As filed with the Securities and Exchange Commission on April 17, 2024

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

X **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-12568

BANCO BBVA ARGENTINA S.A.

(Exact name of Registrant as specified in its charter)

BBVA ARGENTINE BANK
(Translation of Registrant's name into English)

Republic of Argentina
(Jurisdiction of incorporation or organization)

Av. Córdoba 111, C1054AAA
Ciudad Autónoma de Buenos Aires, Argentina
(Address of principal executive offices)

Eduardo González Correas – 011-54-11-4348-0000 (ext. 14483) – egonzalezcorreas@bbva.com – Av. Córdoba 111 31° (C1054AAA)
Ciudad Autónoma de Buenos Aires, Republic of Argentina
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares, each representing the right to receive three ordinary shares, par value Ps.1.00 per share	**New York Stock Exchange**
Ordinary shares, par value Ps.1.00 per share	**New York Stock Exchange***

* **The ordinary shares are not listed for trading,but are listed only in connection with the registration of the American Depositary Shares, pursuant to requirements of the New York Stock Exchange.**

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Title of class	Number of shares outstanding
Ordinary Shares, par value Ps.1.00 per share	**612,710,079**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes X No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes X No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: X Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). X Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non -accelerated filer or an emerging growth company. See definition of "large accelerated filer", "accelerated filer" and "emerging growth company" in Rule 12b -2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	X
Non-accelerated filer	☐	Emerging growth company	☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. X

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b) ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐	International Financial Reporting Standards by the International Accounting Standards Board as issued X	Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes X No

Auditor firm ID:	1449	Auditor name:	Pistrelli, Henry Martin y Asociados S.R.L. (Member of Ernst & Young Global Limited)	Auditor location:	Argentina
Auditor firm ID:	1410	Auditor name:	KPMG	Auditor location:	Argentina

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FORWARD-LOOKING STATEMENTS

This Form 20-F contains words, such as "believe", "expect", "estimate", "intend", "plan", "may" and "anticipate" and similar expressions that identify forward-looking statements, which reflect our views about future events and financial performance. Actual results could differ materially as a result of factors beyond our control, including but not limited to:

- changes in general economic, business or political or other conditions in the Republic of Argentina ("Argentina" or "the Republic") or changes in general economic or business conditions in worldwide;
- governmental intervention and regulation (including banking and tax regulations);
- developments in the global financial markets;
- deterioration in the Argentine financial system or regional business and economic conditions;
- inflation;
- the outbreak and spread of a pandemic and other large-scale public health events;
- changes in exchange rates or capital markets in general that may affect policies towards or lending to Argentina or Argentine companies;
- changes in interest rates which may adversely affect our margins;
- adverse legal or regulatory disputes or proceedings;
- credit and other risks of lending, such as increases in defaults by borrowers and other delinquencies;
- increase in the provisions for loan losses;
- fluctuations and declines in the value of Argentine public debt;
- decreases in deposits or in the number of our customers;
- competition in the banking, financial services and related industries and the loss of market share;
- unanticipated increases in financing and other costs or the inability to obtain additional debt, equity or wholesale financing on attractive terms or at all; and
- the factors discussed under *"Item 3. Key Information—D. Risk Factors"*.

Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Banco BBVA Argentina S.A. ("BBVA Argentina" or the "Bank") undertakes no obligation to update or revise these forward-looking statements or to publicly release the results of any revisions to these forward-looking statements. The accompanying information in this annual report, including, without limitation, the information under *"Item 4. Information on the Company"*, *"Item 5. Operating and Financial Review and Prospects"* and *"Item 11. Quantitative and Qualitative Disclosures About Market Risk"* identifies important factors that could cause material differences between any forward-looking statements and actual results.

PRESENTATION OF FINANCIAL INFORMATION

General

The Bank's audited consolidated financial statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 included herein (the "Consolidated Financial Statements") are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS-IASB").

All 2023, 2022 and 2021 data included in this report have been prepared in accordance with IFRS-IASB for the sole purpose of filing this annual report on Form 20-F with the U.S. Securities and Exchange Commission ("SEC").

The statutory consolidated annual financial statements that the Bank prepares to comply with the requirements of the Argentine Central Bank (the "Central Bank" or "BCRA") are prepared pursuant to the reporting framework established by the Central Bank requiring supervised entities to submit financial statements prepared pursuant to IFRS-IASB except for:

(i) the application of the expected credit loss model set forth under paragraph 5.5. of IFRS 9 for debt instruments issued by the public sector;

(ii) for 2021, the accounting treatment applied to the investment held by the Bank in Prisma Medios de Pago S.A., which was made on the basis of the provisions of Memoranda No. 7/2019 and No. 8/2021 issued by the BCRA, each dated on April 29, 2019 and May 22, 2021, respectively. In March 2022, we transferred to a third party the shares we owned in Prisma Medios de Pago S.A and, as a result the income (loss) thereof was recorded in the three-month period ended March 31, 2022. If the fair value of our interest in Prisma Medios de Pago S.A. had been determined on the basis of IFRS-IASB, the income (loss) for previous years and for the year ended December 31, 2022 would have been different. This accounting treatment does not affect the shareholders' equity value as of December 31, 2022; and

(iii) the treatment to be applied to uncertain tax positions, which follows the guidance prescribed by Memorandum No. 6/2017 Financial Reporting Framework Established by the BCRA issued on May 29, 2017. As of December 31, 2021, such provision had been reversed in the statutory consolidated financial statements.

Because of such differences, our statutory consolidated annual financial statements for the fiscal years ended December 31, 2023, 2022 and 2021 are not comparable with the Consolidated Financial Statements included herein. In addition, we will continue to have differences during 2024 between our statutory consolidated financial statements and the financial statements required by IFRS-IASB. We do not intend to report in accordance with IFRS-IASB on an interim basis during 2024. Consequently, our interim financial information for 2024 will not be comparable with the Consolidated Financial Statements and other information contained in this annual report on Form 20-F. We refer in this annual report on Form 20-F to IFRS-IASB as adjusted by the regulations of the BCRA as "IFRS-BCRA".

The Consolidated Financial Statements consolidate all the subsidiaries of the Bank in which the Bank holds direct or indirect control. See *"Item 4. Information on the Company—C. Organizational Structure"* for an organizational chart of BBVA Argentina and its subsidiaries.

In this annual report, references to "$", "US$", "U.S. dollars", "US dollars" and "dollars" are to United States dollars and references to "Ps.", "Pesos" and "pesos" are to Argentine pesos. Percentages and certain dollar and peso amounts have been rounded for ease of presentation. Unless otherwise stated, all market share and other industry information has been derived from information published by the Central Bank.

Unless otherwise indicated, financial information contained in this annual report reflects the consolidation of the following subsidiaries at the year end and for the fiscal years indicated below:

	As of and for the year ended December 31,		
Entity	**2023**	**2022**	**2021**
Volkswagen Financial Services Compañía Financiera S.A.	X	X	X
Consolidar AFJP S.A. (undergoing liquidation proceedings)	X	X	X
BBVA Asset Management Argentina S.A.U.	X	X	X
PSA Finance Argentina Compañía Financiera S.A.	X	X	X

IAS 29 Financial Reporting in Hyperinflationary Economies requires that an entity whose functional currency is the currency of a hyperinflationary economy must state its assets, liabilities, income and expenses in terms of the measuring unit current at the end of the reporting period (December 31, 2023). The Bank has applied IAS 29 as follows for purposes of the Consolidated Financial Statements:

- Restated the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statements of cash flow for the years ended December 31, 2022 and 2021.
- Restated the consolidated statement of financial position as of December 31, 2022.
- Adjusted the consolidated statement of financial position as of December 31, 2023.
- Adjusted the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statements of cash flow for the year ended December 31, 2023, including the calculation and separate disclosure of the gain or loss on the net monetary position.

For further information regarding the methodology and criteria applied see Note 2.1.5 to the Consolidated Financial Statements.

See *"Item 5. Operating and Financial Review and Prospects—A. Operating Results—Exchange Rates"* for information regarding the evolution of rates of exchange since 2019.

All figures and percentages of variations in this annual report on Form 20-F, unless otherwise stated, are presented in the measuring unit current at December 31, 2023. All comparisons of the financial system contained in this annual report on Form 20-F are presented in nominal terms.

CERTAIN TERMS AND CONVENTIONS

The terms below are used as follows throughout this report:

- "BBVA Argentina", the "Bank" or the "Company" and terms such as "we", "us" and "our" mean Banco BBVA Argentina S.A. and its consolidated subsidiaries unless otherwise indicated or the context otherwise requires.
- "BBVA" or the "BBVA Group" means Banco Bilbao Vizcaya Argentaria, S.A. and its consolidated subsidiaries unless otherwise indicated or the context otherwise requires.
- "Consolidated Financial Statements" means our audited consolidated financial statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, prepared in accordance with IFRS-IASB and included in this annual report on Form 20-F.

- PART I -

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

Reserved.

B. Capitalization and indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk Factors

The following summarizes some, but not all, of the risks provided below. Please carefully consider all of the information discussed in this Item 3.D. *"Risk Factors"* in this annual report for a more thorough description of these and other risks:

- Risks Relating to Argentina
  - economic and political instability in Argentina;
  - current levels of inflation;
  - high levels of public spending;
  - the Argentine economy could be adversely affected by economic events in other markets;
  - a decline in international prices for or in the amount of Argentina's principal commodity exports;
  - exchange controls and restrictions on capital inflows and outflows;
  - the insufficiency of the measures adopted to resolve the crisis in the energy sector;
  - any failure to adequately address actual and perceived risks of institutional deterioration and corruption;
  - fluctuations in the value of the peso;
  - the inability of the Republic to obtain financing on satisfactory terms;
  - salary increases or additional employments benefits as a result of government measures or pressure from union sectors;
  - government intervention in the Argentine economy;
  - amendments to the Central Bank's Charter and the Convertibility Law; and
  - the outbreak and spread of a pandemic and other large-scale public health events.
- Risks Relating to the Argentine Financial System and to BBVA Argentina
  - the short-term structure of the deposit base of the Argentine financial system, including the deposit base of the Bank, could lead to a reduction in liquidity levels and limit the long-term expansion of financial intermediation;
  - reduced spreads between interest rates received on loans and those paid on deposits;
  - volatility in interest rates;
  - a mismatch between UVA ("Unidad de Valor Adquisitivo", in Spanish) loans and UVA deposits;

    - the inaccuracy and/or insufficiency of our estimates and established reserves for credit risk and potential credit losses;
    - exposure to public sector debt;
    - increased competition in the banking industry;
    - activities across the BBVA Group could adversely affect us;
    - the dependency of our credit ratings on Argentine sovereign credit ratings;
    - the increasing dependency of the financial industry on information technology systems;
    - security risks;
    - an increase in fraud or transaction errors;
    - any insolvency proceeding against us that could subject us to the powers of, and intervention by, the Central Bank;
    - lawsuits brought against us outside Argentina;
    - class actions against financial institutions for an indeterminate amount;
    - the ability of BBVA, our controlling shareholder, to direct our business;
    - our ability to grow our business is dependent on our ability to manage our relationships with partners and grow our deposit base;
    - acquisitions that could adversely affect the value of the Bank;
    - any adverse consequences related to our calculation of income tax for the years ended December 31, 2018 and 2020;
    - the application of IAS 29 to our Consolidated Financial Statements;
    - restrictions on our ability to pay dividends; and
    - exposure to risks in connection with climate change.
- Legal, Regulatory and Compliance Risks
    - material weaknesses in our internal control over financial reporting;
    - our operations are conducted in a highly regulated environment;
    - the instability of the regulatory framework, in particular the regulatory framework affecting financial institutions;
    - our exposure to multiple provincial and municipal legislation and regulations;
    - limitations arising from the Consumer Protection Law and the Credit Card Law;
    - compliance risks;
    - differences between U.S. and Argentine corporate disclosure, governance and accounting standards; and
    - special rules that govern the priority of different stakeholders of financial institutions in Argentina.

Risks Relating to Argentina

Overview

We are an Argentine corporation (public limited company), and the vast majority of our operations, properties and customers are located in Argentina. Accordingly, the quality of our assets, our financial condition and our results of operations are significantly affected by macroeconomic and political conditions prevailing in Argentina.

Economic and political instability in Argentina may adversely and materially affect our business, results of operations and financial condition.

The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high levels of inflation and currency devaluation. As a consequence, our business and operations have been, and could in the future be, affected from time to time to varying degrees by economic and political developments and other material events affecting the Argentine economy, such as inflation, price controls, foreign exchange controls, fluctuations in foreign currency exchange rates and interest rates, governmental policies regarding spending and investment, national, provincial or municipal tax increases and other initiatives increasing government involvement in business activities, and civil unrest and local security concerns.

Between 2001 and 2015, the Argentine economy was very volatile combining periods of severe economic and political crisis resulting, among others, in restrictions on deposit withdrawals and the "pesification" of deposits (which were reclassified as peso denominated), with certain periods of recovery. In 2015, Mr. Mauricio Macri was elected President of Argentina and his administration (the "Macri administration") launched a wide array of measures intended to correct the longstanding fiscal and monetary policies that had resulted in recurrent public deficit, high inflation, pervasive foreign exchange controls and limited foreign investment.

However, in 2018, the worsening of economic and politic conditions worldwide and in Argentina particularly, resulted in significant capital outflows from Argentina, the closing of global credit markets for Argentine issuers and a strong devaluation of the Argentine peso. By the end of September 2018, a new monetary and foreign exchange scheme, highly influenced by the International Monetary Fund ("IMF"), was announced and while economic conditions stabilized, in October 2019, President Macri lost the elections to Alberto Fernandez, whose administration (the "Fernandez administration") took office in December 2019. The Fernandez administration implemented a wide range of economic and political reforms, including a sovereign debt restructuring designed to make Argentina's debt sustainable pursuant to which investors agreed to exchange their defaulted bonds by new bonds, and a restructuring of domestic debt.

The Argentine economy was adversely affected by the Covid-19 pandemic and partially recovered in 2021, as a result of eased mobility restrictions and a consequent increase in economic activity. In 2021, Argentina held mid-term elections, testing the Fernández Administration, which received only 33.5% of the votes (compared to 48% in the elections held in 2019), while the main opposition coalition obtained 41.9% of the votes.

Thereafter, the government presented to Congress a bill for a new agreement with the IMF to replace the stand-by agreement ("SBA") signed in 2018. The bill was approved in March 2022 despite the lack of endorsement by the Kirchnerist wing of the ruling coalition. This program is an Extended Fund Facility ("EFF"), for a ten-year term, (with a grace period of 4 and a half years), and it does not require any structural reforms. Compliance with the EFF is reviewed on a quarterly basis and compliance of the economic targets is necessary to cover the maturities of the SBA. The EFF contains the minimum requirements for fiscal convergence, reserve accumulation and reduction of monetary issuance for a path towards fiscal balance in 2025, an accumulation of US$15 billion of net international reserves in the next three years, and a reduction of the Treasury's monetary financing to zero in 2024. Any failure to meet such targets could result in the termination of the EFF program, which could bring political, financial and exchange rate instability due to the government's inability to access external financing. The EFF program may be subject to adjustments, mainly in terms of disbursements and structural reforms, but it is expected to remain in effect.

In 2022 political and economic instability was high, including with regards to the economic cabinet, which had three Ministers of Economy during the year. In July, following a month of very high economic and financial tensions, the Minister of Economy Martín Guzmán unexpectedly resigned being replaced by Silvina Batakis. She was appointed without the support of the entire ruling coalition, and in the midst of a failed attempt to calm financial tensions, she was replaced by Sergio Massa (a lawyer by profession and one of the main partners of the ruling coalition) only 24 days after taking office. His appointment brought calm to the markets, and soon after his arrival he implemented a slow but consistent reduction of the fiscal deficit, focused on the revision of subsidies to public services tariffs, and an accumulation of international reserves centered on a multiple exchange rate scheme, benefitting soybean exporters.

Finally, direct transfers from the Central Bank to the Treasury, as promised by Minister Massa upon taking office, ceased.

In addition to the instability caused by the successive changes in the Ministry of Economy, Vice-President Cristina Kirchner was the victim of an assassination attempt in Buenos Aires. Although Argentina had not experienced similar events in the last decades, violent political events may occur and have adverse effects on the political and social stability.

Massa's management as Minister of Economy was based on three pillars: (i) avoiding an abrupt devaluation of the official exchange rate, for which a multiple exchange rate scheme was generated that allowed exporters to settle at a higher differential exchange rate, or partially access the parallel exchange rate, which is always higher than the official exchange rate. This task became especially difficult in the context of the severe drought suffered for the last three years which adversely affected the agricultural sector, resulting in an estimated reduction in dollar inflows of approximately US$20 billion in 2023; (ii) the containment and reduction of inflation, by implementing a variety of measures, such as price controls (through agreements and sanctions) and raising the monetary policy rate (which was generally not positive in real terms, although it was close to the inflation rate); and (iii) the containment of the gap between the parallel and official exchange rates, for which the government intervened to accommodate prices and prevent the gap from widening. Another objective, less relevant for the government than the previous ones, was to moderate the deviations with respect to the targets set forth in the EFF. In order to help the Treasury achieve its issuance target, the government continued to resort to the methodology already applied by former Minister Guzmán, whereby the Central Bank participated in the secondary debt market of the Treasury, so that the latter could take a greater volume of debt to finance spending; for the fiscal target, Minister Massa undertook a partial price adjustment of utility tariffs, although this was set aside in the context of the Presidential elections. The reserve accumulation target was reduced as a result of the difficulties posed by the severe drought suffered in 2023.

Although the results were not as expected: inflation went from 71% year-on-year in July 2022 to 114% year-on-year in May 2023, international reserves went from US$40 billion (monthly average) in July 2022 to US$26 billion (monthly average) in July 2023 and the exchange rate gap was still very high, the government chose Minister Massa as its candidate for President.

Primary elections took place on August 13, 2023. Javier Milei, candidate for La Libertad Avanza (LLA), was the most voted in the primary presidential elections with 30.0% of the total votes. The second most voted political party was Juntos por el Cambio, whose candidates achieved 28.3% of the votes, followed by the candidates of Unión por la Patria (Massa's party) who achieved 27.3% of the votes. These results were surprising not only because of the parity between the main parties, but also because of the unexpected victory of Milei. The day after the elections, the government validated a 22% increase in the exchange rate and a 22 percentage points increase in the monetary policy rate. This devaluation jump was not accompanied by a stabilization plan, so the benefits of depreciating the real exchange rate were almost non-existent and monthly inflation accelerated to 12.4% and 12.7% in August and September 2023, respectively, the highest values (at that time) in more than 30 years.

After the primary elections, Minister Massa took a series of measures to improve the population's income in the short term, including one-time bonuses and tax cuts. We estimate the fiscal impact of these measures at 1% of GDP. In the general elections, Sergio Massa obtained 36.7% of the votes, followed by Javier Milei who obtained 30.0% of the votes and Patricia Bullrich, a member of Mauricio Macri's party, who obtained 23.8% of the votes. The new Congress is fragmented, which will force the new President to negotiate the approval of laws.

On November 19, 2023, Javier Milei was elected President of Argentina with 55.7% of the votes, and he took office on December 10, 2023 (the "Milei administration"). In the first months of the Milei administration, the Central Bank raised by 120% the value of the US$/Peso exchange rate, allowing for the acquisition of international reserves amounting to US$5,624 million from December 11, 2023 to February 15, 2024. At the same time, the Central Bank implemented a debt payment process with importers consisting of the subscription of US$-denominated bonds issued by the Central Bank but payable with Argentine peso, which allowed the Central Bank to withdraw pesos from the economy. Finally, the Central Bank also decided to lower the monetary policy rate -which was yielding 133% per annum- to 70% per annum, in order to reduce the interest payments that the Central Bank pays to banks for their interest-bearing liabilities. This measure is having a negative effect on the Bank as we are receiving lower remuneration on the money we lend to the Central Bank. On the political front, Milei's government sent to Congress an extensive package of laws aimed at deregulating the economy, which was not approved given the insufficient support that the Milei administration has in Congress.

We cannot assure whether Milei will implement aggressive political and economic policies, such as the dollarization of our economy, or whether his government will take a more moderate path. The implementation of aggressive political and economic policies could result in further uncertainty and the instability of the Argentine economy, all of which could adversely result our results of operations. Additionally, the dollarization of the economy or other disruptive exchange rate measures could trigger hyperinflation and a banking crisis, damaging our balance sheet and potentially reducing our net income.

If current levels of inflation continue, the Argentine economy and the Bank's business, results of operations and financial condition could be adversely affected.

Argentina has been facing high inflation levels since 2007. The INDEC reported an annual variation of the CPI of 50.9%, 94.8 % and 211.4 % in 2021, 2022 and 2023, respectively.

During the first half of 2022, and as in 2021, the government tried to contain the inflationary acceleration produced by the monetary overhang derived from the monetary issuance in 2020 and 2021, with an appreciation of the real exchange rate and a freeze in the price of utility tariffs. This strategy was inefficient to reduce inflation, which averaged 5.3% per month in the first half of 2022. In July 2022, after the sudden departure of Minister Martín Guzmán, parallel exchange rates rose 20% in one week and determined a successive remarking of prices that accelerated the already very high inflation, leading to a 6.8% monthly average in the third quarter of the year.

The arrival of Minister Massa resulted in a decrease of inflation values; however the adjustment of regulated prices (mainly utility rates) was one of the main inflationary drivers of the last months of 2022 and the beginning of 2023.

As a result of the strong drought suffered in Argentina for the last three years; inflation decelerated sharply in November and December 2022 and then accelerated until April 2023. After the primary elections the government adjusted the exchange rate and approved a 22% rise of the parity exchange rate between the U.S. dollar and the Argentine peso. As a result, monthly inflation started to increase at double-digit and year-on-year inflation at December 2023 reached 211%. At the same time, the official exchange rate was 27% more appreciated than the average of the last 20 years. President Milei has already announced that a price stabilization plan will be launched with the aim to reach fiscal equilibrium but, as of the date of this annual report on Form 20-F, there is no certainty as to how this plan will be implemented and the effects it will have on the exchange rate market and/or the fiscal deficit. The Bank's balance sheet is exposed to the interest-bearing liabilities of the Central Bank (both LELIQ, which is a 28-day instrument, and 1-day REPO), and if the government implements measures aimed to reduce the Central Bank's interest-bearing issuance, including a rate reduction or a plan to exchange these instruments, the Bank's balance sheet and net income will be adversely affected.

After the increase in the parity exchange rate, inflation increased from 12.8% per month in November 2023 to 25.5% per month in December 2023, 20.6% per month in January 2024 and 13.2% per month in February 2024. At the same time, the new government announced the deregulation of a series of regulated prices (such as health insurance, transportation and utility rates) that could continue to drive inflation in the short term. We cannot predict whether any measures to be implemented by the Milei administration to control inflation will have the desired effect. Currently and in the past, inflation has adversely affected the Argentine economy and the government's ability to create conditions leading to growth. An environment of high inflation rates also negatively affects Argentina's international competitiveness, real wages, employment rates, the consumption rate, and interest rates. High levels of inflation and the high level of uncertainty regarding economic variables, have in the past, and may in the future, adversely affect economic activity, which could materially and adversely affect our business, results of operations and financial condition.

High levels of inflation adversely affect the financial sector's ability to provide long-term loans because of the difficulty in establishing an appropriate interest rate, typically making lending more expensive for banks, including us.

A high level of public spending could negatively affect the Argentine economy and its access to financial markets.

While the Macri administration had managed to significantly reduce fiscal deficit by 2019, increased public spending and reduced revenue during 2020 as a result of the Covid-19 pandemic, significantly increased the fiscal deficit in 2020, which reached 6.4% of GDP. Although the Treasury showed signs of fiscal austerity by the end of 2020, the inaccessibility to debt markets forced the government to finance its fiscal needs almost exclusively with monetary issuance from the Central Bank. As of December 31, 2021, the fiscal deficit accounted for 2.1% of GDP (3.0% if IMF's special drawing rights ("SDRs") were not taken into account), which showed that, even though the fiscal balance was not moving towards an equilibrium as fast as the economy demanded, the fiscal gap was lower in 2021 than in 2020. The lower fiscal deficit in 2021 was not only explained by a deceleration in public spending compared to 2020 but also by a significant increase in economic activity, higher export duties and a one-off tax on large fortunes.

The government had proposed a fiscal deficit of 3.3% of GDP for 2022 at the beginning of the year through the presentation of the revenue and expenditure budget for the national public sector. However, this bill was not approved, and the government had to negotiate a fiscal deficit target with the IMF without the consensus of the political opposition. The government finally agreed to a target of 2.5% of GDP, which was complied with. The tariffs adjustment and the additional revenues received by the Treasury from taxes levied on soybean exporters who liquidated commodities at a higher exchange rate, allowed the Treasury to improve the fiscal balance. We believe that it will be critical for the government to keep reducing the fiscal deficit to ensure less reliance on debt issuance and monetary financing in order to reduce the very high levels of inflation.

The Fernandez administration had proposed a primary fiscal deficit target of 1.9% of GDP for 2023, however, fiscal deficit reached Ps.5.1 trillion (accounting for approximately 2.7% of GDP pending publication of public official figures). The impact of the fiscal measures that took place between the primary and general elections was close to 1% of GDP. Milei's stabilization plan aims to reduce the fiscal deficit to zero by ceasing money issuances by the Central Bank to assist the Treasury. It is uncertain how this stabilization plan will be implemented, if at all, and the effects it could have on the fiscal deficit. The Treasury had already reached fiscal surplus in January 2024, primarily as a result of expenses growing below inflation levels and expense cuts.

