

Banco CMF S.A.

Update Report

Ratings

National	
Long-term debt	A-(arg)
Short-term debt	A1(arg)

Outlook

Long Term National Rating: Negative

Financial Data:

Accounting Standards	IFRS	IFRS
Million	Dic-20*Dic-19*
Assets (USD)	623.4	523.9
Assets (Pesos)	52,456.0	44,086.0
Net Equity (Pesos)	7,610.3	5,694.9
Net Result (Pesos)	1,839.2	917.6
ROAA (%)	3.8	4.0
ROEA (%)	26.9	29.1
Equity/Assets (%)	14.3	12.9

* Financial statements in constant currency of Dec. 2020

**BCRA reference exchange rate: 12/31/2020= 84.15

Related Criteria:

Methodology for rating financial institutions filed with the Argentine Securities & Exchange Commission (*Comisión Nacional de Valores - CNV*)

Related reports:

Fix (an affiliate of Fitch) downgraded the outlook for the Financial System and Insurance sector to Negative

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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 with a small and highly-rated structure. The bank's subsidiaries are Metrocorp Valores S.A., Euro Bank Ltd. and CMF Asset Management S.A.U.

Key Rating Factors

Weak operational context: As a consequence of the health emergency, which deepened the economy's deterioration in 2020, entities are faced with challenges which depend on economic activity's pace of recovery of the uncertainty that prevails in the current scenario. Fix will monitor any developments in this respect.

Improved performance: As of December 2020, the Bank's net result duplicated in real terms compared to December 2019, with a ROAA of 3.8% and a ROAE of 26.9%, above domestic banks' average (2.4% and 14.4%, respectively). This is mainly due to a larger number of operations with liquidity bills (Leliqs) of the Central Bank (BCRA), representing 11.5% of Assets as of December 2020.

Loan book concentration: The bank's ten major clients concentrate 37% of the loan portfolio, while the following fifty major clients account for the remaining 49%. FIX considers this factor poses risk to the Bank, which is currently restricted by the low exposure of assets to credit risk of the private non-financial sector (13.3%) 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 CMF's strategy and business model which focuses on providing a specialized service to medium/large enterprises.

Good asset quality: Given the segment with which the Bank operates, non-performing loans have been historically low. As of December 2020, Impaired Loans (NPLs) accounted for 0.4% of Gross Loans (1.3% as of December 2020), standing below the average of the financial system as a whole (4.5% as of December 2020). 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 adverse scenario. Fix considers that non-performing loans, as well as the whole financial system, may be under pressure given the still unstable macroeconomic context and the gradual normalization process in debtors' ratings.

Concentration of funding: CMF's funding derives largely from its deposits (65.4% of assets as of December 2020) and, to a lesser degree, from international entity loans, interbank loans, corporate notes, and other financial liabilities. Its concentration of funding (the ten major depositors representing 58% of all deposits) is high, which, as in the rest of the financial system, is composed of short-term deposits. The Rating Agency considers this concentration is typical of the bank's business model and, therefore, it is not expected to vary.

Ample liquidity: The bank's individual immediate liquidity (Cash Assets + Leliqs + Calls + Repos / Total Deposits + Financial Liabilities due within one year) stood at 74.1% at December 2020. Considering both the loans and financial liabilities maturing in 90 days, the bank's broad liquidity stood at 101.9%.

Low exposure to the public sector: As of December, 2020, the Bank's only exposure to the public sector debt was in treasury bonds for \$8,489.3 million, equal to 16.2% of assets and 111.6% of net equity. However, 70.8% is composed of BCRA Leliqs. Excluding these bills, the exposure would be 4.7% of assets and 32.6% of net equity.

Good capitalization: CMF has maintained adequate capitalization ratios in recent years (Tier 1 capital ratio: 37.9% at December 2020 and tangible equity/tangible assets: 14.3%) FIX will monitor that the bank maintains sound solvency levels allowing it to face the current weakening of the main macroeconomic variables.

Rating Sensitivities

Operational environment: Increased volatility in economic and financial variables leading to a deeper deterioration of the operational environment may adversely affect the Bank's ratings. On the contrary, an operational context tending to lower uncertainty, inflation slow down, as well as recovery of the economic activity and demand for credit might lead to an outlook upgrade to Stable.

