taxes, charges or contributions of any nature whatsoever.

As regards the companies of the Group, the following terms apply to determine income tax:

a) Income tax rate:

Law No. 27430, as subsequently amended by the Social Solidarity and Productive Reactivation Law enacted within the framework of the prevailing Public Emergency ("Public Emergency Law"), established the following income tax rates:

- 30% for fiscal years beginning on or after January 1, 2018 and 25% for fiscal years beginning on or after 2022; and
- dividends distributed to individuals and foreign beneficiaries as from such fiscal years will be taxed at a 7% and 13% rate, respectively.

Then, Law No. 27630 enacted on June 16, 2021 repealed the aforementioned general reduction in rates and introduced a tax rate brackets system, which will be effective for fiscal years beginning on or after January 1, 2021, as follows:

Accumulated net taxable income		Amount payable	Plus %	Over the excess of $
From $	To $			
$0	$5,000,000	$0	25%	$0
$5,000,001	$50,000,000	$1,250,000	30%	$5,000,000
$50,000,001	With no maximum limit	$14,750,000	35%	$50,000,000

The amounts included in these tax brackets will be adjusted annually as from January 1, 2022, based on the changes in the general consumer price index (CPI) measured as of October each year.

Furthermore, dividends on profits derived in fiscal years beginning on or after January 1, 2018 will be taxed at a single rate of 7%.

As a consequence of such changes, in the case of the companies of the Group with fiscal years ending on December 31, 2021, the current tax liability was measured by applying progressive rates on taxable income assessed as of such date.

In the case of Provincia ART S.A., Provincia Seguros S.A. and Provincia Seguros de Vida S.A. with fiscal years ending on June 30, 2021, the current tax liability was determined by applying a 30% rate on the taxable income as of such date.

In all cases, deferred tax balances were measured using the progressive rate expected to be in force at the time of reversal of the temporary differences.

The breakdown of current and deferred income tax assets and liabilities in relation to the Group is shown below:

b) Current income tax assets:

There follows a breakdown of this caption:

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	12.31.2021	12.31.2020
Income tax advances	1,608,054	584,784
Income tax withholdings and collections	41,185	49,465
Income tax provision	(111,825)	(55,145)
TOTAL	**1,537,414**	**579,104**

c) Current income tax liabilities:

There follows a breakdown of this caption:

	12.31.2021	12.31.2020
Income tax advances	(133,081)	(196,651)
Income tax withholdings and collections	(48,757)	(17,215)
Income tax provision	823,976	553,885
TOTAL	**642,138**	**340,019**

d) Income tax benefit/(expense):

There follows a breakdown of this caption:

	12.31.2021	12.31.2020
Current tax	(1,386,969)	(2,340,064)
Deferred tax	2,188,735	202,792
Income tax benefit/(expense):	**801,766**	**(2,137,272)**

e) Deferred income tax:

The breakdown and evolution of deferred income tax assets and liabilities at December 31 2021 and 2020 are shown below:

Item	At December 31, 2020	Changes recognized		At December 31, 2021	
		In the Consolidated Statement of Income	In the Consolidated Statement of OCI	Deferred tax assets	Deferred tax liabilities
Allowances for loan losses	170,879	(2,195)	-	165,036	3,648
Provisions	(217.843)	(102,920)	-	(336,585)	15,822
Property, plant and equipment	867,820	691,248	-	1,658,176	(99,108)
Investments	(979,866)	(337,068)	(30,033)	(1,065,147)	(281,820)
Tax inflation adjustment	(43,817)	164,573	-	116,487	4,269
Intangible Assets	(14,440)	(4,059)	-	-	(18,499)
Investments in Mutual Funds	(1,382,431)	982,950	-	(268,357)	(131,124)
Financial leases	(91,516)	48,613	-	-	(42,903)
Tax Losses	226,045	328,442	-	532,917	21,570
Other	(237,359)	419,151	-	180,979	813
Balance	**(1,702,528)**	**2,188,735**	**(30,033)**	**983,506**	**(527,332)**

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Item	At December 31, 2019	Changes recognized	At December 31, 2020	
		In the Consolidated Statement of Income	Deferred tax assets	Deferred tax liabilities
Allowances for loan losses	230,270	(59,391)	-	170,879
Provisions	615,465	(833,308)	33,878	(251,721)
Property, plant and equipment	(700,533)	1,568,353	126	867,694
Investments	(924,753)	(55,113)	-	(979,866)
Tax inflation adjustment	(271,758)	227,941	90,277	(134,094)
Intangible Assets	(1,094)	(13,346)	-	(14,440)
Investments in Mutual Funds	(764,914)	(617,517)	(32,486)	(1,349,945)
Financial leases	(152,854)	61,338	-	(91,516)
Tax Losses	115,365	110,680	24,456	201,589
Other	(50,514)	(186,845)	(20,412)	(216,947)
Balance	**(1,905,320)**	**202,792**	**95,839**	**(1,798,367)**

The following table shows a reconciliation between the income tax recorded in income/(loss) at December 31, 2021 and the amount that would result from the application of the current tax rate upon earnings:

	12.31.2021
Income/(loss) before income tax	9,130,424
Income tax rate	**33.4160%**
Income/(loss) for the year at tax rate	(3,051,022)
Permanent differences at tax rate:	
Non- computable income [(1)]	4,734,442
Non-deductible expenses from income tax	(2,362,611)
Other net	1,480,957
Income tax benefit	**801,766**

[(1)] *It mainly includes non-taxable income recorded by Banco de la Provincia de Buenos Aires (Note 1.1) and other structured entities (Mutual Funds and Banco de la Provincia de Buenos Aires Foundation).*

Note 34 - Risks and corporate governance

Purposes, policies and processes for capital management

Management, structure and organization

In accordance with the rules set forth by the Regulatory Authority (Consolidated text of "Guidelines on Risk Management in Financial Institutions"), the Board of Directors approved the structure necessary to perform a comprehensive risk management in terms of size, economic relevance, nature and complexity of the transactions carried out by the Bank.

For that purpose, the Bank has created the Risk Administration Management reporting to the Board of Directors and consisting of the following Functional Units:

- **Credit Risk:** carries out the follow-up of credit, credit concentration, country, counterparty and residual risks.

- **Operational Risk:** also monitors reputational risk.

- **Financial Risk:** measures market, interest rate, liquidity, funding concentration, strategic and securitization risks.

- **Architectural Risk:** designs risk measurement, models, tools and processes.

Moreover, the Risks Committee was created to give an institutional treatment to the policies, strategies and procedures that constitute the "Management Framework" for each of the managed risks, which are subject to revision and/or updating at least once a year.

This Committee is in charge of determining the Bank's tolerance risk in terms of the defined purposes and of submitting the proposals to the Board of Directors for approval. Therefore, it is important that management policies, tools and procedures match the stated risk appetite so as to ensure that the risks taken are within such limits.

An "Exceptions to Limits Procedure" is available for situations where, as a result of the daily Bank's transactions, the limit fixed by the Strategies and Policies defined for each of the main risks needs to be surpassed. This envisages the adoption of guidelines for the decision-making process and the determination of the responsible area, in order to ensure an effective coordination and communication bank-wide. Therefore, it is of vital importance that the whole banking institution be aware of the limits set on the risks faced by the Bank and of the procedure to be followed upon surpassing the limits.

An Early Warning Risk Indicator System (*Sistema de Indicadores de Riesgo de Alerta Temprana* - SIRAT) is used to ensure an adequate and comprehensive monitoring and follow-up of the risks to which the Bank is exposed. This system is subject to the Board of Directors' guidelines and the regulations in force. It works as a balanced scorecard tool that includes a set of key risk indicators for each significant risk; contingency and management limits are also established for financial and credit risks.

Among the several tools used to monitor the risks under management, one of them is the monthly Managerial Report submitted to the Risks Committee. This Report provides information on the evolution and follow-up of different risks (the frequency depends on the type of risk) and takes into account certain aspects such as:

- **Credit:** loan portfolio composition and evolution, non-performing share and levels, sensitivity analysis, monitoring of significant macroeconomic and financial variables to avoid potential negative effects on customers' behavior, comparative analysis with the Financial System; country risk, branches abroad, etc. Credit risk measurement systems have been calibrated according to information available in the corporate Datawarehouse.

- **Market**: daily measurement of the exposure to the market risk, an ongoing follow-up of the conditions in local and international financial and monetary markets, with special emphasis on the control of different market risk factors (interest rates, prices of government securities, exchange rates, etc.). Likewise, in order to monitor this indicator on a daily basis, a new tool has been developed to forecast the impact of different purchase/sale transactions regarding assets exposed to market risk.

- **Liquidity:** daily follow-up monitoring certain variables, such as basic and broad liquidity ratios (both in pesos and foreign currency), deposits (evolution, average terms, demand deposits against term deposits, share of retail and wholesale deposits, etc.), loans (growth pace of deposits, average terms and rates, etc.) and borrowing interest rates (of the Bank and the average Financial System for the retail and wholesale segments). Through the development of a liquidity GAP assessment tool, the Bank manages the inflows and outflows of funds for different time periods. The liquidity GAP tool helps calculate any asset/liability mismatch at a certain date and for accumulated time periods (both in the contractual GAP or current GAP versions where some assumptions on the asset/liability performance are included).

Note 35 - Credit, liquidity and market risks

35.1 Credit risk

Credit Risk refers to the risk of suffering any losses stemming from failure of a debtor or counterparty to meet their contractual obligations.

This type of risk is inherent in on- and off-balance sheet transactions, and also involves settlement risk, i.e. the risk that a financial transaction may not be completed or settled as scheduled. Its volume depends on two factors: exposure at default and recovery obtained. The last one means the payments made by debtors and those recoveries obtained by executing risk mitigation instruments such as guarantees and credit derivatives, which back loans and limit losses.

Strategy, policies and processes to manage and assess risks

For an adequate management of this risk, the Bank has developed a framework that includes strategy, policy, management processes, organizational structure, tools and responsibilities. Such framework is proportional to the Bank's size and the nature and complexity of its transactions.

When designing its credit risk management strategy, Banco de la Provincia de Buenos Aires took into consideration its organizational structure, its role as financial agent of the Province of Buenos Aires, its focus on every social sector throughout the Province (multi-segment institution) and on every need they may have (multi-purpose institution). By diversifying its portfolio, the Bank mitigates its credit risk. The strategy addresses not only the requirements of the BCRA but also the requirements established by the authorities that regulate the Bank's branches abroad. Such branches are included in the Bank's credit risk management. The assessment of debtors and financing is carried out on a case by case basis upon origination. It contemplates variables such as the limits established in the Bank's Charter, the type of customer and its economic and financial position, the product involved, etc. Subsequent follow-up is also conducted separately and by credit facility. Acceptable risk and performance levels are identified. In this sense, activities, geographic areas and sectors are rapidly recognized taking into account economic trends and changes in the composition and quality of the loan portfolio. When defining products or imposing overall portfolio limits, the composition, concentration and quality of the different portfolios are considered as stated in the Business Plan. This mechanism is applied when defining new credit products or granting loans under already defined facilities. In accordance with the guidelines set forth by the Board of Directors, the Bank implements a conservative credit risk strategy adapted to its specific and particular business structure. This enables the Bank to meet its contractual obligations both under normal and adverse market conditions. The Bank's risk tolerance has been determined by the Board of Directors by fixing tolerable maximum limits on certain indicators. The follow-up of risks is analyzed in the Risks Committee comparing the Bank's risk profile (the ability to take risks at a given time) with its risk tolerance (the maximum amount of risk the Entity is able to take in the performance of its activities).

The Bank's credit risk policy includes granting assistance to all economic sectors in accordance with the credit risk it is willing to take and in line with the strategy approved by the Board of Directors. Credit risk policies are guidelines that determine the course of action of the Bank. They are aimed at designing the credit risk strategy and are implemented through different processes by the pertinent Organizational Units. The Bank's loan activity includes several stages, to know: granting, approval, disbursement, management and recovery. The portfolio shall be diversified to mitigate the risk, which will be assessed individually in terms of the economic groups where the customer performs its activity, its line of business and the product requested. The maximum assistance granted to a customer will be determined in line with the rules on internal limits and the credit risk diversification and concentration provisions defined by the BCRA. This policy is informed to all areas of the Bank through the pertinent Deputy General Managements and also to the Units that report to the Board of Directors.

(In thousands of pesos in constant currency - Note 3)

From a management point of view, the Bank has an adequate (feasible, stable and efficient) process to manage credit risk, which enables it to identify, assess, follow up, control and mitigate risks in all financial products and activities (all stages are included: prior assessment, maturity dates and recovery actions). Special attention should be paid to more complex activities, such as, securitization and credit derivatives. The management system involves a series of processes, to know: granting, follow-up, controls, recovery, stress testing, contingency planning, compliance, internal audit and market discipline. This process helps conduct an independent analysis of all areas prone to credit risk in order to make assessments and recommendations. The assessments based on such analysis provide the framework for producing numerous reports along the credit risk identification, measurement, monitoring and mitigation process; a process that is continuous, iterative and in constant evolution.

Credit risk measurement is made by means of technical tools, which consider the guidelines set forth by the Central Bank through different regulations. Such guidelines function as a baseline scenario in terms of requirements. The tools development is in line with the nature, complexity and volume of risk exposures. The Bank estimates the Probability of Default (PD) for each loan portfolio, adjusting the pertinent methodologies on a case-by-case basis. In order to analyze risk coverage, the Expected Losses (EL) for the different loan portfolios are measured and subsequently matched against allowances; the economic capital (EC) required is calculated to protect the Bank against unexpected losses. Three essential parameters are used in the calculation of EL and EC -probability of default (PD), exposure at default (EAD) and loss given default (LGD)-, which are estimated on the basis of the historical information available in the datawarehouse. The credit rating tools (ratings and scorings) assess the risk inherent in each transaction, facility or customer in accordance with their credit quality by assigning them a score. Credit risk for the Bank's portfolio is measured through a model where the effects of concentration, diversification and country risks are analyzed. This model enables a more comprehensive calculation of capital needs considering that risk comes from various sources. It is sensitive to geographic and sector diversification and to the incidence of economic, political and social events in a foreign country in certain exposures, such as those of the Bank's largest customers.

The policies, management procedures and measurement tools are defined according to the Bank's overall risk level. The Entity shall also record an appropriate capital level determined in a capital adequacy assessment based on its risk profile ("Capital Self-Assessment Report").

The quantitative information of this paragraph is included in Exhibits "B", "C" and "D".

Reconciliation of opening and closing balances of adjustment of value for losses

Quantitative information is supplemented with Exhibit "R" - Allowances.

Credit risk exposure and concentrations

The following table shows the Group's maximum credit risk exposure by financial assets, without deducting security interests or other credit enhancements received:

	12.31.2021	12.31.2020
Cash and deposits in banks	243,143,240	238,152,102
Debt securities at fair value through profit or loss	222,867,151	305,904,033
Repo transactions	340,506,028	182,597,391
Other financial assets	50,019,200	58,183,668
Loans and other financing	480,016,233	508,096,596
Other debt securities	101,951,396	139,217,713

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Financial assets pledged as collateral	26,980,294	25,651,020
Subtotal	**1,465,483,542**	**1,457,802,523**
Off-balance sheet		
Credit lines granted (unused balances)	295,735	154,605
Other guarantees granted included in the Debtors' Classification Rules	3,607,831	4,424,526
Other included in the Debtors' Classification Rules	1,868,112	2,336,159
Credit card purchase limits	247,895,528	120,573,024
Subtotal	**253,667,206**	**127,488,314**
Total	**1,719,150,748**	**1,585,290,837**

Quantitative information is supplemented with Exhibit "C" - "Concentration of loans and other financing".

Exposure to the Public Sector

The Group has a considerable exposure to the Argentine public sector, through interests, government securities, loans and other assets, as detailed below. The future evolution of the provincial and national economies and the honoring of obligations are of significant importance to the financial condition of the Group.

The breakdown according to type of financing and main components of the Public Sector at December 31, 2021 is shown below:

ITEM	NATIONAL	PROVINCIAL	MUNICIPAL	TOTAL
SECURITIES	150,702,085	12,047,528(1)	181	162,749,794
LOANS (Note 10)	408,464	10,070,249	3,636,959	14,115,672
GUARANTEES	295,166	-	-	295,166
OTHER	803,144	3,028,208	2,130,865	5,962,217

(1) *Includes 5,373 from Fuerza Solidaria Trust Fund Participation Certificate – Class A.*

Financial instruments to which the impairment model is not applied include public sector financing which is excluded from the provisions and allowances regime established under the BCRA financial reporting framework.

Likewise, at December 31, 2021, the Group has instruments issued by the BCRA for $127,380,697 and Repo Transactions, for $338,537,273 in which the monetary authority is a counterparty.

At a consolidated level, at December 31, 2021, the Bank shows an excess in the National Public Sector risk diversification of $15,208,938, net of the exemptions granted by Resolution No. 277/18 issued by the BCRA. Such resolution introduced exceptions for the assistance to the provincial public sector effective up to September 30, 2021. On that date, the Bank submitted a report to the BCRA indicating the compliance status with the aforementioned Resolution. Moreover, the Bank requested an extension, considering its consequent impact on the public sector credit risk diversification (as mentioned in Note 1.3).

Collateral and Other Credit Enhancements Obtained

The bank holds financial and non-financial assets through the possession of collateral for loans and advances, as well as for credit enhancements at the end of the quarter. Guarantees taken by the Bank ensure collection through credit enhancements such as collaterals. They comply with the recognition criteria included in the IFRS.

Quantitative information is detailed in Exhibit "B".

Allowances for Credit Risk Impairment

Since 2020, the Bank's policy on allowances for credit risk is based on the expected credit loss (ECL) estimation according to statistical models related to the loan portfolio management established by IFRS 9 as adopted by BCRA. Pursuant to the guidelines set forth in section 5.5 regarding Impairment (that comprises principles and methodologies for the recognition of expected credit losses due to significant increases in risk and the resulting impairment of the financial assets value for expected credit losses), the Bank has recognized the impairment of its financial assets.

The value adjustment on expected credit losses is grounded on the credit losses that may be expected to arise over the lifetime of an asset (expected credit losses over the lifetime of an asset) unless the credit risk has not significantly increased since the initial recognition. In such case, the value adjustment is based on the 12-month expected credit losses.

The Risks Administration Management is responsible for the risk credit management, including identification, assessment, follow-up, control and mitigation of this risk throughout all the phases of the credit cycle. The design and development of Expected Credit Losses Models are monitored by this Management, which determines the probability of default (PD), exposure at default (EAD) and loss given default (LGD), as well as the models to estimate the impact of the forward-looking approach.