The Treasury will face high debt maturities in the upcoming months and, any poor performance in the local debt market, with debt rollovers below 100%, could complicate the public sector's sources of financing, increasing the possibility of requiring higher direct financing from the Central Bank, which would increase the already high level of inflation.

In addition, any deterioration in the government's fiscal position negatively affects its ability to access debt markets in the future and could result in greater restrictions on accessing those markets by Argentine companies, including the Bank.

A weaker fiscal position could have a material adverse effect on the government's ability to obtain long-term financing and adversely affect economic conditions in Argentina, which could adversely affect the business, results of operations and financial condition of the Bank.

The Argentine economy could be adversely affected by economic events in other markets.

Weak or no economic growth or recession or adverse situations that affect any of Argentina's main trading partners could negatively affect the balance of payments and, therefore, the economic growth of Argentina. In recent years, several Argentine trading partners (such as Brazil, Europe and China) have experienced significant slowdowns or periods of recession in their economies. If these slowdowns or recessions were to occur again, this could impact the demand for products that come from Argentina and thus affect its economy.

Furthermore, the global economy faces significant challenges. There have been concerns about unrest and terrorist threats in the Middle East, Europe and Africa and conflicts involving Russia, Ukraine, Israel, Iran and Syria. Likewise, economic and social crises have emerged in several Latin American countries in recent years, including the recent crisis in Ecuador. There has also been concern about the relationship between China and other Asian countries, which can result in or intensify potential conflicts in relation to territorial disputes, and the possibility of a trade war between the United States and China. Russia's invasion of Ukraine, the largest military attack on a European state since World War II, has led to significant disruption, instability and volatility in global markets, as well as higher inflation (including by contributing to further increases in the prices of energy, oil and other commodities and further disrupting supply chains) and lower growth. The EU, UK, U.S. and other governments have imposed significant sanctions and export controls against Russia and Russian interests and threatened additional sanctions and controls. While we have limited exposure to Ukraine and Russia, this or similar conflicts could significantly and adversely affect our business, financial condition and results of operations. The Covid-19 pandemic led to economic contractions in most of the world's economies in 2020, both developed and emerging. This affected the Argentine economy mainly through trade since the demand for its exports (mainly from Brazil and Europe) dropped substantially. In 2021, most economies experienced significant growth compared to 2020, which together with higher commodity prices (mostly soybean) during the second quarter of 2021 led to higher exports for Argentina. As a result, in 2021, the Argentine economy accumulated a US$14,750 million surplus, representing a 17.7% increase compared to 2020.

Additionally, the inflationary acceleration that has taken place in the United States and Europe has led central banks to tighten monetary policy, resulting in significant interest rate hikes. This fact restricts market access to emerging markets, including Argentina, since investors tend to invest in more stable economies.

In addition, in early 2023, concerns have arisen with respect to the financial condition of a number of banking organizations in the United States and Europe, in particular those with exposure to certain types of depositors and large portfolios of investment securities. On March 10, 2023 Silicon Valley Bank was closed by the California Department of Financial Protection and Innovation and the Federal Deposit Insurance Corporation was appointed receiver of Silicon Valley Bank. On March 11, 2023, Signature Bank was similarly closed and placed into receivership and concurrently the Federal Reserve Board announced it would make available additional funding to eligible depository institutions to assist eligible banking organizations with potential liquidity needs. In Europe, on March 15, 2023 the National Swiss Bank announced several measures amounting to approximately 50 billion Swiss francs to provide Credit Suisse with liquidity and on March 20, 2023 UBS announced that it would acquire Credit Suisse for approximately US$3,250 million. While our business, balance sheet and depositor profile differ substantially from banking institutions such as Silicon Valley Bank and Signature Bank, the operating environment and public trading prices of financial services sector securities can be highly correlated, in particular in times of stress, which may adversely affect the trading price of our securities and potentially our results of operations.

If international and local economic conditions fail to improve or deteriorate even more, the Argentine economy could be negatively affected as a result of lower international demand and lower prices for its products and services, higher international interest rates, less capital inflow and greater aversion to risk. Any of the foregoing could also adversely affect the Bank's business, results of operations and financial condition.

A decline in international prices for or in the amount of Argentina's principal commodity exports could have a material adverse effect on Argentina's economy and public finances, and, as a result, on our business.

Historically, the commodities market has been characterized by high volatility. Despite the volatility of prices of most of Argentina's commodities exports, commodities significantly contributed to the government's revenues during the 2000s due to the imposition of export duties on agricultural products in 2002. Although most duties were eliminated and the export tax on soy was reduced from 35% to 30% by the Macri administration in 2016, and was further reduced in 2018 by 0.5% per month, the Argentine economy is still relatively dependent on the price of its main agricultural exports, primarily soy. This dependence, in turn, renders the Argentine economy vulnerable to commodity prices fluctuations. International soybean prices decreased slightly during 2017 and further in 2018 due to growing trade tensions between the United States and China. During 2019, soybean prices reached their lowest prices over the prior five years, but recovered from US$305.5 per ton in May 2019 to US$335.0 per ton in December 2019. During the last months of 2020 soybean prices showed an upward trend (due to purchases from China, the monetary stimulus of the main central banks of the world and the promising news regarding the Covid-19 vaccine) that continued until the second quarter of 2022 when they reached US$621 per ton, the higher value in 10 years. However, soybean prices have declined after that, reaching US$507.0 per ton in October 2022. and have continued to decline since then, being close to US$455 per ton by the end of 2023, the lowest since December 2020.

The amount of agricultural products harvested in any given period may decrease due to adverse weather conditions. For example, as a result of the severe drought suffered during the last three years, Argentina experienced a significant water deficit, which resulted in soybean production being less than half as expected and in an estimated reduction in dollar inflows of approximately US$20 billion. This has been, together with the appreciation of the official exchange rate, one of the main causes of the drop in the Central Bank's gross reserves from US$38 billion on November 30, 2022, to US$23.0 billion on December 31, 2023.

Declines in the prices or the amount of highly exported commodities may adversely affect the Argentine economy and the government's fiscal revenues, which could in turn adversely impact the business, results of operations and financial condition of the Bank.

Exchange controls and restrictions on capital inflows and outflows could have a material adverse effect on Argentine public sector activity, and, as a result, on our business.

With the exception of some limited periods of time, since 2011, the different Argentine governments have implemented exchange controls and restrictions on the transfer and entry of foreign currency, significantly limiting the ability of companies to hold foreign currency in Argentina or make payments abroad.

During 2021, the government maintained the tightened restrictions on imports and financial transactions with bonds that had been implemented in previous years. In October 2021, the Central Bank reduced the minimum threshold above which imports required authorization (which resulted in less imports being automatically approved). Meanwhile, the monetary authority significantly reduced the allowed weekly trading amount for domestic-law bonds, resulting in blue chip swap transactions being required to be carried out with foreign-law bonds.

During 2022, the government not only maintained most of the restrictions imposed in 2020 and 2021, but also implemented an exchange rate regime with differential effective exchange rates for different sectors of the economy, which resulted in increased complexity. For instance, the government implemented the "soybean dollar", a transitory exchange rate for exporters of the soybean sector, which was higher than the official exchange rate during the months of September and December, leading to higher dollar settlements related to the agricultural sector during those months and very low US$ settlements from the agricultural sector in the others. At the same time, through taxes or withholdings, new exchange rates were created: for tourism and international artists, among others. Finally, a new import monitoring system with additional supervision of payments was set up.

During 2023, new exchange rates continued to appear for certain sectors, similar to the soybean dollar in 2022 as the shortage of Central Bank reserves prevented the government's ability to avoid a significant increase in the exchange rate between the U.S. dollar and the Argentine peso. In this sense, the Fernandez administration launched several campaigns allowing exporters to settle 30% of their exports through the parallel exchange rate market with the remaining 70% having to be liquidated at the official exchange rate. Initially, this campaign only applied to soybean exporters, but it was later extended to all types of exports. After the elections, and with an increased need to generate foreign currency inflows, the proportion of export dollars that could be liquidated at the parallel exchange rate was increased from 30% to 50%, which granted some short-term relief in the Central Bank's stock of reserves. The Milei administration has modified these values and as of the date of this annual report, exporters are allowed to settle 20% of their exports in the parallel exchange rate market, while the remaining 80% needs to be settled in the official exchange rate market.

Milei has announced that all current exchange rate restrictions will be eliminated as soon as the fiscal deficit is reduced. There is no certainty as to the scope or timing for any of these measures and the effect they would have on the Bank. The lifting of these exchange rate restrictions could result in an acceleration of inflation, which could negatively affect our balance sheet and net income.

The establishment of new restrictions on foreign trade or related to the foreign exchange market, together with the application of new exchange rates, could require the Bank to allocate additional and unbudgeted resources to provide customers with the tools they require to carry out transactions under the new regulatory framework. Additionally, such tools may not be developed on a timely basis due to changing demands.

Any changes in the policies of the current government concerning economic, exchange and financial matters in order to preserve the balance of payments, the Central Bank's reserves, a capital outflow or a significant depreciation of the Peso, such as the mandatory conversion into Pesos of obligations assumed by legal entities resident in Argentina in US dollars which could be due to a period of crisis and political, economic and social instability affecting Argentina, or otherwise, could have an adverse effect on Argentina's economic activity and the Bank's business, results of operations and financial condition.

The measures adopted to resolve the crisis in the energy sector may not be sufficient, which could affect the business, the results of operations and the financial condition of the Bank.

The economic policies applied since the Argentine crisis of 2001-2002 have had an adverse effect on the Argentine energy sector. The failure to reverse the freeze on electricity and natural gas rates imposed during the crisis became a barrier to investment in the energy sector. The government tried to encourage investment by subsidizing energy consumption but the policy proved ineffective and served to further discourage investment in the energy sector, causing oil and gas production and electricity generation, transmission and distribution to stagnate while consumption continued to rise. To address the power supply shortage that began in 2011, the government attempted to increase imports of electrical power, with adverse consequences for the trade balance and international reserves.

In response to the growing energy crisis, the Macri administration declared a state of emergency for the national electricity system, which ended on December 31, 2017. The state of emergency allowed the government to take measures to stabilize the supply of electricity to the country. In this context, subsidy policies were re-examined and new electricity rates were adopted.

However, utility rates were almost frozen from 2019 to 2022, which worsened the national energy situation by promoting higher demand and discouraging new investments from supplying companies, resulting in an energy deficit heightened by the lack of dollar inflows.

Although actions have been carried out to attempt to address the crisis in the energy sector, in 2023, the partial removal of subsidies to fund utilities (particularly with respect to high income families), the lack of a definitive resolution of the negative effects on the generation, transport and distribution of electricity in Argentina with respect to residential and industrial supply could undermine confidence and adversely affect Argentina's economic and financial condition, resulting in political instability, and adversely affecting the Bank's business and results of operations.

The Milei administration has continued to remove subsidies for utilities and public transportation and has decided to stop all public works until 2024. The elimination of subsidies and the progressive increase in prices could continue to generate social unrest and be challenged in local courts. Additionally, the decision to stop all public works could result in the failure to progress on the construction of the gas pipeline that will take gas from Patagonia to Buenos Aires and generally result in lower investment and a lower need for funding to finance that investment, which would adversely affect the Bank. We can give no assurance that the measures adopted by the Milei administration to deal with the energy crisis will be sufficient to restore energy production in Argentina in the short or medium term.

The current lack of resolution on tariffs results in uncertainty regarding the future situation of the energy market in Argentina and constitutes a source of potential risk for the country's economy and could lead to exchange rate volatility, either of which could adversely affect the Bank's business, results of operations and financial condition.

Any failure to adequately address actual and perceived risks of institutional deterioration and corruption may adversely affect Argentina's economy and financial condition.

The lack of a sound institutional framework and corruption have been identified as, and continue to be, critical problems for Argentina. Argentina ranked 98 out of 180 countries in the 2023 Corruption Perceptions Index published by Transparency International.

Failure to address these issues could increase the risk of political instability, distort decision-making processes and adversely affect Argentina's international reputation and ability to attract foreign investment, and consequently, may negatively affect our business, financial condition and results of operations. Although the Argentine government has taken several measures aimed at strengthening Argentina's institutions, these measures may be insufficient to ensure transparency and integrity in a highly polarized political context, which could have a material adverse effect on the business, the results of operations and the financial condition of the Bank.

Fluctuations in the value of the peso could adversely affect the Argentine economy and Argentine's ability to service its debt obligations.

Fluctuations in the value of the peso may adversely affect the Argentine economy. A devaluation of the peso may adversely affect the government's revenues (measured in U.S. dollars), fuel inflation and significantly reduce real wages.

The Central Bank has maintained the same exchange rate policy since December 2019, consisting of avoiding foreign exchange disruptions by applying more controls, selling foreign reserves and establishing multiple exchange rates. The Central Bank invested more than US$2.1 billion of reserves in the official exchange rate market from August 2021 to August 2022 to curb the depreciation of the Argentine peso. However, the Central Bank purchased US$5.8 billion of reserves in the official exchange rate market, between September 2022 and December 2022, for a transitory differential exchange rate regime that allowed soybean exporters to sell dollars to the Central Bank at a higher exchange rate during the months of September and December.

The government aimed to maintain the US$/Peso parity to prevent the undesired effect that a devaluation would have on inflation, and validated a real appreciation of the official exchange rate in 2022. The nominal exchange rate rose 72.4% in 2022, while accumulated inflation in the same period was 94.8%. The December 2022 real exchange rate was 24% lower than the real exchange rate in December 2019.

The exchange rate premium arising from exchange controls further complicates the foreign exchange market due to the coexistence of an appreciated real exchange rate, and a parallel exchange rate that increases devaluation expectations, discouraging exports and encouraging imports. In this regard, between January 2022 and August 2022, the Central Bank only bought the equivalent of 1% of the stock of dollars it bought in the same period of the previous year. This situation, which jeopardized compliance with the IMF's third quarter reserves target, led the government to apply a differential exchange rate for soybean exporters, which was 40% higher than the official exchange rate. This exchange rate was in effect in September 2022 and allowed the Central Bank to buy US$4,966 million in the official exchange market. The application of differential exchange rates adversely impacted the Central Bank's balance sheet due to the difference between the higher price at which it bought dollars and the lower price at which it sold dollars to importers.

Nevertheless, the Central Bank launched a differential dollar for soybean exports, 40% higher than the official exchange rate, effective from November 28 to December 31, 2022, in order to buy the necessary dollars to meet the fourth quarter target with the IMF.

The official exchange rate grew 356.4% between December 31, 2022 and December 31, 2023. However, in 2023, the real exchange rate experienced significant variations during the year, with the real exchange rate experiencing a 2% depreciation until the day of the primary elections. However, the government decided to freeze this exchange rate between August 14, 2023 and November 14, 2023, with monthly inflation during this period reaching 12.4%, 12.7%, 8.3% and 12.8%, respectively. As a result, the real exchange rate lost all the depreciation accumulated during the year and continued to appreciate until year end.

As the level of inflation remains high, a stronger nominal appreciation of the peso could lead to concerns regarding the appreciation of the peso against the U.S. dollar in real terms. Such appreciation may reduce the level of exports due to the loss of external competitiveness and a deterioration of the current account deficit. Any such appreciation could also have a negative effect on economic growth and employment, reduce tax revenues in real terms and raise concerns regarding the possibility and impact of a sudden stop in capital flows.

Political uncertainty or changes in liquidity in international markets are likely to lead to greater volatility, and a reduction in the reserves of the Central Bank as a result of intervention in the exchange market could adversely affect inflation expectations, economic performance and the ability of the Republic of Argentina to service its debt.

The lack of rainfalls, together with the high temperatures and the unexpected frosts had a negative impact on the country's main exports (soybean, wheat and corn, among others) in 2023. Adverse weather conditions might increase pressure on exchange rates due to the reduction in dollar inflows.

Any of these factors could substantially and adversely affect the business, the results of operations and the financial condition of the Bank.

There can be no assurances that Argentina will be able to obtain financing on satisfactory terms in the future, which could have a material adverse effect on its ability to make payments on its outstanding public debt.

Argentina's future tax revenue and fiscal results may be insufficient to meet its debt service obligations and Argentina may have to rely in part on additional financing from domestic and international capital markets in order to meet future debt service obligations. However, Argentina may not be able to access international or domestic capital markets at acceptable prices or at all, and, if that is the case, Argentina's ability to service its outstanding public debt could be adversely affected, which could in turn adversely affect Argentina's economy and financial condition and thereby have a material adverse effect on our business, results of operations and financial condition.

Measures taken by the government, as well as pressure from union sectors, could require salary increases or additional benefits, all of which could increase the Bank's operating costs.

In the past, the government has passed laws and regulations requiring private companies to maintain certain salary levels and to provide additional benefits to their employees. Likewise, public sector and private sector employers have been subject to intense pressure from their workforce or the unions that represent them, to increase wages and provide certain benefits to workers, particularly due to high inflation rates.

Labor relations in Argentina are governed by specific laws such as the Labor Contract Law No. 20,744 and the Law of Collective Labor Agreements No. 14,250 which, among other things, establish how to carry out wage negotiations and other labor issues. Each industrial or commercial sector is regulated by a collective bargaining agreement that classifies companies by sector and by union. Although the bargaining process is standardized, each chamber of industry or commerce negotiates wage increases and employment benefits with the corresponding union in the relevant sector.

According to data published by INDEC, the wage index grew by 152.7% during 2023, as a result of a 165.8% increase in the private sector and 148.6% in the public sector. The registered wage index grew by 159.5% in 2023.

Existing employment laws have led to salary increases that have resulted in an increase in operating costs that has adversely affected the results of operations of Argentine companies. Additionally, the adoption of new measures providing for wage increases or additional benefits for workers due to inflation or additional pressure from workers and unions or otherwise, could result in a further increase in costs and a decrease in the results of operations of Argentine companies, including those of the Bank, which could adversely affect the business, the results of operations and the financial condition of the Bank.

Government intervention in the Argentine economy could adversely affect the business, results of operations and financial condition of the Bank.

During the Kirchner administration, the direct intervention of the government in the Argentine economy increased, including through the implementation of expropriation and nationalization measures, and price and exchange controls.

Since the beginning of the Fernández administration there has been a strong intervention in the foreign exchange and labor markets, as well as a hefty fiscal deficit. The debt restructuring process brought a sign of sustainability which was perceived by both the market and the main credit rating agencies. Sovereign country risk fell more than 1,000 basis points following the debt restructuring agreement. However, only a week after the long-awaited agreement, the aforementioned measures led to a sharp fall in sovereign bond prices as well as in the main Argentinian stocks in New York. All of this, together with foreign exchange restrictions, import controls and the delay in the negotiations with the IMF contributed to an increase in sovereign risk, which continued to increase after the debt restructuring process and reached 1,688 basis points as of December 31, 2021. The sovereign risk has remained high even after the announcement of the IMF agreement as a result of current macroeconomic imbalances.

In June 2022, the Central Bank actively participated in the secondary market of Treasury securities. The Central Bank injected more than 30% of the monetary base into the economy through its participation in the secondary market and through direct transfers to assist the Treasury. This intervention raised concerns in the market regarding the government's fiscal path and its capacity to finance future deficits in the local debt market. In turn, the departure of the Minister of Economy Martin Guzmán at the beginning of July and the appointment of Silvina Batakis caused the country risk to increase from 1,912 basis points on June 1, 2022 to 2,913 basis points by mid July 2022. As of March 22, 2023 the country risk was 2,465 basis points.

In January 2023, the National Treasury carried out a voluntary debt exchange of Peso-denominated bonds maturing in the first quarter of 2023. Out of a total of Ps.4.3 billion, Ps.2.9 billion accepted the offer (67%), postponing payments mainly until the second quarter of the year. As approximately 55% of the total Peso-denominated bonds maturing in the first quarter of 2023 were held by public agencies (especially the Central Bank), the acceptance within the private sector was less than 30%. This fact, together with the difficulties that the Treasury had to issue debt maturing after October 2023, led the rating agency S&P to consider this transaction as "distressed" and consequently downgraded Argentina's sovereign rating to "Selective Default" for four days. After the settlement of the debt exchange, S&P raised Argentina's sovereign rating back to CCC-.

Historically, the actions carried out by the government in economic matters, including decisions regarding interest rates, taxes, price controls, wage increases, increased benefits for workers, exchange controls and potential changes in the market of currencies have had a substantial adverse effect on Argentina's economic growth.

Expropriations, price controls and exchange controls and other direct government interventions in the economy have had a negative impact on the level of investment in Argentina, access to international capital markets by Argentine companies and Argentine trade and diplomatic relations with other countries. If the government decides to increase the level of intervention in the economy, in accordance with historic practice or otherwise, the Argentine economy and, in turn, the business, the results of operations and financial condition of the Bank could be adversely affected.

Amendments to the Central Bank's Charter and the Convertibility Law may adversely affect the economy of Argentina.

In March 2012, Law No. 26,739 was passed amending both the Central Bank's Charter and the Convertibility Law. This law amended the mission of the Central Bank (as established in its Charter (as defined herein)) and eliminated certain provisions previously in force. In accordance with the Central Bank's Charter and the Convertibility Law, the Central Bank must promote monetary and financial stability, as well as promote development with social equity. Furthermore, the concept of "freely available reserves" was eliminated, allowing the Argentine government to use additional reserves to cancel debts. Additionally, the Convertibility Law established that the Central Bank may set the interest rate and the terms of the loans granted by financial institutions. Additionally, any use of reserves by the government to repay public debt or finance public spending may result in an increase in inflation, which would hinder economic growth. Moreover, a decrease in the reserves of the Central Bank might adversely affect the ability of the Argentine financial system to resist and overcome the effects of an economic crisis (whether domestic or international), adversely affecting economic growth and therefore the business, results of operations and financial condition of the Bank.

The outbreak and spread of a pandemic and other large-scale public health events could have a material adverse effect on the Bank's business, financial condition and results of operations

Economic conditions in Argentina and worldwide may be adversely affected by an outbreak of a contagious disease, such as COVID-19 (coronavirus), which develops into a regional or global pandemic and other large scale public health events. The measures taken by governments, regulators and businesses to respond to any such pandemic or event may lead to slower or negative economic growth, supply disruptions, inflationary pressures and significant increases in public debt, and may also adversely affect the Bank's counterparties (including borrowers), which may lead to increased loan losses. Such measures could also impact the business and operations of third parties that provide critical services to the Bank.

During the outbreak of COVID-19, the Bank experienced a decline in activity, including as a result of branch closures and remote working requirements, and was affected by a number of regulatory measures.

If there were an outbreak of a new pandemic or another large-scale public health event occurs in the future, the Bank may experience an adverse impact, which may be material, on its business, financial condition and results of operations, including as a result of the exacerbation of any of the other risks described in this section.

Risks Relating to the Argentine Financial System and to BBVA Argentina

The short-term structure of the deposit base of the Argentine financial system, including the deposit base of the Bank, could lead to a reduction in liquidity levels and limit the long-term expansion of financial intermediation.

In recent years, the growth of the Argentine financial sector has been heavily dependent on deposit levels because of the relatively small size of the Argentine capital markets and the lack of access to foreign capital markets.

While banks' liquidity in foreign currency is high, a significant share of it is deposited at the Central Bank, and as a result banks have to rely on the Central Bank in order to access those funds. Dollar deposits fell during 2020 by around 25% and remained mainly stable through 2021, 2022 and 2023.

Liquidity in local currency of the Argentine financial sector is currently high, with a high level of minimum cash requirements applicable to Argentine financial institutions, which the Central Bank has raised several times since 2018. Loan demand has recovered to some extent after the 2019 collapse, but still keeps lagging compared to inflation and the aggregated balance of the financial system is very low related to GDP in historical terms.

Notwithstanding the above, because most deposits are short-term deposits, a substantial part of loans must also have short-term maturities to match the terms of the deposits. The proportion of long-term credit lines, such as mortgages, is small, and long-term loan origination has fallen sharply since 2019 as a consequence of higher interest rates and inflation, and the difficult financial environment. As of the date of this annual report, the Bank is primarily exposed to the public sector, in particular, the Central Bank and Treasury, which is where it channels most of its customers' deposits.

We have a continuous demand for liquidity to fund our business activities. Our profitability or solvency could be adversely affected if access to liquidity and funding is constrained or made more expensive for a prolonged period of time. Furthermore, withdrawals of deposits or other sources of liquidity may make it more difficult or costly for us to fund our business on favorable terms. Although we believe that deposit liquidity levels are currently reasonable, no assurance can be given that those levels will not be reduced due to future negative economic conditions or otherwise. If depositors lose confidence as a result of negative economic conditions or otherwise and withdraw significant funds from financial institutions, there will be a substantial negative impact on the manner in which financial institutions, including us, conduct their business and on their and our ability to operate as financial intermediaries. If we are unable to access adequate sources of medium and long-term funding or if we are required to pay high costs in order to obtain the same and/or if we cannot generate profits and/or maintain our current volume and/or scale of our business, whether due to a decline in deposits or otherwise, our liquidity position and ability to honor our debts as they come due may be adversely affected, which could have a material adverse effect on our business, results of operations and financial condition.

Reduced spreads between interest rates received on loans and those paid on deposits could adversely affect our profitability.

The spread between the interest rates on loans and deposits could be affected as a result of increased competition in the banking sector and the government's tightening or loosening of monetary policy in response to inflation concerns. During recent years, as a consequence of higher inflation, interest rates have significantly increased in Argentina.