Annex I

Banco CMF S.A.- Income Statement

Accounting Standards	IFRS		IFRS		IFRS		IFRS		Professional Accounting Standard	
	31 Dec 2020		31 Dec 2019		31 Dec 2018		31 Dec 2017		31 Dec 2016	
	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	Year End ARS m Original	As % of Earning Assets
1. Interest Income on Loans	2,047.2	6.01	2,902.8	11.97	1,927.8	19.29	942.3	11.32	1,027.7	18.27
2. Other Interest Income	5,047.7	14.82	7,571.9	31.23	780.1	7.81	137.8	1.66	1.9	0.03
3. Dividend Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	7,094.9	20.84	10,474.7	43.20	2,707.9	27.09	1,080.1	12.98	1,029.6	18.31
5. Interest Expense on Customer Deposits	2,923.9	8.59	5,081.7	20.96	939.9	9.40	276.2	3.32	258.0	4.59
6. Other Interest Expense	174.9	0.51	682.2	2.81	517.3	5.18	281.3	3.38	174.9	3.11
7. Total Interest Expense	3,098.8	9.10	5,763.9	23.77	1,457.1	14.58	557.5	6.70	432.8	7.70
8. Net Interest Income	3,996.1	11.74	4,710.8	19.43	1,250.7	12.51	522.6	6.28	596.7	10.61
9. Net Gains (Losses) on Trading and Derivatives	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Net Gains (Losses) on other Securities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	123.3	2.19
11. Net Gains (Losses) on Assets at FV through Income Statement	1,596.0	4.69	120.5	0.50	220.9	2.21	75.4	0.91	n.a.	-
12. Net Insurance Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Income from services	318.0	0.93	275.7	1.14	129.3	1.29	127.8	1.54	126.7	2.25
14. Other Operating Income/Expenses	665.5	1.96	-241.70	-1	-60.4	-0.60	61.1	0.73	-37.4	-0.67
15. Total Non-Interest Operating Income	2,580.5	7.58	154.5	0.64	289.8	2.90	264.3	3.18	212.5	3.78
16. Personnel Expenses	875.8	2.57	917.9	3.79	352.0	3.52	248.4	2.98	224.5	3.99
17. Other Administrative Expenses	1,392.5	4.09	1402.4	5.78	524.9	5.25	332.7	4.00	205.2	3.65
18. Total Administrative Expenses	2,286.3	6.66	2,320.3	9.57	876.9	8.77	581.1	6.98	429.8	7.64
19. Equity-accounted Profit/ Loss - Operating	-0.3	0.00	2.5	0.01	0.7	0.01	0.2	0.00	2.2	0.04
20. Pre-Impairment Operating Profit	4,308.1	12.65	2,547.4	10.51	664.3	6.65	206.0	2.47	381.7	6.79
21. Loan Impairment Charge	487.1	1.43	315.4	1.30	213.6	2.14	79.9	0.96	34.9	0.62
22. Securities and Other Credit Impairment Charges	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-0.1	0.00
23. Operating Profit	3,821.0	11.22	2,232	9.21	450.7	4.51	126.1	1.51	346.9	6.17
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-	7.5	0.13
26. Non-recurring Expense	n.a.	-	n.a.	-	n.a.	-	n.a.	-	14.3	0.25
27. Change in Fair Value of Own Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-recurring Income/Expense	-998.5	-2.93	-739.7	-3.05	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	2,822.52	8.29	1,492.3	615	450.7	4.51	126.1	1.51	340.0	6.04
30. Income tax	983.3	2.89	574.70	2.37	134.4	1.34	0.7	0.01	66.0	1.17
31. Profit/Loss from Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	1,839.2	5.40	917.6	378	316.3	3.17	125.4	1.51	274.0	4.87
33. Change in Value of AFS Investments	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Revaluation of Fixed Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	n.a.	-	635.6	2.62	538.2	5.39	81.5.	0.98	n.a.	-
36. Remaining OCI Gains/(losses)	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Fix Scr Comprehensive Income	1,839.2	5.40	1,553.2	641	854.6	8.55	206.9	4.49	274.0	4.87
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	1,839.2	5.40	917.6	378	316.3	3.17	125.4	1.51	274.0	4.87
40. Memo: Common Dividends Relating to the Period	n.a.	-	n.a.	-	n.a.	-	n.a.	-	150.0	2.67
41. Memo: Preferred Dividends Related to the Period	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Banco CMFS.A. - Balance Sheet