The Credit Analysis Management, together with the Recovery Management, assesses the relevant portfolio on a case-by-case basis so as to estimate the expected losses for customers within in this segment.

ECL definitions and determination are regularly submitted to the Risks Committee, which is responsible for approving model methodologies, readjustments and validations.

Definitions of the significant increase in risk, impairment and default

The Bank recognizes the impairment of its financial assets value according to section 5.5 of IFRS 9 guidelines. To this end, the Bank calculates the ECL for financial instruments pursuant to a risk model based on the evidence of credit quality changes observed since the initial recognition, as summarized below:

- Stage 1: includes non-impaired transactions, which show no signs of significant increase in credit risk, i.e.:

  Consumer Portfolio: lending portfolio transactions in arrears by less than 32 days, and
  Commercial Portfolio: lending portfolio transactions in arrears by less than 32 days, rated 1;

- Stage 2: Includes lending portfolio transactions, which are considered impaired but not in default, i.e.:

  Consumer Portfolio: transactions in arrears by 32 days or more but not considered in default. Those transactions made less than or equal to 12 months ago related to a refinancing, regardless the number of days in arrears, are also included in the stage 2.

  Commercial Portfolio: transactions in arrears by 32 days or more, but not considered in default, rated BCRA 2. Those transactions made less than or equal to 12 months ago related to a refinancing, regardless the number of days in arrears, also fall within the stage 2.

- Stage 3: transactions considered in default, i.e.:

  Consumer Portfolio: transactions in arrears by more than 90 days;
  Commercial Portfolio: transactions rated 3 or higher;

The Bank measures the expected credit losses according to the following definitions:

- For financial instruments included in Stage 1, the Bank calculates expected credit losses as the portion of the credit losses expected to arise over the life of the asset that result from default events that are possible within the next 12 months or a lesser period in case of a residual term;
- For financial instruments included in Stage 2, the remaining lifetime of the transaction is considered; and
- In Stage 3, the debt balance of the transaction is considered.

Forward-looking information considered in the Expected Credit Losses (ECL) models.

Pursuant to the regulations, the assessment of significant credit risk increases and the ECL calculation incorporate macroeconomic forward-looking information. By conducting a historical analysis, the Bank identified the economic variables affecting the credit risk and its associated credit losses for the Commercial and Consumer Portfolios.

The main macroeconomic variables considered include: activity evolution, labor market, prices and interest rate, as detailed below:

- GDP: real and nominal y/y variations
- Wage: percentage of real and nominal y/y variations
- Unemployment rate
- Inflation: annual inflation percentage.
- Exchange rate
- Interest rate

The Social and Economic Research Management provides the forecasts on the mentioned economic variables, offering an estimated approach of the economy in the years to come. The impact of these economic variables on the Probability of Default was determined by using statistical projection models. In the case of the Forward Looking approach, which aims to adjust the point in time probability of default by a factor that incorporates future information, several autoregressive models have been tested through multiple combinations of variables in order to find relationships between them and the default rate (independent variable). The Social and Economic Research Management projects the abovementioned variables in three possible scenarios, with their respective occurrence weightings. They are divided in:

- Base scenario;
- Scenario 1 (Negative) and
- Scenario 2 (Positive)

Such scenarios are taken into account when calibrating the Forward Looking parameter, so as to include different possible scenarios regarding the future under consideration. The scenarios and their attributes are reevaluated every semester.

Management's Additional Adjustment

At December 31, 2020, and as a consequence of the economic uncertainty caused by the COVID-19 pandemic, the Bank recognized an additional amount to its expected credit losses, taking into account the specific features of the commercial and consumer portfolios. This accounted for a $3,383 million increase ($5,107 million in constant currency at December 31, 2021).

At December 31, 2021, such adjustment ("overlay") was assessed. According to the Risks Committee's proposal dated February 24, 2022, at the closing date of the financial statements, the overlay amounted to $2,382 million.

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To determine such overlay, simulations were performed, taking into account the specific features of the commercial clients, their sectoral risk and the exchange rate. This accounted for an additional increase of $2,216 million. Moreover, Communication "A" 7285 was also taken into account that established the unenforceability of installment payments and the possibility to defer them to the end of the credit life, thus generating a $166 million additional allowance.

Additional Information on Credit Risk and Allowances

There follows a detailed information on the loan portfolio quality and allowances for expected credit losses estimated according to IFRS 9 as adopted by the BCRA by type of financial asset:

12.31.2021	Book Balance				Allowances for Expected Losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total (Exhibit R)
Other financial assets	**10,414,812**	**179,813**	**1,722,896**	**12,317,521**	**97,101**	**25,683**	**1,582,546**	**1,705,330**
Loans and other financing	**402,342,047**	**35,995,380**	**27,563,134**	**465,900,561**	**6,348,735**	**2,821,552**	**23,401,083**	**32,571,370**
Other financial institutions	42,861	-	-	42,861	112	-	-	112
Non-financial private sector and residents abroad	402,299,186	35,995,380	27,563,134	465,857,700	6,348,623	2,821,552	23,401,083	32,571,258
Overdrafts	28,619,145	4,146,866	144,041	32,910,052	231,822	56,076	107,310	395,208
Notes	94,482,860	21,130,855	1,737,404	117,351,119	752,780	1,019,562	1,179,716	2,952,058
Mortgage loans	87,321,820	2,125,971	2,872,352	92,320,143	892,854	414,402	1,357,943	2,665,199
Pledge loans	16,983,198	692,493	102,407	17,778,098	171,219	16,140	52,631	239,990
Consumer loans	71,428,264	967,217	3,479,730	75,875,211	1,568,272	241,800	2,351,079	4,161,151
Credit cards	84,295,486	1,152,849	2,083,958	87,532,293	2,043,664	198,592	1,353,794	3,596,050
Financial leases	1,363,173	741	56,413	1,420,327	5,115	69	33,149	38,333
Other	17,805,240	5,778,388	17,086,829	40,670,457	395,640	350,415	15,394,973	16,141,028
Management's Additional Adjustment[(1)]					287,257	524,496	1,570,488	2,382,241
Corporate securities	**20,277,432**	**1,044,730**	**667,450**	**21,989,612**	**97,619**	**6,462**	**531,949**	**636,030**
Contingent liabilities	**3,863,024**	**1,821,330**	**19,511**	**5,703,865**	**5,214**	**6,373**	**9,978**	**21,565**
Unused credit card balances	**457,318,825**	**5,401,621**	**1,082,547**	**463,802,993**	**1,581,207**	**40,478**	**29,481**	**1,651,166**
Unused agreed overdrafts in checking accounts	**5,703,082**	**36,918**	**5,349**	**5,745,349**	**43,416**	**1,802**	**2,426**	**47,644**
TOTAL	**899,919,222**	**44,479,792**	**31,060,887**	**975,459,901**	**8,173,292**	**2,902,350**	**25,557,463**	**36,633,105**

(1) *For presentation purposes, the amount for Management's additional adjustment showed in Exhibit R is included in the "Other" caption of such exhibit.*

See our report dated
March 10, 2022
KPMG

(Partner)
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12.31.2020	Book Balance				Allowances for Expected Losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total (Exhibit R)
Other financial assets	**10,182,280**	**1,171,986**	**2,610,820**	**13,965,086**	**37,151**	**204,516**	**1,498,241**	**1,739,908**
Loans and other financing	**447,018,054**	**19,813,755**	**24,418,523**	**491,250,332**	**6,833,869**	**6,412,721**	**25,577,017**	**38,823,607**
Other financial institutions	72,991	-	-	**72,991**	56	-	-	**56**
Non-financial private sector and residents abroad	446,945,063	19,813,755	24,418,523	491,177,341	6,833,813	6,412,721	25,577,017	38,823,551
Overdrafts	31,934,971	101,330	142,037	32,178,338	288,036	10,608	109,367	408,011
Notes	95,813,328	8,698,160	1,324,347	105,835,835	1,018,715	790,761	888,206	2,697,682
Mortgage loans	93,467,463	1,030,876	1,198,197	95,696,536	420,088	265,474	671,661	1,357,223
Pledge loans	13,503,254	170,034	22,678	13,695,966	146,979	5,790	14,545	167,314
Consumer loans	94,844,885	1,569,096	2,059,421	98,473,402	1,436,222	486,126	1,639,155	3,561,503
Credit cards	97,527,995	4,824,800	1,802,854	104,155,649	2,588,586	1,018,799	800,743	4,408,128
Financial leases	787,415	127,431	215,736	1,130,582	3,563	417	71,057	75,037
Other	19,065,752	3,292,028	17,653,253	40,011,033	931,624	2,456,965	17,653,253	21,041,842
Management's Additional Adjustment(1)					-	1,377,781	3,729,030	5,106,811
Corporate securities	**24,271,686**	**1,481,543**	**864,131**	**26,617,360**	**163,127**	**9,950**	**421,390**	**594,467**
Contingent liabilities	**6,842,777**	**43,567**	**28,944**	**6,915,288**	**18,692**	**4,340**	**14,951**	**37,983**
Unused credit card balances	**240,283,125**	**4,504,659**	**6,447,557**	**251,235,341**	**1,395,362**	**278,239**	**87,802**	**1,761,403**
Unused agreed overdrafts in checking accounts	**5,689,375**	**74,480**	**7,346**	**5,771,201**	**72,118**	**16,883**	**996**	**89,997**
TOTAL	**734,287,297**	**27,089,990**	**34,377,321**	**795,754,608**	**8,520,319**	**6,926,649**	**27,600,397**	**43,047,365**

(1) *For presentation purposes, the amount for Management's additional adjustment showed in Exhibit R is included in the "Other" caption of such exhibit.*

There follows a breakdown of the evolution of expected credit losses at December 31, 2021 and 2020:

	2021			
	Stage 1	Stage 2	Stage 3	Total
Other financial assets				
Balance at January 1, 2021	**37,151**	**204,516**	**1,498,241**	**1,739,908**
Transfer to Stage 1	3	(3)	-	-
Transfer to Stage 3	(18,962)	(203,538)	222,500	-
Increase in expected losses (1)	93,573	89,068	735,442	918,083
Derecognised Assets (2)	(26)	4,125	(359,186)	(355,087)
Results from exposure to inflation	(14,638)	(68,485)	(506,298)	(589,421)
Other (3)	-	-	(8,153)	(8,153)
Balance at December 31, 2021	**97,101**	**25,683**	**1,582,546**	**1,705,330**
Loans and other financing - Other financial institutions				
Balance at January 1, 2021	**56**	**-**	**-**	**56**
Increase in expected losses (1)	112	-	-	112
Derecognised Assets(2)	(37)	-	-	(37)
Results from exposure to inflation	(19)	-	-	(19)
Balance at December 31, 2021	**112**	**-**	**-**	**112**

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Loans and other financing - Non-financial private sector and residents abroad				
Balance at January 1, 2021	**6,833,813**	**6,412,721**	**25,577,017**	**38,823,551**
Transfer to Stage 1	174,199	(117,417)	(56,782)	-
Transfer to Stage 2	(1,462,307)	1,583,397	(121,090)	-
Transfer to Stage 3	(3,792,374)	(1,421,355)	5,213,729	-
Increase in expected losses (1)	5,943,136	616,637	7,425,881	13,985,654
Derecognised Assets(2)	(911,440)	(1,421,587)	(4,821,114)	(7,154,141)
Results from exposure to inflation	(2,299,808)	(1,997,081)	(8,786,917)	(13,083,806)
Other (3)	1,863,404	(833,763)	(1,029,641)	-
Balance at December 31, 2021	**6,348,623**	**2,821,552**	**23,401,083**	**32,571,258**
Corporate securities				
Balance at January 1, 2021	**163,127**	**9,950**	**421,390**	**594,467**
Transfer to Stage 1	14,258	(9,950)	(4,308)	-
Transfer to Stage 2	(1,868)	20,210	(18,341)	-
Increase in expected losses (1)	63,112	5,458	314,230	382,800
Derecognised Assets(2)	(85,074)	-	(55,536)	(140,610)
Results from exposure to inflation	(56,800)	-	(143,827)	(200,627)
Other (3)	864	(19,206)	18,341	-
Balance at December 31, 2021	**97,619**	**6,462**	**531,949**	**636,030**
Contingent liabilities				
Balance at January 1, 2021	**18,692**	**4,340**	**14,951**	**37,983**
Transfer to Stage 1	83	(69)	(14)	-
Transfer to Stage 2	(7,302)	7,519	(217)	-
Transfer to Stage 3	(302)	(5)	307	-
Increase in expected losses (1)	4,816	3	48	4,867
Derecognised Assets(2)	(5,775)	(2,615)	(76)	(8,466)
Results from exposure to inflation	(6,308)	(1,465)	(5,046)	(12,819)
Balance at December 31, 2021	**5,214**	**6,373**	**9,978**	**21,565**
Unused credit card balances				
Balance at January 1, 2021	**1,395,362**	**278,239**	**87,802**	**1,761,403**
Transfer to Stage 1	4,312	(3,491)	(821)	-
Transfer to Stage 2	(94,537)	96,217	(1,680)	-
Transfer to Stage 3	(28,892)	(7,576)	36,468	-
Increase in expected losses (1)	772,158	6,977	5,913	785,048
Derecognised Assets(2)	(80,077)	(167,178)	(53,574)	(300,829)
Results from exposure to inflation	(470,921)	(93,903)	(29,632)	(594,456)
Balance at December 31, 2021	**1,581,207**	**40,478**	**29,481**	**1,651,166**
Unused agreed overdrafts in checking accounts				
Balance at January 1, 2021	**72,118**	**16,883**	**996**	**89,997**
Transfer to Stage 1	134	(48)	(86)	-
Transfer to Stage 2	(1,931)	2,005	(74)	-
Transfer to Stage 3	(60)	(47)	107	-
Increase in expected losses (1)	39,046	1,767	2,426	43,239
Derecognised Assets(2)	(43,374)	(11,185)	(660)	(55,219)
Results from exposure to inflation	(24,339)	(5,698)	(336)	(30,373)
Balance at December 31, 2021	**43,416**	**1,802**	**2,426**	**47,644**

(1) *Includes the effect generated by exchange difference*

(2) *Includes the relevant allowances*

(3) *Contemplates the adjustment for inflation derived from transfers between stages*

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(Partner)
C.P.C.E.P.B.A. V° 1 F° 193 Folder 193

Alejandro A. Garcia	Rubén O. González Ocantos	Juan M. Cuattromo	María Gabriela Saavedra
General Accountant	General Manager	President	Public Accountant (U.N.S.)

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(Translation of Financial Statements originally issued in Spanish)

	2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Other financial assets				
Balance at January 1, 2020	**24,247**	**340,208**	**2,085,582**	**2,450,037**
Increase in expected losses (1)	400	-	42,369	42,769
Increase/(Decrease) in expected losses - controlled companies	20,733	(45,165)	(66,147)	(90,579)
Derecognised Assets(2)	(1,791)	(214)	(535)	(2,540)
Results from exposure to inflation(3)	(6,438)	(90,313)	(563,028)	(659,779)
Balance at December 31, 2020	**37,151**	**204,516**	**1,498,241**	**1,739,908**
Loans and other financing - Other financial institutions				
Balance at January 1, 2020	**255**	**-**	**-**	**255**
Increase in expected losses (1)	56	-	-	56
Derecognised Assets(2)	(187)	-	-	(187)
Results from exposure to inflation(3)	(68)	-	-	(68)
Balance at December 31, 2020	**56**	**-**	**-**	**56**
Loans and other financing - Non-financial private sector and residents abroad				
Balance at January 1, 2020	**8,960,367**	**1,980,190**	**22,072,923**	**33,013,480**
Transfer to Stage 1	68,105	(45,273)	(22,832)	-
Transfer to Stage 2	(2,779,916)	2,827,144	(47,228)	-
Transfer to Stage 3	(4,606,712)	(1,086,452)	5,693,164	-
Increase in expected losses (1)	6,991,364	4,529,811	18,282,963	29,804,138
Increase/(Decrease) in expected losses - controlled companies	(1,221)	139	19,597	18,515
Derecognised Assets(2)	(770,768)	(891,877)	(13,699,199)	(15,361,844)
Results from exposure to inflation(3)	(1,027,406)	(900,961)	(6,722,371)	(8,650,738)
Balance at December 31, 2020	**6,833,813**	**6,412,721**	**25,577,017**	**38,823,551**
Corporate securities				
Balance at January 1, 2020	**15,123**	**36,898**	**382,197**	**434,218**
Increase in expected losses (1)	9,170	-	252,784	261,954
Increase/(Decrease) in expected losses - controlled companies	166,260	(18,132)	61,676	209,804
Derecognised Assets(2)	(693)	-	(176,351)	(177,044)
Results from exposure to inflation(3)	(26,733)	(8,816)	(98,916)	(134,465)
Balance at December 31, 2020	**163,127**	**9,950**	**421,390**	**594,467**
Contingent liabilities				
Balance at January 1, 2020	**21,097**	**41**	**20,018**	**41,156**
Transfer to Stage 1	14	(3)	(11)	-
Transfer to Stage 2	(278)	278	-	-
Transfer to Stage 3	(178)	-	178	-
Increase in expected losses (1)	18,195	4,062	382	22,639
Derecognised Assets(2)	(14,560)	(27)	(303)	(14,890)
Results from exposure to inflation(3)	(5,598)	(11)	(5,313)	(10,922)
Balance at December 31, 2020	**18,692**	**4,340**	**14,951**	**37,983**
Unused credit card balances				
Balance at January 1, 2020	**1,563,996**	**149,290**	**1,396,387**	**3,109,673**
Transfer to Stage 1	5,662	(3,277)	(2,385)	-
Transfer to Stage 2	(226,268)	232,837	(6,569)	-
Transfer to Stage 3	(50,997)	(6,650)	57,647	-
Increase in expected losses (1)	547,100	28,611	13,813	589,524

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(Partner)

Alejandro A. Garcia
General Accountant

Rubén O. González Ocantos
General Manager

Juan M. Cuattromo
President

C.P.C.E.P.B.A. Vº 1 Fº 193 Folder 193
María Gabriela Saavedra
Public Accountant (U.N.S.)
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Derecognised Assets[(2)]	(29,045)	(82,951)	(1,000,488)	(1,112,484)
Results from exposure to inflation[(3)]	(415,086)	(39,621)	(370,603)	(825,310)
Balance at December 31, 2020	**1,395,362**	**278,239**	**87,802**	**1,761,403**
Unused agreed overdrafts in checking accounts				
Balance at January 1, 2020	**66,129**	**59,201**	**788**	**126,118**
Transfer to Stage 1	4,952	(2,358)	(2,594)	-
Transfer to Stage 2	(11,966)	12,425	(459)	-
Transfer to Stage 3	(753)	(53)	806	-
Increase in expected losses [(1)]	46,772	3,419	2,961	53,152
Derecognised Assets[(2)]	(15,464)	(40,040)	(296)	(55,800)
Results from exposure to inflation[(3)]	(17,552)	(15,711)	(210)	(33,473)
Balance at December 31, 2020	**72,118**	**16,883**	**996**	**89,997**

[(1)] *Includes the effect generated by exchange difference*
[(2)] *Includes the relevant allowances*
[(3)] *Contemplates the adjustment for inflation derived from transfers between stages*

The following table shows information on the weighted average PD at 12 months by internal risk rating and the pertinent allowances for each stage at December 31, 2021 and 2020.