After the Macri administration took office, expectations were of a decline in both inflation and interest rates and therefore banking spreads. However, since 2018 devaluation of the peso and higher inflation led the Central Bank to substantially raise interest rates, ending the margin contraction trend. During 2020 the Central Bank reduced interest rates, in part as a response to the Covid-19 crisis. In 2021 interest rates remained stable, most of them negative in real terms. At the same time, after an economic slowdown in 2020 resulting from the economic downturn caused by the Covid-19 pandemic, inflation increased in 2021 (51%) and adopted an upward trend that accelerated in 2022 (reaching an inflation level of almost 100%) and continued in 2023 (reaching an inflation level of 211%). Inflation evolution in Argentina is still uncertain, and from 2020 an increasing amount of our liabilities and assets interest rates have been regulated by the Central Bank. This situation could result in renewed pressure on banking spreads. Moreover, a change in the composition of the source of funding, which is currently heavily weighted to non-interest-bearing deposits, could also put downward pressure on margins. Also, a change in the composition of the source of funding arising from an eventual higher demand of credit and therefore a need to increase the amount of time deposits or other types of interest bearing-liabilities could result in lower spreads.

Another source of spread contraction could be an increase in the regulation of subsidized loans. In October 2020, the Central Bank re-introduced mandatory credit lines for SMEs, under which banks have to lend a portion of their deposits to small and mid-size companies at regulated rates. This regulation continued through 2021 and 2022 and has continued during 2023. An increase in the use of these measures by the Central Bank could further affect our margins.

Any reductions in spreads could have a material adverse effect on our business, results of operation and financial condition.

Our business is particularly vulnerable to volatility in interest rates.

Our results of operations are substantially dependent upon the level of our net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities. Interest rates are highly sensitive to many factors beyond our control, including fiscal and monetary policies of governments and central banks, regulation of the financial sector in the market in which we operate, domestic and international economic and political conditions and other factors.

The Central Bank decreased interest rates in December, 2023 from a 133% annual rate to a 70% annual rate with the aim to improve the Central Bank's balance sheet by lowering interest bearing liabilities, which could result in additional inflation in the short term. Additionally, the government could continue to enact regulation that could adversely affect our intermediation margins. Any of the foregoing could adversely affect our financial spread as a result of differential movements in interest rates for deposits, loans or other bank assets and liabilities. In addition, high interest rates could reduce the demand for credit and our ability to generate credit for our clients, as well as contribute to an increase in the credit default rate. As a result of these and the above factors, significant changes or volatility in interest rates could have a material adverse effect on our business, results of operations and financial condition.

Mismatch between UVA loans and UVA deposits could adversely affect our profitability.

During 2017, new UVA (inflation-adjusted) mortgages grew significantly. At the same time, the Bank launched UVA deposits, but such deposits grew at a slower pace, leading to a mismatch in this activity. During 2018, as a consequence of the peso devaluation, higher inflation and interest rates, growth in both UVA loans and liabilities slowed and since 2019 new origination has come to a halt which has extended until now.

As of December 2023, UVA loans exceed UVA deposits balances, so the Bank has a long position in inflation adjusted net assets that matches our current expectations of negative interest rates for at least part of 2024. This long UVA position is complemented by a portfolio of Argentina Treasury bonds that adjust by inflation.

Independent of how this activity may develop in the future and how we manage our bond portfolio, there will probably still be a mismatch among UVA loans and deposits, as loans are mainly mortgages with long maturities, and this mismatch could have a material adverse effect on our business, results of operations and financial condition, particularly in the event that interest rates turn positive in real terms and the Bank were not able to hedge with inflation adjusted liabilities.

Our estimates and established reserves for credit risk and potential credit losses may prove to be inaccurate and/or insufficient, which may materially and adversely affect our results of operations and financial condition.

A number of our products expose us to credit risk, including consumer loans, commercial loans and other receivables. Changes in the income levels of our borrowers, increases in the inflation rate or an increase in interest rates could have a negative effect on the quality of our loan portfolio, causing us to increase provisions for loan losses and resulting in reduced profits or in losses. Our non-performing loan portfolio amounted to Ps.35,207 million at December 31, 2023 compared to Ps.39,177 million at December 31, 2022. The non-performing loan ratio increased to 1.29% at December 31, 2023 from 1.13% at December 31, 2022.

We estimate and establish reserves for credit risk and expected credit losses. This process involves subjective and complex judgments, including projections of economic conditions and assumptions on the ability of our borrowers to repay their loans. We may not be able to timely detect these risks before they occur, which may increase our exposure to credit risk. Overall, if we are unable to effectively control the level of non-performing or poor credit quality loans in the future, or if our loan loss reserves are insufficient to cover future loan losses, this could have a material adverse effect on our business, results of operations and financial condition.

Argentine financial institutions (including BBVA Argentina) continue to have exposure to public sector debt (including securities issued by the BCRA) and its repayment capacity, which in periods of economic recession, may negatively affect their results of operations.

Argentine financial institutions continue to be exposed, to some extent, to public sector debt and the public sector's repayment capacity. The Argentine government's ability to honor its financial obligations is dependent on, among other things, its ability to establish economic policies that succeed in fostering sustainable growth and development in the long term, generating tax revenues and controlling public expenditures, which could, either partially or totally, fail to take place.

The Bank's exposure to the public sector as of December 31, 2023 was Ps.2,308,820 million, representing approximately 38% of its total assets. Of this total, Ps.1,332,679 million were BCRA debt instruments and Ps.976,141 million corresponded to Argentine government securities. As a result, BBVA Argentina's income-generating capacity may be materially impacted or may be particularly affected by the Argentine public sector's repayment capacity and the performance of public sector bonds, which, in turn, is dependent on the factors referred to above.

Increased competition in the banking industry may adversely affect the Bank's operations.

The markets in which we operate are highly competitive and it is expected that this trend will continue in the coming years with the increasing entry of non-bank competitors (some of which have large client portfolios and strong brand recognition) and the emergence of new business models. In recent years, the financial services sector has undergone a significant transformation driven by the development of mobile technologies, the entry of new players into activities previously controlled by financial institutions and further consolidation in the banking industry. Although the Bank is making efforts to adapt to these changes through its digital transformation, its competitive position is affected by the fact that non-bank operators are less heavily regulated than banks (including BBVA Argentina). For example, banking groups are subject to prudential regulations that have implications for most of their businesses, including those in which they compete with non-bank operators (such as FinTechs or BigTechs) that are subject only to regulations specific to the activity they develop or that benefit from loopholes in the regulatory framework. Furthermore, when banking groups such as the Group carry out financial activities through the use of new technologies, they are generally subject to additional internal governance rules that place such groups at a competitive disadvantage.

Moreover, the widespread adoption of new technologies, including cryptocurrencies and payment systems, could require substantial investment to modify or adapt existing products and services as the Bank continues to increase its mobile and internet banking capabilities. Likewise, the increasing use of these new technologies and mobile banking platforms could have an adverse impact on the Bank's investments in facilities, equipment and employees of the branch network. A faster pace of transformation towards mobile and online banking models could require changes in the Bank's commercial banking strategy, including the closure or sale of some branches and the restructuring of others, and reductions in employees. These changes could result in significant expenses as the Bank reconfigures and transforms its commercial network. Failure to effectively implement such changes efficiently and on a timely basis could have a material adverse effect on the Bank's competitive position or otherwise have a material adverse effect on the Bank's business, financial condition or results of operations.

Our future success may depend, in part, on our ability to use technology to provide suitable products and services for our customers. While the Bank has focused on developing its technological capabilities in recent years and is committed to digitization, its ability to compete successfully is likely to be adversely affected by, on the one hand, the existing uneven playing field between banks and non-bank players and, on the other, the increasing relevance of access to digital data and interactions for customer relationship management, which places digital platforms at an advantage. Digital platforms (such as those maintained by large technology or social media companies and FinTechs) increasingly dominate access to data and control over digital interactions, and are already eroding the Bank's results in highly relevant markets such as payments. These platforms can leverage their advantage in access to data to compete with the Bank in other markets and could reduce the Bank's operations and margins in its core businesses such as lending or wealth management. In the event that the Bank is not successful in addressing increasing competition, its business, financial condition and results of operations could be materially and adversely affected.

We are a subsidiary of the BBVA Group, and activities across the BBVA Group could adversely affect us.

We are part of a highly diversified international financial group which offers a wide variety of financial and related products and services including retail banking, asset management, private banking and wholesale banking. The BBVA Group strives to foster a culture in which its employees act with integrity and feel comfortable reporting instances of misconduct. The BBVA Group employees are essential to this culture, and acts of misconduct by any employee, and particularly by senior management, could erode trust and confidence and damage the BBVA Group and the Bank's reputation among existing and potential clients and other stakeholders. Negative public opinion could result from actual or alleged conduct by the BBVA Group entities in any number of activities or circumstances, including operations, employment-related offenses such as sexual harassment and discrimination, regulatory compliance, the use and protection of data and systems, and the satisfaction of client expectations, and from actions taken by regulators or others in response to such conduct.

For example, Spanish judicial authorities are investigating the activities of Centro Exclusivo de Negocios y Transacciones, S.L. ("Cenyt"). Such investigation includes the provision of services by Cenyt to BBVA. On July 29, 2019, BBVA was named as an investigated party (investigado) in a criminal judicial investigation (Preliminary Proceeding No. 96/2017 – Piece No. 9, Central Investigating Court No. 6 of the National High Court) for alleged facts which could constitute bribery, revelation of secrets and corruption. Certain current and former officers and employees of the Group, as well as former directors, have also been named as investigated parties in connection with this investigation. Since the beginning of the investigation, BBVA has been proactively collaborating with the Spanish judicial authorities, including sharing with the courts information obtained in the internal investigation hired by the entity in 2019 to contribute to the clarification of the facts. As of the date of this annual report on Form 20-F, no formal accusation against BBVA has been made.

By order of the Criminal Chamber of the National High Court, the pre-trial phase ended on January 29, 2024. It is not possible at this time to predict the possible outcomes or implications for the BBVA Group of this matter, including any fines, damages or harm to the Group's reputation caused thereby.

This matter or any similar matters arising across the BBVA Group could damage our reputation and adversely affect the confidence of our clients, rating agencies, regulators, bondholders and other parties and could have a material adverse effect on our business, results of operations and financial condition.

Our credit ratings depend on Argentine sovereign credit ratings, and such dependence limits our access to international financial markets.

Our credit ratings are significantly influenced by Argentina's sovereign rating, which has fluctuated considerably, in line with the several Argentine crises. As a result, our ratings have also fluctuated in the recent past, although they have tended to be higher than the sovereign rating. These fluctuations impact our costs of funding, our collateral obligations and our ability to access international markets.

Argentina reached an agreement in 2016 with the holdouts of the 2005-2010 debt restructurings, and consequently between 2016 and 2017 the country's sovereign ratings were upgraded. However, from 2018 onwards that trend was reversed, and the country was either downgraded or put under review with a negative outlook. In April 2020, after the debt restructuring established by the national government for all public bonds in foreign currency under local legislation, risk rating agencies lowered Argentina's rating to "Selective Default". Nevertheless, in September 2020 the government agreed with the bondholders to restructure more than 99% of the public debt with private creditors, significantly reducing coupon payments and extending maturities. Once this agreement was settled, the rating agencies upgraded Argentina's sovereign rating to CCC+. However, credit rating agencies had recently lowered Argentina's credit rating or outlook. First, on October 26, 2022, Fitch downgraded Argentina's rating from CCC to CCC- and in January 2023 it downgraded Argentina's rating to Selective Default (though such downgrade was reversed a few days later), and on March 29, 2023, S&P downgraded Argentina's rating from CCC+ to CCC. Nevertheless, S&P raised its long-term foreign currency debt rating by one notch, from 'CCC-' to 'CCC' and improved its outlook from "negative" to "stable".

A further downgrade in Argentina's sovereign rating in the future, or any change in outlook, could limit the Bank's access to financing on acceptable terms, or at all, which could have a material adverse effect on the business, the results of operations and the financial condition of the Bank.

The financial industry is increasingly dependent on information technology systems, which may fail, may present vulnerabilities and be exposed to cyber attacks and data leaks.

Banks and their activities increasingly rely on highly sophisticated information technology ("IT") systems to deliver products and services to their customers. IT systems are exposed to a number of problems, such as software or hardware failures, malicious software, vulnerabilities, hacking and physical damage to vital IT centers. IT systems need regular patches and updates and banks, including us, may not be able to implement the necessary updates in a timely manner or the updates may not work as planned.

In recent years, the number of security incidents to which companies from different industries are exposed has increased. Attacks are becoming more frequent and compromise the infrastructure of the affected company, exposing internal and customer information, including as a result of phishing and social engineering campaigns, the intrusion of malicious software or ransomware campaigns, denial of service attacks that affect the availability of systems, among others. Cyber threats are rapidly evolving and we may not be able to anticipate or prevent all such attacks. We are under the continuous threat of economic losses due to cyber-attacks, especially as we continue to expand customers' capabilities to use digital channels to conduct business transactions. Two of the most important cyber-attack risks we face are electronic fraud and the violation of confidential customer data. Electronic fraud loss occurs when cybercriminals violate and extract funds directly from customers' or our accounts. A violation of confidential customer data, such as contact information, account numbers or credit card data, could present a significant impact on reputation and legal and /or regulatory costs for us. We may incur increasing costs in an effort to minimize these threats and we may be liable for any breach or loss of security.

In addition to the costs that may be incurred as a result of any failure of our IT systems, we may face penalties from banking regulators if we fail to comply with applicable banking or reporting regulations as a result of any IT risks or other failures. In 2023, the Central Bank published new requirements regarding risk management and technology and information security control, the compliance of which demand the undertaking of a gap analysis and the deployment of additional measures as part of our cybersecurity risk management.

We face security risks, including denial of service attacks, hacking, social engineering attacks targeting its colleagues and customers, malware intrusion or data corruption attempts, and identity theft that could result in the disclosure of confidential information, adversely affect our business or reputation, and create significant legal and financial exposure.

Our computer systems and network infrastructure and those of third parties, on which we are highly dependent, are subject to security risks and could be susceptible to cyber-attacks. Our business relies on the secure processing, transmission, storage and retrieval of confidential, proprietary and other information in its computer and data management systems and networks, and in the computer and data management systems and networks of third parties. In addition, to access our network, products and services, our customers and other third parties may use personal mobile devices or computing devices that are outside of our network environment and are subject to their own cybersecurity risks. Cyber-attacks or security violations, whether directed at us or third parties, may result in material loss or have material consequences and damage our reputation.

In addition, the risk of fraud and scams is increasing as we offer more online products through digital channels. In 2023, the growing trend in cases involving phishing, malware, telephone and social media scams and credit card fraud continued; to evolve into more complex ways of deception. There are several social engineering techniques that cybercriminals use to deceive customers and obtain confidential data. In this sense, the implementation of preventive measures of computer and documentary fraud as well as people's awareness are becoming increasingly important.

Protecting assets from potential cybersecurity threats is a significant challenge. Risks continue to increase as more mobile payment products and other Internet-based products become available, expanding our internal use of web products and applications. Therefore, it is essential to implement measures and controls to increase security and mitigate threats to cybersecurity.

Cyber-attacks or security violations, whether directed at us or third parties, may result in material loss or have material consequences. In addition, the public perception that a cyber-attack on our systems has been successful, whether or not this perception has been correct, can damage our reputation with the customers and third parties with whom we do business. Hacking of personal information and the risks of identity theft, in particular, could cause serious reputational damage. Successful penetration or circumvention of system security could cause us serious negative consequences, including loss of customers and business opportunities, significant business disruption of our operations and business, misappropriation or destruction of our confidential information and/or that of our customers, or damage to our or our customers' and/or third parties' computers or systems, and could result in a violation of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in our security measures, reputational damage, reimbursement or other compensatory costs, additional compliance costs, and could adversely impact our results of operations, liquidity and financial condition.

An increase in fraud or transaction errors may adversely affect our reputation, results of operations and financial condition.

Due to the large number of transactions that occur in a financial institution such as the Bank, errors can occur and worsen before being detected and corrected. In addition, some of our transactions are not fully automated, which may increase the risk of human error, or manipulation, and it may be difficult to detect losses quickly. If we are unable to effectively and timely detect and remedy fraudulent and erroneous transactions, it could damage our reputation, entail serious costs and affect our transactions, as well as have a material adverse effect on our business, results of operations and financial condition.

Because we are a financial institution, any insolvency proceeding against us would be subject to the powers of, and intervention by, the Central Bank, which may limit remedies otherwise available and extend the duration of the proceedings.

Under Argentine law, the liquidation and commencement of bankruptcy proceedings against financial institutions, until their banking license has been revoked by the Central Bank, may only be commenced by the Central Bank. If BBVA Argentina were unable to pay its debts as they come due, the Central Bank could intervene and revoke our banking license, and file a bankruptcy petition before a commercial court. If the Central Bank intervenes, the reorganization proceeding could take longer and it is likely that our shareholders' remedies would be restricted. During any such process, the Central Bank would have to consider its interests as a regulator and could well prioritize the claims of other creditors and third parties against us. As a result of any such intervention, shareholders may realize substantially less on the claims than they would in a bankruptcy proceeding of a non-financial institution in Argentina or a financial institution or non-financial institution in the United States or any other country.

Lawsuits brought against us outside Argentina, the enforcement of foreign judgments and complaints based on foreign legal concepts may be unsuccessful.

We are a commercial bank organized under the laws of Argentina. Most of our shareholders, directors, members of the supervisory committee and officers and certain experts named herein reside outside the United States (principally in Argentina). Substantially all of our assets are located outside the United States. If any shareholder were to bring a lawsuit against our directors, officers or experts in the United States, it may be difficult for them to effect service of legal process within the United States upon these persons or to enforce in Argentina a judgment against them obtained in the courts of the United States based upon the civil liability provisions of the United States federal securities laws, due to specific requirements of Argentine law regarding procedural law issues and principles of public policy.

Class actions against financial institutions for an indeterminate amount may adversely affect the profitability of the financial sector and of the Bank.

The Argentine national Constitution and the Argentine Consumer Protection Law No. 24,240, as supplemented or amended (the "Consumer Protection Law"), contain certain provisions regarding class actions. However, their guidance with respect to procedural rules for instituting and trying class action cases is limited. Nonetheless, Argentine courts have admitted class actions in many cases, including various lawsuits against financial institutions related to "collective interests" such as alleged overcharging on products, interest rates, misapplication of regulations, life insurance required in relation to loans, and advice in the sale of public securities. In recent years, some of these lawsuits have been settled by the parties out of court, with courts approving such settlement agreements. These settlements have typically involved an undertaking by the financial institution to adjust its fees and charges or reimburse money.

If class action plaintiffs were to prevail in these or other matters against financial institutions generally, or against us specifically, this could have an adverse effect on the financial industry generally and on our business, results of operations and financial condition in particular.

In the future, court and administrative decisions may increase the degree of protection afforded to our debtors and other customers, or be favorable to the claims brought by consumer groups or associations. This could affect the ability of financial institutions, including us, to freely determine charges, fees or expenses for their services and products, thereby affecting our business and results of operations.

BBVA, our controlling shareholder, has the ability to direct our business and its interests could conflict with yours.

As of December 31, 2023, our parent company, BBVA, directly or beneficially owned 66.55% of our capital stock. As a result, BBVA controls virtually all decisions with respect to our company made by shareholders. It may, for example, without the concurrence of the remaining shareholders, elect a majority of our directors, effect or prevent a merger, sale of assets or other business acquisition or disposition, cause us to issue additional equity securities and determine the timing and amounts of dividends, if any, always subject to the applicable legal framework. Its interests may conflict with your interests as a holder of our shares or ADSs, and it may take actions that might be desirable to BBVA but not to our other shareholders.

Our ability to grow our business depends on our ability to manage our relationships with partners and grow our deposit base.

We seek to grow our business by, among other means, increasing our client base. Our strategic partnerships are important components of our client acquisition strategy. We have various strategic partnerships, which include Despegar, MOVE Concerts Argentina S.A., Medios y Contenidos Producciones S.A. and En Vivo Producciones S.A., the last four within the entertainment sector. Distribution channels include credit card programs with Club Atlético River Plate Asociación Civil and Club Atlético Boca Juniors Asociación Civil, Argentine soccer clubs, and the agreements with automobile companies Peugeot Citroen, Renault and Volkswagen, which we depend on to expand our client reach cost-effectively, further expand our points of presence and enhance our value proposition. Any deterioration in our relationships with our strategic partners could adversely affect our strategy and materially and adversely affect our business, results of operations and financial condition.

In addition, the successful growth of our business depends on our ability to grow our deposit base. Political, economic or legal developments in Argentina or other factors could lead customers to withdraw funds from the Argentine financial system, adversely affecting us. If there are improvements in the Argentine economy, including lower inflation and increased bancarization and lending activity in the Argentine banking sector, we expect this would contribute to the growth of our business and profitability. However, we can provide no assurance regarding the future performance of the Argentine economy or how any improvements will affect us. If the Argentine economy fails to improve, it could have a material adverse effect on our business, results of operations and financial condition.

We may enter into one or more acquisitions which could adversely affect the value of the Bank.

We regularly explore consolidation opportunities in the ordinary course of business and believe there are significant opportunities to expand our footprint in the Argentine banking sector. In the event that we choose to make an acquisition in the future, any such transaction would involve a number of risks and uncertainties, including:

- the possibility that we pay more than the value we will derive from any such transaction;
- the possibility that Argentine economic and political conditions will not develop in the manner we expect;
- the possibility that the Argentine financial services market will not develop in the manner we expect;
- a reduction in our cash available for operations and other uses;
- the potential incurrence of indebtedness to finance any such transaction;
- delays in achieving or our failure to achieve successfully achieve the anticipated benefits of any acquisition;
- difficulties in integrating any business acquired, including difficulties in harmonizing the companies' operating practices, technology platforms, internal controls and other policies, procedures and processes;
- diversion of management time and resources in coordinating a larger or more geographically dispersed organization;
- the quality of the assets of the acquired business may be lower than we anticipate; and
- the assumption of certain liabilities, whether known or unknown.

Any of the foregoing or other risks and uncertainties related to any acquisition could have a material adverse effect on our business, results of operations and financial condition or the value of the Bank.

We may suffer adverse consequences related to our calculation of income tax for the years ended December 31, 2018 and 2020.

As discussed in our Form 6-K furnished to the SEC on June 30, 2017, on May 12, 2017, we filed a request for declaratory judgment with the Contentious Administrative Federal Court No. 12, Secretariat No. 23, seeking that such court declare unconstitutional certain provisions of Argentine law that prevented us from applying an inflation adjustment mechanism. On May 12, 2017, we filed our income tax return for 2016 giving effect to an adjustment for inflation, in 2018 we filed our income tax return for 2017, and in 2019 we filed our income tax return for 2018, also giving effect to an adjustment for inflation. Our requests for declaratory judgment for 2017 and 2018 were filed with the Contentious Administrative Federal Court No. 12, Secretariat No. 23, and our request for 2019 was filed with the Contentious Administrative Federal Court No. 2, Secretariat No. 3.

On June 8, 2020, the Bank obtained a favorable judgement from the Contentious Administrative Federal Court No. 12 with regards to our request for declaratory judgment filed on May 12, 2017 for our 2016 tax return. The Contentious Administrative Federal Court No. 12 concluded that the prohibition to apply the inflation adjustment mechanism in our income tax return for the fiscal year 2016 was not applicable. On December 9, 2020 the Appeal Court dismissed the appeals filed on August 6, 2020 by the tax authorities against this ruling, thereby confirming the decision taken by the Contentious Administrative Federal Court No. 12. Although the tax authorities filed an extraordinary appeal, such appeal was withdrawn on February 1, 2021.

On June 14, 2021, the Bank obtained a new favorable judgement from the Contentious Court Administrative No. 12 with regards to our request for declaratory judgment filed on May 11, 2018 for our 2017 tax return, declaring that the prohibition to apply the inflation adjustment mechanism in our income tax return for the fiscal year 2017 was not applicable. On June 18, 2021, the tax authorities appealed the judgement, but on September 3, 2021 such appeal was also withdrawn.

On October 5, 2022, the Bank obtained another favorable ruling from the Federal Court for Administrative Litigation No. 2, to our request for a declaratory judgment filed on May 13, 2019 for our 2018 tax return in the same form as those previous sentences. On October 6, 2022, the tax authorities appealed the sentence. On July 11, 2023, the Bank obtained a favorable judgement from the Contentious Court Administrative and on August 8, 2023, the tax authorities filed an extraordinary appeal. On September 19, 2023, the Federal Court granted partial relief to the extraordinary appeal and sent it to the Supreme Court. As of the date of this annual report, we are waiting for the Supreme Court to rule on the appeal filed by the tax authority.

In May 2021, we filed a new request for declaratory judgement with the Contentious Administrative Federal Court No. 5, Secretariat No. 9, seeking that such court declare unconstitutional certain provisions of Argentine law that prevented us from fully applying the inflation adjustment mechanism in our 2020 tax return. On May 26, 2021, we filed our income tax return for 2020 giving effect to an adjustment for inflation. On August 15, 2023, the Bank obtained a new favorable judgment from the Federal Court for Administrative Litigation No. 5. On August 23, 2023, the tax authority filed an appeal against this judgement requesting its revocation.

On June 2, 2023, the Bank filed a declaratory action of unconstitutionality against the Federal Administration of Public Revenue - General Tax Directorate (AFIP-DGI), in order to obtain a ruling declaring the unconstitutionality of art. 93 of the Income Tax Law (T.O. 2019) and/or the regulations that prevent the comprehensive application of the tax inflation adjustment mechanism on the grounds that it resulted in a confiscatory income tax in the 2022 fiscal period and requesting the comprehensive application of the mechanism for updating costs and amortization of assets provided for in articles 62 to 66, 71, 87 and 88 of the tax law.