ACCOUNTING STANDARDS

	IFRS		IFRS		IFRS		IFRS		Professional Accounting Standards	
	31 Dec 2020		31 Dec 2019(*)		31 Dec 2018		31 Dec 2017		31 Dec 2016	
	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	191.1	0.36	n.a.	-	107.6	0.68	39.0	0.33	177.5	2.06
2. Other Mortgage Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer / Retail Loans	55.0	0.10	n.a.	-	473.9	2.99	929.5	7.82	1,165.3	13.50
4. Corporate & Commercial Loans	4,271.7	8.14	6,970.3	15.81	3,084.1	19.49	2,573.3	21.65	1,157.9	13.41
5. Other Loans	3,126.8	5.96	n.a.	-	1,893.1	11.06	1,408.2	11.85	869.4	10.07
6. Less: Reserves for Impaired Loans/ NPLs	650.8	1.24	541.3	1.23	259.0	1.64	153.6	1.29	110.2	1.28
7. Net Loans	6,993.8	13.3	6,429.0	14.58	5,299.8	33.49	4,796.4	40.36	3,259.9	37.76
8. Gross Loans	7,644.6	14.57	6,970.3	15.81	5,558.7	35.13	4,950.0	41.65	3,370.0	39.63
9. Memo: Impaired Loans included above	60.3	0.12	108.5	0.25	53.2	0.34	61.3	0.52	58.2	0.67
10. Memo: Loans at Fair Value included above	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets										
1. Loans and Advances to Banks	0.9	0.00	15.6	0.04	130.7	0.83	89.0	0.75	150.5	1.74
2. Reverse Repos and Cash Collateral	9,928.3	18.93	8,385.0	19.02	410.1	2.59	332.3	2.80	n.a.	-
3. Trading Securities and at FV through Income	2,684.7	5.12	6,961.70	15.79	644.0	4.07	657.6	5.53	109.4	1.27
4. Derivatives	5.3	0.01	44.9	0.10	196.9	1.24	77.3	0.65	n.a.	-
5. Available for Sale Securities	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Held to Maturity Securities	11,736.9	22.37	586.7	1.33	2,742.1	17.33	915.4	7.70	199.3	2.31
7. At-equity Investments in Associates	38.6	0.07	46.6	0.11	5.7	0.04	4.3	0.04	100.7	1.17
8. Other Investments	2,662.4	5.08	1,777.6	4.03	564.7	3.57	1,451.5	12.21	228.3	2.64
9. Total Securities	27,056.3	51.58	17,802.6	40.38	4,563.7	28.84	3,438.4	28.93	637.7	7.39
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.	-	1,576.4	18.26
15. Total Earning Assets	34,050.9	64.91	24,247.2	55.00	9,994.1	63.16	8,323.7	70.04	5,624.4	65.14
C. Non-Earning Assets										
1. Cash and Due From Banks	16,794.7	32.02	18,438.0	41.82	5,383.1	34.02	3,098.0	26.07	2,854.9	33.07
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.	-	89.7	1.04
4. Fixed Assets	1,297.2	2.47	1,235.9	2.80	329.4	2.08	327.2	2.75	26.1	0.30
5. Goodwill	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	0.1	0.00	1.7	0.00	0.7	0.00	1.2	0.01	1.9	0.02
7. Current Tax Assets	n.a.	-	6.5	0.01	0.5	0.00	32.6	0.27	n.a.	-
8. Deferred Tax Assets	142.1	0.27	10.4	0.02	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	171.0	0.33	146.4	0.33	115.0	0.73	100.9	0.85	36.8	0.43