Credit Rating	Weighted average PD at 12 months	Stage 1	Stage 2	Stage 3	Total
Other financial assets					
1 – Normal Performance	0.011710%	10,398,592	-	3,397	10,401,989
2 - Low Risk	0.000000%	-	171,337	-	171,337
4 - High Risk	0.000000%	16,220	-	349,715	365,935
5 - Uncollectible	58.184798%	-	8,476	1,369,784	1,378,260
Balance at December 31, 2021		**10,414,812**	**179,813**	**1,722,896**	**12,317,521**
Allowances for expected losses		**97,101**	**25,683**	**1,582,546**	**1,705,330**
Balance at December 31, 2021 - net of allowances		**10,317,711**	**154,130**	**140,350**	**10,612,191**
Loans and other financing - Other financial institutions					
1 – Normal Performance	0.580683%	42,861	-	-	42,861
Balance at December 31, 2021		**42,861**	**-**	**-**	**42,861**
Allowances for expected losses		**112**	**-**	**-**	**112**
Balance at December 31, 2021 - net of allowances		**42,749**	**-**	**-**	**42,749**
Loans and other financing - Non-financial private sector and residents abroad					
1 – Normal Performance	3.877309%	394,444,063	30,370,458	1,058	424,815,579
2 - Low Risk	30.401797%	1,996,644	4,348,412	-	6,345,056
3 - Medium Risk	78.129894%	1,320,318	249,467	4,817,176	6,386,961
4 - High Risk	72.992130%	2,170,137	460,704	6,068,024	8,698,865
5 - Uncollectible	86.331926%	2,368,024	566,339	16,676,876	19,611,239
Balance at December 31, 2021		**402,299,186**	**35,995,380**	**27,563,134**	**465,857,700**
Allowances for expected losses		**6,348,623**	**2,821,552**	**23,401,083**	**32,571,258**
Balance at December 31, 2021 - net of allowances		**395,950,563**	**33,173,828**	**4,162,051**	**433,286,442**
Corporate securities					
1 – Normal Performance	0.082028%	20,116,102	1,044,730	-	21,160,832
2 - Low Risk	0.000000%	143,806	-	-	143,806

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4 - High Risk	0.000000%	17,524	-	-	17,524
5 - Uncollectible	0.000000%	-	-	667,450	667,450
Balance at December 31, 2021		**20,277,432**	**1,044,730**	**667,450**	**21,989,612**
Allowances for expected losses		**97,619**	**6,462**	**531,949**	**636,030**
Balance at December 31, 2021 - net of allowances		**20,179,813**	**1,038,268**	**135,501**	**21,353,582**
Contingent liabilities					
1 – Normal Performance	0.889536%	3,861,010	1,811,645	-	5,672,655
2 - Low Risk	5.573967%	1,607	9,685	-	11,292
3 - Medium Risk	68.036656%	352	-	721	1,073
4 - High Risk	82.540622%	45	-	206	251
5 - Uncollectible	99.948622%	10	-	18,584	18,594
Balance at December 31, 2021		**3,863,024**	**1,821,330**	**19,511**	**5,703,865**
Allowances for expected losses		**5,214**	**6,373**	**9,978**	**21,565**
Balance at December 31, 2021 - net of allowances		**3,857,810**	**1,814,957**	**9,533**	**5,682,300**
Unused credit card balances					
1 – Normal Performance	5.201416%	454,425,470	4,732,937	720	459,159,127
2 - Low Risk	26.418846%	796,769	600,031	-	1,396,800
3 - Medium Risk	24.679888%	653,260	12,414	289,102	954,776
4 - High Risk	24.110940%	762,502	28,988	458,526	1,250,016
5 - Uncollectible	22.748502%	680,824	27,251	334,199	1,042,274
Balance at December 31, 2021		**457,318,825**	**5,401,621**	**1,082,547**	**463,802,993**
Allowances for expected losses		**1,581,207**	**40,478**	**29,481**	**1,651,166**
Balance at December 31, 2021 - net of allowances		**455,737,618**	**5,361,143**	**1,053,066**	**462,151,827**
Unused agreed overdrafts in checking accounts					
1 – Normal Performance	4.834937%	5,694,976	30,911	-	5,725,887
2 - Low Risk	46.710542%	2,242	5,826	-	8,068
3 - Medium Risk	54.124911%	1,601	20	1,739	3,360
4 - High Risk	47.849227%	2,069	92	1,826	3,987
5 - Uncollectible	47.670763%	2,194	69	1,784	4,047
Balance at December 31, 2021		**5,703,082**	**36,918**	**5,349**	**5,745,349**
Allowances for expected losses		**43,416**	**1,802**	**2,426**	**47,644**
Balance at December 31, 2021 - net of allowances		**5,659,666**	**35,116**	**2,923**	**5,697,705**

Credit Rating	Weighted average PD at 12 months	Stage 1	Stage 2	Stage 3	Total
Other financial assets					
1 – Normal Performance	0.188465%	10,181,956	968,126	-	11,150,082
2 - Low Risk	0.000000%	-	203,860	107	203,967
3 - Medium Risk	0.000000%	-	-	798,502	798,502
4 - High Risk	0.000000%	-	-	4,643	4,643
5 - Uncollectible	38.994752%	324	-	1,807,568	1,807,892
Balance at December 31, 2020		**10,182,280**	**1,171,986**	**2,610,820**	**13,965,086**
Allowances for expected losses		**37,151**	**204,516**	**1,498,241**	**1,739,908**
Balance at December 31, 2020 - net of allowances		**10,145,129**	**967,470**	**1,112,579**	**12,225,178**
Loans and other financing - Other financial institutions					
1 – Normal Performance	0.456073%	72,991	-	-	72,991

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(Partner)
C.P.C.E.P.B.A. V° 1 F° 193 Folder 193

Alejandro A. Garcia General Accountant	Rubén O. González Ocantos General Manager	Juan M. Cuattromo President	María Gabriela Saavedra Public Accountant (U.N.S.) C.P.C.E.P.B.A. Volume 172 – Folio 1 Folder No. 44622/0 Taxpayer registration code: 27-22976216-3

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Balance at December 31, 2020		**72,991**	**-**	**-**	**72,991**
Allowances for expected losses		**56**	**-**	**-**	**56**
Balance at December 31, 2020 - net of allowances		**72,935**	**-**	**-**	**72,935**
Loans and other financing - Non-financial private sector and residents abroad					
1 – Normal Performance	4.621282%	441,728,619	13,432,131	633,179	455,793,929
2 - Low Risk	34.284656%	877,669	5,464,781	201,116	6,543,566
3 - Medium Risk	53.278009%	597,140	172,861	649,822	1,419,823
4 - High Risk	92.018346%	1,144,129	390,758	14,948,328	16,483,215
5 - Uncollectible	75.476079%	2,597,506	353,224	7,986,078	10,936,808
Balance at December 31, 2020		**446,945,063**	**19,813,755**	**24,418,523**	**491,177,341**
Allowances for expected losses		**6,833,813**	**6,412,721**	**25,577,017**	**38,823,551**
Balance at December 31, 2020 - net of allowances		**440,111,250**	**13,401,034**	**(1,158,494)**	**452,353,790**
Corporate securities					
1 – Normal Performance	0.073046%	24,088,658	1,459,315	-	25,547,973
2 - Low Risk	0.000000%	16,125	4,031	-	20,156
3 - Medium Risk	0.000000%	37,024	18,197	59,167	114,388
4 - High Risk	81.221110%	129,879	-	561,743	691,622
5 - Uncollectible	0.000000%	-	-	243,221	243,221
Balance at December 31, 2020		**24,271,686**	**1,481,543**	**864,131**	**26,617,360**
Allowances for expected losses		**163,127**	**9,950**	**421,390**	**594,467**
Balance at December 31, 2020 - net of allowances		**24,108,559**	**1,471,593**	**442,741**	**26,022,893**
Contingent liabilities					
1 – Normal Performance	0.775346%	6,842,674	43,567	-	6,886,241
2 - Low Risk	93.685310%	23	-	329	352
3 - Medium Risk	0.063783%	-	-	-	-
4 - High Risk	92.292430%	75	-	898	973
5 - Uncollectible	99.984856%	5	-	27,717	27,722
Balance at December 31, 2020		**6,842,777**	**43,567**	**28,944**	**6,915,288**
Allowances for expected losses		**18,692**	**4,340**	**14,951**	**37,983**
Balance at December 31, 2020 - net of allowances		**6,824,085**	**39,227**	**13,993**	**6,877,305**
Unused credit card balances					
1 – Normal Performance	8.113690%	238,988,104	4,164,981	1,073,251	244,226,336
2 - Low Risk	44.757178%	288,369	58,366	451,693	798,428
3 - Medium Risk	48.326189%	292,053	49,243	656,415	997,711
4 - High Risk	42.836536%	331,825	105,843	699,863	1,137,531
5 - Uncollectible	46.482147%	382,774	126,226	3,566,335	4,075,335
Balance at December 31, 2020		**240,283,125**	**4,504,659**	**6,447,557**	**251,235,341**
Allowances for expected losses		**1,395,362**	**278,239**	**87,802**	**1,761,403**
Balance at December 31, 2020 - net of allowances		**238,887,763**	**4,226,420**	**6,359,755**	**249,473,938**
Unused agreed overdrafts in checking accounts					
1 – Normal Performance	4.598917%	5,689,375	72,530	7,346	5,769,251
2 - Low Risk	0.000000%	-	1,950	-	1,950
Balance at December 31, 2020		**5,689,375**	**74,480**	**7,346**	**5,771,201**
Allowances for expected losses		**72,118**	**16,883**	**996**	**89,997**
Balance at December 31, 2020 - net of allowances		**5,617,257**	**57,597**	**6,350**	**5,681,204**

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(Partner)
C.P.C.E.P.B.A. Vº 1 Fº 193 Folder 193

Alejandro A. Garcia
General Accountant

Rubén O. González Ocantos
General Manager

Juan M. Cuattromo
President

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Moreover, there follows additional information on the portfolio quality taking into account delinquency and stage classification by type of product at the end of every year:

Delinquency Period	Stage 1	Stage 2	Stage 3	Total at December 31, 2021
Other financial assets				
Non-delinquent	10,348,149	-	-	10,348,149
Less than 31 days	43,300	164,582	-	207,882
More than 31 days	23,363	15,231	1,722,896	1,761,490
Loans and other financing - Other financial institutions				
Non-delinquent	42,861	-	-	42,861
Loans and other financing - Non-financial private sector and residents abroad				
Non-delinquent	395,703,993	31,567,738	2,776,742	430,048,473
Less than 31 days	6,595,193	1,686,277	373,774	8,655,244
More than 31 days	-	2,741,365	24,412,618	27,153,983
Corporate securities				
Non-delinquent	18,845,223	1,044,730	-	19,889,953
Less than 31 days	1,432,209	-	-	1,432,209
More than 31 days	-	-	667,450	667,450

	Stage 1	Stage 2	Stage 3	Total at December 31, 2020
Other financial assets				
Non-delinquent	4,715,163	-	-	4,715,163
Less than 31 days	5,465,461	-	-	5,465,461
More than 31 days	1,656	1,171,986	2,610,820	3,784,462
Loans and other financing - Other financial institutions				
Non-delinquent	72,991	-	-	72,991
Loans and other financing - Non-financial private sector and residents abroad				
Non-delinquent	445,971,915	15,919,442	1,707,880	463,599,237
Less than 31 days	973,148	367,716	41,221	1,382,085
More than 31 days	-	3,526,597	22,669,422	26,196,019
Corporate securities				
Non-delinquent	24,271,686	-	561,743	24,833,429
Less than 31 days	-	1,459,314	-	1,459,314
More than 31 days	-	22,229	302,388	324,617

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Alejandro A. Garcia
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Guarantees by type of product at the end of every year are detailed below:

	% covered with guarantee					
	2021			2020		
	LGD %	GUARANTEE AMOUNT	EAD	LGD %	GUARANTEE AMOUNT	EAD
Consumer - Credit cards	36.56%	3,174,318	157,250,206	35.90%	4,577,953	106,512,440
Consumer – Consumer loans	58.59%	-	85,861,433	58.66%	483	69,822,047
Consumer - Mortgage loans	39.90%	-	87,300,461	38.68%	-	60,774,033
Consumer - Checking Account	60.46%	-	1,831,637	63.35%	-	444,776
Commercial Portfolio - Self-liquidating Guarantees %	53.29%	10,832,967	222,398,123	54.16%	8,010,115	129,676,842

35.2 Liquidity risk

Liquidity risk refers to the Bank's inability to fund asset increases and meet payment obligations as they become due, without suffering significant losses. There are two types of liquidity risks: funding liquidity risk is the risk that a financial institution may not be able to efficiently meet expected and unexpected, current and future cash flows and collateral needs, without jeopardizing its daily operations or financial condition; and market liquidity risk is the risk that a financial institution may not be able to offset or unwind a position at market price because of inadequate secondary market depth or market disruption. In line with its corporate values, ethics and transparency principles, when designing its liquidity risk management strategy, Banco de la Provincia de Buenos Aires took into account its organizational structure, the key business lines defined in its Business Plan, the products and diversity of the markets involved in its daily activities and the regulatory requirements applicable to its branches abroad. Its main lines of business are oriented to "Traditional Banking" products and services. Therefore, the Bank's intention is to implement a conservative liquidity strategy that may allow it to meet its contractual obligations under normal or adverse market conditions. The liquidity-risk tolerance level is proposed by the Risks Committee to the Board of Directors according to the variables determined by such committee, taking into account the Bank's current Policies and Strategies. In designing the liquidity risk strategy, the Board of Directors is responsible for defining and monitoring the risks taken. It delegates risks administration to the Senior Management through the continuous follow-up and supervision of the Financial Risk Deputy Management.

The Bank has in place an adequate process to identify, assess, follow up, control and mitigate liquidity risk, ensuring compliance with a documented set of internal procedures, policies and controls linked to the liquidity risk management system. This system involves a series of processes such as: development of models, risk estimation indicators and ratios; administration of cash flows -inflows and outflows- for the different time bands, periodic study of the deposit structure; measurement and monitoring of net requirements of funds under different scenarios, including stress scenarios, market access administration, definition of limits and thresholds, application of prudential valuation criteria for financial instruments, sensitivity analysis, use of stress testing and contingency planning.

The risk policy sets forth clearly defined criteria, which enable an integral projection of the cash flows of assets, liabilities and off-balance sheet transactions for a given number of time horizons, including tools for an adequate management, indicators, management and contingency limits, stress testing, contingency planning, reports, responsibilities and market discipline. This policy is informed to all areas of the Bank through the pertinent Deputy General Managements as well as to the Units reporting to the Board of Directors.

The liquidity risk measurement model includes a GAP assessment tool, which allows to analyze liquidity mismatches using, to define the required funding amount, the projected net flows (calculated as the difference between cash flows of assets and liabilities) in fixed future dates, assuming normal market conditions. The balance sheet, divided into assets and liabilities, and the assumptions for each item are the starting point for this tool. The maturities of all these items are analyzed in detail, according to the available information. Likewise, the Bank has a tool to estimate economic capital for liquidity risk, which enables to calculate an economic capital internal model, taking into consideration broad liquidity indicators in pesos and foreign currency and measuring the impact that an adverse shock of bank's deposits would cause on such indicators. Finally, as mentioned above, the Bank has a wide set of indicators as a tool to daily monitor the Bank's liquidity, based on the metrics used to assess and control the different risks assumed by the Bank in the development of its business. This tool allows to monitor the evolution of risks and anticipate their potential behavior, as well as to define a risk tolerance threshold, thus enabling to determine and control the risk appetite in a daily, weekly and monthly basis. Liquidity risk indicators are included in the SIRAT system.

Mention should be made that an independent analysis is conducted of all areas prone to the risk in order to make assessments and recommendations. These assessments are the basis for the analysis and reports for the abovementioned process. The framework for managing the liquidity risk - which is proportional to the Bank's size and the nature and complexity of its transactions- includes the Bank's strategy, policy, management processes, organizational structure, tools and responsibilities for an adequate management of this risk. Management policies and procedures must be implemented according to the Bank's global risk level. The Bank must also maintain an adequate capital level within the economic capital adequacy assessment framework based on its risk profile ("Capital Self-Assessment Report" – "*Informe de Autoevaluación de Capital*"- "IAC").

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EXHIBIT - Liquidity Coverage Ratio (LCR)

Updated at December 31, 2021 - In thousands of pesos

	Component	Total unweighted value (1)	Total weighted value (2)
HIGH-QUALITY LIQUID ASSETS			**678,423,973**
1	**Total high-quality liquid assets (HQLA)**		**678,423,973**
	CASH OUTFLOWS		
2	**Retail deposits and deposits from small business customers (MiSMEs), of which:**	**494,750,354**	**56,824,093**
3	Stable deposits	201,351,721	10,067,586
4	Less stable deposits	293,398,633	46,756,507
5	**Unsecured wholesale funding, of which:**	**442,570,218**	**199,228,746**
6	Operational deposits (all counterparties)	93,459,065	23,364,766
7	Non-operational deposits (all counterparties)	349,111,153	175,863,980
8	Unsecured debt	-	-
9	**Secured wholesale funding**	-	-
10	**Additional requirements, of which:**	**380,181,142**	**47,819,655**
11	Outflows related to derivative exposures and other collateral requirements	6,515	6,515
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	380,174,627	47,813,140
14	**Other contractual funding obligations**	**44,581,762**	**44,581,762**
15	**Other contingent funding obligations**	**70,665,779**	**2,307,866**
16	**TOTAL CASH OUTFLOWS**	**1,432,749,255**	**350,762,122**
	CASH INFLOWS		
17	Secured lending	261,141,250	-
18	Inflows from fully performing exposures	98,668,878	51,209,998
19	Other cash inflows	-	-
20	**TOTAL CASH INFLOWS**	**359,810,128**	**51,209,998**
		Total adjusted value (3)	
21	**TOTAL HQLA**		**678,423,973**
22	**TOTAL NET CASH OUTFLOWS**		**299,552,124**
23	**LIQUIDITY COVERAGE RATIO (%)**		**226.5%**

(1) Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)

(2) Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows)

(3) Adjusted values must be calculated after the application of both a) haircuts and inflow and outflow rates and b) the maximum cap on inflows.

