

Update Report

Ratings

Long-term debt	A+(arg)
Short-term debt	A1(arg)
Class 14 Corporate Notes	A1(arg)

Outlook: Stable

Financial Data:

Banco CMF S.A		
Million ARS	Dec. 30, 2022	Dec. 30, 2021
Assets (USD million)*	713.5	690.3
Assets (Pesos)	126.387	122.277
Equity (Pesos)	21.436	22.389
Net Income (Pesos)	419	1.436
ROAA (%)	0.4	1.2
ROAE (%)	2.0	6.5
Tangible Equity/Intangible Assets	16.9	18.3
*BCRA reference exchange rate Dec. 2022 = 177.1283		
Financial statements in constant currency		

Related Criteria:

Methodology for rating financial institutions, registered with the Argentine Securities & Exchange Commission (Comisión Nacional de Valores - CNV), March 2016

Related reports:

Comparative Statistics: Financial Institutions, August 25, 2022

Argentine Financial System, Recent Developments and Outlooks for 2022, February 11, 2022

Comprehensive Report on Banco CMF S.A., FIX, September 27, 2022

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Banco CMF S.A

Profile

Banco CMF S.A. (CMF) is a domestic bank, whose operations are focused on a specific market niche. The bank's strategy is rendering integrated high-quality financial assistance to a reduced customer base of medium and large companies, as well as to the Asset Management business. The bank's subsidiaries are Metrocorp Valores S.A., Euro Bank Ltd. and CMF Asset Management S.A.U.

Key Rating Factors

Reasonable performance: As of December 2022, the Bank's net operating income showed a slight improvement compared to December 2021, the operating ROA accounting for 7.3% (5.8% as of December 2021), mainly due to the increase of net interest income and lower impairment charges given the good quality of the loan portfolio. The Bank reported profits for the year (ROA: 0.4% and ROE: 2.0%) and could reverse the loss of the last quarters. However, it declined compared to the Bank's profits as of December 2021, mainly due to the higher impact of the loss on net monetary position as a consequence of high inflation rates, the drop in net gains on financial instruments at market value and the higher pressure of the income tax on pre-tax profit. FIX considers that the profitability ratio of the Bank and the whole system will continue to depend on its liquid asset position, and will still be affected by high inflation rates in the short-term and the rising cost of funding.

Loan book concentration: The Bank's ten major clients concentrate 38% of the loan portfolio, while the following fifty major clients account for 41%. FIX considers this factor poses risk to the Bank, which is currently restricted by the low exposure of assets to the credit risk of the private non-financial sector (26.3%) and expects the degree of concentration will decline as the loan portfolio continues to grow. However, in the medium term loan concentrations are expected remain above the system's average due to Banco CMF's business strategy, which focuses on providing a specialized service to the Medium/Large Enterprises segment (*Megras*, by its acronym in Spanish).

Good asset quality: Given the segment in which the Bank operates, non-performing loans ratio has been historically low, accounting for 0.01% of total loans as of December 2022 (0.08% as of December 2021), standing below the average of domestic private banks. Besides, the Bank's loan loss reserve coverage is ample, which might allow to mitigate possible rises in non-performing loan ratios in the current uncertain scenario. Fix considers that non-performing loans of banks in general might be affected by the still unstable macroeconomic context.

Concentration of funding: Banco CMF's funding derives largely from its deposits (62.9% of assets as of December 2022) which represents a high concentration of funding (the 10 major depositors representing 33% of all deposits), which, as in the rest of the financial system, is composed of short-term deposits. Funding mainly corresponds to institutional investors. The Rating Agency considers this concentration is typical of the bank's business model and, therefore, it is expected to continue.

Good liquidity coverage ratio: The Bank's individual immediate liquidity (Cash Assets + Leliqs + Calls + Repos) covers 51.12% of deposits and financial liabilities due within one year on September 2022. The Bank's broad liquidity, considering matching between assets and liabilities maturing in 90 days, stood at 98.7%.

Low exposure to the Public Sector: As of December, 2022, the Bank's exposure to the public sector was equal to 21.7% of assets and 1.3 times its equity. 48.6% is composed of BCRA Liquidity Bills (Leliqs) and Liquidity Notes (Notaliqs). Excluding these instruments, the exposure would be 11.2% of assets and 65.8% of equity.