On June 6, 2023, Federal Court for Administrative Litigation No. 9 transferred the proceedings to the prosecutor's office to issue a ruling on jurisdiction. Once the tax report was presented on June 8, 2023, the Court declared its jurisdiction.

As of the date of this annual report on Form 20-F, we cannot predict the outcome of these legal actions or whether we will be required to amend our income tax returns for 2018 and/or 2020 or make any provisions with respect thereto in our financial statements prepared under IFRS-IASB. If we are required to amend our income tax returns for 2018 or 2020, we may be required to pay interest and charges to the Argentine tax authorities, and could be subject to other consequences. We cannot predict with certainty the outcome of our requests for declaratory judgment or whether they would have a material adverse effect on our business, results of operations or financial condition, or the trading prices of our ordinary shares and ADSs.

The Argentine economy qualifies as a hyperinflationary economy under IAS 29. Given that the peso is our functional currency, we apply IAS 29 for periods ending after July 1, 2018, and our Consolidated Financial Statements and other financial information are presented in terms of the measuring unit current at December 31, 2023.

IAS 29 requires that financial statements of any entity whose functional currency is the currency of a hyperinflationary economy, whether based on the historical cost method or on the current cost method, be adjusted in terms of the measuring unit current at the end of the reporting period. IAS 29 does not establish a set inflation rate beyond which an economy is deemed to be experiencing hyperinflation. However, hyperinflation is commonly understood to occur when changes in price levels are close to or exceed 100% on a cumulative basis over the prior three years, when presented together with certain other qualitative macroeconomic factors.

The total cumulative inflation in Argentina in the 36 months prior to December 31, 2023, as measured by both consumer and wholesale price indexes published by INDEC, exceeded 100%. Qualitative macroeconomic factors, including the depreciation of the peso in recent months, also support the conclusion that Argentina is a hyperinflationary economy for accounting purposes. Accordingly, IAS 29 is applicable to any financial statements as from July 1, 2018 included in any of our filings with the SEC under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Argentine accounting standards authorities have reached a consensus that the "general price index" for IAS 29 purposes is determined considering the wholesale price index up to December 2016 and the CPI from then onwards. These indices have been determined or referred to the INDEC. Therefore, our Consolidated Financial Statements included in this annual report are adjusted by applying the relevant indices and presented in terms of the measuring unit current at December 31, 2023.

We also have applied IAS 29 Financial Reporting in Hyperinflationary Economies to our statutory consolidated annual financial statements presented to the Central Bank for fiscal years beginning on or after January 1, 2020 as set forth by the BCRA through Communication "A" 6651 issued on February 22, 2019. The financial statements provided to the Central Bank are prepared in accordance with IFRS BCRA, which differs in significant respects from IFRS-IASB. See "*Presentation of Financial Information*". As such, the Consolidated Financial Statements included in this annual report are not comparable with our financial statements furnished to the Central Bank.

The statutory consolidated annual financial statements that the Bank prepares to comply with the requirements of the Central Bank are prepared pursuant to the reporting framework established by the Central Bank requiring supervised entities to submit financial statements prepared pursuant to IFRS-IASB except for:

(i) the application of the expected credit loss model set forth under paragraph 5.5. of IFRS 9 for debt instruments issued by the public sector;

(ii) for 2021, the accounting treatment applied to the investment held by the Bank in Prisma Medios de Pago S.A., which was made on the basis of the provisions of Memoranda No. 7/2019 and No. 8/2021 issued by the BCRA, each dated on April 29, 2019 and May 22, 2021, respectively. In March 2022, we transferred to a third party the shares we owned in Prisma Medios de Pago S.A and, as a result the income (loss) thereof was recorded in the three-month period ended March 31, 2022. If the fair value of our interest in Prisma Medios de Pago S.A. had been determined on the basis of IFRS-IASB, the income (loss) for previous years and for the year ended December 31, 2022 would have been different. This accounting treatment does not affect the shareholders' equity value as of December 31, 2022; and

(iii) the treatment to be applied to uncertain tax positions, which follows the guidance prescribed by Memorandum No. 6/2017 Financial Reporting Framework Established by the BCRA issued on May 29, 2017. As of December 31, 2021, such provision had been reversed in the statutory consolidated financial statements.

Because of such differences, our statutory consolidated annual financial statements for the fiscal years ended December 31, 2023, 2022 and 2021 are not comparable with the Consolidated Financial Statements included herein. In addition, we will continue to have differences during 2024 between our statutory consolidated financial statements and the financial statements required by IFRS-IASB. We do not intend to report in accordance with IFRS-IASB on an interim basis during 2024. Consequently, our interim financial information for 2024 will not be comparable with the Consolidated Financial Statements and other information contained in this annual report on Form 20-F.

The Consolidated Financial Statements included in this annual report on Form 20-F have been prepared in accordance with IFRS-IASB.

We are subject to numerous restrictions on our ability to pay dividends.

We are subject to legal and other restrictions on our ability to pay dividends. In Argentina, financial institutions may distribute dividends provided that (i) they are not covered by the terms of sections 34 "Regularization and recovery" and 35 bis "Institution restructuring to safeguard lending and bank deposits" of the Law on Financial Institutions (Law No. 21,526); (ii) they are not receiving financial assistance from the BCRA; (iii) they are not in arrears or non-compliance with the information regime established by the BCRA; (iv) they meet minimum capital requirements and cash requirements and (v) they have complied with the additional capital margins applicable to them as provided for in Section 4 (Additional Capital Margins) of the BCRA's Structured Income Distribution text. See *"Item 8. Financial Information—A. Financial Statements and other Financial Information—Dividends"*. Amounts available for distribution as dividends are determined pursuant to Argentine law and IFRS-BCRA. As a result, dividends may be paid when we have no income as determined under IFRS-IASB and, conversely, dividends may not be payable even if we have income as determined under IFRS-IASB. Moreover, BBVA as our majority shareholder has the power to approve or fail to approve any proposed dividends.

Communication "A" 6886, in force since January 31, 2020, provides that financial institutions must have the prior authorization of the Central Bank for the distribution of dividends. On March 19, 2020, the BCRA issued Communication "A" 6939 whereby the distribution of dividends by financial institutions to its shareholders, including the Bank, was suspended until at least June 30, 2020; the BCRA Communication "A" 7035 dated June 4, 2020 extended said suspension until December 31, 2020, which was subsequently extended to June 30, 2021 by Communication "A" 7181 and to December 31, 2021 by Communication "A" 7312.

Pursuant to Communication "A" 7421 dated December 16, 2021, the Central Bank enabled financial entities, from January 1, 2022 to December 31, 2022, to distribute dividends for up to 20% of their "distributable profit". Financial entities, having the previous authorization of the Central Bank, had to make this distribution in twelve equal, monthly and consecutive installments.

By Communication "A" 7719 dated March 9, 2023, the Central Bank enabled financial entities, with its prior authorization to distribute dividends for up to 40 % of their "distributable profit" in six equal, monthly and consecutive installments from April 1, 2023 to December 31, 2023.

On March 21, 2024 the BCRA issued Communication "A" 7984, effective until December 31, 2024, which established that financial institutions may distribute dividends for up to 60% of their "distributable profit" in six equal, monthly and consecutive installments once authorization is obtained by the BCRA.

The Bank is exposed to various risks in connection with climate change.

Climate change, which is resulting in an increase in the intensity and frequency of extreme weather events and environmental degradation, presents both short, medium and long-term risks to the Bank and its customers and counterparties, with the risks expected to increase over time. Risks posed by climate change may be classified into transition and physical risks.

Transition risks refer to changes in, among others, regulations, technologies and market preferences linked to the transition toward a less carbon-dependent economy, including the following:

- Legal and regulatory risks. Legal and regulatory changes related to how banks are required to manage climate risk or otherwise affecting banking practices or disclosure of climate-related information may result in higher compliance, operational and credit risks and costs. Further, legal and regulatory changes may result in legal uncertainty and the existence of overlapping or conflicting regulatory or other requirements. The Bank or its customers or counterparties may be unable to meet any new requirements on a timely basis or at all. Further, changes in law, including new product and service specifications, may result in the sudden devaluation of certain assets. Any of these risks may affect the Bank and its customers and counterparties. In addition, new regulation could include requirements related to lending, investing, capital and liquidity adequacy and operational resilience. The incorporation of climate risks in the existing prudential framework is still developing and may result in increased risk weighting of high-carbon-related assets. Moreover, there are significant risks and uncertainties inherent in the development of adequate climate change-related risk assessment and modelling capabilities and the collection of customer, third party and other data, which may result in our systems or frameworks (or those of its customers and counterparties, where applicable) being inadequate, inaccurate or susceptible to incorrect customer, third party or other data, any of which could adversely affect the Bank's disclosure and financial reporting. Further, increased regulation arising from climate change could result in increased litigation and regulatory investigations and actions.

- Technological risks. Certain of our customers and counterparties may be adversely affected by the progressive transition to a low-carbon economy and/or risks and costs associated with new low-carbon technologies. If our customers and counterparties fail to adapt to the transition to a low-carbon economy, or if the costs of doing so adversely affect their creditworthiness, this could adversely affect our relevant loan portfolios.
- Market risks. The Bank and certain of the Bank's customers and counterparties may be adversely affected by changes in market preferences due to, among others, increasing climate change awareness. Further, the funding costs of businesses that are perceived to be more exposed to climate change could increase. Any of this could result in the reduced creditworthiness of such customers and counterparties, adversely affecting our relevant loan portfolios. The Bank and its customers and counterparties could also be adversely affected by changes in prices resulting from shifts in demand or supply brought by climate change, including prices of energy and raw materials, or by their inability to foresee or hedge any such changes.
- Reputational risks. The perception of climate change as a risk by society, shareholders, customers, governments and other stakeholders continues to increase, including in relation to the financial sector's activities. This may result in increased scrutiny of our activities, as well as its climate change-related policies, goals and disclosure. Our reputation and ability to attract or retain customers may be harmed if its efforts to reduce environmental and social risks are deemed to be insufficient or if a perception is generated in the different stakeholders that the Bank's statements, actions or disclosure do not fairly reflect the underlying sustainability profile of the entity, its products, services, goals and/or policies. The Bank may elect not to undertake lending or investing activities that would otherwise have been profitable in order to avoid reputational harm. Further, divergent views on ESG policies may also have a negative impact on our reputation. Increased scrutiny of the Bank's activities, as well as its climate change-related policies, goals and disclosure may result in litigation and regulatory investigations and actions. The BBVA Group has disclosed certain aspirational climate-related goals and such goals, which are being pursued over the long-term, may prove to be considerably more costly or difficult than currently expected, or even impossible, to achieve, including as a result of changes in environmental and energy regulation and policy, the pace of technological change and innovation and the actions of governments, the Bank's customers and competitors.

The physical risk arising from climate change could result from increased frequency and/or severity of adverse weather events or the impact of climate change over the long term. The activities of the Bank or those of its customers or counterparties could be adversely affected by the physical risks arising from climate change. For example, extreme weather events may damage or destroy the properties and other assets of the Bank or those of its customers or counterparties, result in increased costs, or otherwise disrupt their respective operations (for example, if supply chains are disrupted as a result), diminishing –in the case of the Bank's customers or counterparties - their repayment capacity and, if applicable, the value of assets pledged as collateral to us. The Bank is also exposed to potential long-term risks arising from climate change, such as increases in credit-related costs due to deteriorating macroeconomic conditions, which may be caused in part by an increase in infectious diseases or other ailments resulting from climate change. The Bank could also be adversely affected by declines in asset values as a result of climate change or climate change-related risks, reduced availability of insurance and significant interruptions to business operations and may be required to change its business models in response to the foregoing.

Any of these factors or regulations may have a material adverse effect on the Bank's business, financial condition and results of operations.

Legal, Regulatory and Compliance Risks

If we identify material weaknesses in our internal controls and procedures or otherwise fail to maintain their effectiveness, investor confidence in the Bank and the market price of our ordinary shares and ADSs may be adversely affected.

We maintain disclosure controls and procedures designed to ensure that we timely report information as specified in applicable Argentine and U.S. rules. Within such disclosure controls and procedures, we maintain a system of internal control over financial reporting.

We can provide no assurance that we will be able to maintain effective internal control over financial reporting in the future, that misstatements due to error or fraud or otherwise will not occur, that all control issues are detected or that we will be able to prepare our financial information on a timely basis. If our disclosure controls and procedures, including internal control over financial reporting, are not effective, it could have a material adverse effect on our business, results of operations and financial condition. Moreover, it could have an adverse effect on the price of our ordinary shares and ADSs and could subject us to regulatory.

Our management has issued a report on its assessment of the effectiveness of our internal control over financial reporting as of December 31, 2023 and concluded that the Bank's internal control over financial reporting was effective as of such date. See *"Item 15. Controls and Procedures"*.

We operate in a highly regulated environment, and our operations are subject to regulations adopted, and measures taken, by several regulatory agencies.

Financial institutions in Argentina are subject to significant regulation relating to functions that historically have been determined by the Central Bank and other regulatory authorities (for capital requirements see *"Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Requirements"*). The Central Bank may penalize us, in case of any breach of applicable regulations. Similarly, the Argentine National Securities Commission ("CNV"), which authorizes securities offerings and regulates the public securities markets in Argentina, has the authority to impose sanctions on us and our Board of Directors for breaches of corporate governance. The Financial Information Unit (*Unidad de Información Financiera*, or "UIF") regulates matters relating to anti-money laundering and has the ability to monitor compliance with any such regulations by financial institutions and, eventually, impose sanctions. Any such regulatory agencies could initiate proceedings and impose sanctions against us, our shareholders or our directors.

The Central Bank has also imposed restrictions on the positive foreign currency net global position of financial institutions, which have been modified several times, to prevent the Central Bank's foreign currency reserves from further decreasing. As of the date of this annual report, the positive foreign currency net global position may not exceed 5% of the basic net equity plus complementary net equity ("RPC") of the immediately preceding month.

In addition, pursuant to Communication "A" 7020, sanctions imposed by the Central Bank, the UIF, the CNV and/or the *Superintendencia de Entidades Financieras y Cambiarias* (the Superintendence of Financial Institutions and Exchanges, referred to as the "Superintendence") and/or their authorities, may result in the revocation of the licenses to operate as financial institutions. Such revocation may occur when, in the opinion of the board of directors of the Central Bank, there was a material change in the conditions deemed necessary to maintain such license, including those relating to the suitability, experience, moral character or integrity of (i) the members of a financial institution's board of directors (directors, counselors or equivalent authorities), (ii) its shareholders, (iii) the members of its supervisory committee or (iv) others, such as its managers.

The absence of a stable regulatory framework or the imposition of measures that may affect the profitability of financial institutions in Argentina and limit the capacity to hedge against currency fluctuations could result in significant limits to financial institutions' decision-making ability. In turn, this could cause uncertainty and negatively affect our future financial activities and result of operations. In addition, existing or future legislation and regulation could require material expenditures or otherwise have a material adverse effect on our business, results of operations and financial condition.

In addition to regulations specific to our industry, we are subject to a wide range of federal, provincial and municipal regulations and supervision generally applicable to businesses operating in Argentina, including laws and regulations pertaining to labor, social security, public health, consumer protection, the environment, competition and price controls.

These or any other future governmental measures or regulations could have a material adverse effect on our business, results of operations and financial condition.

The instability of the regulatory framework, in particular the regulatory framework affecting financial institutions, could have a material adverse effect on financial institutions such as BBVA Argentina.

While the Macri administration repealed part of the regulatory framework enacted by the Kirchner administration, when the Fernández administration assumed office, numerous new laws were enacted and rules were modified increasing the regulatory framework.

Several rules were enacted during 2020 which, among others: (i) required the remaining balance arising from credit cards to be automatically refinanced between September 1, 2020 and September 30, 2020 up to a maximum rate of 40%; (ii) established the minimum rates for retail customers subject to certain variables; (iii) froze the installments of home mortgage loans and pledge loans adjusted to UVA index, and any unpaid installments were rescheduled; and (iv) ordered financial institutions to request any loan unpaid installments to be paid at the end of the life of the loan. Additionally, on March 19, 2020, the Central Bank issued

Communication "A" 6938, temporarily easing the criteria to classify banks' debtors established in the "Debtors' Classification" rules and introduced certain changes to the manner in which financial institutions calculate RPC. Furthermore, in response to the crisis triggered by the Covid-19 pandemic, the Central Bank adopted a series of credit stimulus measures aimed at the most vulnerable economic sectors, primarily micro, small and medium-sized companies and the self-employed and eased reserve requirements for financial institutions that extended such credit lines. For a description of the effects of these regulations on BBVA Argentina, see *"Item 5. Operating and Financial Review—Effects of Recent Regulatory Changes on BBVA Argentina"*.

Financial institutions were also ordered to grant certain clients approved by the Argentine Tax Authority ("AFIP") who applied for them, credit facilities at regulated rates denominated in pesos called "Zero Rate Credit" and "Zero Rate Credit Culture" provided for in Decree No. 332/20, as amended.

Fees on automatically processed operations were suspended for a certain period of time and the possibility of notifying users of financial services of fee increases was suspended for 180 days, and after that period it was established that the expansion would be progressive for commodities.

During 2021 some of the rules issued during 2020 to mitigate the effects of the Covid-19 pandemic were relaxed while others were reinforced, including those enacted in relation to the protection of financial users, including the following: (i) the BCRA modified the terms for the settlement of credit card payments by shops; (ii) the requirements for online pre-approved credit were amended to exempt banks from certain requirements to grant the credit if the identity of the debtor was verified through biometric solutions with proof of life or upon cancellation by the bank of the approved credit and the assumption of the refund of the sums involved in a complaint filed by a client; (iii) the BCRA established new security measures to strengthen security regarding electronic payments and prohibiting wallets to link credit/debit cards other than those of the wallet holder; (iv) the Ministry of Commerce established mandatory minimum quality standards for remote care and communication services for suppliers of goods and services (with a six-month implementation period), including mandatory telephone assistance per person, online waiting times of no more than five minutes, guidelines for collection communications (free debt, mandatory data in letters, etc.), the prohibition of recordings to sell products or collect debts, the requirement to have trained personnel for personalized customer service, the establishment of deadlines for resolution of queries and complaints and the obligation to receive complaints from consumer associations from their official mail boxes, among others; (v) the Good Business Practices Guide on Gender and Diversity was adopted and the Consumer Protection Authority was requested to take all the necessary measures for its implementation, with suppliers of goods and services being invited to join; and (vi) the BCRA prohibited the financing in installments of purchases made by individuals and legal persons with credit cards of tickets abroad and other tourist services abroad (such as accommodation, car rental, etc.), whether carried out directly with the service provider or indirectly, through a travel agency and/or tourism, web platforms or other intermediaries.

Similarly, during 2022, several restrictions already existing in 2021 were maintained including minimum rates for fixed terms, or maximum charges for credit card financing. Additionally, restrictions on overseas purchases were applied by prohibiting the financing of overseas products received through the postal system, or purchases in instalments with credit cards in duty-free shops. New taxes for consumption abroad increased and were created. Additionally, the Central Bank issued accessibility guidelines for disabled persons for compliance by financial institutions.

During 2023, several restrictions already existing in 2022 were maintained, including minimum rates for fixed terms, or maximum charges for credit card financing, while consumption taxes were increased.

As a result of all these regulatory changes, banking activity has become increasingly more restrictively regulated, with the stated goal of protecting users of financial services.

The absence of a stable regulatory framework or the introduction of new regulations that affect the banking business could limit the ability of financial institutions, including BBVA Argentina, to make long-term decisions, such as asset-allocation decisions, and could cause uncertainty with respect to or otherwise adversely affect our future business, results of operations and financial condition. We cannot assure that laws and regulations currently governing the financial sector will not continue to change in the future or that any changes will not have a material adverse effect on our business, results of operations and financial condition.

Exposure to multiple provincial and municipal legislation and regulations could adversely affect our business and results of operations.

Argentina has a federal system of government with 23 provinces and one autonomous city (Buenos Aires), each of which, under the Argentine national constitution, has full power to enact legislation concerning taxes and other matters. Likewise, within each province, municipal governments have broad powers to regulate such matters. Due to the fact that our branches are located in multiple provinces, we are also subject to multiple provincial and municipal legislation and regulations. Future developments in provincial and municipal legislation concerning taxes, provincial regulations or other matters could have a material adverse effect on our business, results of operations and financial condition.

The Consumer Protection Law and the Credit Card Law may limit some of the rights afforded to us.

The Consumer Protection Law establishes a number of rules and principles for the protection of consumers. Although the Consumer Protection Law does not contain specific provisions for its enforcement in relation to financial activities, it does contain general provisions that might be used as grounds to uphold such enforcement, as it has been previously interpreted in various legal precedents. Moreover, the new Argentine Civil and Commercial Code has captured the principles of the Consumer Protection Law and established their application to banking agreements.

The application of both the Consumer Protection Law and the Credit Card Law No. 25,065, as amended by Law No. 26,010 (the "Credit Card Law") by administrative authorities and courts at the federal, provincial and municipal levels has increased. Moreover, administrative and judicial authorities have issued various rules and regulations aimed at strengthening consumer protection. In this context, the Central Bank issued Communication "A" 5460, as supplemented and amended, granting broad protection to financial services customers, limiting fees and charges that financial institutions may validly collect from their clients. In addition, the Argentine Supreme Court of Justice issued the Acordada 32/2014, creating the Public Registry of Collective Proceedings for the purpose of registering collective proceedings (such as class actions) filed with national and federal courts. In the event that we are found to be liable for violations of any of the provisions of the Consumer Protection Law or the Credit Card Law, the potential penalties could limit some of our rights, such as reducing our ability to collect payments due from services and financing provided by us, or otherwise adversely affect our business, results of operations and financial condition.

Furthermore, the rules that govern the credit card business provide for variable caps on the interest rates that financial institutions may charge clients and the fees that they may charge merchants. A change in applicable law or the existence of court decisions that lower the cap on interest rates and fees that clients and merchants may be charged would reduce our revenues and therefore negatively affect our results of operations.

The application of this regulation or any new regulation that may limit some of the rights afforded to us could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to compliance risks.

Due to the nature of our activities, we are exposed to certain compliance risks. In particular, we must comply with regulations regarding customer conduct, market conduct, the prevention of money laundering and the financing of terrorist activities, the protection of personal data, the restrictions established by national or international sanctions programs and anticorruption laws (including the US Foreign Corrupt Practices Act of 1977 and the UK Bribery Act of 2010), the violations of which may lead to very significant penalties. These anti-corruption laws generally prohibit providing anything of value to government officials for the purposes of obtaining or retaining business or securing any improper business advantage. As part of our business, we directly or indirectly, through third parties, deals with entities whose employees are considered to be government officials. The Bank's activities are also subject to complex customer protection and market integrity regulations.

Generally, these regulations require banking entities to, among other measures, use due diligence measures to manage compliance risk. Sometimes, banking entities must apply reinforced due diligence measures, due to the nature of their activities (among others, private banking, money transfer and foreign currency exchange operations), as they may present a higher risk of money laundering or terrorist financing.

Although we have adopted policies, procedures, systems and other measures to manage compliance risk, we are dependent on our employees and external suppliers for the implementation of these policies, procedures, systems and other measures, and we cannot guarantee that these are sufficient or that our employees or our business partners, agents and/or other third parties with a business or professional relationship with us, do not circumvent or violate our ethics and compliance regulations, acts for which such persons or us could be held ultimately responsible and/or that could damage our reputation. In particular, acts of misconduct by any employee, and particularly by senior management, could erode trust and confidence and damage our reputation among existing and potential clients and other stakeholders. For example, on October 25, 2022 we were notified by the BCRA of the opening of several criminal proceedings against the Bank and certain of its directors and employees related to exchange operations carried out in alleged breach of the provisions of point 9 of Communication "A" 6770 BCRA (in relation to tickets associated with operations carried out between residents and the advanced payment of imports). The Central Bank proceeded to accumulate the different files and treat them as a single case. Depositions have been filed by the Bank and all accused directors and employees. Our actual or alleged misconduct in any number of activities or circumstances, including operations, employment-related offenses such as sexual harassment and discrimination, regulatory compliance, the use and protection of data and systems, and the satisfaction of client expectations, and actions taken by regulators or others in response to such misconduct, could lead to, among other things, sanctions, fines and reputational damage, any of which could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, we may not be able to prevent third parties from using our banking network in order to launder money or carry out illegal or inappropriate activities. Further, financial crimes continually evolve and emerging technologies, such as cryptocurrencies and blockchain, could limit our ability to track the movement of funds. Additionally, in adverse economic conditions, it is possible that financial crime attempts will increase significantly.

If there is a breach of the applicable regulations or of our ethics and compliance regulations or if the competent authorities consider that we do not perform the necessary due diligence inherent to our activities, such authorities could impose limitations on our activities, revoke our authorizations and licenses, or impose economic penalties, all of which could have a significant adverse impact on our business, financial condition and results of operations. Furthermore, we from time to time conduct investigations related to alleged violations of such regulations and of our ethics and compliance regulations, and any such investigation or any related proceeding could be time consuming and costly, and its results difficult to predict.

Further, the Covid-19 pandemic led to new specific regulations largely focused on consumer protection being adopted in many countries, including Argentina, mainly in 2020. The need to timely adapt the Group's processes and systems to these new regulations under the then prevailing circumstances posed a compliance risk. Likewise, the increase in remote account opening driven in part by the pandemic has resulted in increased money laundering risks. Additionally, criminals have sought to exploit the opportunities created by the pandemic across the globe, which has resulted in increased money laundering risks associated with counterfeiting of medical goods, investment fraud, cyber-crime scams and exploitation of economic stimulus measures put in place by governments. Increased strain on our communications surveillance frameworks could raise our market conduct risk.