Analysis of remaining contractual maturities

In order to exhibit quantitative information on liquidity risk, Exhibit "I" "Breakdown of Financial Liabilities according to Remaining Terms" and Exhibit "D", which includes the term for collection of assets, are attached to the financial statements.

35.3 Market risk

Market risk is defined as the risk of losses in on- and off-balance sheet positions arising from adverse fluctuations in the market price for various assets. The following risks are included: risks pertaining to interest rate-related financial instruments and equities and other financial instruments in the Trading Book; foreign exchange risk through on- and off-balance sheet positions. The market risk management includes the process of identification, assessment, follow-up, control and mitigation of this risk, which implies, among others, the following: the development of models to estimate risks, the setting of limits, prudential assessment of financial instruments, stress testing and contingencies planning.

(In thousands of pesos in constant currency - Note 3)

The bank has methodologies to efficiently assess and manage the significant market risks.

The market risk management system includes the utilization of capital requirement calculation methodologies for market risk and the implementation of stress testing according to the type and level of activity, in order to efficiently calculate the significant risks faced by the Bank. Likewise, different risk measurement models to quantify the economic capital required for market risk are included in this system.

These models measure risk with a confidence level of 99% and time horizon of 10 days and the Bank must estimate the model parameters and consider the main assumptions.

The Bank implements a backtesting program which compares the outcome against the predictions, evaluating if the number of days with losses higher than those forecasted is in line with the expected situation based on the confidence level defined, for which a historic data record is necessary.

The market risk measurement model includes the following tools: inventory and Valuation of Positions in the Trading Book, Capital Requirement for Market Risk calculation model (Communication "A" 5867), VaR economic capital model (calculated through the MonteCarlo Simulation – Expected Shortfall methodology), Backtesting (using Kupiec and Christoffersen tests to determine the validity of the model), asset valuation with normal and current quotation, asset valuation without normal and current quotation (using a theoretical valuation methodology developed to such end) and a set of market risk indicators to measure and monitor exposure to this risk, having defined the pertinent management and contingent thresholds, which show the risk tolerance level approved by the Board of Directors. Likewise, in order to monitor this indicator on a daily basis, a new tool has been developed to forecast the impact of different purchase/sale transactions. Market risk indicators are part of the SIRAT system, which is monthly sent to all members of the Board of Directors, General Management, Risks Committee and other organizational units.

The following table details the financial assets valued at Market Risk:

Financial Assets Valued at Market Value	12.31.2021	12.31.2020
FOREIGN CURRENCY	3,230,106	2,830,878
NATIONAL BONDS IN PESOS	593,602	907,474
NATIONAL BONDS IN DOLLARS	444,611	272,802
CORPORATE BONDS	226,175	454,570
PROVINCIAL BONDS IN PESOS	62	459
FOREIGN BONDS	70,120	43,287
TOTAL MARKET RISK	**4,564,676**	**4,509,470**

35.4 - Sensitivity analysis and other information

Every year the Bank makes business plan projections for a fixed time horizon, which includes the design of a business strategy, together with the implementation of policies and the definition of targeted goals and purposes, covering different stress scenarios. Within this framework, the Risks Administration Management, considering the scenarios defined in the Business Plan, performs a sensitivity analysis of its main risks. To such end, it expose the portfolios to stress scenarios in order to know how they would perform in such circumstances, and therefore, be able to assess their impact on the Bank's activity, risk administration models and strategies. Thus, the Bank's Board of Directors may have a better understanding of the portfolio evolution in changing market conditions and scenarios, being this a key tool to assess the capital and provisions adequacy.

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With respect to **Credit Risk,** sensitivity analysis is an integral part of the culture of corporate governance and risk management. Its results are used to take a series of decisions, mainly to determine risk tolerance, set limits and define the long-term business plan. To perform such analysis every significant risk factor and interaction are considered, according to the proportion, size, nature, complexity of the Bank's transactions, and to its risk exposure and systemic significance. In this sense, adverse but probable macroeconomic scenarios are considered when assessing credit risk. Taking into account the historical data on delinquency and macroeconomic series, different statistical or econometric models are developed to explain irregularities; the resulting data is then projected based on the stress scenarios defined.

With respect to **Market Risk**, the Bank has in place tools to assess the sensitivity of the trading book upon an adverse performance of the financial markets, measuring the impact of considerable variations in the prices of the main variables. Thus, simulations to calculate Value at Risk are carried out taking into account more deviations than expected, scenarios derived from significant historical moments are considered for the portfolio under analysis, extreme scenarios different from historical ones are created, and other alternative scenarios of future markets' behavior are explored.

With respect to **Liquidity Risk**, certain parameters of the economic capital tool (CFaR) are subject to stress scenarios in order to measure not only the Bank's liquidity level in adverse situations, but also to assess the additional cost the Bank will have to bear in more illiquid scenarios when attracting new depositors. Moreover, another key tool to monitor liquidity risk is based on an analysis of mismatches (or gap) between inflows and outflows in different time horizons or time bands. This analysis is carried out under a contractual scenario and also under stress scenarios or simulations where deterministic simulations are included. Assets and liabilities flows and off-balance sheet accounts are projected based on the following assumptions: liquidity crisis scenario and stochastic/random simulations. Thus, a statistical behavior regarding the evolution of deposits is established.

The following table shows the VaR at ten days with a 99% confidence:

Value at risk at 10 days with a 99% confidence		
Portfolio Exposed to Market Risk - Expected Shortfall		
	January/December 2021	**January/December 2020**
Minimum for the year	3,512,863	2,089,750
Maximum for the year	4,995,415	3,980,495
Average for the year	4,119,804	2,946,582
At year end	4,271,227	3,980,495

Note 36 – Fair value measurements of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Group measures the fair value of a financial instrument using the quoted price in an active market. A market is considered active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques maximizing the use of relevant market inputs and minimizing the use of unobservable inputs. The choice of a valuation technique includes all factors market participants would take into consideration for the purposes of setting the price of the transaction.

Fair values are categorized into different levels in the fair value hierarchy based on the input data used in the measurement techniques, as follows:

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- Level 1: quoted prices in active markets (no adjustment) for identical assets or liabilities.
- Level 2: valuation models using observable market data as significant inputs.
- Level 3: valuation models using unobservable market data as significant inputs.

Note 37 - Categories and fair value of financial assets and financial liabilities

The following table shows the categories of financial assets and liabilities at December 31, 2021:

ITEM	MEASURED AT			FAIR VALUE	FAIR VALUE HIERARCHY		
	AMORTIZED COST	FAIR VALUE THROUGH OCI	FAIR VALUE THROUGH PROFIT OR LOSS		LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL ASSETS							
Cash and deposits in Banks	243,143,240			(1)			
. Cash	50,587,059						
. Banks and Correspondents	192,556,181						
Debt securities at fair value through profit or loss	-	-	222,867,151	222,867,151	110,516,411	112,350,740	-
Repo Transactions	340,506,028			(1)			
Other financial assets	19,783,638	-	28,530,232	28,530,232	28,530,232	-	-
Loans and other financing	447,444,863	-	-	507,958,702	-	-	507,958,702
Other debt securities	97,422,805	3,892,561	-	90,210,846	74,630,523	3,136,594	12,443,729
Financial assets pledged as collateral	26,980,294	-	-	(1)	-	-	-
Investments in Equity Instruments		798,841	2,316,531	3,115,372	1,301,724	1,747,811	65,837
TOTAL FINANCIAL ASSETS	**1,175,280,868**	**4,691,402**	**253,713,914**	**852,682,303**	**214,978,890**	**117,235,145**	**520,468,268**
FINANCIAL LIABILITIES							
Deposits	1,181,794,096			1,237,811,434	-	-	1,237,811,434
Derivative instruments			815	815	815	-	-
Repo Transactions	48,112						
Other financial liabilities	37,256,899		-	37,256,899	-	-	37,256,899
Financing received from the BCRA and other financial institutions	590,978		-	(1)	-	-	-
Corporate bonds issued	2,221,631		-	2,256,632	-	2,256,632	-
TOTAL FINANCIAL LIABILITIES	**1,221,911,716**		**815**	**1,277,325,780**	**815**	**2,256,632**	**1,275,068,333**

(1) *not shown since it is estimated that fair value is similar to its accounting value.*

The following table shows the categories of financial assets and liabilities at December 31, 2020:

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March 10, 2022
KPMG

(Partner)
C.P.C.E.P.B.A. Vº 1 Fº 193 Folder 193

Alejandro A. Garcia General Accountant	Rubén O. González Ocantos General Manager	Juan M. Cuattromo President	María Gabriela Saavedra Public Accountant (U.N.S.) C.P.C.E.P.B.A. Volume 172 – Folio 1 Folder No. 44622/0 Taxpayer registration code: 27-22976216-3

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ITEM	MEASURED AT			FAIR VALUE	FAIR VALUE HIERARCHY		
	AMORTIZED COST	FAIR VALUE THROUGH OCI	FAIR VALUE THROUGH PROFIT OR LOSS		LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL ASSETS							
Cash and deposits in Banks	238,152,102			(1)			
. Cash	56,080,899						
. Banks and correspondents	182,071,203						
Debt securities at fair value through profit or loss	-	-	305,904,033	305,904,033	113,357,806	192,546,227	-
Repo Transactions	182,597,391			(1)			
Other financial assets	26,871,293	-	29,572,467	29,572,467	29,572,467	-	-
Loans and other financing	469,272,989			545,043,489	-	-	545,043,489
Other debt securities	132,742,973	5,880,273	-	127,848,541	92,556,432	3,335,557	31,956,552
Financial assets pledged as collateral	25,651,020	-	-	(1)	-	-	-
Investments in equity instruments	-	917,214	4,781,942	5,699,156	1,279,052	1,840,752	2,579,352
TOTAL FINANCIAL ASSETS	**1,075,287,768**	**6,797,487**	**340,258,442**	**1,014,067,686**	**236,765,757**	**197,722,536**	**579,579,393**
FINANCIAL LIABILITIES							
Deposits	1,155,885,320			1,223,536,644	-	-	1,223,536,644
Repo transactions	709,306			(1)			-
Other financial liabilities	38,784,338		-	38,784,338	-	-	38,784,338
Financing received from the BCRA and other financial institutions	462,254		-	(1)	-	-	-
Corporate bonds issued	7,359,818		-	11,928,293	-	11,928,293	-
TOTAL FINANCIAL LIABILITIES	**1,203,201,036**		**-**	**1,274,249,275**	**-**	**11,928,293**	**1,262,320,982**

(1) *not shown since it is estimated that fair value is similar to its accounting value.*

Fair value of financial assets and liabilities - Hierarchies 2 and 3

With respect to investments in equity instruments, the Class "B" shareholding in Bladex SA valued at fair value through profit or loss (hierarchy 2) is included in "Corporate securities/shareholding in non-controlled financial institutions". Such value is determined using valuation techniques based on the directly observable market data for a similar asset. Therefore, considering that the Bank may convert class "B" shares in class "E" shares (represented by institutional and retail investors), by quoting in the New York Stock Exchange, such quotation was used for this measurement.

Fair value of assets and liabilities not measured at fair value

Below is a description of methodologies and assumptions used to assess the fair value of the main financial instruments not measured at fair value, when the instrument does not have a quoted price in a known market.

- Assets and liabilities with fair value similar to their accounting balance

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Alejandro A. Garcia
General Accountant

Rubén O. González Ocantos
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For financial assets and financial liabilities maturing in a short term, it is considered that the accounting balance is similar to the fair value. This assumption also applies for cash and deposits in banks, repo transactions, financial assets pledged as collateral, deposits in savings accounts, checking accounts and financing received from the BCRA and other financial institutions.

- Fixed rate financial instruments

The fair value of financial assets was assessed by discounting future cash flows at market rates at each measurement date for financial instruments with similar characteristics.

The estimated fair value of fixed interest rate deposits was assessed by discounting future cash flows using market interest rates for placements with similar maturities.

Note 38 - Information by segments

For management reporting purposes, the Bank defines the following operation segments:

Corporate:

Corporate segment groups transactions carried out by large, medium, small and micro enterprises, which make use of the credit facilities offered by the Bank through loans to the Private Sector. It also includes deposits in sight accounts, fix-term deposits and other fee-generating products and services.

Business and Professionals (B&P) and Micro entrepreneurs:

This segment includes transactions carried out by individuals who develop business activities as professionals, have small businesses and/or are micro entrepreneurs and make use of credit facilities offered by the Bank through loans to the Private Sector. It also includes deposits in sight accounts, fix-term deposits and other fee-generating products and services.

Retail:

Retail segment groups transactions carried out by individuals, who make use of credit facilities offered by the Bank through loans to the Private Sector. It also includes deposits in sight accounts, fix-term deposits and other fee-generating products and services.

Public sector:

This segment groups transactions carried out with the National, Provincial and Municipal Administrations, except for those transactions carried out with debt securities, which are shown under Treasury.

Treasury:

Treasury segment includes central and investment activities, exchange transactions and funding operations not attributable to other segments.

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Regulatory differences:

They include the reconciliation between managerial and regulatory information, mainly based on the following facts:

- Information on balances is exposed on a monthly average base and not on closing balances.
- The Bank uses a transfer price internal system in order to assign a cost or value of funds to each placement or deposit of money, which is not booked.

Balance sheet and results by segment

There follows information by segments, equity data and results as at December 31, 2021 and 2020.

December 2021

	Corporate	B&P and micro entrepreneurs	Retail	Public Sector	Treasury	Total	Regulatory differences	Subsidiaries	Group total at 12.31.2021
Average assets (1)	200,365,063	26,346,756	147,336,042	12,959,889	715,978,686	1,102,986,436	318,566,379	**112,504,585**	**1,534,057,400**
Average Liabilities (1)	363,841,949	42,033,846	99,213,925	458,445,186	50,083,655	1,013,618,561	248,448,409	**107,633,372**	**1,369,700,342**
Net Financial Income	67,405,780	8,905,850	17,716,847	21,119,239	20,170,936	135,318,652	-	33,445,909	**168,764,561**
Cost/Value of Funds (2)	30,222,935	2,181,609	(14,858,808)	133,828,816	(151,374,552)	-	-		**-**
Charge for allowances (3)	(6,169,541)	(1,006,244)	(3,933,597)	1,632	(64,912)	(11,172,662)	-	(749,969)	**(11,922,631)**
Net Income from Services	5,061,948	(487,664)	11,294,782	1,796,656	-	17,665,722	-	(1,075,884)	**16,589,838**
Administrative Expenses	(45,322,354)	(6,165,492)	(18,153,326)	(21,653,400)	(21,033,046)	(112,327,618)	-	(18,186,016)	**(130,513,634)**
Miscellaneous profit/losses, branches abroad	-	-	-	-	(19,603,597)	(19,603,597)	-	(14,184,113)	**(33,787,710)**
Income/(Loss) before Taxes	**51,198,768**	**3,428,059**	**(7,934,102)**	**135,092,943**	**(171,905,171)**	**9,880,497**	**-**	**(750,073)**	**9,130,424**
Income Tax	-	-	-	-	-	(19,378)	-	821,144	**801,766**
Total Income/(Loss) for the year						**9,861,119**		**71,071**	**9,932,190**

(1) Average corresponds only to assets and liabilities of the Bank, not of Subsidiaries.
(2) The cost/value of funds derives from applying the transfer rate to assets/liabilities.
(3) Corresponds to allowances for loan losses net of allowances reversed and receivables recovered.

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December 2020

	Corporate	B&P and micro entrepreneurs	Retail	Public Sector	Treasury	Total	Regulatory differences	Subsidiaries	Group total at 12/31/2020
Average assets (1)	248,161,706	30,100,081	136,222,192	19,107,444	473,019,626	906,611,049	493,812,656	**116,665,090**	**1,517,088,795**
Average Liabilities (1)	370,862,748	39,791,731	99,040,364	372,620,033	-	882,314,876	367,369,537	**110,217,385**	**1,359,901,798**
Net Financial Income	50,439,306	5,365,814	9,932,895	33,893,118	28,172,071	127,803,204	-	28,468,943	**156,272,147**
Cost/Value of Funds (2)	(713,911)	(1,152,614)	(9,246,412)	92,415,166	(81,302,229)	**-**	-	-	**-**
Charge for allowances (3)	(5,682,661)	(1,006,941)	(7,055,036)	(72,843)	-	(13,817,481)	-	(461,192)	**(14,278,673)**
Net Income from Services	8,063,992	160,100	11,002,299	1,747,431	-	20,973,822	-	(3,567,467)	**17,406,355**
Administrative Expenses	(48,894,522)	(6,570,683)	(15,744,514)	(11,200,713)	(29,497,000)	(111,907,432)	-	(19,053,968)	**(130,961,400)**
Miscellaneous profit/losses, branches abroad	-	-	-	-	(16,305,414)	(16,305,414)	-	(3,566,422)	**(19,871,836)**
Income/(Loss) before Taxes	**3,212,204**	**-3,204,324.00**	**(11,110,768)**	**116,782,159**	**(98,932,572)**	**6,746,699**	**-**	**1,819,894**	**8,566,593**
Income Tax	-	-	-	-	-	(140,309)	-	(1,996,963)	**(2,137,272)**
Total Income/(Loss) for the year						**6,606,390**		**(177,069)**	**6,429,321**

(1) Average corresponds only to assets and liabilities of the Bank, not of Subsidiaries.
(2) The cost/value of funds derives from applying the transfer rate to assets/liabilities.
(3) Corresponds to allowances for loan losses net of allowances reversed and receivables recovered.