Good capitalization: Banco CMF has maintained adequate capitalization ratios in recent years (Tier 1 capital ratio: 35.2% as of December 2022 and tangible equity/tangible assets: 17.0%). FIX will monitor that the bank maintains sound solvency levels allowing it to face the current imbalances in macroeconomic variables that provide increased volatility to entities' operational environment.

Rating Sensitivities

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

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

Annex I

Banco CMF S.A. - Income Statement

	Constant Currency		Constant Currency		Constant Currency		Constant Currency	
	31 Dec 2022		31 Dec 2021		31 Dec 2020		31 Dec 2019	
	Year End ARS m Original	As % of Earning Assets	Year End ARS m Original	As % of Earning Assets	Year End ARS m Original	As % of Earning Assets	Year End ARS m Original	As % of Earning Assets
1. Interest Income on Loans	14,239.8	14.27	9,324.5	11.62	6,019.3	6.01	8,534.9	11.97
2. Other Interest Income	15,672.5	15.71	7,617.3	9.49	14,841.4	14.82	22,263.2	31.23
3. Dividend Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	29,912.4	29.98	16,941.8	21.11	20,860.8	20.84	30,798.2	43.20
5. Interest Expense on Customer Deposits	15,698.0	15.73	8,800.8	10.96	8,597.1	8.59	14,941.5	20.96
6. Other Interest Expense	696.8	0.70	181.9	0.23	514.2	0.51	2,005.8	2.81
7. Total Interest Expense	16,394.8	16.43	8,982.7	11.19	9,111.3	9.10	16,947.3	23.77
8. Net Interest Income	13,517.6	13.55	7,959.1	9.92	11,749.5	11.74	13,850.8	19.43
9. Net Gains (Losses) on Trading and Derivatives	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Net Gains (Losses) on other Securities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Net Gains (Losses) on Assets at FV through Income Statement	2,011.4	2.02	4,688.9	5.84	4,692.7	4.69	354.2	0.50
12. Net Insurance Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Income from services	919.7	0.92	898.7	1.12	935.0	0.93	810.6	1.14
14. Other Operating Income/Expenses	1,667.9	1.67	2,230.1	2.78	1,959.7	1.96	-710.7	-1.00
15. Total Non-Interest Operating Income	4,599.0	4.61	7,817.8	9.74	7,587.4	7.58	454.1	0.64
16. Personnel Expenses	3,338.6	3.35	2,876.9	3.58	2,575.0	2.57	2,698.7	3.79
17. Other Administrative Expenses	5,859.8	5.87	5,280.6	6.58	4,094.2	4.09	4,123.5	5.78
18. Total Administrative Expenses	9,198.4	9.22	8,157.5	10.16	6,669.2	6.66	6,822.2	9.57
19. Equity-accounted Profit/ Loss - Operating	-0.3	0.00	4.0	0.00	-0.9	0.00	7.3	0.01
20. Pre-Impairment Operating Profit	8,917.9	8.94	7,623.3	9.50	12,666.8	12.65	7,490.0	10.51
21. Loan Impairment Charge	174.7	0.18	453.0	0.56	1,432.3	1.43	927.4	1.30
22. Securities and Other Credit Impairment Charges	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	8,743.2	8.76	7,170.3	8.93	11,234.5	11.22	6,562.6	9.21
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-recurring Income/Expense	-7,647.2	-7.66	-4,647.3	-5.79	-2,935.8	-2.93	-2,174.8	-3.05
29. Pre-tax Profit	1,096.1	1.10	2,523.0	3.14	8,298.8	8.29	4,387.8	6.15
30. Income tax	677.4	0.68	1,086.6	1.35	2,891.2	2.89	1,689.8	2.37
31. Profit/Loss from Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	418.6	0.42	1,436.4	1.79	5,407.6	5.40	2,698.0	3.78
33. Change in Value of AFS Investments	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Revaluation of Fixed Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	n.a.	-	-1,416.0	-1.76	224.0	0.22	1,868.9	2.62
36. Remaining OCI Gains/(losses)	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Fix Scr Comprehensive Income	418.6	0.42	20.4	0.03	5,631.6	5.62	4,566.9	6.41
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	418.6	0.42	1,436.4	1.79	5,407.6	5.40	2,698.0	3.78
40. Memo: Common Dividends Relating to the Period	n.a.	-	n.a.	-	n.a.	-	n.a.	-
41. Memo: Preferred Dividends Related to the Period	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Banco CMF S.A. - Balance Sheet