Argentine corporate disclosure, governance and accounting standards may require us to provide different information than would be required under U.S. standards. This difference could limit investors' ability to evaluate our business, results of operations and financial condition, and influence investors' decisions whether to invest in our securities.

The securities laws of Argentina that govern publicly-listed companies, such as us, impose disclosure requirements that are more limited than those in the United States. The Argentine securities markets are not as highly regulated and supervised as the U.S. securities markets. There are also important differences between accounting and financial reporting standards applicable to financial institutions in Argentina and those in the United States. As a result, financial statements and reported earnings of Argentine financial institutions generally differ from those reported based on U.S. accounting and reporting standards.

The Consolidated Financial Statements included in this annual report on Form 20-F have been prepared in accordance with IFRS-IASB. By contrast, the Bank's statutory consolidated annual financial statements for the fiscal year ended December 31, 2023 were prepared pursuant to the reporting framework established by the Central Bank requiring supervised entities to submit financial statements prepared pursuant to IFRS-IASB with certain exceptions. We will continue to have differences during 2024 between our statutory consolidated financial statements and the financial statements required by IFRS-IASB. We do not intend to report in accordance with IFRS-IASB on an interim basis during 2024. Consequently, our interim financial information for 2024 will not be comparable with the Consolidated Financial Statements and other information contained in this annual report on Form 20-F. See *"Presentation of Financial Information"* and *"Item 3. Key Information—D. Risk Factors—Risks Relating to the Argentine Financial System and to BBVA Argentina—The Argentine economy qualifies as a hyperinflationary economy under IAS 29. Given that the peso is our functional currency, we apply IAS 29 for periods ending after July 1, 2018, and our Consolidated Financial Statements and other financial information are presented in terms of the measuring unit current at December 31, 2023"*.

Accordingly, the information available about us will not be the same as the information available about a U.S. company. The fact that we report in IFRS-IASB for purposes of this annual report on Form 20-F whereas we report in IFRS-BCRA for local and interim reporting purposes, together with the differences in the accounting and disclosure requirements among IFRS-BCRA, IFRS-IASB and U.S. GAAP, could limit investors' ability to evaluate our business, results of operations and financial condition, and influence investors' decisions whether to invest in our securities.

The special rules that govern the priority of different stakeholders of financial institutions in Argentina, which give priority to depositors with respect to most other creditors, may negatively affect other stakeholders in case of judicial liquidation or bankruptcy of the Bank.

Argentine Law No. 24,485, in force since April 18, 1995 and as amended by Law No. 25,089, provides that in case of judicial liquidation or bankruptcy of a financial institution such as BBVA Argentina, all depositors, irrespective of the type, amount or currency of their deposits, will have general and absolute preferential rights with respect to all other creditors, except for certain labor credits and credits secured with a pledge or mortgage, to be paid with 100% of the funds deriving from the liquidation of our assets. In addition, depositors of any kind of deposits have special preferential rights over the remaining creditors of us, except for certain labor credits, to be paid with (i) any of our funds which may be held by the Central Bank as total reserves, (ii) any remaining funds of ours in existence as of the date on which our license is revoked, or (iii) any funds derived from the compulsory transfer of certain of our assets according to instructions of the Central Bank, in the following order of priority: (a) deposits made by legal entities up to Ps.5,000 per entity, or its equivalent in foreign currency, (b) deposits for terms exceeding 90 days and (c) all other deposits on a pro rata basis.

In case of a judicial liquidation or bankruptcy of a financial institution such as BBVA Argentina, shareholders may not be able to partially or completely recover their investment due to the priority imposed by law.

ITEM 4. INFORMATION ON THE COMPANY

Recent Political and Economic Developments in Argentina

In 2021, some of the key events in the economy were related to the vaccination plan against Covid-19. Although Argentina had obtained contracts with several laboratories, they were delayed in their deliveries due to logistical problems. In the first half of the year, new isolation measures were applied due to the increase in the number of infections. Therefore, the economic recovery (which had started in the second half of 2020) slowed down in the second quarter of 2021. This situation was reversed in June, and vaccination is advancing at an accelerated pace. This resulted in a more rapid reopening of economic activities during the second half of the year, boosting the recovery of GDP in 2021, which increased 10.7%, reaching pre-pandemic levels.

Inflation accelerated from 36.1% in 2020 to 50.9% in 2021, while the economy faced constant pressures during the year. The Central Bank introduced further exchange market restrictions and import controls during 2021 to curb the depreciation of the peso, which depreciated 22% in the year.

Thereafter, the government presented to Congress a bill for a new agreement with the IMF which would replace the SBA signed in 2018. The bill was approved in March 2022 despite the lack of endorsement by the Kirchnerist wing of the ruling coalition. The new program is an EFF, for a ten-year term (with a grace period of 4 and a half years), and it does not require any structural reforms. Compliance with the EFF is reviewed on a quarterly basis and compliance of the economic targets is necessary to cover the maturities of the SBA. The EFF contains the minimum requirements for fiscal convergence, reserve accumulation and reduction of monetary issuance for a path towards fiscal balance in 2025, an accumulation of US$15 billion of net international reserves in the next three years, and a reduction of the Treasury’s monetary financing, to zero in 2024.

In 2022 political and economic instability was high, including with regards to the economic cabinet, which had three Ministers of Economy during the year. In July, following a month of very high economic and financial tensions, the Minister of Economy Martín Guzmán unexpectedly resigned being replaced by Silvina Batakis. She was appointed without the support of the entire ruling coalition, and in the midst of a failed attempt to calm financial tensions, she was replaced by Sergio Massa (a lawyer by profession and one of the main partners of the ruling coalition) only 24 days after taking office. His appointment brought calm to the markets, and soon after his arrival he implemented a slow but consistent reduction of the fiscal deficit, focused on the revision of subsidies to public services tariffs, and an accumulation of international reserves centered on a multiple exchange rate scheme, benefitting for soybean exporters. Finally, direct transfers from the Central Bank to the Treasury, which was one of the promises made by Minister Massa upon taking office, ceased.

In 2022, GDP grew 5.2% while inflation reached 94.8%, the highest value since 1991.

Massa’s management as Minister of Economy was based on three pillars: (i) avoiding an abrupt devaluation of the official exchange rate, for which a multiple exchange rate scheme was generated that allowed exporters to settle at a higher differential exchange rate, or partially access the parallel exchange rate, which is always higher than the official exchange rate. This task became especially difficult in the context of the severe drought suffered in recent years which adversely affected the agricultural sector, resulting in an estimated reduction in dollar inflows of approximately US$20 billion; (ii) the containment and reduction of inflation, by implementing a variety of measures, such as price controls (through agreements and sanctions) and raising the monetary policy rate (which was generally not positive in real terms, although it was close to the inflation rate); and (iii) the containment of the gap between the parallel and official exchange rates, for which the government intervened with its own assets to accommodate prices and prevent the gap from widening. Another objective, less relevant for the government than the previous ones, was to moderate the deviations with respect to the targets set forth in the EFF. In order to assist the Treasury achieved its issuance target, the government continued to resort to the methodology already applied by Martín Guzmán, whereby the Central Bank participated in the secondary debt market of the Treasury, so that the latter could take a greater volume of debt to finance spending; for the fiscal target, Minister Massa undertook a partial price adjustment of utility tariffs, although this was set aside in the context of the Presidential elections. The reserve accumulation target was reduced as a result of the difficulties posed by the severe drought suffered in 2023. Although expectations were not reached, the government chose Minister Massa as its candidate for President.

Primary elections took place on August 13, 2023. Javier Milei, candidate for La Libertad Avanza (LLA), was the most voted in the primary presidential elections with 30.0% of the total votes. The second most voted political party was Juntos por el Cambio, whose candidates achieved 28.3% of the votes, followed by the candidates of Unión por la Patria (Massa's party) who achieved 27.3% of the votes. These results surprised not only because of the parity between the main parties, but also because of the unexpected victory of Milei. The day after the elections, the government validated a 22% increase in the exchange rate and a 22 percentage points increase in the monetary policy rate. This devaluation jump was not accompanied by a stabilization plan, so the benefits of depreciating the real exchange rate were almost non-existent and monthly inflation accelerated to 12.4% and 12.7% in August 2023 and September 2023, respectively, the highest values (at that time) in more than 30 years.

After the primary elections, Minister Massa took a series of measures to improve the population's income in the short term, including one-time bonuses and tax cuts. We estimate the fiscal impact of these measures at 1% of GDP. In the general elections, Sergio Massa obtained 36.7% of the votes, followed by Javier Milei who obtained 30.0% of the votes and Patricia Bullrich, a member of Mauricio Macri's party, who obtained 23.8% of the votes. The new Congress is fragmented, which will force the new President to negotiate the approval of laws.

On November 19, 2023, Javier Milei was elected President of Argentina with 55.7% of the votes, beating Sergio Massa by more than 11 points. Milei took office on December 10, 2023, and has, since then, depreciated the exchange rate by an initial 118% depreciation followed by a 2% monthly crawling peg and eased the monetary policy rate from 133% per year to 100% per year in order to improve the Central Bank's balance sheet and withdraw price controls. Additionally, the President has also proposed a package of laws that aim to deregulate the economy in a series of aspects, from foreign trade to apartment rentals. Most of these measures do not directly affect the Bank, but as more restrictions are being lifted, the financial market could become more competitive. The Central Bank lowered once again the monetary policy rate from 100% to 70%.

Economic Data

- *Economic Activity*

In 2023, GDP fell 1.7% primarily due to (i) the severe drought suffered in recent years which adversely affected the agricultural sector, resulting in an estimated reduction in dollar inflows of approximately US$20 billion and in more stringent controls on imports in order to avoid the further depreciation of the Argentine peso, (ii) the inflationary acceleration, with annual inflation increasing from 94.8% in 2022 to 211.4% in 2023, adversely affecting investment and reducing disposable income, (iii) political uncertainty and (iv) the depreciation of the exchange rate, which resulted in a decrease in consumption which could have a direct impact in employment. Unemployment slightly increased, from 6.3% in 2022 to 6.4% in 2023. In 2022, GDP grew 5.2%. The normalization of economic activity after the Covid-19 pandemic was the main driver for this growth.

The unemployment rate decreased again in 2022 and stood at 6.3% at December 31, 2022 compared to 7.0% at December 31, 2021. However, the quality of employment did not improve, with a higher incidence of underemployment and workers working in the informal economy. The average job informality (measured as the self-employed plus the employees with no social security over the total employees) rose from 45.4% in 2020 to 47.1% and 49.7% in 2021 and 2022, respectively, according to INDEC.

In 2021, economic activity showed a strong rebound from the decline in 2020. The reopening of almost all activities, coupled with government policies to boost demand led to a GDP growth of 10.7%.

Employment and unemployment also improved compared to 2020. In 2021, employment (including formal and informal) averaged 42.4% compared to 38.3% in 2020 and unemployment averaged 8.7% compared to 11.4% in 2020.

- *Prices*

In 2023, inflation reached 211.4%, its highest value since 1991. The increase in prices that followed both the August and December exchange rate increases partially led to the inflationary acceleration in 2023 compared to 2022. Core inflation was 229.4% while regulated prices grew 164.9%.

In 2022, inflation reached 94.8%. The increase in prices that followed Minister Martin Guzman sudden departure together with the adjustments in the regulated prices partly explain the inflationary acceleration in 2022 compared to 2021. Core inflation was 90.6% while regulated prices grew 85.7%.

In 2021, inflation was 50.9%. The economic activity rebound and the increase of global commodity prices, together with the monetary pressures caused by high fiscal needs, increased inflation towards the high levels experienced in 2019 and 2018. During this period, core inflation, which shows the strength of the inflationary process, was 54.9%.

- *Public Finances*

The government failed to meet the primary fiscal deficit target of up to 1.9% of GDP agreed with the IMF. In 2023, the primary deficit amounted to 2.70% of GDP. Although the government gradually decreased spending at the beginning of the year, primarily with respect to utility tariffs, spending increased significantly during the presidential campaign, resulting in a deficit that exceeded the IMF target. Since Milei took office, certain measures have been taken, including the partial lifting of subsidies on utility rates, the reduction of public employment, the suspension of the pension actualization formula and public works, and others measures which are pending legislative approval, all of which are aimed to reach a 2% of GDP primary fiscal surplus by the end of 2024. The Government met the fiscal target with the IMF in 2022, accumulating a primary fiscal deficit of 2.4% of GDP (with a target of 2.5%). Compliance was largely due to the deceleration of spending in the second half of the year as a result of the adjustment of subsidies to utility tariffs, and to higher tax revenues derived from increased economic activity and the higher than expected liquidation of soybean dollars. The public sector recorded a primary fiscal deficit of Ps.1.95 trillion in 2022.

Measures taken by the government during the second half of 2022 partly corrected the dynamics of the fiscal result supported by the implementation of the soybean dollar in September and December and the advanced payment of corporate extraordinary income tax installments. Primary expenditure, which had increased 11.4% in real terms during the first half of 2022 compared to the first half of 2021, decreased by 9.4% in real terms during the second half of 2022 compared to the second half of 2021, primarily due to the adjustment of social benefits and subsidies which, measured in real terms, fell by 7.6% and 24.2%, respectively, in the second half of 2022. As a result, the primary deficit amounted to 2.4% of GDP in 2022.

The primary fiscal deficit was reduced in 2021. The government began a partial withdrawal of the Covid-19 assistance package and improved activity levels allowed tax revenues to grow more than expenditures. In 2021, revenues grew 83.0% year-on-year, while expenditures grew 50.0%. At the same time, the IMF transferred US$4,300 million (1% of GDP) to Argentina in the form of SDRs. SDRs are supplementary foreign exchange reserve assets defined and maintained by the IMF. SDRs are units of account for the IMF, and not a currency per se. They represent a claim to currency held by IMF member countries for which they may be exchanged), which in accounting terms is taken as current income, making the deficit even lower. All of this resulted in a primary fiscal deficit of 2.1% of GDP (3.0% without taking into account the effect of the SDRs) in 2021.

- *External Sector*

After five years of surplus, in 2023 Argentina presented a US$6.9 billion trade deficit primarily due to the severe drought suffered in recent years, which adversely affected the agricultural sector. Exports amounted to US$66,787 million while imports amounted to US$73,715 million.

In the foreign exchange market, the peso depreciated by 356.4% in 2023, reaching 808.5 Ps/US$ on December 31, 2023.

International reserves were US$23.0 billion as of December 31, 2023, a US$21.5 billion decrease compared to the balance as of December 31, 2022, mainly due to the negative effect of the severe drought which adversely affected the agricultural sector, resulting in an estimated reduction in dollar inflows of approximately US$20 billion.

The trade surplus decreased in 2022 due to higher energy prices, one of Argentina's main imports. As a result, the trade balance amounted to US$6,923 million, a 53% decrease compared to 2021. Exports amounted to US$88,445 million while imports amounted to US$81,522 million.

In the foreign exchange market, the Ps/US$ parity grew by 72.4% in 2022, reaching 177.1 Ps/US$ on December 31, 2022.

International reserves were US$44.6 billion as of December 31, 2022, a US$4.9 billion increase compared to the balance as of December 31, 2021, mainly due to the application of a differential exchange rate to soybean exports.

The trade surplus reached US$14,750 million in 2021, increasing from a US$12,530 trade surplus in 2020, mainly driven by a major rise in commodity prices. Exports amounted to US$77,935 million in 2021, a 42.0% rise compared to 2020, while imports amounted to US$63,185 million in 2021, a 49.2% rise compared to 2020.

In the foreign exchange market, the Ps/US$ parity grew by 22.1% in 2021, reaching 102.8 Ps/US$ on December 31, 2021.

International reserves were US$39.7 billion as of December 31, 2021, a US$5,2 billion decrease compared to the balance as of December 31, 2019, mainly due to interventions in the exchange rate spot market to mitigate the depreciation of the peso.

Monetary Policy

During 2021, inflation began to accelerate. Nevertheless, the Central Bank decided to maintain the monetary policy rate unchanged throughout the year, with the aim to help economic recovery. Simultaneously, the Central Bank sought to control the official and parallel exchange rates through interventions and new regulations.

Following a soft monetary policy in 2021, in 2022, the Central Bank raised interest rates to cope with accelerating inflation. The monetary policy rate rose from 38% in January 2022 to 75% in September 2022, remaining stable at 75% until March 15, 2023.

In response to accelerating inflation and to prevent spikes in the parallel U.S. Peso exchange rate, the Central Bank decided to increase interest rates. As a result, the monetary policy rate increased from 75% per annum to 133% per annum. Since Milei took office the monetary policy rate has dropped from 133% to 70% and has ceased to be the 28-day Leliq rate to become the overnight REPO rate.

Financial System

All comparisons of the financial system contained in this annual report on Form 20-F are presented in nominal terms. All the variations in the following paragraphs (until *—History and Development of the Company*) are expressed as December average of the current year versus December average of the previous year.

Sight deposits grew 58.4% during 2021 while term deposits grew 58.7%.

Private sector dollar-denominated deposits increased only 1.0% in 2021.

The loans growth performance in 2021, both for individuals and companies, was positive, growing 40.6%, given the lower interest rates and the market need for credit due to the lockdown.

Private sector deposits grew 96.4% in 2022 compared to 2021. This was mainly explained by a 110.3% increase in term deposits and a 74.0% increase in sight deposits with term deposits increasing more than sight deposits primarily due to the inflationary acceleration in 2022, with inflation increasing from 50.9% in 2021 to 94.8% in 2022. Private sector dollar-denominated deposits grew by 2.8% in 2022 compared to 2021. Finally, loans for individuals and companies grew 64.9%, with those denominated in Peso growing 67.2% and those denominated in US$ decreasing 15.4%.

Private sector deposits grew 116.4% in 2023 compared to 2022. This was mainly explained by a 74.4% increase in term deposits and a 167.3% increase in sight deposits. The higher increase in sight deposits compared to term deposits was primarily due to inflationary acceleration in 2023 coupled with the negative interest rates (compared to inflation), especially in December, and the uncertainty about the Presidential elections that resulted in a shift from sight deposits to more liquid options that would potentially allow holders to buy US dollars in the parallel market. Dollar-denominated deposits fell by 7.4% in 2023 compared to 2022. Finally, loans for individuals and companies denominated in Peso grew 130.2% and those denominated in US$ decrease 0.3%.

A. History and Development of the Company

BBVA Argentina, an Argentine corporation (*sociedad anónima* or "S.A."), was duly incorporated under the name Banco Francés del Río de la Plata S.A. on October 14, 1886. The Bank has registered its office in Avenida Córdoba 111 31st floor, C1054AAA, Ciudad Autónoma de Buenos Aires, Argentina; telephone number 54-11-4346-4000. The Bank's agent in the United States for U.S. federal securities law purposes is CT Corporation System, currently with offices at 28 Liberty Street, New York, New York 10005.

BBVA Argentina's original bylaws were approved on November 20, 1886 by a decree recorded in the Public Registry of Commerce of the City of Buenos Aires, and the last amendment was recorded on October 17, 2019. Pursuant to its current corporate bylaws ("Bylaws"), the Bank will terminate its activities on December 31, 2080, unless this term is extended by the shareholders. On April 24, 2019, the ordinary and extraordinary general meeting of shareholders approved the change of the Bank's corporate name to "BBVA Argentina S.A." and the consequent amendment to the Bylaws to reflect the new corporate name. Notwithstanding the foregoing, in response to a BCRA requirement and based on the authorization granted by the shareholders' meeting, the Board of Directors, at its meeting held on May 28, 2019, decided to adopt the denomination "Banco BBVA Argentina S.A.". The BCRA through resolution No. 166 dated July 25, 2019 made no remarks on said change of corporate name, which has been duly registered before the Argentine Superintendence of Corporations ("IGJ"). In addition, in the aforementioned shareholders' meeting amendments to sections 6 and 15 of the Bylaws were approved. Our Bylaws were duly registered before the IGJ on October 17, 2019, under No. 21332 Book 97 of Corporations.

At the ordinary and extraordinary shareholders' meeting held on April 20, 2021, our shareholders approved an amendment to section 22 of our Bylaws in order to include the possibility of holding remote shareholders' meetings. This amendment was registered before the Public Registry of Commerce on July 21, 2021 under No. 11156, Book 1037 of Corporations.

The Bank is supervised by the Central Bank, an entity that establishes valuation and accounting criteria, the rules on liquidity and capital requirements as well as the reporting systems of Argentine financial institutions. It is also subject to inspections by the Central Bank, based on which it is assigned a "rating". See *"Item 4. Information on the Company—F. The Argentine Banking System and its Regulatory Framework"*.

On March 8, 2019, the respective boards of directors of BBVA Argentina and BBVA Francés Valores S.A. proposed the merger of the two companies, and on April 24, 2019, the respective shareholders' meetings approved the transaction. The merger was registered before the IGJ on August 27, 2021, under No. 13335, Book 104 of Corporations.

On March 26, 2019 Mr. Jorge Bledel presented, and the Board of Directors accepted, his resignation as member of the Board. The shareholders' meeting held on April 24, 2019 elected Mrs. María Isabel Goiri Lartitegui to succeed Mr. Jorge Bledel, and she became the new chairwoman of the Board. Through Resolution No. 161 dated July 25, 2019, the BCRA declined to comment on the appointment of Ms. Goiri Lartitegui as chairwoman of the Board.

On March 27 and April 16, 2020, the Board of Directors of BBVA Argentina approved the Bank's participation in the "Play Sistémico" project, the purpose of which is to develop a payment solution for customers, led by the four main private banks in the market, including us, Banco Macro S.A., Banco Santander Río S.A. and Banco de Galicia y Buenos Aires S.A.U. In accordance with the business plan presented to the Board of Directors, on May 26, 2020, "Play Digital S.A." was incorporated, a company in which the Bank owns a 11.057% shareholding interest as of the date of this annual report on Form 20-F. Play Digital S.A. was registered before the IGJ on June 9, 2020, under No. 5995, Book 99 of Corporations.

On May 11, 2021, the Board of Directors of BBVA Argentina approved the Bank's participation (with a 12.51% stake) in the constitution of a new company called "Openpay Argentina SA", with the majority shareholder being BBV América S.L., (with a 87.49% stake). The purpose of this new company is to act as a payment service provider, in accordance with the BCRA's mandated text on Complementary Services for Financial Activity. Openpay Argentina S.A. was registered before the IGJ on May 9, 2021, under No. 7809, Book 103 of Corporations.

On March 29, 2022, Mrs. Goiri Lartitegui presented, and the Board of Directors accepted, her resignation as member of the Board. The shareholders' meeting held on April 29, 2022 elected Mr. de Cristóbal de Nicolás to succeed Mrs. Goiri Lartitegui and become the new chairman of the Board. Through Resolution No. 355 dated September 15, 2022, the BCRA did not comment on the appointment of Mr. de Cristóbal de Nicolás as chairman of the Board.

B. Business Overview

BBVA Argentina is a subsidiary of Banco Bilbao Vizcaya Argentaria S.A., its main shareholder since 1996. In Argentina, it is one of the leading private financial institutions since 1886. Nationwide, BBVA Argentina offers retail and corporate banking to a broad customer base, including individuals, SMEs, and large companies. BBVA Argentina subsidiaries are BBVA Asset Management Argentina S.A. and Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) in the financial sector, and PSA Finance Argentina Compañía Financiera S.A, and Volkswagen Financial Services Cía Financiera S.A. in the automotive finance sector. It also holds a joint venture relationship with Rombo Compañía Financiera S.A., also in the automotive finance sector, and small interests in its associates BBVA Consolidar Seguros S.A., Interbanking S.A., Play Digital S.A. and Openpay Argentina S.A.

BBVA Argentina's corporate purpose is to bring the age of opportunities to everyone, executing on our strategic priorities to capture the opportunities of the new era and achieve our goals. BBVA Argentina's strategy is based on three pillars: (1) differentiation, by improving our clients' financial health, and helping them transition towards a sustainable future; (2) superior performance, by having operational excellence and reaching more clients; and (3) being an accelerator, which includes the best and most engaged teams and Data and Technology. The institution relies on solid values: "The customer comes first"; "We think big"; and "We are one team".

Data and technology are the main catalyzers of innovation and operational excellence. We want to be a "data-driven bank" and deliver high quality solutions ensuring reliability and security, while decreasing costs.

The Bank was one of the first companies to be listed on the Buenos Aires Stock Exchange (BCBA) (now Bolsa y Mercados Argentinos, "ByMA"), quoting since 1888 (ticker: BBAR). It also has been listed on *Mercado Abierto Electrónico* ("MAE") since 2018. Its shares in the form of American Depositary Shares (ADSs) have been listed on the New York Stock Exchange ("NYSE") since 1993 (ticker: BBAR) and on the Madrid-based *Mercado de Valores Latinoamericanos* (LATIBEX) since December 1999 (ticker: XBBAR).

In 2019 the BBVA Group adopted a globally standardized trademark, "BBVA", in addition to a new company logo. This new identity reflects the BBVA Group's values, especially "We are one team", which emphasizes the importance of the people who work within the BBVA Group and their commitment to the BBVA project. In Argentina, the Company was rebranded as BBVA Argentina.

As of December 31, 2023, the Bank had total consolidated assets of Ps.6,110.1 billion, of which Ps.1,975.5 billion comprised its loan portfolio. Regarding liabilities, the Bank had consolidated total liabilities of Ps.4,695.3 billion, of which Ps.3,639.3 billion were total deposits. Total shareholders' equity was Ps.1,414.8 billion, on a consolidated basis. Consolidated net profit for the year ended December 31, 2023, was Ps.157.3 billion and for the year ended December 31, 2022 was Ps.180.5 billion.