Note 39 - Subsidiaries

The Bank direct and indirectly owns total shares and votes on the following entities:

- Grupo Banco Provincia SA aims at defining the strategic guidelines which will be applied to the Group’s companies. They have a strong presence in the services’ sector and develop activities of investment, trading, finance, general and life insurances, worker’s compensation, leasing, real estate and other supplementing financial activities.
- Provincia Leasing SA’s main purpose is to provide leases with option to purchase personal or real property, whether owned or acquired by the Company for leasing purposes.
- Bapro Medios de Pago SA offers a collection system for the payment of taxes and services, Technology and Networks solutions for governments and municipalities and Call Centers.
- Provincia Fideicomisos SAU has vast experience in the structuring and management of trusts, both common and financial, publicly and non-publicly offered, for the private and public sectors. (Note 39.5)
- Provincia Microempresas SA offers quality financial services with minimum requirements for provincial independent workers, who perform a business, service or production activity. The initiative is inspired on the Bank’s foundational values strongly linked to social and productive development, and equal opportunities.
- BA Desarrollo SA promotes and leads the positioning of the Province, and probably of Argentina, towards the Sustainable Development. It operates as an access for every investor who wishes to place its project in strategic

sectors of the province and the country. At the end of 2021, BA Desarrollo SA was under liquidation process. (Note 39.4)

The Bank indirectly owns 60% of shares and votes of the following insurance companies, which are regulated by the National Insurance Superintendency (*Superintendencia de Seguros de la Nación - SSN*):

- Provincia Seguros SA is engaged in the coverage of any type of risk, both for individuals and corporations, whether of industrial, commercial or service nature.

- Provincia Seguros de Vida SA is devoted to the production of individual life insurances.

The Bank direct and indirectly owns 89.1%, 99% and 99.99% of the shares and votes of the following companies:

- Provinfondos SA is a firm that carries out activities as a mutual fund managing company in line with the provisions of Law No. 24083, where Banco de la Provincia de Buenos Aires is the Depository Company.

- Provincia Bursátil SA is devoted to brokerage transactions.

- Provincia Aseguradora de Riesgo de Trabajo SA commercializes the mandatory insurance policy for every employer regulated under Law No. 26773. The purpose of the workers' compensation insurance is the prevention of labor accidents and professional diseases, compensation of damages through appropriate medical assistance, payment of lost wages, compensation in case of inability and job reinsertion for those workers who are not able to return to work as a consequence of the accident. Said company is regulated by the SSN and the Workers' Compensation Insurance Superintendency (*Superintendencia de Riesgo de Trabajo -SRT*).

Likewise, the Bank has control over the following structured entities:

- Banco Provincia Foundation: its mission is to strengthen social and educational supportive environments for children and young people, prompting the creation of social networks and involving the local community, in the most vulnerable places of the Province of Buenos Aires.

- 1822 Raíces Abierto Pyme Mutual Fund: The fund mainly invests in financial assets issued by SMEs and/or other entities for financing purposes.

Besides the aforementioned entities, at December 31, 2020, the Bank had control over the following structured entities:

- 1822 Raíces Valores Fiduciarios Mutual Fund: The portfolio is mainly made up of financial trusts publicly offered.

- 1822 Raíces Dólares Plus Mutual Fund: The fund seeks for profitability in the medium term through a diversified fixed-income portfolio (including securities issued by Chile and Brazil), sight deposits and temporary placements in dollars.

In the case of mutual funds, the Bank analyses the holding of registered quota shares at each year-end in order to determine the control existence at each date. In such analysis, the Bank considers not only the direct and indirect holding maintained by the Group but also the composition of the remaining investors' structure to assess the need of consolidation under the IFRS 10.

39.1 Financial support to structured entities

The Bank provides continuous financial support to Banco Provincia Foundation. A subsidy's first annual installment for $20,194 to such foundation was agreed under the Board of Directors' Resolution No. 153/21, issued on March 11, 2021. On May 13, 2021, a subsidy's second annual installment for $20,194 was agreed under the Board of Directors' Resolution No. 337/21. On July 15, 2021, a subsidy's third annual installment for $20,194 was agreed under the Board of Directors' Resolution No. 496/21. On October 28, 2021, a subsidy's fourth annual installment for $20,194 was agreed under the Board of Directors' Resolution No. 646/21. On December 9, 2021, a subsidy's fifth annual installment for $20,194 was agreed under the Board of Directors' Resolution No. 839/21. At December 31, 2021, the amount paid to such Foundation amounted to $100,970.

39.2 Provincia Aseguradora de Riesgos del Trabajo

a. Minimum Capital Requirements

At December 31, 2021, the Company recorded a $2,432,926 surplus in its minimum capital and a $4,582,524 surplus in the coverage of debts to insureds, calculated according to the provisions of the *RGAA*.

Moreover, Provincia ART SA complied with the last Regularization and Reorganization Plan regarding the deficits in Minimum Capital and Coverage of Debts to insureds within the term stipulated therein.

b. Self- insurance contract of the Government of the Province of Buenos Aires

Provincia ART SA manages the self-insurance contract of the Government of the Province of Buenos Aires and significant receivable amounts have accrued in its favor which, at December 31, 2021, amounted to $1,724,522. After December 31, 2021, the company received payments for $85,000 to partially settle this debt.

c. Amendments to the legislation in force

Determination of debts with insureds is affected by changes in legislations, regulations and case law. Particularly, there is no definitive resolution on the following events, which could affect their determination:

- Declaration of unconstitutionality of certain sections of Law No. 24557 (which regulates Workers' Compensation Insurance companies);
- National Executive Order No. 1694/09 (changes in the amounts of monetary compensations for disabilities and the creation of the registry of medical services providers);
- Resolution No. 35550 issued by the SSN (civil liability insurance to cover risks derived from accidents at work and occupational diseases);
- Law No. 26773 (rules on injuries derived from accidents at work and occupational diseases in order to reduce the litigation rate in the system);
- National Executive Order No. 472/14 (rules on temporary disability period and compensation amounts);
- Judgment rendered by the Argentine Supreme Court of Justice on June 7, 2016 (applicability of Law No. 26773)
- National Executive Order No. 54/17 and Law No. 27348 (mandatory application of jurisdictional medical commissions, creation of the provincial public self-insurance, changes in compensation amounts);
- Law No. 27348 (rules on injuries derived from accidents at work and occupational diseases).

The authorities of Provincia Aseguradora de Riesgos del Trabajo SA understand that the Company's reserves at December 31, 2021 include all significant known effects derived from the regulatory changes described above as well as the different application methods under each jurisdiction. However, at the date of issuance of these Financial Statements, the final effect of these changes on the loss ratio estimated by the Company could not be determined.

Additionally, the SSN issued Resolutions Nos. 966 and 1039 providing that court-ordered claims must be adjusted in accordance with the stable worker's average taxable remuneration (*remuneraciones imponibles promedio de los trabajadores estables - RIPTE*) index. At December 31, 2019, Provincia ART SA valued its reserves according to the guidelines therein stated. Such valuation resulted in a significant benefit leading to the surplus mentioned above.

The Company's authorities have estimated the reserves adequacy in accordance with the rules issued by the SSN by application of the IFRS. Since the Company has adjusted its calculations to the regulation in force, provisions were reversed, totaling $781,275 at December 31, 2021. Such amount was disclosed under the "Provisions" caption.

d. Trust Fund for Occupational Diseases (*Fondo Fiduciario para Enfermedades Profesionales* - FFEP)

At December 31, 2021, the Company registered receivable amounts from the FFEP pursuant to the SSN Resolution No. 29323/03. This Fund was created under Decree No. 1278/00 and the regulations established by SSN Resolutions Nos. 358 and 507 which included the provisions set forth by the Executive Branch Emergency Decree No. 367 dated April 13, 2020. Such decree defined COVID-19 as a not-listed occupational disease.

Mention should be made that funding of the amounts granted to cover COVID-19 cases is 100% allocated to the FFEP. A minimum reserve equivalent to 10% of the FFEP's resources shall be kept to cover any other costs arising from other potential occupational diseases. Although the fund covers the whole workers´ system, the regulation sets forth that 80% of the collected amounts shall be withheld and administered by each Workers' Compensation Insurance Company and the remaining 20% shall be transferred to a joint account administered by the Union of Workers' Compensation Insurance Companies (*Unión de Aseguradoras de Riesgos del Trabajo* - UART) according to the SSN regulation. To this end, a coordinator has been appointed.

Taking into account the numbers of cases to be allocated to the FFEP due to the pandemic, the SSN suspended the 20% transfer to the joint account as from January 2021 (SSN Resolution No. 507/20). Likewise, the workers´ monthly contribution destined to the FFEP increased from $0.60 to $40 according to Resolution No. 115/21 issued by the Ministry of Labor, Employment and Social Security.

On August 10, 2021, through Resolution No. 604/21, the SSN provided for a financial compensation on the amounts on account of the FFEP paid by the Workers' Compensation Insurance Companies making payments of amounts chargeable to the FFEP with their own resources. Such regulation provided for an interest rate applicable over the FFEP excess balance defined as the average monthly effective interest rates arising from the prevailing Banco de la Nación Argentina´s borrowing rates for 30-days fixed term deposits. At December 31, 2021, Provincia Aseguradora de Riesgo de Trabajo recorded $392,087 on account of such financial compensation under the "Other Receivables - Sundry Debtors" caption.

On the same date, the Ministry of Labor, Employment and Social Security issued Resolution No. 467/21 whereby the fixed amount established under section 5 of Decree No. 590/97, as amended and supplemented, shall be quarterly adjusted by applying the RIPTE index for the months immediately preceding the first and the last months of the period to be adjusted, respectively. As from September 2021, each worker shall pay a $40 monthly contribution, as an initial basis, pursuant to Resolution No. 115/21.

On December 6, 2021, the Ministry of Labor, Employment and Social Security issued Resolution No. 794/21 establishing that each worker shall pay a fixed amount of $100 destined to the FFEP as from February 2022. This amount will be paid out of the salaries accrued in January 2022.

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Notwithstanding the measures adopted by the Control Authorities, the funds managed by this Company exhausted in January 2021. Together with the financial statements at March 31, June 30 and September 30, 2021, claims for the recovery of the amounts recorded at such dates to be received from the joint fund were presented before the SSN for $599,709, $473,258 and $2,021,852, respectively. At the date of these financial statements, the Company has collected the amount of $599,709 previously mentioned.

After year-end, the Company has partially collected $55,743 from the amount owed by the FFEP.

At December 31, 2021, the amount owed by the FFEP to the Company totaled $3,624,990.

At December 31, 2021, such balance was recorded under the "Other non-financial assets" caption in these consolidated financial statements. (See Note 16)

Moreover, at December 31, 2021, pending claims for $14,758,874 were disclosed which, in turn, were offset by the amounts to be recovered from the FFEP.

The Group´s Management periodically monitors the evolution of the balances to be recovered from the FFEP recognized by Provincia Aseguradora de Riesgos del Trabajo SA, with respect to the funding of the in kind or monetary compensations of the COVID-19-related claims, according to the provisions set forth by the National Executive Branch Decree No. 367/20, as amended and supplemented. Its impact on the Company´s financial condition could not be reasonably assessed since it will depend on the pandemic extension and duration and the supplementary regulations issued accordingly.

39.3 Provincia Seguros

Minimum Capital Requirements

Provincia Seguros SA is governed by the regulations issued by the SSN, which, among other aspects, require to maintain a minimum capital according to Section 30 of the RGAA and to comply with the coverage calculation of Section 35 of said regulations. At December 31, 2021, Provincia Seguros SA showed a surplus in its minimum capital for $4,759,940 calculated according with SSN rules. The following amounts were excluded as "Other non-computable receivables":

	12.31.2021
Advances	4,076
Other receivables from sale	6,734
Total Other non-computable receivables	**10,810**

Likewise, at December 31, 2021, the Company recorded a $5,760,444 surplus in the coverage of debts to insureds, calculated according to the provisions of Section 35 of the RGAA.

At December 31, 2021, the Company complied with the Rules on Investment Policies and Procedures, as stipulated in the RGAA, approved by its Board of Directors, with the exception mentioned in item 35.9.3 of the RGAA, eliminating any excess in technical ratios.

39.4 BA Desarrollo SA

On December 26, 2018, the Entity granted a power of attorney to approve, through Board of Directors' Minutes No. 1639/18, the Annual Report and reissued Financial Statements for the fiscal year ended December 31, 2017 and to appoint the Liquidator and Receiver. The Special and Regular General Meeting of Shareholders was held on December 28, 2018.

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Through Resolution No. 726/20 dated November 12, 2020, the Entity granted a power of attorney to appoint the Liquidator and Receiver.

39.5 Provincia Fideicomisos SAU

On April 29, 2021, the Company held a Special and Regular General Meeting whereby the corporate name changed from "Bapro Mandatos y Negocios SAU" to "Provincia Fideicomisos SAU".

39.6 Non-controlling interests

December 2021

	PROVINCIA SEGUROS	PROVINCIA SEGUROS DE VIDA	PROVINCIA ASEGURADORA DE RIESGOS DEL TRABAJO SA	PROVINCIA BURSATIL	PROVINFONDOS SA	RAICES ABIERTO PYME MUTUAL FUND	TOTAL
Non-controlling interests percentage	**40%**	**40%**	**0.012%**	**1%**	**10.90%**	**39.14%**	
Cash and Deposits in banks	49,730	3,971	8	22	228	6,144	60,103
Debt securities at fair value through profit or loss	3,021,602	6,197	534	211	18,934	733,672	3,781,150
Other financial assets	7,604,142	904,956	2,358	2,042	196,239	13,248	8,722,985
Other debt securities	5,492,346	993,908	4,441	-	-	-	6,490,695
Investments in equity instruments	100,751	17,140	18	7,988	23,669	-	149,566
Investments in subsidiaries, associates and joint ventures	1,024	-	-	15,996	-	-	17,020
Other	605,057	8,002	1,259	41	1,412	-	615,771
Total assets - Non-controlling interests	**16,874,652**	**1,934,174**	**8,618**	**26,300**	**240,482**	**753,064**	**19,837,290**
Provisions	(125,946)	(42)	(26)	(14)	(366)	-	(126,394)
Current income tax liabilities	(60,066)	-	-	(32)	(41,600)	-	(101,698)
Deferred income tax liabilities	-	(58,215)	-	(2,569)	-	-	(60,784)
Other non-financial liabilities	(13,549,952)	(1,112,232)	(7,968)	(234)	(5,214)	(1,601)	(14,677,201)
Total liabilities - Non-controlling interests	**(13,735,964)**	**(1,170,489)**	**(7,994)**	**(2,849)**	**(47,180)**	**(1,601)**	**(14,966,077)**
Net worth - Non-controlling interests	**3,138,688**	**763,685**	**624**	**23,451**	**193,302**	**751,463**	**4,871,213**

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General Accountant

Rubén O. González Ocantos
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December 2020

	PROVINCIA SEGUROS	PROVINCIA SEGUROS DE VIDA	PROVINCIA ASEGURADORA DE RIESGOS DEL TRABAJO	PROVINCIA BURSATIL	PROVIN-FONDOS	RAICES VALORES FIDUCIARIOS MUTUAL FUND	RAICES ABIERTO PYME MUTUAL FUND	RAICES DOLARES PLUS MUTUAL FUND	TOTAL
Non-controlling interests percentage	**40%**	**40%**	**0.012%**	**1.00%**	**10.90%**	**55.03%**	**43.93%**	**56.26%**	
Cash and Deposits in Banks	82,432	3,946	9	38	119	3,689	1,061	88,986	180,280
Debt securities at fair value through profit or loss	2,261,213	1,887	-	72	15,909	1,747,599	274,903	469,726	4,771,309
Other financial assets	7,558,881	1,087,368	3,903	1,777	70,065	268,772	66,610	227,281	9,284,657
Other debt securities	6,454,985	933,745	4,939	-	-	-	-	-	7,393,669
Investments in equity instruments	71,644	18,801	56	9,173	14,299	-	-	-	113,973
Investments in subsidiaries, associates and joint ventures	1,313	-	-	7,229	-	-	-	-	8,542
Other	450,316	10,587	641	184	3,557	-	-	-	465,285
Total assets - Non-controlling interests	**16,880,784**	**2,056,334**	**9,548**	**18,473**	**103,949**	**2,020,060**	**342,574**	**785,993**	**22,217,715**
Provisions	(169,022)	(133)	(33)	(3)	(50)	-	-	-	(169,241)
Current income tax liabilities	(58,357)	-	-	(8)	(10,480)	-	-	-	(68,845)
Deferred income tax liabilities	(36,055)	(101,801)	(125)	(2,133)	(2,500)	-	-	-	(142,614)
Other non-financial liabilities	(13,936,408)	(1,255,515)	(8,474)	(237)	(3,692)	(136,587)	(1,303)	(47,094)	(15,389,310)
Total liabilities - non-controlling interests	**(14,199,842)**	**(1,357,449)**	**(8,632)**	**(2,381)**	**(16,722)**	**(136,587)**	**(1,303)**	**(47,094)**	**(15,770,010)**
Net worth - Non-controlling interests	**2,680,942**	**698,885**	**916**	**16,092**	**87,227**	**1,883,473**	**341,271**	**738,899**	**6,447,705**

Note 40 - Related parties

Key management personnel

The Bank considers the members of the Board of Directors as key management personnel, since they have the authority and responsibility to plan, manage and control the Bank's activities.

The Directors are classified as senior staff without job stability pursuant to Law No. 10430. Likewise, this law provides for the items included in their compensation.

The following table shows short-term benefits at December 31, 2021 and 2020:

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COMPENSATIONS	12.31.2021	12.31.2020
SHORT-TERM BENEFITS	100,570	110,498

At December 31, 2021 and 2020, loans and deposits of key management personnel are as follows:

	MAXIMUM BALANCE AT 12.31.2021(1)	BALANCE AT 12.31.2021	MAXIMUM BALANCE AT 12.31.2020(1)	BALANCE AT 12.31.2020
Cards	1,642	1,642	1,838	1,838
TOTAL LOANS	**1,642**	**1,642**	**1,838**	**1,838**
Savings accounts	16,061	16,061	20,880	20,880
Fixed-term deposits	27,053	27,053	34,991	34,991
TOTAL DEPOSITS	**43,114**	**43,114**	**55,871**	**55,871**

(1) Due to the great volume of transactions, it is considered more representative to inform the balance at the end of the reported period.

Loans and deposits with related parties have been carried out under market conditions. Balances of loans granted are classified under normal performance at December 31, 2021 and 2020 pursuant to the provisions and allowances rules issued by the BCRA.