	Constant Currency		Constant Currency		Constant Currency		Constant Currency		Historical Cost	
	31 Dec 2022		31 Dec 2021		31 Dec 2020		31 Dec 2019		31 Dec 2018	
	Year End ARS m Original	As % of Assets	Year End ARS m Original	As % of Assets	Year End ARS m Original	As % of Assets	Year End ARS m Original	As % of Assets	Year End ARS m Original	As % of Assets
Assets										
A. Loans										
1. Residential Mortgage Loans	43.6	0.03	233.4	0.19	561.7	0.36	n.a.	-	107.6	0.68
2. Other Mortgage Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer / Retail Loans	267.7	0.21	115.0	0.09	161.7	0.10	n.a.	-	473.9	2.99
4. Corporate & Commercial Loans	20,409.4	16.15	21,447.5	17.54	12,559.9	8.14	20,494.3	15.81	3,084.1	19.49
5. Other Loans	13,446.6	10.64	10,477.5	8.57	9,193.6	5.96	n.a.	-	1,893.1	11.96
6. Less: Reserves for Impaired Loans/ NPLs	915.8	0.72	1,136.9	0.93	1,913.5	1.24	1,591.5	1.23	259.0	1.64
7. Net Loans	33,251.6	26.31	31,136.5	25.46	20,563.5	13.33	18,902.8	14.58	5,299.8	33.49
8. Gross Loans	34,167.4	27.03	32,273.4	26.39	22,477.0	14.57	20,494.3	15.81	5,558.7	35.13
9. Memo: Impaired Loans included above	2.6	0.00	38.3	0.03	177.4	0.12	318.9	0.25	53.2	0.34
10. Memo: Loans at Fair Value included above	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets										
1. Bank deposits	12.6	0.01	8,462.4	6.92	2.6	0.00	45.9	0.04	130.7	0.83
2. Reverse Repos and Cash Collateral	15,348.2	12.14	13,426.1	10.98	29,191.6	18.93	24,653.8	19.02	410.1	2.59
3. Trading Securities and at FV through Income	3,669.5	2.90	6,979.9	5.71	7,893.5	5.12	20,469.2	15.79	644.0	4.07
4. Derivatives	100.3	0.08	206.8	0.17	15.6	0.01	132.0	0.10	196.9	1.24
5. Available for Sale Securities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Held to Maturity Securities	41,480.2	32.82	12,569.1	10.28	34,509.4	22.37	1,725.1	1.33	2,742.1	17.33
7. At-equity Investments in Associates	33.3	0.03	428.0	0.35	113.6	0.07	137.0	0.11	5.7	0.04
8. Other Investments	5,872.4	4.65	7,059.9	5.77	7,828.2	5.08	5,226.6	4.03	564.7	3.57
9. Total Securities	66,503.9	52.62	40,669.9	33.26	79,551.9	51.58	52,343.8	40.38	4,563.7	28.84
10. Memo: Government Securities included Above	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Memo: Total Securities Pledged	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	99,768.1	78.94	80,268.8	65.64	100,117.9	64.91	71,292.5	55.00	9,994.1	63.16
C. Non-Earning Assets										
1. Cash and Due From Banks	22,574.0	17.86	37,816.6	30.93	49,380.5	32.02	54,212.0	41.82	5,383.1	34.02
2. Memo: Mandatory Reserves included above	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	3,681.2	2.91	3,703.7	3.03	3,814.0	2.47	3,633.7	2.80	329.4	2.08
5. Goodwill	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	n.a.	-	0.1	0.00	0.4	0.00	5.0	0.00	0.7	0.00
7. Current Tax Assets	38.6	0.03	133.2	0.11	n.a.	-	19.2	0.01	0.5	0.00
8. Deferred Tax Assets	10.1	0.01	18.6	0.02	417.7	0.27	30.5	0.02	n.a.	-
9. Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	315.3	0.25	336.1	0.27	502.7	0.33	430.4	0.33	115.0	0.73
11. Total Assets	126,387.3	100.00	122,277.1	100.00	154,233.1	100.00	129,623.4	100.00	15,822.8	100.00
Liabilities and Equity										
D. Interest-Bearing Liabilities										
1. Customer Deposits - Current	63,229.8	50.03	3,900.4	3.19	4,203.1	2.73	81,559.5	62.92	1,554.3	9.82
2. Customer Deposits - Savings	6,645.0	5.26	75,569.8	61.80	89,708.2	58.16	n.a.	-	6,013.4	38.00
3. Customer Deposits - Term	7,975.6	6.31	3,210.4	2.63	5,168.1	3.35	n.a.	-	2,607.3	16.48
4. Total Customer Deposits	77,850.4	61.60	82,680.6	67.62	99,079.5	64.24	81,559.5	62.92	10,175.1	64.31
5. Deposits from Banks	646.1	0.51	1,629.0	1.33	3,967.6	2.57	6,292.1	4.85	1,534.9	9.70
6. Repos and Cash Collateral	n.a.	-	62.1	0.05	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	1,617.3	1.28	2,067.5	1.69	1,833.6	1.19	n.a.	-	0.3	0.00
8. Total Deposits, Money Market and Short-term Funding	80,113.8	63.39	86,439.3	70.69	104,880.6	68.00	87,851.6	67.77	11,710.3	74.01
9. Senior Debt Maturing after 1 Year	2,929.1	2.32	n.a.	-	193.1	0.13	344.5	0.27	602.8	3.81
10. Subordinated Borrowing	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Other Funding	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	2,929.1	2.32	n.a.	-	193.1	0.13	344.5	0.27	602.8	3.81
13. Derivatives	11.0	0.01	0.3	0.00	n.a.	-	61.3	0.05	37.1	0.23
14. Trading Liabilities	16,597.0	13.13	11,018.6	9.01	23,186.7	15.03	21,776.6	16.80	809.3	5.12
15. Total Funding	99,650.9	78.85	97,458.2	79.70	128,260.4	83.16	110,034.0	84.89	13,159.6	83.17
E. Non-Interest Bearing Liabilities										
1. Fair Value Portion of Debt	2,268.1	1.79	n.a.	-	249.8	0.16	7.9	0.01	115.6	0.73
2. Credit impairment reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other reserves	n.a.	-	n.a.	-	n.a.	-	5.1	0.00	n.a.	-
4. Current Tax Liabilities	1.7	0.00	66.5	0.05	2,021.9	1.31	1,245.0	0.96	116.5	0.74
5. Deferred Tax Liabilities	734.4	0.58	487.8	0.40	n.a.	-	158.0	0.12	20.7	0.13
6. Other Deferred Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	2,296.5	1.82	1,875.2	1.53	1,324.9	0.86	1,429.0	1.10	236.4	1.49
10. Total Liabilities	104,951.6	83.04	99,887.7	81.69	131,857.1	85.49	112,878.9	87.08	13,648.7	86.26
F. Hybrid Capital										
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity										
1. Common Equity	21,435.7	16.96	22,389.5	18.31	22,376.1	14.51	16,744.5	12.92	2,162.2	13.67
2. Non-controlling Interest	n.a.	-	n.a.	-	n.a.	-	n.a.	-	11.9	0.08
3. Securities Revaluation Reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	21,435.7	16.96	22,389.5	18.31	22,376.1	14.51	16,744.5	12.92	2,174.1	13.74
7. Total Liabilities and Equity	126,387.3	100.00	122,277.1	100.00	154,233.1	100.00	129,623.4	100.00	15,822.8	100.00
8. Memo: Fitch Core Capital	21,425.6	16.95	22,370.7	18.30	21,958.0	14.24	16,708.9	12.89	2,173.4	13.74
9. Memo: Fitch Core Eligible Capital	21,425.6	16.95	22,370.7	18.30	21,958.0	14.24	16,708.9	12.89	2,173.4	13.74