11. Total Assets	52,456.0	100.00	44,086.0	100.00	15,822.8	100.0	11,883.6	100.00	8,633.9	100.00
Liabilities and Equity										
D. Interest-Bearing Liabilities										
1. Customer Deposits - Current	1,429.5	2.73	27,739.1	62.92	1,554.3	9.82	497.9	4.19	266.7	3.09
2. Customer Deposits - Savings	30,510.5	58.16	n.a.	-	6,013.4	38.00	3,562.6	29.98	2,690.8	31.17
3. Customer Deposits - Term	1,757.7	3.35	n.a.	-	2,607.3	16.48	1,791.5	15.08	1,766.2	20.46
4. Total Customer Deposits	33,697.7	64.24	27,739.1	62.92	10,175.1	64.31	5,852.0	49.24	4,732.7	54.71
5. Deposits from Banks	1,349.4	2.57	2,140.0	4.85	1,534.9	9.70	1,141.2	9.60	129.5	1.50
6. Repos and Cash Collateral	n.a.	-	n.a.	-	n.a.	-	370.5	3.12	n.a.	-
7. Other Deposits and Short-term Borrowings	623.6	1.19	n.a.	-	0.3	0.00	362.8	3.05	64.7	0.75
8. Total Deposits, Money Market and Short-term Funding	35,670.8	68.00	29,879.1	67.77	11,710.3	74.01	7,726.7	65.02	4,917.8	56.96
9. Senior Debt Maturing after 1 Year	65.7	0.13	117.2	0.27	602.8	3.81	757.0	6.37	1,258.2	14.57
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	65.7	0.13	117.2	0.27	602.8	3.81	757.0	6.37	1,258.2	14.57
13. Derivatives	n.a.	-	20.8	0.05	37.1	0.23	n.a.	0.07	n.a.	-
14. Trading Liabilities	7,886.0	15.03	7,406.4	16.80	809.3	5.12	1,358.8	11.43	1,245.6	14.43
15. Total Funding	43,622.4	83.16	37,423.5	84.89	13,159.6	83.17	9,850.6	82.89	7,421.6	85.96
E. Non-Interest Bearing Liabilities										
1. Fair Value Portion of Debt	85.0	0.16	2.7	0.01	115.6	0.73	453.00	3.81	n.a.	-
2. Credit impairment reserves	n.a.	-	n.a.	-	n.a.	-	15.1	-	n.a.	-
3. Other reserves	n.a.	-	1.7	0.00	n.a.	-	37.0	-	n.a.	-
4. Current Tax Liabilities	687.7	1.31	423.4	0.96	116.5	0.74	n.a.	0.13	n.a.	-
5. Deferred Tax Liabilities	n.a.	-	53.7	0.12	20.7	-	n.a.	0.31	n.a.	-
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	450.6	0.86	486.0	1.10	236.4	1.49	138.7	1.17	115.2	1.33
10. Total Liabilities	44,845.7	85.49	38,391.1	87.08	13,648.7	86.26	10,494.4	88.31	7,536.6	87.29
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	7,610.3	14.51	5,694.9	12.92	2,162.2	13.67	1,382.6	11.63	1,091.8	12.65
2. Non-controlling Interest	n.a.	-	n.a.	-	11.9	0.08	6.6	0.06	5.3	0.06
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	7,610.3	14.51	5,694.9	12.92	2,174.1	13.74	1,389.2	11.59	1,097.1	12.71
7. Total Liabilities and Equity	52,456.0	100.00	44,086.0	100.00	15,822.8	100.00	11,883.6	100.00	8,633.9	100.00
8. Memo: Fitch Core Capital	7,468.1	14.24	5,682.8	12.89	2,173.4	13.74	1,388.0	11.68	1,095.1	12.68
9. Memo: Fitch Core Eligible Capital	7,468.1	14.24	5,682.8	12.89	2,173.4	13.74	1,388.0	11.68	1,095.1	12.68