Province of Buenos Aires

The Entity makes use of the exemption of paragraph 25 of IAS 24 since the Bank is controlled by the Province of Buenos Aires. Therefore, the most significant transactions with the Province are detailed below:

	12.31.2021	12.31.2020
Bonds to be received	**3,435,991**	**5,186,327**
Bond to be received - Executive Order 2094/12 -Provincial Ministry of Economy	3,435,991	5,186,327
Bonds received	**8,746,530**	**18,661,777**
Bond of the Province of Buenos Aires Retirement and Pension Fund 2023	3,725,696	9,969,449
Bond of the Province of Buenos Aires - January 2024	3,088,878	6,008,015
Bond of the Province of Buenos Aires - July 2024	1,931,956	2,684,313
Loans	**3,941,770**	**5,949,756**
Other Loans - Province of Buenos Aires Art. 9 Item B	3,941,770	5,949,756
Deposits	**49,997,893**	**72,986,169**
Checking accounts	20,255,953	39,390,226
Savings Accounts	17,686,872	18,399,140
Fixed-term deposits	12,055,068	15,196,803

	12.31.2021		12.31.2020	
	Maximum balance (1)	Final balance	Maximum balance (1)	Final balance
Checking Account	20,255,953	20,255,953	39,390,226	39,390,226
Savings Account	17,686,872	17,686,872	18,399,140	18,399,140
Fixed-term deposits	12,055,068	12,055,068	15,196,803	15,196,803

(1) Due to the great volume of transactions, it is considered more representative to inform the balance at the end of the reported period.

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Rubén O. González Ocantos
General Manager

Juan M. Cuattromo
President

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Note 41 - Leases

The Group acting as lessor

Financial Lease

The Group grants financing in the form of financial leases through Provincia Leasing SA.

At December 31, 2021 and 2020, the breakdown of financial leases is the following:

	12.31.2021	12.31.2020
- Machinery and equipment leased	3,716,649	3,250,853
- Charges to be collected on receivables from financial leases	395,022	467,687
- Machinery and equipment to be recovered	3,541	41,684
- Other	7,106	26,003
	4,122,318	**3,786,227**

At December 31, 2021 and 2020, the amounts of financial leases granted to the non-financial public sector totaled $2,701,991 and $2,655,645, respectively (Note 10).

The following table shows the total amount for the payment of financial leases and the current value of minimum payments to be received thereunder:

Term	12.31.2021		12.31.2020	
	Total investment	Current value of minimum payments	Total investment	Current value of minimum payments
Up to 1 year	578,988	1,001,095	1,348,264	1,264,385
From 1 to 5 years	3,633,447	2,715,554	3,516,149	1,986,468

Operating Lease

There follow the minimum future payments of leases under operating lease contracts at December 31, 2021 and 2020:

	12.31.2021	12.31.2020
Up to 1 year	47,508	11,936
From 1 to 5 years	37,042	7,482
Total	**84,550**	**19,418**

Note 42 – Restricted Assets

The Group holds the following restricted assets:

Assets	Location	Original Nominal Value		Pesos		Description
		12.31.2021	12.31.2020	12.31.2021	12.31.2020	
Other debt securities	Sao Paulo Branch	850	560	176,393	148,107	Financial Treasury Bills as collateral for transactions with BM&F, exchange clearing house and other collaterals.

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Financial assets pledged as collateral	Sao Paulo Branch	-	-	26,374	508	Other collateral deposits
	Montevideo Branch	-	31,140,000	-	709,136	Repo transactions of the following securities: US Strip, JPM 2023, Goldman 2023, HSBC Float 2024 and Banco Santander España 2022
	Bank	-	-	23,775,500	20,857,098	BCRA collateral deposits
		-	-	2,177,683	2,513,176	Credit Card Guarantee Funds
		-	-	68,436	184,160	Red Link Development Guarantee Funds
		-	-	3,028	3,277	Lease Guarantee Funds
		-	360	-	429,767	TC21 Bond as collateral through MAE, ROFEX and BYMA
		3,000	-	3,423	-	X29L2 Bond as collateral through ROFEX
		86	-	5,565	-	AL30 Bond as collateral through MAE and BYMA
		970	-	105,144	-	AL35 Bond as collateral through MAE and BYMA
		-	-	795,739	948,936	Guarantee Funds to finance own Visa and Argencard users' consumption abroad
		-	-	11,823	2,262	Other collateral deposits
	Bapro Medios de Pago SA	-	-	673	832	Collateral deposits
	Provincia Seguros SA	-	3,000	-	44	Quota shares of "Fima Ahorro Plus" mutual fund, under attachment
		21,015	-	324	-	Toronto Trust - Class B
		3,100	-	31	-	Toronto Trust Global Capital B
		12,103	12,103	397	431	Quota shares of "FBA Ahorro Pesos" mutual fund, under attachment
		34,728	8,754	6,154	1,393	Quota shares of "Superfondo Renta Variable" mutual fund, under attachment
Other non-financial assets	Provincia Aseguradora de Riesgos del Trabajo SA	-	-	972,254	1,506,200	Attachment for injunctions where the entity was sued as defendant or secondary liability co-defendant
		-	-	1,178	1,058	Mutual Funds under attachment
	Provincia Seguros SA	-	-	173,802	169,756	Court deposits levied under legal proceedings, included in the Provision for Pending Claims or claims not related to insurance activities.

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Note 43 – Restrictions on the distribution of profits

As regards the income/(loss) for the year ended December 31, 2019, the Board of Directors, by Resolution No. 129/20 dated February 27, 2020, decided to transfer all 2019 Retained Earnings to increase Legal Reserve for $1,799,155 and Optional Reserve for $5,792,127 as set forth in article 17 of the Bank's Charter.

Pursuant to the mentioned article of the Bank's Charter, each of the Bank's Sections shall make a separate profit and loss statement at the end of each fiscal year and shall transfer its profits to a common pool.

After deducting all the amounts necessary for clearing up the assets and 10% percent of the pertinent net profits for the legal reserve fund of each Section, all realized profits shall be allocated as follows:

- To the Capital account of the Investment Loan Section: the net surplus obtained by that Section.
- To increases in Capital and Reserves of any of the Sections, and to contingency, social security and investment funds, in the proportions determined by the Board of Directors.

The above procedure is in line with the provisions of article 17 of the Bank's Charter that differ from BCRA rules (CONAU – 1) which provide that 20% of the profits disclosed in the Statement of Income at the close of each year plus prior year adjustments less accumulated losses at the close of the previous year must be allocated to Legal Reserve.

According to the General Companies' Law (Law No. 19550), each of the Bank's subsidiaries shall allocate at least 5% of each fiscal year profits, up to 20 % of the share capital, to the setting up of a Legal Reserve Fund.

As stipulated by the BCRA, the Bank may not distribute dividends as long as the Compliance Schedule is in effect according to Resolution No. 277/18.

The fiscal year ended December 31, 2020 did not have computable earnings to allocate to legal reserves due to the effect recorded as prior year adjustment resulting from the initial application of IAS 29 and section 5.5. of IFRS 9. Therefore, the Bank's Board of Directors decided, in its meeting dated March 25, 2021, to allocate 2020 earnings to accumulated income and, consequently, no legal reserve was set up.

Note 44 - Deposit guarantee insurance

According to the provisions of article 14 of the Bank's Charter, the Province of Buenos Aires guarantees all deposits placed with, and all bonds and other securities issued by, Banco de la Provincia de Buenos Aires. Therefore, and due to its special legal status, as mentioned in Note 1 to these financial statements, the Bank is not included within the Deposit Guarantee Insurance System established by Law No. 24485 and regulated by National Executive Orders Nos. 540/95 and 1292/96.

However, in order to contribute –together with the rest of the Financial System– to the above protection mechanism, the Bank has decided its voluntary and temporary inclusion since 1997 in the Deposit Guarantee Insurance System for Private Sector deposits.

This decision was informed to Seguros de Depósitos SA and the Argentine Central Bank.

Nevertheless, since the calculation basis for the Deposit Guarantee Insurance is determined according to the information submitted to the Minimum Cash Reporting System, the Bank began to gradually make contributions for public sector's deposits (BCRA Resolution No. 81/01, section 7)). Nowadays, the Bank complies with the prevailing regulations and makes the pertinent contributions for private and public sectors' deposits.

On January 11, 2018, through Order No. 30/18, the National Executive Branch decided to eliminate the limit covered by the insurance system and revoke section 12.d of Executive Order 540/95. This system has been implemented through the creation of a "Deposit Guarantee Fund", which is managed by Seguros de Depósitos SA (SEDESA). The shareholders of SEDESA are the BCRA and the financial institutions, in the proportion determined for each of them by the BCRA based on the contributions made to such fund. BCRA Communication "A" 5943 dated April 7, 2016, as supplemented, sets forth that financial institutions shall make a contribution to the fund equivalent to 0.015% of the items included in the calculation basis. Additionally, the limit covered by the insurance system was set at $450. On February 28, 2019, the BCRA issued Communication "A" 6654 setting forth an increase in the limit covered by the deposit guarantee insurance to pesos one million, effective March 1, 2019. At December 31, 2021 and 2020, the contributions to the Fund have been recorded in "Other Operating Expenses - Contributions to the Deposit Guarantee Fund" for the amounts of $1,937,958 and $1,711,366, respectively (Note 32).

Note 45 - Trust activities

By Resolution No. 207 dated February 1, 2001, the Board of Directors approved the wording of the trust agreement under the terms of Provincial Law No. 12511 to be entered into by the Bank, as trustee, the Ministry of Public Works and Services of the Province of Buenos Aires, as enforcement authority of the liens created by Decree Laws Nos. 7290/67 and 9038/78 and Law No. 8474, the Province of Buenos Aires Housing Institute (*Instituto Provincial de la Vivienda*), as the entity in charge of collecting the proceeds from the National Housing Fund (*Fondo Nacional de la Vivienda*), and the Board of Directors of the Trust Fund for the Development of the Provincial Infrastructure Plan (*Fondo Fiduciario para el Desarrollo del Plan de Infraestructura Provincial*) whereby the Province of Buenos Aires acts as trustor. The Bank signed the agreement on February 26, 2001. The purpose of the trust is to act as guarantor and/or payor of the works carried out under Law No. 12511. At December 31, 2021 and 2020, total assets held in trust amounted to $12,309,842 and $8,802,641, respectively.

On February 28, 2007, the Bank, in its capacity as trustee, and the Social Security Fund for Surveyors, Architects, Engineers and Technicians of the Province of Buenos Aires (*Caja de Previsión Social para Agrimensores, Arquitectos, Ingenieros y Técnicos de la Provincia de Buenos Aires*), in its capacity as trustor and beneficiary, agreed on the creation of a trust for the administration of the funds corresponding to the capitalization system, according to the provisions of section 64 of Law No. 12490. At December 31, 2021 and 2020, total assets held in trust by the Bank amounted to $23,052,457 and $25,822,108, respectively.

By Resolution No. 177/13 dated February 21, 2013, the Board of Directors approved the trust agreement of the Provincial Trust Fund for Road Infrastructure System *(Fondo Fiduciario Vial de la Provincia de Buenos Aires)*, to be subscribed between the Bank, as trustee, and the Ministry of Infrastructure of the Province of Buenos Ares, as trustor. The purpose of the agreement is to finance, according to the method instructed by the Executive Branch, plans and projects destined to the construction of roads of the main and secondary road networks of the Province of Buenos Aires, as well as those works and actions to maintain them. At December 31, 2021 and 2020, total assets held in trust by the Bank amounted to $15,410,152 and $17,092,714, respectively.

By Resolution No. 60/14 dated January 16, 2014, the Board of Directors created the "Financing and Technical Assistance System for Housing Improvement". This trust fund aimed at providing financing to low-income families with housing deficit which do not qualify for loans due to their low income or lack of guarantees. At December 31, 2021 and 2020, total assets held in trust by the Bank amounted to $1,998,476 and $1,966,059, respectively.

Provincia Fideicomisos SAU

Through Provincia Fideicomisos SAU, the Group has executed several agreements with other companies whereby it was appointed as trustee of the following publicly offered financial trusts:

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Financial Trust	Trustor	Contract date	Trust asset
Forestal I Direct Mutual Fund	Underwriters of debt securities and participation certificates	3/15/2011	2,980,334

Similarly, the Group, through Provincia Fideicomisos SAU, acts as trustee in the following trusts:

Type	Trust	Trustor	Contract date	Trust asset	Financial statement
Administration	Trust Fund for the Development of the Provincial Infrastructure Plan	Province of Buenos Aires	2/1/2001	5,744,273	12/31/2020
Administration	FITBA Trust	Electric Regional Forum of the Province of Buenos Aires (FREBA)	1/13/2003	1,521,368	12/31/2020
Administration	Fuerza Solidaria Trust Fund	Banco de la Provincia de Buenos Aires, Government of the Province of Buenos Aires and the Provincial Institute of Lotteries and Casinos	8/10/2006	130,731	12/31/2020
Administration	CAAITBA - Capitalization Fund Law No. 12490	Social Security Fund for Surveyors, Architects, Engineers and Technicians of the Province of Buenos Aires	3/1/2007	17,099,585	12/31/2020
Administration	Solidaridad Trust	Social Welfare Entity for Bank Employees	8/13/2008	1	Unadited
Administration	Sucre trust	Desarrollos San Isidro SA	8/21/2008	101,214	12/31/2020
Administration	BA – INNOVA Trust	Ministry of Production of the Province of Buenos Aires	3/13/2009	27,564	12/31/2020
Administration	Estrella del Sur Trust	Bainter Inversiones Inmobiliarias SA and Círculo Inmobiliario Emprendimientos SA	3/26/2009	664,599	9/30/2017
Administration	Hotel Irú Trust	Argentine Television, Data, Interactive and Audiovisual Services labor union	4/1/2009	745,508	3/31/2020
Administration	Agrícola Samaagro Trust	Investors adhering to the trust as the result of the commercial actions taken by operators	8/28/2009	7,561	12/31/2019
Administration	Environmental Compensation Trust Fund - ACUMAR	Matanza-Riachuelo River Basin Authority	9/20/2010	609,657	6/30/2020
Administration	Provincial Trust Fund for Road Infrastructure System	Province of Buenos Aires, through the Provincial Ministry of Infrastructure	3/25/2013	11,223,659	12/31/2020
Administration	Parques Industriales Moreno Trust	Municipality of Moreno, as original trustor, and those trustors adhering after execution of the pertinent Trust Agreement	5/31/2013	541,102	12/31/2020
Administration	EDEA SA Res. Mi No. 206/13 Trust	Empresa Distribuidora de Energía Eléctrica Atlántica SA (EDEA SA)	10/30/2013	146,715	12/31/2020

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KPMG

(Partner)

Alejandro A. Garcia General Accountant	Rubén O. González Ocantos General Manager	Juan M. Cuattromo President	C.P.C.E.P.B.A. Vº 1 Fº 193 Folder 193 María Gabriela Saavedra Public Accountant (U.N.S.) C.P.C.E.P.B.A. Volume 172 – Folio 1 Folder No. 44622/0 Taxpayer registration code: 27-22976216-3

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Administration	Financing and Technical Assistance System for Housing Improvement - Public Trust Fund	Province of Buenos Aires, through the Provincial Ministry of Infrastructure	2/24/2014	1,305,150	12/31/2020
Administration	Zona Franca La Plata Trust	Buenos Aires Zona Franca La Plata SA	11/25/2015	301	12/31/2020
Administration	Fund for Financial Assistance to the Fishing Industry	Undersecretariat of Agriculture, Livestock and Fishing (Provincial Ministry of Agroindustry)	1/4/2017	64,703	12/31/2020
Administration	Administration and Financial Trust for Investment in Distribution and Maintenance in the Province of Buenos Aires (FIDBA - Municipal Distributors)	1)	3/31/2015	18,925	12/31/2020
Administration	Provincia en Marcha Trust Fund	Ministry of Agricultural Development of the Province of Buenos Aires	12/23/2020	-	-
Administration	Rovella Carranza Trust	Rovella Carranza SA	12/2/2021	-	-
Guarantee	Coviares	Coviares SA	5/7/2001	-	-
Guarantee	Claypole - Suterh	Complejo Habitacional Nuevo Suterh Sociedad Civil, Complejo Habitacional Nuevo Suterh II Sociedad Civil and Tollcen Corporación SA	9/12/2001	-	-
Guarantee	Corrientes	Municipality of the City of Corrientes	11/3/2003	-	-
Guarantee	Covisur II	Concesionaria Vial del Sur SA	1/9/2004	-	-
Guarantee	Protección INDER	Protección Mutual de Seguros del Transporte Público de Pasajeros	12/29/2003	-	-
Guarantee	Ministerio Ades	Municipal Institute of Production, Labor and Foreign Trade (Lomas de Zamora), Local Development Association (Balcarce), Economic Development Agency (San Nicolás), IDEB Center (La Plata) and Association of Trade and Industry (Las Flores)	7/30/2004	-	-
Guarantee	Insurance	Garantía Mutual de Seguros del Transporte Público de Pasajeros	4/21/2005	-	-
Guarantee	Punta Médanos Etapa I	Azul Marino SA and Canevas SA	7/12/2006	-	-
Guarantee	ABSA Trust - Leasing	Aguas Bonaerenses SA	4/30/2007	-	-
Guarantee	Asociación de Médicos Municipales Trust	Association of Municipal Physicians of the City of Buenos Aires	4/5/2011	-	-
Guarantee	FEPSA Trust	Compañía Inversora Ferroviaria SAIF	4/13/2011	-	-
Guarantee	Concesiones Viales Trust Fund (former Fideic. Fdo.	Autovía del Mar SA	6/30/2011	-	-

See our report dated
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(Partner)

Alejandro A. Garcia
General Accountant

Rubén O. González Ocantos
General Manager

Juan M. Cuattromo
President

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	Corredor Vial Integrado del Atlántico)				
Guarantee	Estadio y Sede Club Deportivo Morón Trust	Club Deportivo Morón - Municipality of Morón	12/13/2011	-	-
Guarantee	Parque Industrial Curtidor (ACUBA) Trust	2)	11/2/2012	-	-
Guarantee	Resolution No. 52/12 Trust	(i) Autovía del Mar SA and (ii) Covisur SA	12/27/2012	-	-

1) i) Cooperativa de Electricidad y Servicios Anexos Limitada de Zárate, (ii) Cooperativa Eléctrica y de Servicios Públicos Lujanense Limitada, (iii) Usina Popular y Municipal de Tandil Soc. de Economía Mixta, (iv) Usina Popular Cooperativa de Obras, Servicios Públicos y Sociales Limitada de Necochea "Sebastián de María", (v) Cooperativa Eléctrica de Servicios Anexos de Vivienda y Crédito de Pergamino Limitada, (vi) Cooperativa Limitada de Consumo de Electricidad y Servicios Anexos de Olavarría, (vii) Cooperativa de Provisión de Servicios Eléctricos, Públicos y Sociales de San Pedro Limitada, (viii) Cooperativa de Obras, Servicios Públicos y Sociales Limitada de Tres Arroyos (CELTA), (ix) Cooperativa Limitada de Provisión de Servicios Eléctricos, Obras y Servicios Públicos Asistenciales y Créditos, Vivienda y Consumo de Trenque Lauquen, and (x) Cooperativa Eléctrica de Chacabuco Limitada.