Banco CMF S.A.

Ratios

	Constant Currency	Constant Currency	Constant Currency	Constant Currency	Historical Cost
	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018
	Year End	Year End	Year End	Year End	Year End
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	45.40	34.17	28.93	32.11	35.88
2. Interest Expense on Customer Deposits/ Average Customer Deposits	19.17	10.17	8.65	20.72	12.64
3. Interest Income/ Average Earning Assets	35.69	21.24	24.13	46.37	30.40
4. Interest Expense/ Average Interest-bearing Liabilities	17.30	9.06	7.65	17.74	13.19
5. Net Interest Income/ Average Earning Assets	16.13	9.98	13.59	20.85	14.04
6. Net Interest Inc. Less Loan Impairment Charges/ Average Earning Assets	15.92	9.41	11.94	19.46	11.64
7. Net Interest Inc. Less Preferred Stock Dividend/ Average Earning Assets	16.13	9.98	13.59	20.85	14.04
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	25.39	49.55	39.24	3.17	18.81
2. Non-Interest Expense/ Gross Revenues	50.77	51.71	34.49	47.69	56.92
3. Non-Interest Expense/ Average Assets	7.72	6.59	4.67	5.97	6.47
4. Pre-impairment Operating Profit/ Average Equity	41.79	34.45	63.03	47.72	37.62
5. Pre-impairment Operating Profit/ Average Total Assets	7.49	6.16	8.87	6.55	4.90
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	1.96	5.94	11.31	12.38	32.15
7. Operating Profit/ Average Equity	40.97	32.40	55.90	41.81	25.53
8. Operating Profit/ Average Total Assets	7.34	5.80	7.87	5.74	3.33
9. Taxes/ Pre-tax Profit	61.81	43.07	34.84	38.51	29.82
10. Pre-Impairment Operating Profit / Risk Weighted Assets	14.64	14.04	23.21	22.15	8.02
11. Operating Profit / Risk Weighted Assets	14.35	13.21	20.59	19.41	5.44
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	1.96	6.49	26.91	17.19	17.92
2. Net Income/ Average Total Assets	0.35	1.16	3.79	2.36	2.33
3. Fitch Comprehensive Income/ Average Total Equity	1.96	0.09	28.02	29.10	48.40
4. Fitch Comprehensive Income/ Average Total Assets	0.35	0.02	3.94	3.99	6.30
5. Net Income/ Av. Total Assets plus Av. Managed Assets	n.a.	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	0.69	2.65	9.91	7.98	3.82
7. Fitch Comprehensive Income/ Risk Weighted Assets	0.69	0.04	10.32	13.51	10.32
D. Capitalization					
1. Fitch Core Capital/Weighted Risks	35.16	41.21	40.24	49.42	26.25
3. Tangible Common Equity/ Tangible Assets	16.95	18.30	14.28	12.89	13.74
4. Tier 1 Regulatory Capital Ratio	34.60	79.79	111.41	129.75	26.12
5. Total Regulatory Capital Ratio	34.74	78.65	107.93	117.80	25.34
7. Equity/ Total Assets	16.96	18.31	14.51	12.92	13.74
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	n.a.	n.a.
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	n.a.	n.a.	n.a.
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	1.95	6.42	24.17	16.11	14.55
E. Loan Quality					
1. Growth of Total Assets	3.36	(20.72)	18.99	30.79	33.15
2. Growth of Gross Loans	5.87	43.58	9.67	(37.27)	12.30
3. Impaired Loans(NPLs)/ Gross Loans	0.01	0.08	0.42	1.29	0.93
4. Reserves for Impaired Loans/ Gross loans	2.33	2.42	4.51	6.44	4.52
5. Reserves for Impaired Loans/ Impaired Loans	35,757.52	2,971.48	1,078.53	499.04	486.57
6. Impaired Loans less Reserves for Impaired Loans/ Equity	(4.26)	(4.91)	(7.76)	(7.60)	(9.46)
7. Loan Impairment Charges/ Average Gross Loans	0.56	1.66	6.88	3.49	3.97
8. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	n.a.	0.84	2.34
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	0.01	0.08	0.42	1.29	0.93
F. Funding					
1. Loans/ Customer Deposits	43.89	39.03	22.69	25.13	54.63
2. Interbank Assets/ Interbank Liabilities	1.95	519.47	0.07	0.73	8.52
3. Customer Deposits/ Total Funding excl Derivatives	78.13	84.84	77.25	74.16	77.54