BBVA Argentina is the third largest privately-owned bank, and fifth largest bank in Argentina in terms of private loans (as of November 2023, on a consolidated basis, as per Central Bank last quarterly available information). As of December 31, 2023, the Bank had 9.1% of total banking system private loans on an unconsolidated basis, and 9.9% on a consolidated basis. Market share as of December 31, 2023 for retail loans (including consumer, mortgage, credit card and pledge loans) was 9.2% on an unconsolidated basis and 9.9% on a consolidated basis. Market share for commercial loans (including discounted instruments, overdrafts, financial leases, financing and prefinancing of exports and other loans) as of December 31, 2023 was 9.0% on an unconsolidated basis and 9.9% on a consolidated basis. BBVA Argentina is the third largest local private bank, and fifth largest bank in Argentina in terms of private deposits (as of November 2023, on a consolidated basis, as per Central Bank last quarterly available information). As of December 31, 2023, the Bank had a 6.8% market share of total banking system private deposits.

As presented in this annual report on Form 20-F, market share data is based on data published by the Central Bank which has not been inflation adjusted. As such, certain information presented in this annual report as adjusted for inflation may not be directly comparable to information published by the Central Bank.

Through its universal banking platform, the Bank provides a broad range of financial and non-financial services both to individuals and companies throughout Argentina, across all segments of the population, including retail and commercial banking, insurance, asset management, securities brokerage, and investment banking products and services. BBVA Argentina believes the wide range of financial solutions offered to its customers, complemented by unique strategic alliances and partners, as well as the capacity to leverage the BBVA Group's global expertise, relationships and technological platform, gives it a significant competitive edge compared to other Argentine companies in the financial sector. Such competitive advantages place it in a privileged position to capture opportunities and capitalize on the potential consolidation of a fragmented banking sector.

The Bank manages the following entity-wide business lines:

- *Retail banking*, through which it offers financial services to individuals across all income segments. The Bank's main retail banking products include checking and savings accounts, time deposits, credit card financing, consumer and pledge loans, mortgages, insurance and investment products. Despite the Bank's historically strong presence within the middle-income and affluent segments of the population, its products and distribution channels are designed to attract clients across all client segments. As of December 31, 2023, there were approximately 3.93 million active (defined as a client of at least one product with at least "one movement" in the last three months or with a minimum deposit balance) retail banking clients, compared to 3.58 million active retail banking clients as of December 31, 2022. The Bank's market share for consumer and mortgage loans as of December 31, 2023, was 7.2% and 0.9%, respectively. In terms of pledge loans, the Bank's market share was 2.2% on an unconsolidated basis and 7.4% on a consolidated basis. In terms of credit card financing, the Bank's market share was 12.4% (including Visa and Mastercard active cards). As of December 31, 2023, 2022 and 2021, we had total loans and advances of Ps.955.7 billion, Ps.1,207.7 billion and Ps.1,352.8 billion, respectively, and total deposits of Ps.2,028.5 billion, Ps.2,448.7 billion and Ps.2,448.7 billion as of the same dates, respectively, within this business line.
- *Small and medium-sized companies (SMEs)*, through which the Bank offers financial services primarily to local private-sector companies. The Bank's main SME products include financing products, factoring, checking accounts, time deposits, transactional and payroll services, insurance and investment products. As of December 31, 2023, the Bank had more than 133 thousand SME clients, including entrepreneurs. SMEs are a key element for economic growth in Argentina, and the Bank is focused on expanding the number of clients it serves and on being a strategic ally to its SME clients, supporting them with tailored products and transactional solutions, as well as with differentiated customer support through its 243 branches. As of December 31, 2023, 2022 and 2021, we had total loans and overdrafts of Ps.881.9 billion, Ps.815.5 billion and Ps.757.3 billion, respectively, and total deposits of Ps.622.2 billion, Ps.758.0 billion and Ps.903.3 billion as of the same dates, respectively, within this business line.
- *Corporate and investment banking (CIB)*, through which the Bank offers financial services to some of the largest Argentine corporations and multinational companies operating in Argentina. Corporate banking is divided by industry sector: consumers, heavy industries, and energy, providing customized services to large companies. In addition to the products offered to SMEs, corporate and investment banking clients are provided with global transaction services, global markets solutions such as risk management and securities brokerage, long-term financing products including project finance and syndicated loans, and corporate finance services including mergers and acquisitions and capital markets advisory services. As of December 31, 2023, the Bank had more than 800 corporate banking clients, which included substantially all of the largest corporates and multinational companies in Argentina. Within the CIB business line, the

Bank is focused on leveraging the deep expertise of its industry-focused relationship executives, supported by the BBVA Group's global network, to continue to provide bespoke global financial solutions to its corporate client base. BBVA Argentina is focused on being a trusted partner for its corporate clients as they seek to finance investment opportunities, particularly within certain sectors of the economy where investment has lagged, such as telecommunications, energy and infrastructure. As of December 31, 2023, 2022 and 2021, we had total loans and advances of Ps.137.8 billion, Ps.209.8 billion and Ps.188.8 billion, respectively, and total deposits of Ps.988.6 billion, Ps.884.6 billion and Ps.944.6 billion as of the same date, respectively, within this business line.

BBVA Argentina offers its products and services through a wide multiple-channel distribution network with presence in all the Argentine provinces and in the City of Buenos Aires, servicing 4.1 million active clients as of December 31, 2023. This network includes 243 branches (46% owned and 54% rented or leased), which provide services to the retail business line and to SMEs, corporations and institutions. Complementing the distribution network, as of December 31, 2023, there were 15 in-company branches, seven points of sales (contact points that only offer automated services and sales support, but have no approval by the BCRA to operate as a branch), two points of express support (branches without in-person customer service), 895 ATMs and 861 self-service terminals ("SSTs", terminals that allow transactions without the need of a personal code or ID number). As of December 31, 2022, the Bank had 243 branches (47% owned and 53% rented or leased), 15 in-company branches, seven points of sales, two points of express support, 881 ATMs and 854 SSTs. As of December, 2023, 20 of the branches, plus the BBVA Tower, had the ISO 50001 international standard, which specifies the requirements for maintaining and improving an energy management system. In addition, 178 branches plus central offices comply with the ISO 14001 international standard, which is aimed at environmental management within the organization.

The Bank (including its subsidiaries) had a total of 6,009 employees (total active employees including permanent and temporary employees and excluding expatriates) as of December 31, 2023, of which 2,214 were working in the branch network and 3,795 in central offices. This compares to 5,888 employees as of December 31, 2022, of which 1,877 were working in the branch network and 4,011 were working in central offices.

BBVA Argentina has invested in its physical and digital distribution network, making it possible to offer a differential, flexible, convenient banking experience to its customers. In addition, the Bank considers that with the existing distribution structure, it has the necessary reach and scale to facilitate expected growth while improving its operating efficiency, number of customers and products. The following table sets forth information regarding our footprint by province as of December 31, 2023:

	Branches	Points of Express Support	ATMs	SSTs	Points of Sale	In-Company Banks
Ciudad Autónoma de Buenos Aires	78	1	275	260	2	4
Buenos Aires	83	0	344	296	2	9
Catamarca	1	0	3	3	0	0
Córdoba	15	0	35	50	0	0
Corrientes	2	0	9	6	0	0
Chaco	2	0	8	9	0	0
Chubut	5	0	15	14	1	0
Entre Ríos	6	0	16	16	0	0
Formosa	1	0	5	6	0	0
Jujuy	1	0	3	4	0	0
La Pampa	2	0	3	7	0	0
La Rioja	1	0	3	4	0	0
Mendoza	11	0	35	37	0	0
Misiones	2	0	6	10	0	0
Neuquén	4	0	14	12	0	0
Río Negro	3	0	10	11	0	1
Salta	2	0	9	12	0	0
San Juan	2	0	11	11	0	0
San Luis	2	0	6	7	0	0
Santa Cruz	3	0	10	7	0	0
Santa Fe	11	0	44	46	2	1
Santiago del Estero	1	0	4	8	0	0
Tucumán	3	1	17	19	0	0
Tierra del Fuego	2	0	10	6	0	0
Total	**243**	**2**	**895**	**861**	**7**	**15**

BBVA Argentina provides an electronic banking service, a modern, secure and functional internet banking platform (bbva.com.ar) and mobile banking apps such as the BBVA App. Within the digital payments offering, the Bank has also implemented NFC technology for its clients' use. The BBVA App has been implemented in selected countries within the BBVA Group (Peru, Uruguay, Mexico, Argentina, Spain and Colombia) with successful results. The app is developed collaboratively among the countries in which it has been implemented providing the BBVA Group with global synergies in the development of new features and the response to market.

In 2023, we improved some of our app's features, including being able to see credit cards' security codes through a double security factor process, improving security. Additionally, clients can now link accounts from other financial institutions to their BBVA Argentina's account, and execute wire transfers between them (incoming transfers only). The app also has a MODO landing section where QR payments can be made, along with wire transfers from and to the digital wallet. Another improvement has been the development of a functionality that enables clients to simulate and request life insurance from the home banking platform.

These features aim to improve user experience, increase our net promoting score, and improve accessibility while aiming to increase security and efficiency, reducing system response time.

As of December 31, 2023, the average rating for the app both in Apple Store and Google Play Store was 4.8 compared to 4.5 as of December 2022. Within banking apps ratings, BBVA Argentina's app remained the highest ranked in Google Play Store and the second in Apple Store. Users of the app increased 18% compared to December 2022.

At the end of 2020, we, together with other Argentine banks, launched MODO (Play Digital S.A.) ("MODO"), a payment solutions app that is part of our digital offering and enables wire transfers and cashless payments through mobile phones allowing users to access their banks' available promotions. As of December 31, 2023, BBVA Argentina held an 8.20% market share of active users (active users of MODO that have made a transaction, payment or transfer, in the previous 30 days). MODO complies with the Central Bank's interoperable QR regulation, enabling replacement of debit cards.

In 2022, we started offering Openpay (Openpay Argentina S.A.), a service that allows merchants to collect sales from debit and credit cards, and offer payments in installments. Through Openpay, merchants can execute in-person transactions through a card reader which is connected to a mobile phone, or carry out remote sales through a payment link.

Finally, in September 2023, we launched Spark, a business unit focused on offering financial services to tech start-ups and entrepreneurs. Spark had been previously launched in Mexico and Spain, and as of the date of this annual report serves more than 700 clients globally, with a credit portfolio of over 200 million euros. In Argentina, Spark had 111 clients as of December, 2023.

BBVA is committed to sustainability, which is impacting the banking business, as part of its daily activities, encompassing not only relations with customers but also internal processes.

BBVA Argentina has also gradually transformed part of its branches into "digital branches": a combination between human capital and structure facilities to promote client self-service, aiming to digitalize and migrate clients to remote channels. Strategic pillars of these branches include: the mixed roles of customer service staff oriented to guide the client, the availability of digital tools, the limitation of teller service for specific transactions, and the availability of a customer service protocol where the importance of each role and client dynamics are detailed. As of December 31, 2023, BBVA Argentina had 24 "fully-digital" branches (branches where teller services are not available).

As of December 31, 2023, active retail digital clients reached 2.5 million with a 62.0% penetration over total active clients (4.1 million), versus a penetration of 61.8% as of December 31, 2022. Active retail mobile clients were 2.3 million, representing a 57.3% penetration as of December 31, 2023, versus a penetration of 55.4% as of December 31, 2022.

In 2023, accumulated retail digital sales measured in units reached 93.17% of total sales (compared to 92.36% in 2022) and represented 69.8% of the Bank's total sales measured in monetary value (compared to 62.42% in 2022). Digital and mobile transactions (including online and mobile banking, net cash online and mobile, and non-banking correspondents including MODO) increased 77.9% in 2023 compared to 2022.

Our distribution network is complemented by strategic partnerships. Some of these include Despegar.com.ar S.A., a leader in the Latin America online travel sector; Fravega SACEI, a leader in the Argentine household appliances sector and Falabella

S.A., through its brand SODIMAC, a leader in home improvement stores. Within the entertainment industry, we have strategic partnerships with Cinemark Argentina S.R.L., Hoyts General Cinema de Arg S.A, MOVE Concerts Argentina S.A., Medios y Contenidos Producciones S.A, and En Vivo Producciones S.A. Additionally, we have alliances with Club Atlético River Plate Asociación Civil and Club Atlético Boca Juniors Asociación Civil, Argentine soccer clubs.

Within the automotive finance industry, our subsidiaries include PSA Finance Argentina Compañía Financiera S.A. and Volkswagen Financial Services Compañía Financiera S.A. We also hold a joint venture relationship with Rombo Compañía Financiera S.A.

All of these relationships have allowed the Bank to increase its client reach cost-effectively, and further expand its business and points of presence while enhancing its value proposition.

Business Strategy and Model

The global geopolitical and economic scenario remains highly uncertain. The ongoing war between Russia and Ukraine, the Palestinian-Israeli conflict, and the increasing political polarization are restraining economic growth and heightening risk aversion.

Additionally, tightening monetary policies seeking to contain inflation have resulted in a slowdown of economic activity, reduced demand for credit and increased risk indicators.

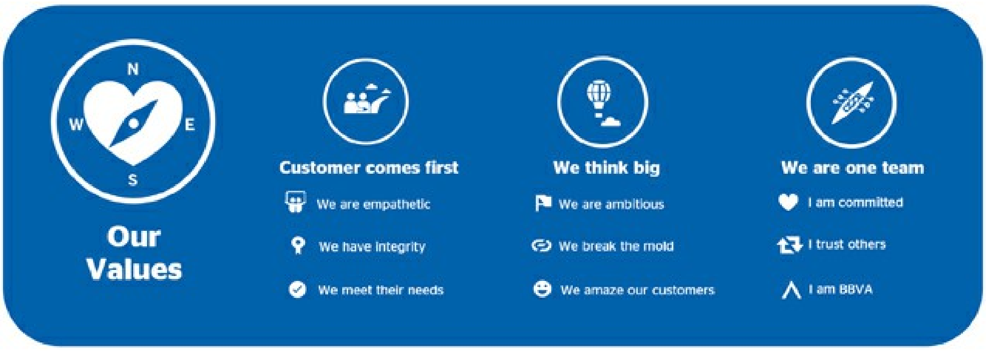
The prevailing short-term uncertainty has not halted in any way the consolidation of the long-term global trends on which BBVA Argentina’s strategy is based, and which play a critical role in transforming the economy—digitization, innovation and decarbonization, from the perspective of both decarbonization and inclusive growth:

- Digitization continues to consolidate, being increasingly present across all economic sectors. Growth potential is shifting towards a customized value proposition and advice with a positive impact on the client’s life, beyond a pure digital offering.
- Major trends in innovation, such as artificial intelligence.
  - In 2023 generative artificial intelligence has preliminarily shown its significant and disruptive potential in multiple economic sectors, transforming client relationships, automating processes, and changing work methods to increase productivity.
  - Other technologies such as blockchain, quantum computing, cloud processing, etc. continue to advance.
- Sustainable development has emerged as the guiding principle for long-term global development with an aim to achieve economic development, social development, and environmental protection in a well-balanced manner. The United Nations designed the 17 Sustainable Development Goals (SDGs).
  - The fight against climate change is already having a strong impact on the competitive dynamics of multiple sectors, which is expected to increase.
  - The decarbonization of the economy, which we believe poses the major disruption and economic opportunity of the last century and one of the main challenges faced by humankind, and where the banking sector plays a key role in achieving zero-emission goals.
  - Innovation and new technologies play a key role in achieving decarbonization goals. Financing the transition and new technologies pose both a challenge and an opportunity for the banking sector.
  - On the path to sustainability, decarbonization is just one of the drivers to restore ecosystems and protect biodiversity. Ongoing work on natural capital preservation and expansion is crucial.
  - Climate change has an impact on the lives of thousands of people who are exposed to its consequences (natural disasters, droughts, epidemics), leading to increased inequality. Alongside plans to decarbonize the economy, robust plans are needed to foster a fair climate transition and ensure economic and social inclusion for everyone.

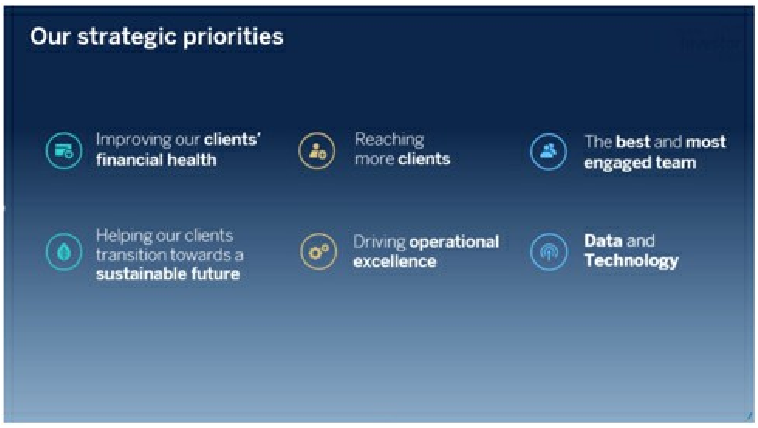
- BBVA Argentina's strategy encompasses these trends that are transforming the world. As mentioned, this strategy revolves around a single purpose: "Bringing the age of opportunity to everyone", with the client always at the core of our activities. Additionally, the BBVA Group embraces strong values: "The customer comes first", "We think big", and "We are one team".

BBVA Argentina's values and associated behaviors are embedded in the key models and levers that drive the BBVA Group's transformation, as well as in global people management processes, from the selection of new employees and role assignment processes, evaluation, people development, and training to incentives linked to the accomplishment of annual goals.

These values, together with our purpose and strategic priorities, guide decision-making at all levels and are embedded in our culture.



Guided by its purpose and values, the Bank's strategy is based on the following six strategic priorities:



During 2023, the Bank has made significant progress in executing this strategy:

1. *Improving our clients' financial health*

BBVA Argentina's purpose is closely tied to making a positive impact on its clients' lives. Therefore, for many years now, the Bank aims to develop features, experiences, and tools to support clients in their day-to-day lives through the use of new technologies, responsible use of data, and the strong expertise of its team.

The Bank aims for clients to be aware of their income and expenses, sorted out by categories, to be able to establish spending limits and follow up on them, even anticipating information on upcoming activity.

Similarly, BBVA Argentina seeks to help clients set savings goals and makes available automatic rules to help achieve these objectives, seeking to turn savings into a habit.

The Bank also offers its clients updated information about their borrowing capacity, maximum permitted indebtedness levels, and current debt status, to increase clients' awareness of how much debt they can incur.

Finally, the Bank helps clients make plans to meet their economic goals by providing comprehensive financial advice towards improved wealth management.

2. *Helping our clients transition towards a sustainable future*

To BBVA Argentina, sustainability means "helping our clients transition towards a sustainable future" by promoting environmental protection, economic growth, and social development. The Bank contributes to several SDGs through business development trying to generate a positive impact in society.

Climate change calls for the decarbonization of the economy, which impacts all industries and the way customers move, spend, or equip their homes, requiring significant investments that will extend over the coming decades.

Additionally, climate change and human action are straining natural capital (water, crops, raw materials, etc.), making it increasingly relevant for clients to ensure the continuous availability and quality of essential resources for production and service provision.

Lastly, significant inequalities still exist in the world, which may be exacerbated by the effects of the economic transformation resulting from decarbonization efforts or the destruction of natural capital. We believe that we can help to foster inclusive growth by providing financial education.

The Bank's sustainability strategy has a roadmap with two clear goals:

- Drive new business through sustainability with a global and holistic approach to global warming, natural capital, and social aspects.
- Achieving net-zero emissions by 2050 with sectoral decarbonization plans in the most relevant sectors. BBVA Argentina has set intermediate decarbonization targets for 2030, covering sectors such as oil and gas, electricity generation, automotive, cement, steel, and coal. In 2023, it also set objectives for aviation and sea transportation.

  The progress towards these intermediate decarbonization targets is monitored using alignment methodologies that help understand how financial flows contribute to emission reduction. These metrics are compared to climate change scenarios to design sectoral alignment plans. These plans help define the commercial strategy with clients, guide selective growth based on risk considerations and business opportunities, and evaluate clients' own transition plans.

3. Reaching more clients

BBVA Argentina endeavors to grow by positioning itself where its clients are, both through its own channels and through partnerships and agreements with third parties. All of this is done without losing focus on profitable growth, investing in the most relevant product verticals and value segments. Additionally, the Bank continues to advance its growth strategy in new business models with a medium and long-term growth horizon.

4. Driving operational excellence

BBVA Argentina is committed to providing the best customer experience with simple and automated processes while maintaining a focus on robust risk management and optimal capital allocation.

The Bank continues to transform its relationship model to adapt to changes in clients' behaviors, aiming to improve service and become more efficient and productive by facilitating access to its products and services through simple processes. The commercial network role is increasingly focused on higher value-added operations for the customer, redirecting lower value-added interactions to self-service channels, thus reducing unit costs and achieving higher productivity.

The relationship model transformation is supported by a change in the operating model, which focuses on process reengineering, seeking greater automation and enhanced productivity, as well as faster time-to-market of new products and functionalities.

The Bank leverages its global presence to develop more efficient products and solutions that meet client needs. To achieve this, the BBVA Group has industrialized and standardized software construction for digital channels across all banks that are part of the BBVA Group, enabling a solution designed in one country to be quickly exported to the rest. This has significantly improved time-to-market, solution quality, and efficiency (construction occurs once for all countries), while providing clients with the same capabilities and experience across all geographies where the bank operates. Two examples are the mobile application for retail clients, where 81% of the programming code has been reused, and the mobile application for businesses, developed in less than one year, reusing 80% of the components. In fact, it was initially launched in Spain and the same leading app is now available in Mexico, Peru, Argentina, Colombia, and Uruguay.

On the other hand, the Bank sticks to its commitment to using more efficient and scalable technologies.

Optimal capital allocation is another fundamental pillar of operational excellence, prioritizing the allocation of capital to the most profitable business opportunities.

5. The best and most engaged team

The team is a key success factor of the strategy. A diverse team, with a distinctive culture, guided by BBVA Argentina's purpose and values, and driven by a talent development model that puts employees at the core, based on trust, empowerment, and transparency.

The Bank has an employee value proposition based on three pillars: Bank, Team, and People. During 2023, such value proposition continued to be driven through high-value initiatives for employees, enabling good progress in various aspects of people management.

As an organization, the goal is to have the best and most committed team. The Bank's people management strategy is based on three key pillars:

- Having a committed and proud team that believes in the Bank's purpose and lives up to its values.
- Leading the business through the attraction and development of the best talent, fostering a high-performance culture, making employees feel ownership and responsibility for their goals at the Bank, providing adequate training for teams, and efficiently using resources.
- Creating the best environment for talent, one that is open and flexible, with a focus on employee well-being, providing the best guidance and embracing inclusion and diversity, for everyone to feel welcome.

During 2023, BBVA Argentina continued working on strategic training on sustainability to ensure that employees have the necessary skills and knowledge for the proper execution of its strategy.

6. Data and Technology

Data and technology are clear strategy accelerators. Investing in the development of advanced data analytical capabilities, such as artificial intelligence, along with secure and reliable technology, enables the creation of differential solutions that help gain competitive advantages.

The responsible use of data and new technologies also enables the generation of increasingly global and easily scalable processes that can be applied across different geographies, reducing unit processing costs.

Data and Artificial Intelligence

BBVA Argentina is a data-driven company where data quality and advanced integration, along with Artificial Intelligence, are key accelerators to achieve the differential positive impact on customers' lives encapsulated in the Bank's purpose.

The BBVA Group has a team of 5,400 data scientists, specialists, and engineers dedicated to developing this differential value proposition.

The Bank's data strategy is based on the following pillars:

- Data quality and availability across the entire organization are the first pillars to build a differential proposition.
- Developing and enhancing the use of advanced analytical models to offer, among other things, hyper-personalized solutions for clients and also to improve the relationship model through greater analytical and advisory capabilities for managers.
- Harnessing the generative artificial intelligence potential to improve customer service and optimize the Bank's operations and processes while managing the risks inherent to this new technology.

Technology

Technology is a key element to enable the transformation strategy. The goal is to create differential solutions for clients while executing operations as efficiently and securely as possible, using the most advanced technological capabilities available.

During 2023, investment and work on infrastructure resilience continued, resulting in a significant reduction in the number of relevant incidents, leading to better service levels for clients. Efforts were also focused on maintaining an operating facility with high-availability levels to ensure business continuity upon potential unavailability events.

Business and activities

BBVA Argentina seeks to offer its customers a service of excellence in line with their needs. To such end, it strives to enhance its products and services, leveraging technological innovation, ongoing process improvement, customized service, and exclusive benefits.

Business Lines

Below is an overview of each of our principal business lines and their evolution during 2023.

Retail Banking

Our retail banking business line comprises our retail business, including consumer, mortgage, payments, and consumer finance operations, and our "individuals" segment, including management liability products, loans, payments, consumer finance and insurance, all of which are an integral part of our individual clients strategy.

Through our retail banking business line we seek to make the opportunities of this new era accessible to everyone through the digital evolution of our products and channels. This has enabled us to deliver simple and secure solutions that aim to complement our value proposition with increased benefits for our clients, driving actions aimed at expanding the digital client base in Argentina.

Aligned with our strategic priorities, the retail banking business line has focused its efforts on transforming the business by analyzing the needs of individual clients to provide an improved customer experience and comprehensive service while promoting digital products and sales. We believe that strengthening long-term relationships is a priority to us, with a significant focus on payroll clients who provide transactional activity and become a strategic group for the growth of the Bank's lending and borrowing positions, as well as the acquisition and retention of high-value clients.

With regards to payments, our priority is focused on innovation through the implementation of new solutions that drive digitization in client acquisition and service. In consumer finance, the priority has been on strengthening partnerships and on the innovation of our value proposition.