2) (i) Atilio Bianco e hijos SRL (ii) Cuero Florida SRL (iii) Curtiduria Oscar A. Iturri SRL (iv) Curtiembre Juan Céfalo SRL (v) Curtiembre Napolitana SRL (vi) Curtiembre Torres Hnos. SA (vii) Donato de Nicola e hijos SRL (viii) Jose E. Kondratzky SRL (ix) Jose y Salvador Sirica SH (x) La Teresa SACI (xi) Maria Lettieri SA (xii) Martucci Hnos. SH (xiii) Pirolo Consolato e hijos SH (xiv) Skinmax SA (xv) Solofracuer SA (xvi) South America Trading Leader SA (xvii) Sucesión de Scabini, Miranda y Carrascal SH (xviii) Terlizzi Christian Gaston (xix) Vicente Luciano e hijos SRL and (xx) Francisco Adolfo Volpe.

Estrella del Sur trust

With regard to the "Estrella del Sur" Trust, out of a total of 924 houses originally projected for construction, 90 beneficiaries have filed actions intended to obtain the pertinent deeds and to seek compensation for damages. In all cases, the actions were jointly brought against C.I.E.S.A., Bainter SA, Deloitte & Co SA and the Company, both in its capacity as trustee of the Estrella del Sur trust and in personal capacity.

The Receiver reported the use of the funds existing in the judicial account as from the beginning of the Liquidation (funds timely delivered by the Trustee together with the pertinent interest) considering their adequacy until May, 2019.

The first auction was held on April 24, 2019, and was declared void. Then, a second auction took place on May 28, 2019 under new conditions (a 25% reduction in the Base Price) but was also declared null and void. Therefore, a new date was fixed (July 4, 2019) with a new reduction in the base price. Though no interested people attended to the first call, there were several bidders during the second call and the Asset was finally sold at US$10,050.

On September 13, 2019, the Receiver submitted his Final Report and a first Proposed Distribution of Funds. The Company and various admitted creditors, including Trust´s former beneficiaries and suppliers, raised some objections on the proposed distribution. On November 21, 2019, the Receiver answered those objections, pointing out the lack of interest from most of the investors in setting up a provision for a probable action against the Company since the wide majority of investors is not intended to bring any action. Rather, they consider to increase the distribution percentage and put in place an alternative preventive mechanism to obtain more reasonable dividends according to the Bankruptcy Proceedings Law No. 24522, Section 119. In addition, on December 12, 2019, the Argentine Appellate Court in Commercial Matters received the Prosecutor's opinion, stating June 1, 2012 as the initial date on which the payments related to the assets in liquidation were suspended.

As regards the Proposed Distribution of Funds, though the Court resolved different objections on July 20, 2020, at the date of these financial statements, the final decision is still pending. The following matters are being considered by the pertinent Prosecutor´s Office and, in due time, will be heard by the Argentine Appellate Court in Commercial Matters: (i) the motion for reconsideration filed by the Company on November 6, 2020 regarding the exchange rate at which, on November 2, 2020, the creditors received the US Dollar amounts resulting from the auction of the sole asset dated July 4, 2019 and (ii) the motion for reconsideration filed by the Company against the resolution dated November 24, 2020 dismissing the appeal against the resolution of November 12, 2020 which had approved the Proposed Distribution of Funds submitted by the Receiver on November 9, 2020 grounded on the exchange rate giving rise to the first complaint.

On September 11, 2020, the hearing Court resolved the Receiver's lack of legal standing to sue, ordering the reversal of the specific reserve and its distribution so as to readjust the mentioned Proposed Distribution of Funds.

Finally, based on the opinion submitted by the Prosecutor´s Office before the appellate court on February 18, 2021 (favoring the claim lodged by the Company in November 2020), on September 30,2021, the Argentine Appellate Court in Commercial Matters, Room "B", finally sustained the motion for reconsideration filed by the Company and decided to update the exchange rate at which the Receiver shall determine the US Dollar amounts to be received by the admitted creditors (liquid proceeds from the auction held in July 2019). A motion for clarification was entered and, on October 26, 2021, the Court ordered the Receiver to apply the retail selling exchange rate published by Banco de la Nación Argentina at closing on September 30, 2021.

The Receiver submitted a new adjusted version of the Proposed Distribution of Funds and, on December 22, 2021, the Judge ordered the payment of the resulting liquidating dividends. Pursuant the appellate court's decision dated September 30, 2021, (obtained at the instance of the Company), which determined an exchange rate of $104 = US$1, the liquidating dividends resulting from the so readjusted Proposed Distribution of Funds will be applied to cancel 97.81% of the unsecured claims (in Pesos) belonging mainly to former Trust´s beneficiaries, as against the low 42.20% that would have resulted from the application of the exchange rate originally proposed by the Receiver.

In December 2021, the Company was notified of 51 new individual lawsuits against the Company and the former Developer, with a deadline to answer most of the claims expiring in early February 2022. During such month, the Company was served notice of 35 new actions, which were referred to the corresponding law firms.

At the present stage of the abovementioned proceedings, there is no evidence to determine that the Company has not complied with its obligations related to the application of trust funds. Thus, the management of Provincia Fideicomisos SAU, taking into account the opinion of its legal advisors, considers that the above claims will not have a significant impact on the Company´s financial position. Therefore, no provision has been made at December 31, 2021.

Agrícola Samaagro Trust

As regards the Agricola Samaagro Trust, starting on September 2014, the Company was served notice of several actions brought against it before the Buenos Aires Stock Exchange Arbitration Tribunal (*Tribunal de Arbitraje de la Bolsa de Comercio de Buenos Aires* - TAGBCBA), whereby several former beneficiaries claimed an equivalent amount in US Dollars to the investments made in the "2112-2013" *(sic*) agricultural campaign (the last campaign made by the Trust), plus other items for undetermined amounts. The Company answered the complaints, alleging the strict compliance with the Trustee´s obligations under the Trust Agreement. The Company also alleged that, according to the contractual terms, the investments were "risky" and subject to the ups and downs of the agricultural business, and, that in their complaints, the plaintiffs did not consider the net results of the last agricultural campaign. The Operator´s own responsibilities (derived from not including into the trust, his share of the "agricultural multi-risk insurance" compensation, taken out with Sancor Seguros, among other responsibilities) were also alleged, against whom the Trustee had timely filed a criminal complaint as well as other actions to recompose the equity held in trust.

Mention should be made that based on the "Acerra y Otros" case, the Company changed its probatory strategy, by adjusting and refocusing the expert's accounting reports by incorporating evidence not previously produced such as a technical report made by an expert in Sowing Pools, detailed informative evidence requested to Sancor Seguros, (issuer of the Agricultural Multi-Risk Insurance Policy under discussion in all cases), an extensive and detailed opinion given by Mr. Enrique Murphy (Agricultural Engineer - former technical advisor to the Trust) and finally, by requesting the assistance of Technical Advisors specialized in matters such as: accounting, agriculture, design, and management of Sowing Pools.

In the already closed "Reich", "Nocetti", "Romero", "Klar" and "Pereira" proceedings, arbitration awards were issued against the Company, concurrently with Samaagro SA, ordering the payment to each former beneficiary of their share in the net result of the last agricultural campaign, pursuant to the different expert´s accounting reports and final settlements reports.

At December 31, 2021, the Company has already paid the final settlement amounts ordered in relation to previously mentioned "Reich", "Nocetti", "Romero" "Klar" and "Pereira" cases. In the first four cases, the settlement was made for Peso amounts substantially lower than the US Dollar amounts originally claimed. As regards the "Acerra y Otros" and "Escobar" and related proceedings, similar awards to the ones previously mentioned were issued. ("Reich", etc.)

On March 25, 2019, the Company was served notice of a complaint against it in the case entitled: "Polenta, Maria Rosa c/ Bapro Mandatos y Negocios y otros s/daños y perjuicios" (File. No. 1264/2018). The plea filed by the Company in relation to the statute of limitations was admitted and a favorable ruling was obtained on May 8, 2019. Such decision became final and was agreed. Similarly, in the case entitled "Di Francesco", the defense was admitted at first by resolution of the director of the Proceeding dated February 22, 2021. The plaintiff filed an appeal and the Arbitration Tribunal reversed the decision on March 26, 2021. On April 7, 2021, the Company submitted the case to the Argentine Court of Appeals in Commercial Matters for consideration. On April 21, 2021, such appeal was dismissed and therefore, on April 28, 2021, a petition for denied appeal was filed. On August, 5, 2021, the appellate court, Room "B", dismissed such petition approving its revision after a final award be pronounced by the Arbitration Tribunal. With respect to the case entitled "Parrilla", on July 30, 2021, the director of the Proceeding determined the expiration of the statutory deadline for the case, ordering the plaintiff to pay legal costs. The plaintiff appealed such resolution and, on September 1, 2021, the Arbitration Tribunal revoked the resolution dated July 30, 2021, rejecting the petition made and distributing the corresponding legal costs. Consequently, the Company filed a motion to reverse the judgment with supplementary appeal against the resolution dated September 1, 2021. On September 20, 2021, the motion was rejected and a petition for denied appeal was lodged before the Argentine Court of Appeals in Commercial Matters, Room "D". At this date, such petition is pending resolution.

With respect to the case entitled "Colombo", after the legal action was brought by the plaintiff, the director of the Proceeding, modifying the position adopted in previous similar cases and disregarding the prevailing laws and the subject matter of the claim, rejected the defense on October 19, 2021. Consequently, the Company filed an appeal with the Arbitration Tribunal and, on November 26, 2021, such Tribunal confirmed the resolution pronounced. A motion to reverse the judgement with supplementary appeal was immediately filed (grounded on the errors and omissions incurred by the Tribunal). On December 15, 2021, such petition was dismissed *in limine* by the Tribunal. Consequently, the Company filed a motion for denied appeal with the Argentine Court of Appeals in Commercial Matters, Room "E", which is being analyzed.

Based on the clear similarity of the cases "Di Francesco", "Parrilla y Otros" and "Colombo Ceznky y Otros" with the "Polenta" case, the criterion adopted by the director of the Proceeding of the TAGBCBA in all those cases, (except for the "Colombo Ceznky y Otros" case) and, finally, the deferral (until the appeal on each definite award is resolved) decided by the Argentine Court of Appeals in Commercial Matters with respect to the probable statute of limitations of the actions brought by the plaintiffs in some of the mentioned cases and also taking into account the opinion of its Legal Affairs Management, the Company´s authorities do not consider probable an adverse resolution in these cases and, therefore, no provisions have been set up.

In view of the opinion given by the external legal advisors and the Legal Affairs Management, at December 31, 2021, the Company maintained the provisions decided at November 30, 2021 in relation to the cases entitled "Gasparuti", "Mercado", "Maraboli", "Monteverde", "Acerra y Otros", "Escobar" , "García Balus", "García, Javier", "Titón", "Cruz", "Newton", "Abal y Otros", "Buschiazzo y Otros". At December 31, 2021, the Company recorded provisions for a total of $54,703.

Sucre trust

On November 21, 2012, the Company was served notice of an action brought by one of the former beneficiaries of the Trust in the case entitled: "Biercamp, Martín Rodolfo c/ Bapro Mandatos y Negocios y otros s/ cumplimiento de contrato". Firstly, the plaintiff seeks to obtain the deed for the dwelling unit to be built under the mentioned trust, which was purchased under a sales contract that was subsequently cancelled due to the default by the prospective buyer in the pertinent payment obligations. Should the plaintiff fail to obtain the sought deed, he will seek compensation for all damages derived, at his discretion, from the mentioned cancellation of the sales contract.

In the mentioned proceedings, complaints have also been filed against Desarrollos San Isidro SA, the project development company. Acting in its capacity as trustee and in its personal capacity, the Company answered the complaint on December 6, 2012. Judgement was rendered on August 30, 2018 ordering the Company -as trustee and not in its personal capacity- to pay the value of the dwelling unit subject to the judicial proceeding as well as of the corresponding parking lot. An appeal has been lodged and the case is now pending resolution from the Appellate Court.

On February 18 and June 14, 2013, Bapro Mandatos y Negocios SA was served notice of other similar complaints (same purpose and circumstances) brought against it under the cases entitled: "Eumann, Guillermo José c/ Bapro Mandatos y Negocios y otros s/ daños y perjuicios" and "Gabella, Guillermo Enrique y otros c/ Bapro Mandatos y Negocios y otros s/ daños y perjuicios". In the three cases, plaintiffs have also applied for injunctions exclusively against the Sucre trust, which were issued by the first instance court and, in some cases, ratified by the pertinent court of appeals. If sustained over time, such injunctions will affect trust account movements and the potential execution of the title deeds previously cancelled corresponding to dwelling units which have been readjudicated. The potential execution of the title deeds to the entire Sucre complex is subject to the previous approval and filing of the pertinent Condominium Property Regulations and Plans.

In July 2019, the Court of Appeals rendered judgment in the case entitled: "López Mañán, José M. c/ Desarrollos San Isidro SA y Otros/ Cumplimiento de Contrato", previously heard by the Argentine First Instance Court in Civil Matters No. 64, changing the first degree judgement issued in June 2018. The Argentine Court of Appeals in Civil Matters, Room "C" determined that no remaining price amount was owed by the Plaintiff, taking into account that the sales contract subscribed was denominated in US Dollars instead of Pesos plus the pertinent adjustment. With respect to damages, the Court declared the defendants (the Trust and the Project Development Company) jointly and severally liable to pay to the plaintiff the amount of $20 (plus interest) for moral damages. This judgement was also applicable to the Trustee (the Company) in its personal capacity. The plaintiff received a payment for $65 on account of moral damages ($20 plus interest). On January 7, 2020, the plaintiff took possession of the dwelling unit and the parking lot and joined the "*Fideicomiso de Administración Consorcio Complejo SUCRE*" (the Administration Trust). Finally, the commitment by the Plaintiff to pay the owed maintenance fees directly in the trust account as instructed by the Trustee of the Administration Trust was accepted.

In line with the results achieved in the action brought by "Forcada, Liliana B" in November 2018, on October 5, 2021, transactional agreements were reached in the cases entitled: "Affranchino Vivanco, Ezequiel" and "Valiante, Jorge L.", whereby such plaintiffs waived the legal actions and the alleged claims. Within the framework of such agreements and in compliance with the obligation mainly undertaken, on October 20, 2021, the Trustee of the Sucre Trust gave the possession of the pertinent dwelling units to the Plaintiffs. The legal costs corresponding to the Trust are being paid. Pursuant to the abovementioned agreements (exempting the Company from any kind of present or future responsibility), the provision set up for the "Valiante, Jorge L." case was reversed.

Based on the opinion of its legal advisors, the Company decided to set up a provision at December 31, 2021, for the sole judicial case related to the Sucre Trust that is still pending resolution and rests on the same factual basis (mainly: sales contract denominated in US Dollars and the inclusion of "moral damages" in the claim). The case is entitled "Ferradás, Milagros" and is being heard by the First Instance Court in Civil and Commercial Matters No. 5, San Isidro Judicial Department, Province of Buenos Aires (with a provision of $30).

Taking into account the opinion of its legal advisors and the Legal Affairs Management, the Company´s authorities consider that the likelihood of an adverse resolution of the claims mentioned above is almost inexistent. Therefore, and except for the judicial cases mentioned in the preceding paragraph, the Company has made no provision for this item at December 31, 2021.

Note 46 - Capital management and transparency policy on corporate governance

In compliance with the provisions of the Law of Financial Institutions No. 21526 and the regulations issued by the BCRA, the Bank has implemented an Institutional Governance Code taking into consideration the above guidelines.

On March 7, 2012, the BCRA issued Communication "A" 5293 requiring financial institutions the publication of information about their Transparency Policy on Corporate Governance. The Institutional Governance Code implemented by the Bank contemplates its prevailing regulatory framework and includes the following information:

Structure of the Board of Directors

The Bank's Charter states that the administration of the Bank shall be vested in a Board of Directors consisting of one (1) Chairperson and eight (8) voting members, all of whom shall be of Argentine nationality. They shall be appointed by the Provincial Executive Branch and the approval of the Senate of the Province of Buenos Aires shall be required. The Chairperson and the voting members shall be duly qualified for their offices.

Members shall hold office for a term of four (4) years and may be re-elected. One half of the voting members shall be renewed every two (2) years.

Legislators, judges, mayors and city council members, wage-earners, salaried employees or officers of the national, provincial or municipal governments, as well as administrators, chairpersons, directors, managers or employees from other banks shall not be eligible as Chairperson or as members of the Board of Directors. Any individual holding office in any economic or financial coordination government agency, whether at the national, provincial or inter-provincial level, as well as any individual holding a teaching or educational position shall be exempted from the abovementioned disqualifications.

At its first meeting held every year, the Board of Directors shall elect from its own number a Vice Chairperson and a Secretary.

Any vacancy of the office of Chairperson or Director shall be filled by a substitute appointed for the remaining term. In case of absence or inability of the Chairperson, his/her powers and duties shall devolve on the Vice- Chairperson. Should both of them be absent, the Board of Directors shall be chaired by the eldest director. In the event of absence or inability of the Secretary, the Board of Directors shall appoint a substitute.

Pursuant to Article 26 of the Bank's Charter, the remuneration to be received by the members of the Board of Directors for their services shall be fixed in the Budget.

Structure of the General Management

The Bank's Charter states that the management of the Bank shall be vested in a General Manager and, as applicable, in a

Senior Deputy General Manager.

The Board of Directors shall regulate the duties to be performed by the General Manager and the Senior Deputy General Manager, who shall be the Chairperson's and Directors' immediate advisors.

They shall have the necessary qualifications and expertise in financial matters to administer and manage the banking business as well as the adequate control of the personnel under their direct supervision.

Commissions and Committees

Commission or Committee: special body created to ease the Board of Director's compliance with their duties. Its purpose is to analyze, render an opinion and submit for consideration of the Board of Directors all matters related to its specific area/s of responsibility, ensuring full compliance with the current internal rules as well as with the regulations issued by the regulatory authorities.

The Bank has Internal Governing Rules in place regulating the operation of the Board of Directors' Commissions and Committees. Such rules provide for the duties and responsibilities of the members of such Commissions and Committees, which shall be composed as follows:

Coordinator: A Director appointed by the Chairperson of the Board of Directors.