Annex I

OPINION

The Rating Committee of FIX SCR S.A. AGENTE DE CALIFICACIÓN DE RIESGO (an affiliate of Fitch Ratings) – CNV Reg. No. 9, at a meeting held on May 3, 2023, **confirmed*** the following ratings on Banco CMF S.A.:

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

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

-Class 14 Corporate Notes for up to \$2,500 million: A1(arg)

Category A(arg): Indicates a sound credit quality compared to other issuers or issues in the same country. However, changes in economic scenarios or conditions could affect the timely repayment capacity of financial commitments in this category to a larger extent than those with higher ratings.

Suffixes "+" or "-" may be appended to a rating to denote a higher or lower relative status within the relevant rating category and do not alter the definition of the Category to which they are added.

Category A1(arg): Indicates a very strong capacity for timely payment of financial commitments compared to other issuers or issues in the same country. When the characteristics of the issuer or issue are particularly robust the suffix "+" is added to the category.

The rating on Banco CMF S.A. (CMF) reflects its adequate historical performance and franchise in the segment it specializes in (medium-sized companies), its good credit quality, its high concentration of funding, its adequate liquidity management considering its funding structure and its robust capitalization in relation to the type of business it develops.

CMF's financial statements are prepared in compliance with the accounting standards established by the Banco Central de la República Argentina (BCRA). Our analysis of the bank's condition is based on the consolidated financial statements as of December 31, 2022, audited by Pistrelli, Henry Martin y Asociados S.R.L., a member firm of Ernst & Young Global, which stated that the said financial statements reasonably present, in all material respects, the financial position of the Bank and its subsidiaries as of December 31, 2022, its results, changes in shareholders' equity and cash flows for fiscal year then ended, in compliance with the financial reporting framework established by the BCRA. Without modifying its conclusion, it emphasizes that the information contained in Note 2, which provides that the BCRA established specific provisions for financial entities regarding the application of section 5.5 "Impairment in value" under IFRS 9. In this respect, it highlights that the entity is assessing the effect the full application of the standard might have on the financial statements, but it estimates it might be significant.

This abridged report is complementary to the full rating report dated September 27, 2022, available at www.fixscr.com, and contemplates the major changes occurred over the period under analysis. The following chapters are not included in this report as no material changes have taken place since the last full report: Profile, Performance, Risks and Sources of Funds and Capital.

* When a rating is confirmed, the previous rating is the same as the one published in this report.

Information Sources

The data obtained for the analysis are considered adequate and sufficient.

The information this rating is based on included, without limitation, the following public information:

- Condensed consolidated financial statements (latest dated December 31, 2022), available at www.cnv.gov.ar.
- Supplement to the Issue of Class 14 Corporate Notes, available at www.cnv.gov.ar.

Annex II

Table: Debt Securities' Issued

Instrument	Amount	Currency	Date Issued	Maturity	Rates	Amortization	Payment	Security
Class 14 Corporate Notes	\$2,500 million	Pesos	10/03/2022	10/03/2023	Private Badlar + 1,5%	2 payments of 50% of the principal amount maturing on 7/3/2023 and 19/3/2023	Cash	None

Annex III

Glossary:

ROE: Return on Equity.

ROA: Return on Assets.

Fitch Core Capital (FCC): The Bank's equity (including third parties' holdings in subsidiaries) less intangible assets, deferred taxes, net assets in insurance companies and trust certificates.

Regulatory Tier 1 Capital Ratio: $\text{Ordinary Tier 1 Capital} / \text{Total Risk-Weighted Assets}$

BCRA: Banco Central de la República Argentina.

The ratings included in this report were requested by the issuer, or in its behalf. Therefore, FIX SCR S.A. AGENTE DE CALIFICACIÓN DE RIESGO (Affiliate of Fitch Ratings)", hereinafter FIX SCR S.A. or the risk rating agency, has received the fees for the provision of the rating services.

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