With these priorities, the retail banking business line has contributed value to the following three strategic priorities of the Bank:

- Providing the best possible client experience, setting a new standard through assertive communication with our clients, comprehensive management, and brand engagement.
- Driving digital sales, in an environment and within a customer base that prioritize digital solutions. We believe that we need to respond to the demand for new banking relationship arrangements by leveraging and maximizing all available channels.
- Creating new business models by offering comprehensive financial solutions to attract new clients through partnerships and innovative campaigns.

As of December 31, 2023, the Bank had 3.9 million retail customers.

Below is a description of our main products within our retail banking business line.

Loans

- Personal Loans

In 2023, the Bank implemented four major improvements:

- 100% Digital Open Market Loans: In August 2023, the Bank implemented a new 100% digital borrowing workflow for "Non-Clients”.
- Point of Sale Loans: In November 2023, the Bank developed a tool allowing clients to enter into a personal loan to finance the purchase of a product at a Bank’s partner on the spot. This product was initially deployed at motorcycle dealers.
- Optimal Pricing Model: The Bank implemented new risk groups to be considered by its pricing model seeking to offer the optimal rate for each client.
- Acquisition Process Redesign: The Bank enhanced the digital loan borrowing workflow for clients, simplifying the steps and optimizing their experience.

During 2023, the Bank granted Ps.141,545 million in personal loans representing a 7.24% market share in Argentina. In 2023, 572,457 personal loans were originated from digital channels.

- Pledge Loans

In line with its global sustainability strategy, the Bank continued to offer special lines at convenient rates to finance the purchase of electric and hybrid vehicles.

During 2023 the Bank granted Ps.23,052 billion in pledge loans representing a 2.19% market share, and 7.36% considering PSA Compañía Financiera, Volkswagen Financial Services and Rombo Compañía Financiera in Argentina. In 2023, 14,132 customers were granted pledge loans.

Insurance

In 2023, there was a slight growing trend in insurance sales volumes in products from both BBVA Seguros and third-party companies.

The Bank renegotiated the terms of the agreement with Caja de Seguros S.A. to reflect current market conditions. Within the framework of such agreement, Caja de Seguros S.A. continued making strong disbursements on account of commissions and commercial incentives for the Bank, as well as for investments in systems and processes to maintain its innovative product and service offering.

In 2023, several initiatives were undertaken to improve clients’ digital experience, which led to a 38% increase in the volume of 100% digital new business compared to 2022. Digital sales significantly exceeded those recorded during the previous year.

Regarding policy cancellations, the volume decreased significantly compared to previous years, leading to a certain recovery of the policy portfolio for high-value products.

Both the increase in new policies and the decrease in cancellations were achieved by optimizing sales funnels in Online Banking and the BBVA App. We also expanded our product offering to offer new health, bicycle and skateboard insurance products.

In order to boost the insurance business, some of the promotions offered by the Bank, such as premium rebates, were maintained in 2023.

The table below sets forth the number of policies sold by the Bank in 2023 by category.

Insurance Sales	2023 Number of policies
Homeowners	43,812
ATMs	48,934
Handheld devices	41,161
Life	19,649
Unemployment	22,849
Personal Accidents	6,627
Car	12,564
Handbag Protection	16,358
Purchase Protection	5,327
Comprehensive	19,330
Laptops	514
Health	6,537
Bicycle	1,505
Skateboards	124
Other	2,211
Total	**247,502**

Asset Management

The table below shows the amount of total equity under management accrued as of December 31, 2023 and the variation with respect to 2022.

Equity Management	Amount accrued as of December 31, 2023 in millions of Pesos	Year-on-year changes In millions of Pesos	As a %
Total equity under management	**1,288,519**	**(62,676)**	**(4.64)%**
Equity under management in time-deposits funds	1,234,787	(35,418)	(2.79)%
Equity under management in market mutual funds	53,732	(27,258)	(33.66)%
Equity under management in market mutual funds– Fixed income funds	11,144	(50,671)	(81.97)%

As of December 31, 2023, the Bank had 16 mutual funds under management registered with the Argentine Securities Commission (CNV). Subscriptions and redemptions are permitted in eight of them, while five of them only admit redemptions and three of them have not been launched to market yet.

Fund	Status
FBA Renta Pesos, FBA Bonos Argentina FBA Ahorro Pesos, FBA Renta Pública I, FBA Renta Fija Plus, FBA Renta Mixta, FBA Calificado and FBA Acciones Argentinas	Subscriptions and redemptions in pesos are allowed.
FBA Horizonte, FBA Horizonte Plus, FBA Bonos Globales, FBA Retorno Total I and FBA Acciones Latinoamericanas	Only redemptions are allowed.
FBA Gestión I, FBA Renta Fija Local and FBA Fondo Renta Pública II	These mutual funds are not open for subscription or redemption. They have not been launched to market yet.

During 2023, no new funds were registered and no registered funds were launched to market or liquidated. However, given the similarity of their portfolios, the Bank recently completed the merger of the FBA Calificado fund into the FBA Acciones Argentinas fund.

Payment Solutions

MODO is a banking wallet developed by Argentina's major public and private banks. Through it, BBVA Argentina's customers can make payments and transfer money easily and for free. No new application is required to use the wallet, since transactions can be completed from BBVA's Go app, BBVA Mobile, and Online Banking.

MODO is a virtual payment solution that can be used to request or transfer money without a CBU (uniform banking key), alias, account number or CVU (uniform virtual key). The platform also allows the user to make payments from a mobile phone, without the need for using cards or cash, or charging a virtual wallet.

As of December 31, 2023, MODO had 584,992 BBVA Argentina's clients enrolled and 258,845 active clients. During 2023, 358,072 individuals made payments using QR MODO and 107,596 users made money remittances.

The increase in new users was driven by the commercial campaign efforts undertaken during the year, including by offering discounts in sectors valued by clients and cashbacks on the spot.

Debit and Credit Cards

During 2023, BBVA Argentina continued developing functionalities to enhance clients' experience, streamline operations, empower payments, and increase security in transactions. In line with this, and building on our previous year's developments, the Bank extended the "Pause" and "Enable" feature to MasterCard credit cards, automatically increasing spending limits for both credit and debit cards.

Regarding fraud prevention, the Bank launched notifications related to VISA credit card transactions for clients to be aware of every transaction made or rejected on their cards, while being able to check that the amount charged in a transaction is correct.

The Bank has been the first bank in enabling the online activation of VISA credit cards. Starting this year, clients can access their full VISA credit card details both on the BBVA App and through Online Banking, after completing a Token validation process for security purposes, thus avoiding the need to wait for the physical card to arrive.

Regarding account balances and debit card usage, the Bank introduced the new "Money In" feature, through which clients are able to transfer money to the Bank from another bank quickly and easily, without leaving BBVA Argentina's Home Banking site, by linking the account the client has with the other financial institution. Additionally, we focused on improving the service payment experience, increasing payment limits, and running campaigns with awards, resulting in more clients channeling their payments through the Bank.

BBVA Argentina's solutions linked to Apple and Google

The Bank continued offering Apple Pay to its clients. This system, created for Apple devices, enables easier and more secure contactless payments by loading VISA debit and credit cards into the application.

Additionally, in June 2023, BBVA Argentina deployed the Google wallet, through which its clients are able to store their VISA and MasterCard debit and credit cards, make contactless payments at merchants where these transactions are accepted, and make secure purchases on websites and apps.

Partners and Commercial Alliances

In 2023, the Bank continued strengthening its BBVA Points Reward Program. During the year, the Bank carried out the following actions:

- Commercial campaigns and actions together with Despegar to offer clients an attractive travel offering. The Bank is one of Despegar's major partners.
- Launch of "Pay with Points" functionality, allowing clients to redeem points on purchases at selected merchants engaged in the food and entertainment sectors.
- Development of "Your Seven Wonders" campaign, which was designed to show the benefits of the BBVA Points Reward Program, inviting clients to travel and discover the world.

Throughout 2023, the Bank maintained its two major commercial alliances with Frávega and Sodimac, reaching approximately 43,600 new clients during the year and maintaining benefits for individuals on their first purchase. Despite the volatility in market rates, the Bank continued offering financing arrangements to buy motorcycles for customers of the Simpa Group and the Iraola Group.

Time Deposits

During 2023, time deposit rates were regulated by the Central Bank. In spite of this, the Bank's stock of retail time deposits increased 65% from Ps.310,000 million in 2022 to Ps.476,000 million in 2023 at current (real) values. In addition, time deposits remained 99% digital.

Small and Medium-sized Companies (SMEs)

This business line manages corporate clients from both the public and private sectors. It comprises companies banking, SMEs foreign trade and transactional services.

- Companies Banking

It focuses its efforts on serving clients from strategic sectors of the industry, such as construction, infrastructure, and agriculture, strengthening risk policies tailored to each client's profile.

Synergies with other areas of the Bank, along with the client approach model and specialized portfolio, help drive results.

- SMEs Segment

This segment is focused on offering financial services to small and medium-sized enterprises, enhancing clients' transactional activity with the support of a competitive offering in terms of collections and acquiring services. Commercial actions were developed aimed at attracting clients or managing resources to increase balances in sight accounts, saving products, and term deposits.

- Foreign Trade

Businesses related to foreign trade are experiencing substantial growth, which positively impacts the Bank's results, driven by the available product portfolio, digitization, and client service. Areas, such as Business, Products, Commercial, Regulatory, Operations, Systems and Processes are parts of Foreign Trade.

- Transactional Services

Transactional businesses are relevant to this business line and, as such, require specific monitoring to cover the needs of each client and ongoing focus from executives.

Various strategies have been developed in this line of business to attract new clients and deepen relationships. These strategies were designed considering profitability and leveraging the product portfolio.

The business strategy aims to achieve financial margin through attraction and financing products (such as loans, deposits, etc.) by generating interest or commissions in the short, medium, and long term.

Below is a description of our main products within our SMEs banking business line:

SMEs and Entrepreneurs

BBVA Argentina believes that SMEs and entrepreneurs are key drivers to local economic growth. To support these segments, it offers a distinct in-person and online service, along with financial services primarily to local companies and individuals engaged in business activities in the private sector.

BBVA Argentina introduced Openpay, a disruptive solution for SMEs, merchants and professionals. Openpay is a fintech owned by the Group, with presence in Mexico, Peru, Colombia and Argentina, specializing in the development of payment solutions for small and medium-sized enterprises and individuals engaged in commercial or professional activities.

As of December 31, 2023 the Bank had 133,174 SMEs customers, out of which more than 24,000 became customers in 2023.

Foreign Trade

As of December 31, 2023, the Bank had 4,776 active foreign trade customers compared to 5,256 in 2022.

Foreign trade registered US$3,566 billion in import flows (46.4% less than the previous year) from 67,426 transactions, positioning the Bank in the seventh place in terms of import flows market share (5.64%) and in second place in terms of operations market share (12.36%), according to the Central Bank and US$6,714 billion in export flows (37.6% less than the previous year) from 70,664 transactions, positioning the Bank in the sixth place in terms of export flows market share (9.03%) and in third place in terms of operations market share (12.47%), resulting in a gain from net commissions of US$20,360,918.

Agricultural Business

As of December 31, 2023, the Bank had 7,274 agribusiness customers, an asset portfolio in excess of Ps.190,000 million and Ps.17 million settled through the Expoagro promotion consisting of offering financing arrangements at attractive terms.

BBVA Argentina was present at the sector’s most important fairs: Expoagro and Agroactiva. At these events, the Bank introduced several exclusive financing opportunities for agricultural producers, including a zero-rate agreement in U.S. dollars at 180 days, and offered advice from agribusiness specialists. In addition, BBVA Agro Visa Card—a product designed specifically for this segment—was marketed successfully in these events.

Startups

In 2023, BBVA Spark was introduced in Argentina seeking to offer comprehensive financial services to technology companies at their several growth stages. This initiative includes a full range of banking products and services, specialized support, and access to the sector’s ecosystem. BBVA Spark will seek to offer startups a solution to cover all their financial needs in one spot, through a comprehensive offering accommodated to the several stages of an enterprise’s life cycle, from being a startup to becoming a large company, including access to sophisticated financing products.

Transactional Products

BBVA offers the following collection and payment products.

Transactional products include the following collection and payment products:

- Collection products:
  - Collections. Receipt of deposits on behalf of corporate customers across the Bank’s branch network, smart self-service terminals, enabled webs and non-banking entities, making reconciliation easier by means of online information.

- Direct Debit. A mechanism allowing corporate customers to arrange automatic debits from their accounts with BBVA Argentina or other banks.
- Cash-in-transit: Home collection that consists of the delivery or receipt of securities between the Bank and the client. The client contracts the service on behalf of and by order of the Bank, which is the one who quotes the service to be provided through money transport companies.
- Remote Deposits – TIBAF: Deposit of checks from the client's offices through their digitalization, for which a check reader is installed in their offices that allows for the receipt of a detail of the operations carried out.

- Payment products:
  - Payments to Suppliers. Payment from a business to its suppliers by means of payment instructions to Net-Cash, a channel through which the business receives daily payment status updates and follows up on them, by reconciling the accounting information in the business' management system.
  - Datanet – Interbanking: It is a transaction in which a natural or legal person orders the Bank to debit funds from such person's account and credit them to another account of such person or an account of another natural or legal person in the Bank or in another financial entity. The channel used is InterBanking.
  - Massive issuance of eCheqs: It allows the issuance of up to ten thousand eCheqs (electronic checks) from the upload of a txt file through the Net Cash channel. In the same file, checks can be issued to different beneficiaries. eCheqs can be issued daily, with deferred payment, of a "to order" and "not to order" nature.
  - Transfers. A transaction whereby an individual or legal entity orders the Bank to debit funds from an account of its own and credit them to another account owned by that individual or legal entity or a third party at BBVA Argentina or at other entity, through Electronic Banking (Net-Cash or InterBanking).

Corporate & Investment Banking (CIB)

Through our corporate and investment banking business line we offer banking services to approximately 847 multinational companies and local private-sector and state-owned enterprises.

In our corporate business line, we leverage the BBVA Group's global presence and interconnected structure covering the corporate business line across the globe. Our corporate and investment banking products include checking, savings, time deposits and loan products that allow for structured finance for our global clients. In addition, as part of our investment banking services, we offer advisory services on mergers and acquisitions and initial public offering and corporate- and project financing. In Argentina we cover local clients, including large and medium-sized companies, and large international clients. Our clients also include institutional and governmental clients including pension funds, insurance companies and banks.

Through our treasury unit we also offer trading services, and we are also engaged in capital markets, money markets and foreign exchange markets, brokerage services in connection with fixed-income securities, derivatives, and trust services.

BBVA Argentina continued to enjoy a leading position in the Argentine wholesale consumer portfolio with notable performance both in liability portfolio and transaction-based banking services. In 2023, CIB was focused on the achievement of its strategic goals, including, among others, leadership in both corporate banking and investment banking, optimization of capital allocation and increasing cross-selling margins. The Bank is working to attain these goals through increased business consolidation, process efficiencies and the establishment of long-term relationships with its customers.

The main three commercial areas within the Corporate and Investment Banking business line include:

Investment Banking & Finance

This area provides long-term credit solutions across the entire value chain, as well as corporate finance services, including structured lending, syndicated loans, project finance, structured trade finance, equity capital markets, debt advisory, M&A advisory, among others.

This area main divisions are corporate lending, structured finance, and advisory.

Global Transaction Banking

This area provides front-office services to companies to allow them to manage working capital by means of financing instruments denominated both in pesos and dollars. It also provides products for cash management and transaction products through multiple channels: transaction platform, electronic banking (BBVA Net Cash), personal attention, direct channels, SWIFT and mobile banking.

Global Transaction Banking is divided into working capital, cash management, client resources, trade finance and correspondent banks.

Global Transaction Banking has been focused on becoming a well-established leader in financing to clients both in pesos and dollars.

Global Markets

This area is responsible for providing services related to origination, structuring, distribution and risk management of market products.

Global Markets is divided into foreign exchange, fixed income and credit (debt capital markets).

Loans and advances and deposits by business lines

The following table sets forth the relative proportions of loans and advances (net of allowance for loan losses) and deposits attributable to our principal business lines during the last three years.

	Financial assets at amortized cost - Loans and advances					
	December 31, 2023		December 31, 2022		December 31, 2021	
	(in thousands of pesos, except percentages)					
Retail banking	955,741,950	48.38%	1,207,661,390	54.08%	1,352,836,643	58.84%
Small and medium-sized companies	881,881,010	44.64%	815,544,667	36.52%	757,337,447	32.95%
CIB	137,874,430	6.98%	209,874,068	9.40%	188,810,608	8.21%
Total	1,975,497,390	100.00%	2,233,080,125	100.00%	2,298,984,698	100.00%

	Financial assets at amortized cost – Deposits					
	December 31, 2023		December 31, 2022		December 31, 2021	
	(in thousands of pesos, except percentages)					
Retail banking	2,028,464,704	55.74%	2,448,694,470	59.85%	2,448,743,799	57.00%
CIB	988,616,579	27.16%	884,612,690	21.62%	944,637,087	21.98%
Small and medium-sized companies	622,225,377	17.10%	758,005,276	18.53%	903,387,121	21.02%
Total	3,639,306,660	100.00%	4,091,312,436	100.00%	4,296,768,007	100.00%

Information Technology

Our IT area is responsible for our systems operation and availability as well as data security and integrity. Our primary and backup and disaster recovery data centers are located in Buenos Aires, Argentina and in Lago Esmeralda and Querétaro, Mexico.

Our modern technology platform is interconnected with the platform of the BBVA Group, which enables us to provide seamless coverage to our customers.

We have made significant investments in technology, and we plan to continue doing so to enable us to retain and enhance our competitive position in various markets and to improve the security and quality of our services.

Our operational platform efficiently combines our modern business-oriented IT systems with our multichannel distribution strategy, resulting in innovative ways to serve our clients. We have well-developed CRM tools that allow us to monitor our clients' behavior and provide them with targeted product offerings through diverse channels. As a result, we are able to effectively leverage alternative distribution channels, such as ATMs, internet and mobile banking and our contact centers, which are complementary to our traditional proprietary branch network, which enables us to provide better service to our clients and to increase our sales ratios.

We have implemented multiple controls to respond to the new threat of cybersecurity, based on a comprehensive, multi-faceted security framework that includes people, technology, processes and procedures.

Intellectual Property

In Argentina, ownership of trademarks can be acquired only through a validly approved registration with the National Institute of Industrial Property (*Instituto Nacional de la Propiedad Industrial*, or "INPI"), the agency responsible for registering trademarks and patents in Argentina. After registration, the owner has exclusive use of the trademark in Argentina for ten years. Trademarks registrations can be renewed indefinitely for additional ten-year periods, if the registrant proves that it has used such trademark within the last five years.

We have several trademarks, most of which are brand names of our products or services. All our material trademarks are registered or have been submitted to INPI for registration by the BBVA Group or us.

C. Organizational Structure

Banco Bilbao Vizcaya Argentaria, S.A. (BBVA)

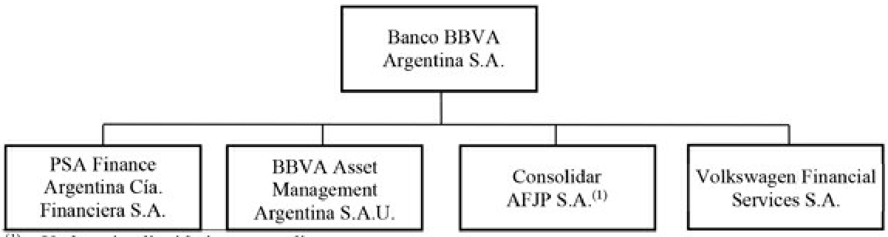
As of December 31, 2023, BBVA owned 66.55% of our capital stock.

BBVA is a global financial group, organized in five operating segments: (i) Spain; (ii) Mexico, (iii) Turkey; (iv) South America; and (v) Rest of Business. In addition to the operating segments referred to above, the BBVA Group has a Corporate Center which includes those items that have not been allocated to an operating segment. It includes the BBVA Group's general management functions, including costs from central units that have a strictly corporate function; management of structural exchange rate positions carried out by the Financial Planning unit; certain proprietary portfolios; certain tax assets and liabilities; certain provisions related to commitments with employees; and goodwill and other intangibles, as well as the financing of such asset portfolios. Some of the benefits we receive from the BBVA Group are:

- sharing of technology;
- development of new banking products that have been customized for the Argentine market;
- leveraging BBVA's global client relationships to serve those clients operating in Argentina; and
- BBVA's participation in BBVA Argentina as a shareholder is both long term and strategic.

Subsidiaries and investees of BBVA Argentina

The following chart reflects our subsidiaries as of December 31, 2023:



(1) Undergoing liquidation proceedings.

The following information is related to our subsidiaries, joint ventures and associates as of December 31, 2023:

- **Subsidiaries**

Subsidiary	Country of Incorporation/ Residence	BBVA Argentina Ownership and Voting Power (in percentages)	Principal Activity	Shareholders' Equity (in thousands of Ps.) (1) (2)
PSA Finance Argentina Cía. Financiera S.A.	Argentina	50.00%	Financial institution	13,487.92
BBVA Asset Management Argentina S.A.U.	Argentina	100.00%	Investment fund manager	11,393.99
Consolidar AFJP S.A. (undergoing liquidation proceedings)	Argentina	53.89%	Pension fund manager	275.14
Volkswagen Financial Services S.A.	Argentina	51.00%	Financial institution	22,647.46

(1) Total shareholders' equity as of December 31, 2023.
(2) Statutory shareholders' equity, adjusted for purposes of consolidation so as to apply an accounting criterion uniform with that of BBVA Argentina, if applicable.

Below is a description of our subsidiaries:

- PSA Finance Argentina Compañía Financiera S.A.

The share capital of PSA Finance Argentina Compañía Financiera S.A. ("PSA Finance") is held, in equal parts, by BBVA Argentina and Stellantis Financial Services Europe, a company related to the Stellantis Group, based in France.

PSA Finance is primarily engaged in granting pledge loans for the purchase of new Peugeot, Citroën and DS vehicles, as well as in arranging financial lease agreements. PSA Finance is also engaged in financing the purchase of second-hand vehicles to customers referred by networks of the aforementioned brands' official dealers, and in supplying other financial products and services associated with the purchase, maintenance and insurance of vehicles, within the territory of the Argentine Republic. Additionally, PSA Finance carries out a business known as "floor plan", which consists of financing the stock of vehicles, spare parts and other equipment of the official network of the Peugeot, Citroen and DS brands in Argentina.

The car industry ended 2023 with 425,000 new car registrations in Argentina, 11.6% increase in year-on-year terms. 2023 presented new challenges to the market, primarily due to the high levels of inflation (211.4% on an accumulated basis) and the complex international context in terms of supply restrictions which limited the available vehicle stock of the industry for local sales.

As to the product offering, in 2023 PSA Finance continued working jointly with the Peugeot, Citroën and DS brands in the development of exclusive and distinct financial products, targeted at certain vehicles.

In 2023, PSA Finance experienced a 1% increase in the volume of retail contracts compared to 2022, as a result of the high financing rates in the local market that restricted access to credit. PSA Finance reached a 13% share in Peugeot, Citroën and DS car registrations (measured in terms of financing of brand-new cars), which shows stability compared of 2022. However, PSA Finance's net result reflected a decrease compared to 2022, primarily due to the accounting adjustment for inflation.

As a result of all the aforementioned factors, PSA Finance's net income from financial intermediation activities amounted to Ps.14,935 million in 2023. PSA Finance's profit before income tax in 2023 amounted to Ps.11,563 million, while the net loss for the year, after income tax, amounted to Ps.797 million, due to the application of the inflation adjustment.

As of December 31, 2023, the customer portfolio was valued at Ps.14,981 million.

In 2024, PSA Finance expects to continue to work in conjunction with the Peugeot, Citroën and DS brands and with the current sales strategy.

PSA Finance expects to continue to support ongoing digitalization, which is key to the mission of efficiently reaching a customer profile that continuously changes its purchasing behaviors, to choose new technologies to stay abreast of the news and compare products. In this regard, PSA Finance expects to continue to develop tools that help customers borrow their first loan by means of several digital platforms, which started to be successfully implemented in 2019 and which continued to evolve in subsequent years, expecting to add new functionalities in 2024 that will seek to streamline procedures and shorten customer response times.

- BBVA Asset Management Argentina S.A.U.

During 2023, the mutual funds industry in Argentina increased. According to preliminary data gathered by the Argentine Chamber of Mutual Funds (CAFCI, for its Spanish acronym), at year-end, assets under management industry-wide were 24.3% higher at the end of December 2022.

This increase was led by time deposit funds, market mutual funds and fixed income funds which, as of December 31, 2023, recorded an increase in assets of 23.09%, 27.63%, and 22.25%, respectively, compared to December 31, 2022.

As of December 31, 2023, equity under management by BBVA Asset Management Argentina S.A. ("BBVA AMA") amounted to Ps.1,288,518.88 million, equivalent to a decrease of 4.64%, or Ps.62,674.84 million, compared to 2022.

The breakdown of equity under management as of December 31, 2023 was as follows:

Name of investment fund	Millions of pesos
FBA Renta Pesos	1,234,721.81
FBA Acciones Argentinas	20,360.61
FBA Calificado	15,907.32
FBA Ahorro Pesos	4,872.73
FBA Acciones Latinoamericanas	4,313.00
FBA Renta Fija Plus	3,989.04
FBA Renta Mixta	1,994.78
FBA Bonos Argentina	1,206.75
FBA Renta Publica I	558.41
FBA Horizonte	485.39
FBA Gestión I	64.69
FBA Bonos Globales	16.30
FBA Retorno Total I	12.93
FBA Horizonte Plus	11.29
FBA Renta Fija Local	3.83
Total	**1,288,518.88**

According to the interim asset ranking compiled by the CAFCI, BBVA AMA's share in the Argentine mutual funds market was 4.78%, ranking fourth among competitors.