Members:

- At least 3 (three) Directors or voting members, including the Coordinator, appointed by the Chairperson.
- General Management: at least 2 (two) officers (General Manager and/or Senior Deputy General Manager and Deputy General Managers and/or Assistant Deputy General Manager).
- Officers in charge of the organizational units of the areas making up the pertinent commission and committee (an officer with a minimum rank of Deputy Department Manager for each unit).
- Board of Directors' collaborators and officers may attend as participants. They shall be convened as often as necessary.

The Bank provides for the operation of the following Commissions and Committees. Their purposes, duties and responsibilities are under review process.

- Auditing Committee
- Administration Commission
- Assets and Liabilities Management Commission
- Loans Management Commission
- Anti-Money Laundering Committee
- Internal Affairs Commission
- Legal Affairs and Delinquency Commission
- Staff Incentive Committee
- IT, Systems and Processes Committee
- Finance Commission
- Risks Committee
- Institutional Governance, Ethics and Compliance Committee
- Commercial Strategy Commission
- Protection of Financial Services Users Committee
- Sexual Diversity, Gender Identity, Women´s Right Commission

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Organizational Structure

At December 31, 2021, the Bank has 10,485 employees and a network for the distribution of products and services consisting of 341 branches (including delegations), and 70 operating annex buildings throughout the Province of Buenos Aires and the Autonomous City of Buenos Aires.

The following areas and units shall report to the Board of Directors/Chairperson:

- Economic Research and Risks Administration
- Regulatory Compliance
- Internal Affairs
- Internal Audit Unit
- Commercial Integration with Grupo Bapro Management
- Institutional Communication
- Anti-Money Laundering
- Administrative Unit
- Coordination of Regional Advisory Councils
- Women, Gender and Diversity
- Minutes Secretary's Office
- "Doctor Arturo Jauretche" Historical Archives and Museum of the BPBA
- Dr. Arturo Jauretche Chair

The following officers and areas shall report to the General Management and Senior Deputy General Management:

- Deputy General Management – Finance
- Deputy General Management – Marketing and Loans
- Deputy General Management – Administration
- Deputy General Management – Business Intelligence
- Deputy General Management – Technology and Processes
- Deputy General Management – Business Support
- Deputy General Management - Legal Affairs
- Assistant Deputy General Manager - Human Resources
- Credit Analysis
- Legal Opinions
- Strategy, Planning and Control
- Administrative and Professional Support Unit
- Physical Security
- Logical Security

Information on economic incentives to staff members

Staff Economic Incentive Policy and Programs

In line with the provisions of the Bank's Administrative Manual, the implementation of general incentive programs is within the scope of the Human Resources Management and the Staff Incentive Committee.

Taking into account the impact of the conditions that may govern incentive programs and considering that their main purpose should be the reduction of excessive risk assumption, at the request of the originator and before submittal to the Board of Directors, the Risks Administration area issues a report to provide for a prudential management of risks.

See our report dated
March 10, 2022
KPMG

(Partner)

Alejandro A. Garcia General Accountant	Rubén O. González Ocantos General Manager	Juan M. Cuattromo President	C.P.C.E.P.B.A. V° 1 F° 193 Folder 193 María Gabriela Saavedra Public Accountant (U.N.S.) C.P.C.E.P.B.A. Volume 172 – Folio 1 Folder No. 44622/0 Taxpayer registration code: 27-22976216-3

Potenciar Tool

This tool is used to assign goals among Regional Centers, understood as integral working teams, according to the potential identified in each area, maximizing their performance which is afterwards measured and assessed. All the business units' members, Regional Managers/Deputy Managers and Regional Coordinators responsible for the commercial coordination of the different centers may receive an additional payment on a quarterly basis according to their compliance with the commercial goals defined.

Public information

In order to encourage good Institutional Governance, the Bank publishes in its web page www.bancoprovincia.com.ar relevant information to depositors, investors and general public. That information includes:

- Charter
- Authorities
- Organizational Structure
- Institutional Governance Code
- Ethics Code and Manual of Good Banking Practices
- Transparency Policy
- Conflicts of Interest Policy
- Bank's Code of Conduct in the Role as Settlement and Clearing Agent
- Role as Financial Agent of the Provincial Public Sector
- Market Discipline. Minimum Disclosure Requirements
- Anti-Money Laundering and Terrorist Financing Code of Conduct
- 2020 Sustainability Report
- Sustainability Policy
- Environmental Policy
- Inclusion Policy
- Responsible Financing and Investment Policy
- Annual Report and Financial Statements including notes, exhibits and the external auditor's report
- Due Diligence
- Useful Information
- We help you
- Information for Financial Users
- Service for Financial Users
- Information on business units
- Information on ATMs destined to visually impaired persons
- Service agreements
- Regret button
- PEPs and legally bound reporting parties
- Acquisition and Procurement
- Work at Banco Provincia
- News

Note 47 - Compliance with the requirements of the CNV

47.1 Banco de la Provincia de Buenos Aires

Considering the different categories of agents defined in the CNV General Resolution No. 622 as amended by CNV General Resolution No. 821/19, Banco de la Provincia de Buenos Aires is registered before the control authority to act as:

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Comprehensive Settlement and Clearing Agent, Trading Agent and Agent for the Custody of Mutual Funds.

The Bank's required minimum net worth amounts to four hundred seventy thousand three hundred and fifty (470,350) Acquisition Value Units (UVA) adjusted by CER index (Law No. 25827) at December 31, 2021. This is equivalent to $22,182 thousand. With respect to the liquid counterbalance entry, at least 50% of the minimum net worth will be paid in.

At December 31, 2021, the Bank's net worth exceeds the minimum net worth required by said rule, as well as the minimum required counterbalance entry that, if applicable, will be covered with assets held in accounts opened with the BCRA as follows:

BCRA	ITEM	BOOK BALANCE	BALANCE AS PER STATEMENT
111015	BCRA - Checking Account	76,973,875	76,974,361
115015	BCRA - Checking Account	114,253,580	114,253,602

47.2 Provincia Bursátil SA

According to the provisions of the CNV General Resolution No. 622, Provincia Bursátil SA is registered to act as Trading and Settlement Agent. Pursuant to the requirements effective as of the entering into force of CNV General Resolution No. 731 issued on May 3, 2018, the minimum stockholders' equity required to act in such category amounts to $18,000 and the minimum counterbalance entry to $9,000.

At December 31, 2021, the stockholders' equity of Provincia Bursátil SA exceeds the minimum amount required by the abovementioned resolution.

Additionally, the minimum counterbalance entry required by such resolution accounts for 50% of the minimum required stockholders' equity. Provincia Bursátil SA has complied with such requirement and paid-in the contribution as follows:

Item	Amount
Assets in domestic instruments	
Mutual funds with payment of redemption proceeds within 72 hours	172,511
Total	**172,511**

47.3 Provinfondos SA – Manager of Mutual Funds

According to the provisions of the CNV General Resolution No. 622, Provinfondos SA, manager of mutual funds, is registered to act as Manager of Collective Investment Products (Mutual Funds). As stipulated by the CNV General Resolution No. 792 dated April 26, 2019, the minimum stockholders' equity required to act in such category is equivalent to 150,000 UVA units adjusted by CER index (Law No. 25827), plus 20,000 UVAs for each additional mutual fund under management (equivalent to a minimum stockholders' equity of 12,733). At September 30, 2021, the stockholders' equity of Provinfondos SA exceeds the minimum amount required by the abovementioned resolution.

Additionally, the minimum counterbalance entry required by such resolution accounts for 50% of the minimum required stockholders' equity. Provinfondos SA has complied with such requirement and paid-in the contribution as follows:

(In thousands of pesos in constant currency - Note 3)

Item	Amount
Assets available in pesos and other currencies	
Banco de la Provincia de Buenos Aires – Sight account No. 43846/5	2,081
Assets in domestic instruments	
Mutual funds with payment of redemption proceeds within 72 hours	1,599,937
Total	**1,602,018**

47.4 Provincia Fideicomisos SAU

According to the provisions of the CNV General Resolution No. 622, Provincia Fideicomisos SAU is registered in the CNV Financial Trustees Register to act as Manager of Collective Investment Products (Trustees).

On July 16, 2014, the CNV Collective Investment Products manager decided to revalidate the registration of the Company in the Financial Trustees Register - Register No. 30 granted by Resolution No. 13628 - and in the Non-Financial Trustees Register-Register No. 2 granted by Resolution No. 13701 - according to the conditions of section 1, Chapter II, Title XVII "Temporary Provisions" of the mentioned rule.

Such rule provides for the registration of trustees in the "Manager of Collective Investment Products - Trustees" category, complying with all requirements therein mentioned.

To ensure the application of the provisions of Article 1673 of the Argentine Civil and Commercial Code, by Resolution No. 795/19, the CNV established that financial trustees must have a stockholders' equity at least equivalent to nine hundred thousand (950,000)*(sic)* UVAs adjusted by CER index and the counterbalance entry must be at least equivalent to 50% of the minimum stockholders' equity.

At December 31, 2021, the stockholders' equity of Provincia Fideicomisos SAU exceeds the minimum amount required by the abovementioned resolution.

Additionally, the minimum counterbalance entry required by such resolution accounts for 50% of the minimum required stockholders' equity. The Company has complied with such requirement and paid-in the contribution as follows:

Item	Amount
Assets available in pesos and other currencies	
Banco de la Provincia de Buenos Aires – Savings account in foreign currency No. 510762/8	10,255
Assets in domestic instruments	
Mutual funds with payment of redemption proceeds within 72 hours	12,903
Guarantee granted by Banco Provincia	23,159
Total	**46,317**

Note 48 - Agent for the custody of Mutual Funds

At December 31, 2021 and 2020, the Bank, in its capacity of agent for the custody of mutual funds, holds in custody third-party quota shares and assets of the following mutual funds:

	12.31.2021	12.31.2020
1822-Raíces Valores Negociables	1,653,874	1,288,977
1822-Raíces Renta Pesos	2,414,078	576,312
1822-Raíces PYME (former 1822-Raíces Renta Global)	1,919,935	776,854
1822-Raíces Pesos Fondo Común de Dinero	119,381,386	58,416,378

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1822-Raíces Inversión	9,484,625	350,545
1822-Raíces Valores Fiduciarios	3,140,874	3,422,640
1822-Raíces Dólares Plus	879,125	1,313,366
TOTAL	**138,873,897**	**66,145,072**

Note 49 - Accounts in compliance with minimum cash requirements

According to the regulations of the BCRA, Banco de la Provincia de Buenos Aires computed the following items for minimum cash requirements at December 31, 2021:

Minimum Cash – Balances at the end of the fiscal year - Pesos

Minimum cash requirement	12.31.2021
Balances in demand checking accounts opened with the BCRA	76,973,875
Balances in special checking accounts opened with the BCRA	23,076,800
	100,050,675

Minimum Cash – Balances at the end of the fiscal year – Foreign Currency (US Dollars)

Minimum cash requirement	12.31.2021
Balances in demand checking accounts opened with the BCRA	114,253,580
Balances in special guarantee accounts opened with the BCRA	698,700
	114,952,280

Note 50 - Penalties imposed on the Bank and administrative proceedings instituted by the BCRA

Proceedings for foreign exchange offense initiated by the BCRA – File No. 7544

Proceedings initiated by the BCRA to analyze, according to its Communications “A” 6770, “A” 6787 and “A” 6818 as supplemented and amended and decree No. 480/95, transactions reported by Banco de la Provincia de Buenos Aires and the potential responsibilities of the Bank and/or the officers involved. Through an official letter dated March 22, 2021, which was received on March 23, 2021, the Bank was notified of the commencement of the proceedings. On March 25, 2021, copies of the proceedings and an extension of the term to answer and produce evidence were requested by letter sent to the BCRA. On March 29, 2021, the BCRA granted an extension of 10 banking days to submit a defense. Such term would run as from the expiration of the notification period and would apply to all officers involved. At the same date, the Bank had access to the copies of the proceedings where the following transactions were questioned:

a) the amount and authorization of two foreign exchange transactions (Com. “A” 6770 and Com. "A" 6815);
b) acquisition of foreign currency for the simultaneous purchase of real state in the country destined to sole family houses of permanent occupancy (Com. “A” 6787);
c) two foreign exchange transactions made by Laboratorios Jayor SRL, - transfers abroad - (Com. “A” 6770).

The penalty imposed on the Bank amounted to US$43 and Euros 268 and the penalty imposed on the other responsible officers was conditioned upon their participation in each transaction.

The Bank and the officers submitted their pertinent defenses on April 23, 2021 and April 26, 2021, respectively. As of December 31, 2021, notice to produce evidence has not been served upon the Bank yet.

See our report dated
March 10, 2022
KPMG

(Partner)

Alejandro A. Garcia General Accountant	Rubén O. González Ocantos General Manager	Juan M. Cuattromo President	C.P.C.E.P.B.A. Vº 1 Fº 193 Folder 193 María Gabriela Saavedra Public Accountant (U.N.S.) C.P.C.E.P.B.A. Volume 172 – Folio 1 Folder No. 44622/0 Taxpayer registration code: 27-22976216-3

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Administrative proceedings - File No. 481/15

The Financial Information Unit (*Unidad de Información Financiera – UIF)* ordered investigation proceedings to determine the responsibilities of Banco de la Provincia de Buenos Aires, its Board of Directors and the Compliance Officer(s) in office at the time of the facts in issue. Current situation: On February 4, 2016, the Bank was notified of the commencement of the proceedings. A time extension was requested and the Bank filed its defenses on March 8, 2016. The argument was presented on July 14, 2016 according to section 29 of UIF Resolution No. 111/12. On December 7, 2018, the Bank was notified of the UIF Resolution No. 281, providing for the extinction of the transactions carried out before the enactment of Law No. 26,683. Likewise, the UIF imposed both the Bank and the Board of Directors to pay a penalty of $3,747 each, duly paid on December 20, 2018 and recorded in the pertinent file. On February 19, 2019, the Bank and the sanctioned Directors lodged Direct Appeals against the UIF Resolution No. 281/18 heard by the Court of Appeals with jurisdiction over Contentious and Administrative Matters, Room II. On June 7, 2019, notice of these appeals was served upon the UIF who duly answered on August 8, 2019 and filed a motion to dismiss the evidence submitted by the Bank and its Directors. On August 22, 2019 this motion was answered. On September 20, 2019, the Courtroom II issued an Interlocutory Order sustaining the UIF's motion and dismissing the evidence offered by the Bank and its Directors. The Court did not pronounce on the issue and the case was forwarded to the Prosecutor's Office on October 9, 2019. On October 21, 2019, the case was ready for the corresponding ruling. On February 11, 2020, the Court rejected the Direct Appeals, ordering the payment of legal costs. On March 3, 2020, a Federal Extraordinary Remedy was filed and notice was served on the UIF. On August 3, 2020, the UIF answered the extraordinary remedy.

On August 5, 2020, the case was ready for the corresponding ruling. On August 11, 2020, an official notice was received with the resolution of same date, rejecting the Extraordinary Remedy and ordering the payment of legal costs. On August 19, 2020, a petition for denied appeal was filed by the Bank with the Argentine Supreme Court of Justice. At June 30, 2021, the case was pending resolution. On May 14, 2021, legal fees for $266 (Directors' case) and $266 (Bank´s case) were paid to Mrs. Guarda Quiñones (UIF's attorney). On May 31, 2021, an amount of $19 was paid in each case on account of differences. The attorney´s fees of Mr. Ruiz were pending. On August 5, 2021, the legal fees of Mr. Perez (UIF's attorney) were paid in both cases, totaling $127. At December 31, 2021, the Bank has made a provision for $27,921 on account of the abovementioned issues.

Administrative proceedings - File No. 6426/11

Proceedings initiated in order to determine if the Bank has failed to report 17 foreign currency purchase transactions from June 4, 2009 to July 31, 2009. Through Resolution No. 424/13, the UIF ordered investigation proceedings to determine the responsibilities of Banco de la Provincia de Buenos Aires, its Board of Directors and the pertinent Compliance Officer in office at the time of the facts in issue. At the date, the pertinent defense was presented in due time and manner; evidence was produced and the proceeding is pending resolution by the UIF.

Administrative proceedings – UIF - File No. 461/13

Proceedings initiated in order to determine if the Bank has failed to report three inspection proceedings made by the BCRA as a Collaborator. Through Resolution No. 461/13, the UIF ordered investigation proceedings to determine the responsibilities of Banco de la Provincia de Buenos Aires, its Board of Directors and the pertinent Compliance Officer(s) in office at the time of the facts in issue. Current situation: on December 2, 2015 the Bank was notified and filed a defense on February 4, 2016. The argument was presented on July 4, 2016 according to section 29 of UIF Resolution No. 111/12. On December 22, 2016, new evidence was included pursuant to the provisions set forth in section 7, item b) of such Resolution No. 111/12. The Bank presented further arguments. On October 18, 2019, an official notice was served upon the Bank and its Board of Directors whereby the UIF proposed a new measure for a better resolution. Thus, further arguments were presented and the case was ready for resolution. On November 17, 2020, the UIF served notice of its Resolution No. 55, declaring the responsibility of the Bank, Mr. Diego Oscar Rodrigo and the pertinent directors and ordering the Bank and the Directors to pay a penalty of $550 (total amount paid: $1,100). As a corrective measure, such resolution ordered the submission of certain documents to the UIF within 60 days. On November 20, 2020, the Bank paid a total amount of $1,100 in order to lodge direct appeals in due time and form against the UIF Resolution. On February 1, 2021, Direct Appeals were filed with the UIF (on behalf of the Bank and its Directors).

On May 4, 2021, and as legally requested, digitalized copies of the administrative proceedings (UIF file No. 461/13) were submitted to the Court of Appeals with jurisdiction over Contentious and Administrative Matters, Room II so as to serve notice of such proceedings upon the UIF. On May 18, 2021, the Court issued a decision on the decease of Mr. Pampuro, declaring the termination of the action and rendering sanction No. 55/20 ineffective as regards Mr. Pampuro.

On June 2, 2021, the Court served notice of the Direct Appeal to the UIF for a 30-day period. On June 3, 2021, the UIF was notified of the above via e-mail. On August 6, 2021, the UIF answered the Direct Appeal, the Court admitted such answer, and notice was given to the Prosecutor. On August 20, 2021, the case was ready for the corresponding ruling. On November 17, 2021, judgment was rendered rejecting the Bank´s direct appeal, ordering the payment of legal costs and assessing the pertinent fees. On December 2, 2021, the Bank brought a Federal Extraordinary Remedy against such resolution which, at December 31, 2021, was still pending.

Note 51 - Events subsequent to year-end

No facts or transactions took place from the closing date of the fiscal year to the date of issuance of these financial statements which may significantly affect the financial condition or income/(loss) of the Bank at December 31, 2021.