

Regulatory Environment Argentina Financial Industry

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Statements about the effect of the Covid-19 pandemic on the firm’s business results, financial position and liquidity as well as on Argentina and worldwide economies are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected. Unless otherwise indicated, all financial information of our company included in this presentation is stated in terms of the measuring unit current at the end of the reporting period.

Regulatory Environment in Argentina

The following table provides a summary of the most relevant regulations currently in place. A more detailed description of regulations is also included hereunder, grouped by topic, to facilitate understanding.

Regulation	Description	Rate/Limit
Monetary Policy rate	28-days Leliq rate	97.0%
Central Bank Repo transactions rate	1-day term passive repo rate	91.0%
Time Deposits minimum interest rate	Deposits below AR\$30 million*	97.0%
	Deposits above AR\$30 million*	90.0%
Cap on Credit Cards financing	Balances financed up to AR\$200,000	86% (80% in May 2023, 77% until April 2023, 71.5% in September 2022, 62% in August 2022, 57% in July 2022, 54% in June 2022, 51% until May 2022, 49% until March 22, 2022)
	Balances financed over AR\$200,000	Not limited
Mandatory Credit Lines (MCL)	The average balance of mandatory credit loans in the period April 1, 2023 to September 30, 2023, shall reach a 7.5% of the average balance of deposits from private sector in March 2023	30% credit line to finance investments at 76% rate since May 16, 2023
		70% working capital credit line at 88% rate since May 16, 2023
UVA. Mortgage Loans	Installment limit	UVA loan to be paid may not exceeds 35% of customer monthly income
Limit to net holdings of Leliqs	Limit to total holding	Monthly average balance of Time Deposits from the private sector of the previous month

Regulatory Environment in Argentina [cont.]

The following table provides a summary of the most relevant regulations currently in place. A more detailed description of regulations is also included hereunder, grouped by topic, to facilitate understanding.

Regulation	Description	Rate/Limit
Dividends	Prohibition of payment	On March 9, 2023, the Central Bank authorized financial entities to distribute results for up to 40% of the accumulated retained earnings until December 31, 2022. This distribution can be made from April 1, 2023 until December 31, 2023, prior Central Bank approval, in 6 equal, monthly and consecutive installments
Net Global Position (NGP)	Special cash position	NGP may not exceed the minimum between the cash position at November 4, 2021 and the monthly average of daily balances registered in October 2021, without considering the securities issued by residents that had been considered. Excluding this special cash position, NGP is limited to a 4% maximum long position.
Liquidity ratios	Liquidity Coverage Ratio Net Stable Funding Ratio	LCR $\geq$ 1 NSFR $\geq$ 1

Minimum Cash Reserve Requirements

Amid the Covid-19 pandemic outbreak, the Central Bank eased minimum cash reserve requirements by increasing the amount of deductions allowed to reduce reserve requirements. On March 31, 2021, the Central Bank ruled additional deductions allowed to reduce reserve requirements. Most relevant deductions include:

		Deduction
Loans granted (balances) to MiPyMES	To those loans granted until October 15, 2020 ¹	40% (total balance granted to SMEs at 24% interest rates)
	To those loans granted since October 15, 2020	40% but only if the loan beneficiaries belong to sectors considered eligible for the ATP and that after March 19 did not import final consumer goods (except medical products or supplies).
	To those loans since November 6, 2020	24% of loans granted to SMEs at 27%
		7% of loans granted to SMEs at 33%
	To those loans since April 1, 2022	7.5% of loans granted to SMEs
	To those loans since June 16, 2022	34% of loans granted to SMEs at 42%
	To those loans since July 29, 2022	40% of loans granted to SMEs at 50%
To those loans since August 12, 2022		40% of loans granted to SMEs at 59%
To those loans since September 16, 2022		40% of loans granted to SMEs at 64.5%
Total financing granted to eligible customers, at 0% interest rates		60%
Aggregate financings in Pesos granted under the "Ahora 12" program, with a limit of 6% over the items in Pesos subject to the Central Bank Rules of Minimum Cash	To those loans granted until September 30, 2020	35%
	To those loans granted Since October 1, 2020	50%
Loans granted in the previous months to human persons and SMEs which were not included by financial entities in the "Central de debtors of the financial system as of December 31, 2020		100%

Minimum Cash Reserve Requirements [cont.]

Amid the Covid-19 pandemic outbreak, the Central Bank eased minimum cash reserve requirements by increasing the amount of deductions allowed to reduce reserve requirements. On March 31, 2021, the Central Bank ruled additional deductions allowed to reduce reserve requirements. Most relevant deductions include:

		Deduction
Growth of Digital & Automatic Channels	To those financial Entities that have implemented the remote and face-to-face opening of the "Universal Free Account" (CGU)	0.25% of the total requirement (to those entities with 3% to 3.99% growth)
		0.5% of the total requirement (to those entities with 4% to 4.99% growth)
		0.75% of the total requirement (to those entities with more than 5% growth)

As of the date of this presentation, minimum reserve requirements on AR\$ deposits are as follows:

Minimum Reserve Requirements	Cash	Leliq	Treasury Bonds	Total
Saving Accounts	40%	0%	5%	45%
Checking Accounts	40%	0%	5%	45%
Checking Accounts - Mutual Funds	0%	0%	0%	0%
Time Deposits	0%	27%	5%	32%

As of the date of this presentation, minimum cash reserve requirements for deposits in US\$ are as follows:

- 25% for Savings and Current Accounts
- 23% for Time Deposits up to 29 days term

Thank You!