(*)Financial Statements in constant currency

Banco CMF S.A.

Ratios

Accounting Standards	IFRS	IFRS	IFRS	IFRS	Professional Accounting Standard
	31 Dec 2020 (*)	31 Dec 2019(*)	31 Dec 2018	31 Dec 2017	31 Dec 2016
	Year End	Year End	Year End	Year End	Year End
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	28.93	32.11	35.88	19.04	35.17
2. Interest Expense on Customer Deposits/ Average Customer Deposits	8.65	20.72	12.64	4.72	6.60
3. Interest Income/ Average Earning Assets	24.13	46.37	30.40	12.98	21.49
4. Interest Expense/ Average Interest-bearing Liabilities	7.65	17.74	13.19	5.66	7.17
5. Net Interest Income/ Average Earning Assets	13.59	20.85	14.04	6.28	12.46
6. Net Interest Inc. Less Loan Impairment Charges/ Average Earning Assets	11.94	19.46	11.64	15.32	11.73
7. Net Interest Inc. Less Preferred Stock Dividend/ Average Earning Assets	13.59	20.85	14.04	6.28	12.46
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	39.24	3.17	18.81	33.59	26.26
2. Non-Interest Expense/ Gross Revenues	34.49	47.69	56.92	73.85	53.11
3. Non-Interest Expense/ Average Assets	4.67	5.97	6.47	4.89	5.97
4. Pre-impairment Operating Profit/ Average Equity	63.03	47.72	37.62	14.83	36.71
5. Pre-impairment Operating Profit/ Average Total Assets	8.87	6.55	4.90	1.73	5.30
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	11.31	12.38	32.15	38.80	9.13
7. Operating Profit/ Average Equity	55.90	41.81	25.53	9.07	33.36
8. Operating Profit/ Average Total Assets	7.87	5.74	3.33	1.06	4.82
9. Taxes/ Pre-tax Profit	34.84	38.51	29.82	0.52	19.40
10. Pre-Impairment Operating Profit / Risk Weighted Assets	23.21	22.15	8.02	3.22	6.75
11. Operating Profit / Risk Weighted Assets	20.59	19.41	5.44	1.97	6.13
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	26.91	17.19	17.92	9.03	26.35
2. Net Income/ Average Total Assets	3.79	2.36	2.33	1.06	3.81
3. Fitch Comprehensive Income/ Average Total Equity	26.91	29.10	48.40	14.90	26.35
4. Fitch Comprehensive Income/ Average Total Assets	3.79	3.99	6.30	1.74	3.81
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	9.91	7.98	3.82	1.96	4.84
7. Fitch Comprehensive Income/ Risk Weighted Assets	9.91	13.51	10.32	3.24	4.84
D. Capitalization					
1. Fitch Core Capital/Weighted Risks	40.24	49.42	26.25	21.71	19.35
3. Tangible Common Equity/ Tangible Assets	14.28	12.89	13.74	11.68	12.69
4. Tier 1 Regulatory Capital Ratio	37.89	44.13	26.12	17.60	18.73
5. Total Regulatory Capital Ratio	36.71	40.07	25.34	18.31	19.32
7. Equity/ Total Assets	14.51	12.92	13.74	11.69	12.71
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	n.a.	54.7
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	n.a.	n.a.	54.7
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	24.17	16.11	14.55	9.03	11.30
E. Loan Quality					
1. Growth of Total Assets	18.99	30.79	33.15	37.64	33.29
2. Growth of Gross Loans	9.67	(37.27)	12.30	46.88	29.01
3. Impaired Loans(NPLs)/ Gross Loans	0.42	1.29	0.93	1.13	1.40
4. Reserves for Impaired Loans/ Gross loans	4.51	6.44	4.52	2.83	2.65
5. Reserves for Impaired Loans/ Impaired Loans	1,078.53	499.04	486.57	250.73	189.24
6. Impaired Loans less Reserves for Impaired Loans/ Equity	(7.76)	(7.60)	(9.46)	(6.65)	(4.74)
7. Loan Impairment Charges/ Average Gross Loans	6.88	3.49	3.97	1.61	1.19
8. Net Charge-offs/ Average Gross Loans	n.a.	0.84	2.34	0.33	0.23
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	0.42	1.29	0.93	1.13	3.49
F. Funding					
1. Loans/ Customer Deposits	22.69	25.13	54.63	84.59	71.34
2. Interbank Assets/ Interbank Liabilities	0.07	0.73	8.52	7.80	116.23
3. Customer Deposits/ Total Funding excl Derivatives	77.25	74.16	77.54	59.46	63.65

(*) Financial Statements in constant currency

Annex II

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 April 26, 2021, **confirmed*** the following ratings on Banco CMF S.A.:

-Long-Term Debt: **A+(arg)**, with **Negative** outlook.

-Short-Term Debt: **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 the adequate historical performance and franchise in the segment it specializes in (medium-sized companies), its adequate credit quality, its concentration of funding, its tight liquidity base considering its funding structure and its robust capitalization in relation to the type of business it develops.

The Negative Outlook on Banco CMF S.A.'s long-term rating is in line with the outlook for the financial industry, due to an accelerated deterioration of the operational environment and the high volatility in macro-economic and financial variables. In general, banks' performance is expected to decline, which will affect their profitability ratios and capitalization levels due to an increase in non-performing loans, the impact on their investment portfolios given their positions in treasury bonds whose market prices fell sharply, the high cost of funding, and the difficulties, in some cases, to access to the capital markets.

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, 2020, 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, 2020, 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". 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 July, 22, 2020, 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.

This rating was based both on the following private and public information:

- Condensed consolidated interim financial statements (latest dated December 31, 2020), available at www.cnv.gob.ar
- Consolidated Condensed interim financial statements (latest dated September 30, 2020) available at www.cnv.gov.ar.

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: Ordinary Tier 1 Capital / Total Risk-Weighted Assets

BCRA: Banco Central de la República Argentina.

The aforementioned ratings 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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