Within the category of time-deposit mutual funds, at December 31, 2023, BBVA AMA recorded assets under management in the amount of Ps.1,234,786.50 million a decrease of Ps.35,424.90 million, or 2.79%, compared to 2022.

On the other hand, within the market mutual fund sector, BBVA AMA decreased 33.66% during 2023, or Ps.27,257.96 million in nominal terms. At year-end, total assets under management in respect of these funds amounted to Ps.53,732.38 million.

Variable income funds experienced the most significant increase in assets, up by Ps.23,660.54 million (or 139.83%) in 2023, to reach Ps.40,580.93 million.

During the year, BBVA AMA generated commissions in the amount of Ps.12,471.54 million, a 6.36% decrease compared to 2022.

As of December 31, 2023, BBVA AMA had 16 mutual funds under management registered with the CNV.

To date, the status of the funds under BBVA AMA's management is as follows:

- FBA Renta Pesos, FBA Bonos Argentina, FBA Ahorro Pesos, FBA Renta Pública I, FBA Renta Fija Plus, FBA Renta Mixta, FBA Acciones Argentinas (merged with FBA Calificado on April 11, 2024): these funds are operating normally. Subscriptions and redemptions in pesos are allowed.
- FBA Horizonte, FBA Horizonte Plus, FBA Bonos Globales, FBA Retorno Total I and FBA Acciones Latinoamericanas: Only redemptions are allowed (subscriptions were suspended in mid-April 2020 as a preventive measure to mitigate market fluctuations and protect investors' interests in these funds).
- FBA Gestión I, FBA Renta Pública II and FBA Renta Fija Local: For the time being, these mutual funds are not open for subscription or redemption, and BBVA AMA is awaiting the right time to market them.

Like in previous years, and looking forward, BBVA AMA expects to closely monitor the changes in international economic and financial conditions, the development of the currency market, the performance of crude oil and other commodities prices.

BBVA AMA also expects to monitor activity levels and the exchange rate market, as well as public indebtedness and expenditures, and in particular in the potential consequences that exchange rate and tariff corrections may have on inflation in the first half of 2024, as well as the evolution of the exchange market, especially with regard to the liberalization of restrictions to the purchase of foreign currency.

Looking to 2024, mutual funds are expected to constitute an efficient alternative for investors at the local level. In this regard, BBVA AMA will continue reshaping and developing products tailored to customers' demands, ensuring an offering that is suitable to the prevailing market conditions and improvements in investors' risk management.

- Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings)

On December 4, 2008, Law No. 26,425 was enacted, providing for the elimination of the capitalization regime that was part of the Integrated Retirement and Pension System, and its subsequent merger into and replacement with a single pay-as-you go system named Argentine Integrated Retirement and Pensions System (SIPA). Consequently, Consolidar A.F.J.P. S.A. ceased to manage the resources that were part of the individual capitalization accounts of affiliates and beneficiaries of the capitalization regime of the Integrated Retirement and Pension System, which were transferred to the Guarantee Fund for the Sustainability of the Argentine Retirement and Pension Regime as they were already invested, and the ANSES is now the sole and exclusive owner of those assets and rights.

Likewise, on October 29, 2009, the ANSES issued Resolution No. 290/2009, whereby retirement and pension funds managers interested in reconverting their corporate purpose to manage the funds for voluntary contributions and deposits held by participants in their capitalization accounts had 30 business days to express their intention to that end.

Based on the foregoing and taking into consideration that it was impossible for Consolidar A.F.J.P. S.A. to comply with the corporate purpose for which it was incorporated, had its shareholders, gathered at a unanimous general and extraordinary shareholders' meeting held on December 28, 2009, approve its dissolution and subsequent liquidation effective as of December 31, 2009, based on the best interests of the company's creditors and shareholders. Furthermore, in compliance with the terms of Argentine Companies Law, the shareholders' meeting appointed Mr. Gabriel Orden and Mr. Rubén Lamandia, both of them certified public accountants, as liquidators of Consolidar A.F.J.P. S.A. Since December 31, 2009, they have assumed the role of the company's legal representatives. To date, they are taking all necessary actions leading to the liquidation of Consolidar A.F.J.P. S.A.

In this regard, on January 28, 2010, the dissolution of Consolidar A.F.J.P. S.A. and the list of designated liquidators were registered with the IGJ.

In addition, on October 19, 2009, the general extraordinary shareholders' meeting of Consolidar A.F.J.P S.A. approved a voluntary reduction of the company's capital stock by Ps.75 million. The IGJ approved such capital reduction on January 11, 2010 and on January 19, 2010, capital contributions were transferred to the company´s shareholders pursuant to the aforementioned capital stock reduction.

BBVA Argentina, as shareholder, asked Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) to give notice to the Argentine Ministry of Economy and Public Finance and to the ANSES, of its intention to engage in discussions, under the terms of Law No. 26,425, to find one or more remedies to redress the consequences from the events occurred after the enactment of such Law. Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) gave such notice on June 11, 2010.

On December 7, 2010, Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) filed a complaint for damages against the National Government and the Ministry of Labor, Employment and Social Security, which was heard by the Federal Court of Original Jurisdiction in Administrative Matters No. 4, Division No. 7, under File No. 40,437/2010. Such complaint was ratified by BBVA Argentina in its capacity as majority shareholder of the company. On July 15, 2011, Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) and BBVA Argentina made a filing with such court to expand the scope of the complaint for the assessment of damages. On March 9, 2012, such court ordered that notice of the complaint be served upon the National Government.

On May 13, 2013, the intervening court resolved to initiate the trial period, upon which the company started to produce the pertinent testimonial, documentary, and expert evidence. On May 28, 2013, the company filed its witnesses' question sheets and testimony.

On July 1, 2021, a judgment was rendered on the case dismissing the complaint. A motion for appeal was filed against the judgment, which was granted by the court.

On September 30, 2021, notice was served that the case would be heard by Panel I of the Federal Court of Appeals in Administrative Matters, where the appellant was required to file the basis of his appeal. Such filing was made on October 12, 2021. Then, on October 14, 2021 the Court of Appeals ordered that notice of the basis of appeal brief be served upon the National Government.

On October 22, 2021, the Court of Appeals considered that the National Government had answered the service of notice, and ordered that the record of the case be submitted for final judgment.

On August 9, 2022, Chamber I of the Federal Administrative Litigation Chamber issued a sentence which ratified the first instance ruling. An Extraordinary Federal Appeal was filed against this resolution. On September 15, 2022 such chamber partially granted the appeal. On September 21, 2022 a Complaint Appeal was filed before the Supreme Court of Justice of the Nation.

As of the date of this annual report, neither the outcome of the legal process referred to above nor the final assessment of the case by the Argentine Supreme Court of Justice can be estimated. Similarly, in the hypothetical event of a rejection, all or part of the legal costs may be imposed on Consolidar AFJP S.A. (undergoing liquidation proceedings) and if the assets of such entity are insufficient to bear them, the Bank would need to bear those expenses, reserving the right to recover the proportional part related to the remaining shareholder.

- Volkswagen Financial Services Compañía Financiera S.A. ("VWFS")

VWFS is primarily engaged in the business of granting pledge loans and financial leases for the purchase of new Volkswagen cars and of offering wholesale financing to VW Group's dealers for the purchase of cars from the manufacturer. VWFS is also engaged in financing the purchase of second-hand vehicles and in providing financed maintenance, all within the territory of the Argentine Republic.

In 2023, the automotive industry showed a 10.2% increase in registrations compared to 2022, despite the restrictions on imports. The percentage of units financed through pledge loans market-wide, decreased from 36.7% in 2022 to 32.9% in 2023 primarily due to the conditions generally prevailing in the financial market.

Regarding the Volkswagen Group, despite the fact that its business model was particularly affected by restrictions on the import of units, it closed the year in second position in the vehicle registration ranking, registering a year-on-year improvement of 19.0%, much higher than the increase experienced by the total market, which was around 11.6%. In 2023, the percentage of financed units of the Volkswagen Group was 16.6% compared to 17.6% in 2022.

In the retail business, VWFS decreased its share in the sale of VW Group's financed units by 0.6 percentage points to 78.4% (excluding tracks and Audi).

VWFS was able to maintain its penetration of total sales within the VW Group, showing a slight 0.8 percentage points decrease compared to 2022, to 13%. The foregoing was the result of the strong cooperation between the brand and the VW Group's dealers, offering campaigns at subsidized rates with attractive conditions to customers, despite the high level of benchmark rates in the financial market.

The wholesale business ended 2023 with a healthy portfolio, due to the ongoing monitoring of the VW Group's dealers and the joint efforts with the brand.

Due to the macroeconomic environment, VWFS did not launch any new products to the market in 2023. Instead, the focus of VWFS was placed on the promotion of its traditional product offering of pledge loans at a fixed rate with terms of up to 60 months to finance up to 80% of a 0 Km Volkswagen vehicle.

As part of its ongoing improvement approach, VWFS enhanced the service quality to dealers through communication, training and good response levels by VWFS, as reflected in the positive outcomes of the relevant satisfaction survey. In-house, VWFS conducted several training programs for employees in order to attain efficiency gains and improve service levels to retail customers. In this sense, in November 2023, a new customer service web portal called "Pre-aprobado on line" was launched, allowing customers to request loans for the purposes of acquiring new vehicles online and have them pre-approved within 24 hours.

VWFS believes it is adequately capitalized for the development of its business. Moreover, during 2023, VWFS increased its sources of funding from other commercial banks, with total credit facilities amounting to Ps.137,900 million.

In 2023, VWFS issued corporate notes for a total aggregate amount of Ps.10,000 million 12-month maturity at an interest rate of BADLAR plus a 4.5% margin. However, in order to leverage the opportunities that may arise in the capital markets, VWFS maintains a strategic relationship with the major commercial banks, boasts healthy financial statements, and relies on its shareholders' support.

In 2023, the VW Group had a 13.3% share in the automotive market, ranking second in terms of sales volume, representing a 12.5% improvement compared to 2022.

During 2023, VWFS' main goal was offering competitive financing products and services to customers, underpinned by a commercial policy aimed at fostering loyalty among dealers. In 2023, VWFS settled a total of 7,771 pledge loans, representing a 13.5% improvement in year-on-year terms, as a result of the reduced offering of brand-new units by the VW Group.

Net income, after income tax for 2023, amounted to a profit of Ps.1,581.79 million, representing a significant increase in profit compared to the previous year's after-tax loss of Ps.3,915.66 million. The increase in net profit was primarily attributable to the improvement in the profitability of its products with the objective of mitigating the inflation adjustment on shareholders' equity, which was not entirely offset by actual results, due to the sector's aggressive competition and also due to the impact of the Central Bank's intervention in interest rates.

During 2024, the automotive market is expected to reach 443,000 new registrations, that is, a higher level than in 2023. Rates are expected to grow in 2024, due to the expected increase in inflation and the current gap between the official and the unofficial exchange rates.

VWFS' goal for 2024 is defending its share in sales of financed units, with origination of retail loans expected to grow compared to 2023, in line with the outlook for the automotive market, as well as an increase in the level of the wholesale portfolio. With a view to ensure sustainable development in the long term, VWFS plans to carry out strategic projects in 2024, which are expected to enhance internal processes to deliver better service quality to our customers and better serve dealers.

In order to fund its pledge loan portfolio, VWFS plans to continue diversifying its sources of funding with BBVA Argentina and other commercial banks, through time deposit funds and the issuance of corporate notes.

- **Joint venture**

Joint Venture	Country of Incorporation/ Residence	BBVA Argentina Ownership and Voting Power (in percentages)	Principal Activity	Stockholders' Equity (in millions of Ps.) (1)
Rombo Compañía Financiera S.A.	Argentina	40.00%	Financial institution	7,693.64

(1) Total shareholders' equity as of December 31, 2023.

Below is a description of our joint venture:

- Rombo Compañía Financiera S.A.

Rombo Compañía Financiera S.A. ("RCF") is the main finance company of Renault's network of dealers, both for new and second-hand vehicles. During 2023, Renault had a 12.20% share in the automotive market (11.80% in 2022), ranking fourth in terms of sales volume. In 2023 Nissan had a 4.6% market share compared to 4.01% in 2022. In 2023, Renault was negatively affected by limited availability of imported vehicles. However, the financed segment in both brands maintained its position despite volume losses.

In 2023, RCF's contribution to Renault's sales increased to 26.10% from 23.60% in 2022, and decreased to 15.70% from 22.60% in 2022 for Nissan. Despite reduced industry volumes and availability of vehicles, the brand managed to end the year as number 1 in the market.

RCF ranked first in terms of loans and loyalty among brand captive companies as of December 31, 2023, closing the year with an average of 80% credits granted by RCF over total credits for the sale of Renault vehicles (Source: AFIMA). Renault Argentina and Nissan strongly supported RCF's lending activities, providing important commercial tools (subsidized rates) both for new and second-hand vehicles.

With this support, RCF financed 16,588 new Renault and Nissan vehicles in 2023 (compared to 43,563 in 2022) and 3,586 second-hand vehicles (compared to 12,612 in 2022). Accordingly, the total amount of capital lent under financing arrangements as of December 31, 2023 amounted to Ps.46,369 million, representing a 44.8% decrease compared to the Ps.83,990 million recorded as of December 31, 2022.

Risk and portfolio quality indicators in 2023 have remained stable compared to 2022. The number of cases filed in litigation has remained low with many of them being settled through payment agreements. The average non-performing loan ratio decreased from 0.73% in December 2022 to 0.48% at the end of 2023.

In terms of financing, the total balance of corporate notes as of December 31, 2023 amounted to Ps.2,500 million. The amount of the current program is Ps.150 million, and has been rated "AA" by Fix SCR S.A. Agente Calificadora de Riesgo.

For the year ended December 31, 2023, RCF recorded a net profit of Ps.1,899.84 million compared to a net loss of Ps. 5,977.74 million in 2022.

- **Associates**

Associate	Country of Incorporation/ Residence	BBVA Argentina Ownership and Voting Power (in percentages)	Principal Activity	Shareholders' Equity (in millions of Ps.)
BBVA Seguros Argentina S.A.(1)	Argentina	12.22%	Insurance	38,529.28
Interbanking S.A.(1)	Argentina	11.11%	Information services for financial markets	18,993.34
Play Digital S.A.(2)	Argentina	11.06%	Development, offer and implementation of a digital payment solution	9,978.97
OpenPay Argentina S.A.(1)	Argentina	12.51%	Development, offer and implementation of a digital payment solution	4,024.98

(1) Total shareholders' equity as of December 31, 2023.
(2) Total shareholders' equity as of September 30, 2023.

Below is a description of our associates:

- BBVA Seguros Argentina S.A.

BBVA Seguros Argentina S.A. ("BBVA Seguros") operates in the following lines of business: Fire, Comprehensive and Combined Household Insurance, Theft, Personal Accidents, Group Life Insurance, Credit Life Insurance, Funeral and Other Miscellaneous Coverage through several channels, including the Bank, call centers and insurance brokers.

During 2023, written premiums amounted to Ps.31,930.71 million, accounting for a 29.13% decrease compared to 2022.

The business strategy combines a broad product offering with multiple distribution and service channels, all based on the segmentation of customers' and prospects' needs.

Paid losses in 2023 amounted to Ps.10,588.14 million, or 33.16% of written premiums during that year.

Net income for 2023 was Ps.8,030.34 million, while shareholders' equity amounted to Ps.38,543.90 million as of December 31, 2023.

BBVA Seguros' policy was based on the following guidelines:

- Credit Risks: Regulatory compliance, selection of counterparties based on criteria established by the investment committee, and ongoing monitoring are essential to protect the portfolio. Due to the high inflation dynamics, the exposure of sovereign assets adjusted by C.E.R. (Reference Stabilization Coefficient), generally of short duration, has been increased to maintain a balance between profitability and volatility. To diversify credit risks, positions were maintained in fixed terms from leading banks and money market funds to guarantee short-term liquidity.

- Instrument Liquidity: BBVA Seguros' portfolio was structured considering instruments that provide the necessary liquidity to adequately meet its business requirements.

As of December 31, 2023, the minimum capital requirement surplus was Ps.35,243.18 million, representing a 1,341.27% excess over the minimum capital requirement.

For 2024, BBVA Seguros plans to continue expanding its value proposition with new insurance products that meet the actual needs of its customers, while making additional channels available to facilitate the simulation, hiring and management process. BBVA Seguros' goal is achieving growth that, in the medium and long-term, can translate into an increase in business volumes, while delivering a distinct and outstanding customer service by trained employees, aligned with the BBVA Seguros' goals.

- Interbanking S.A.

As member and shareholder of Interbanking S.A. ("Interbanking"), together with other eight leading Argentine banks, the Bank offers an electronic communications system which enables its customers to optimize their banking transactions. BBVA Argentina's corporate customers are able to connect to the service from their personal computers at any time and check their accounts at any member bank, send messages, transfer money, make electronic wage, supplier and tax payments, and display market data. Through Interbanking, the Bank offers distinct electronic products for each portfolio of its corporate customer base and processes online transfers, allowing debit and credit transactions to be settled automatically and to be reflected in the relevant accounts in real time. As a result of BBVA Argentina's equity interest in Interbanking, on June 30, 2023, the Bank received Ps.481.65 million (nominal value) in dividends.

- Play Digital S.A.

Play Digital S.A. is a native digital company created in 2020. Its main business is developing technological products that make it easier for bank users to interact with their financial products.

Its shareholders are most of Argentina's public and private banks. BBVA Argentina currently owns a 11.06% interest in Play Digital S.A.'s capital stock.

Play Digital S.A. operates MODO, a digital payment solution designed to provide information technology services and is the holder of broad and sufficient rights and license to use it and operate it.

Looking to 2024, Play Digital S.A. expects to closely monitor the changes in international economic and financial conditions, particularly, the evolution of inflation rates, activity levels, exchange rate, and public spending in Argentina.

With regards to digital wallets, Play Digital S.A. believes that it will continue to operate amidst a highly competitive environment with low entry barriers, requiring close competition monitoring.

During 2024, Play Digital seeks to continue to increase its business activity through the development of new functionalities and technological improvements, confirming its role as a leading player in the industry.

- OpenPay Argentina S.A.

Openpay Argentina S.A. ("Openpay") was incorporated on May 11, 2021 and is part of the BBVA Group. As of December 31, 2021, its main shareholders are BBV América S.L and BBVA Argentina S.A., owners of 87.49% and 12.51% stakes in the Openpay's capital stock, respectively.

Openpay's corporate purpose is being a payment processor, creating a link between its customers and Prisma Medios de Pago S.A., American Express and Tarjeta Naranja.

Openpay also expects to engage in the payment aggregator business, offering the service and physical infrastructure to process payments with credit and debit cards and collections with QR code or payment link, in order to make transactions easier for participating stores.

The Openpay platform offers security and adaptability, significantly contributing to the development of traditional and electronic commerce, thanks to its easy-to-implement dashboard and its features allowing stores to see, in real time, transactions with different payment methods.

In 2024, Openpay seeks to accomplish the following goals:

- The implementation of digital onboarding with online biometric validation.
- The implementation of an aggregator (PSP) service, which will allow customers to accept card-not-present operations, integrating this solution to their online sales platforms.

Openpay seeks to provide a distinct service to its customers, integrating several types of services (card-present and card-not-present transactions), as well as to foster financial inclusion among small stores and entrepreneurs.

Equity Investments

The following were all the positions that we held in non-financial institutions where we owned more than 2% of the invested companies' equity as of December 31, 2023.

Investment	Country	% of Shares Owned (in percentages)(2)	Principal Activity	Total Stockholders' Equity (in millions of pesos) (1)
Coelsa S.A.	Argentina	8.22%	Clearing house	10,843.02
Argencontrol S.A.	Argentina	7.77%	Agent mandatory	63.34
Sedesa S.A.	Argentina	8.64%	Deposit guarantee fund	1,670.11

(1) Total shareholders' equity as of December 31, 2023.
(2) According to information available as of December 31, 2023

D. Property, plants and equipment

BBVA Argentina is domiciled in Argentina and has its principal executive offices at Av. Córdoba 111, C1054AAA Buenos Aires, Argentina. The principal executive offices, which we own, are approximately 37,041 square meters in area.

At December 31, 2023, our branch network consisted of 243 retail branches, of which 115 were located in properties that we own and 128 were located in properties leased to us. The branches are located throughout all of the 23 Argentine provinces as well as the City of Buenos Aires.

E. Selected statistical information

The following information is included for analytical purposes and should be read in conjunction with the Consolidated Financial Statements as well as *"Item 5. Operating and Financial Review and Prospects"*. This information has been prepared from our financial records, which are maintained in accordance with IFRS-BCRA. The Consolidated Financial Statements and the selected statistical information below have been adjusted to comply with IFRS-IASB for the sole purpose of filing this annual report on Form 20-F with the SEC. The information below has been produced in accordance with the requirements of Subpart 1400 of Regulation S-K.

Average Balance Sheets, Interest Earned on Interest-Earning Assets and Interest Paid on Interest-Bearing Liabilities

The average balances of interest-earning assets and interest-bearing liabilities, including the related interest earned or paid, were calculated on a daily basis for the years ended December 31, 2023, 2022 and 2021. Average balances have been separated between those denominated in pesos and in foreign currencies.

This selected statistical information has been prepared taking into account the effect of hyperinflation adjustments, which requires that in the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy, the assets, liabilities, income and expenses of such entity be stated in terms of the measuring unit current at the end of the reporting period (December 31, 2023).

The real interest rate is the amount of interest earned or paid during the period divided by the related average balance.

Included in interest earned are the net gains on our portfolio of government securities and related differences in market quotations. We manage our trading activities in government securities as an integral part of our business. We do not, as a matter of practice, distinguish between interest income and gain or loss on our government securities portfolio.

The following tables show average balances, interest amounts and average real rates for our interest-earning assets and interest-bearing liabilities for the fiscal years ended December 31, 2023, 2022 and 2021.

	Fiscal Year ended December 31,								
	2023			2022			2021		
	Average balance (1)	Interest earned/paid	Average real rate (2)	Average balance (1)	Interest earned/paid	Average real rate (2)	Average balance (1)	Interest earned/paid	Average real rate (2)
	(in thousands of pesos, except percentages)								
ASSETS									
Interest-earning assets									
Government securities (3)									
Pesos	2,064,705,369	1,914,707,179	92.74%	2,092,921,739	1,153,583,013	55.12%	1,805,985,586	663,552,536	36.74%
Foreign currencies	101,019,819	—	0.00%	17,394,714	—	0.00%	839,846	—	0.00%
Total	2,165,725,188	1,914,707,179	88.41%	2,110,316,453	1,153,583,013	54.66%	1,806,825,432	663,552,536	36.72%
Loans and advances (4)									
To customers/financial institutions									
Pesos	1,898,197,178	1,258,199,850	66.28%	1,949,390,151	800,299,036	41.05%	2,011,493,294	628,161,369	31.27%
Foreign currencies	132,251,527	4,091,020	3.09%	129,668,804	3,885,136	3.00%	243,430,289	10,177,128	4.18%
Total	2,030,448,705	1,262,290,870	62.17%	2,079,058,955	804,184,172	38.68%	2,254,923,583	638,338,497	28.35%
To central bank									
Pesos	49,234	—	0.00%	2,071	—	0.00%	1,797	—	0.00%
Foreign currencies	2,151	—	0.00%	2,121	—	0.00%	199	—	0.00%
Total	51,385	—	0.00%	4,192	—	0.00%	1,996	—	0.00%
Other assets									
Pesos	53,928,540	6,434,163	11.93%	24,890,112	1,859,650	7.47%	25,031,160	830,924	3.32%
Foreign currencies	34,948,246	514,444	1.47%	60,133,619	204,394	0.34%	40,829,190	27,566	0.07%
Total	88,876,786	6,948,607	7.82%	85,023,731	2,064,044	2.43%	65,860,350	858,490	1.30%
Total interest-earning assets									
Pesos	4,016,880,321	3,179,341,192	79.15%	4,067,204,073	1,955,741,699	48.09%	3,842,511,837	1,292,544,829	33.66%
Foreign currencies	268,221,743	4,605,464	1.72%	207,199,258	4,089,530	1.97%	285,099,524	10,204,694	3.58%
Total	4,285,102,064	3,183,946,656	74.30%	4,274,403,331	1,959,831,229	45.85%	4,127,611,361	1,302,749,523	31.58%

	Fiscal Year ended December 31,								
	2023			2022			2021		
	Average balance(1)	Interest earned/paid	Average real rate (2)	Average balance(1)	Interest earned/paid	Average real rate (2)	Average balance(1)	Interest earned/paid	Average real rate (2)
	(in thousands of pesos, except percentages)								
Non interest-earning assets									
Cash, cash balances at central bank and other demand deposits									
Pesos	181,941,335	—	—	298,808,281	—	—	393,345,312	—	—
Foreign currencies	701,200,530	—	—	738,787,057	—	—	954,121,891	—	—
Total	883,141,865	—	—	1,037,595,338	—	—	1,347,467,203	—	—
Investments in joint ventures and associates									
Pesos	8,035,485	—	—	9,858,955	—	—	12,203,701	—	—
Foreign currencies	—	—	—	—	—	—	—	—	—
Total	8,035,485	—	—	9,858,955	—	—	12,203,701	—	—
Tangible and intangible assets									
Pesos	359,801,679	—	—	361,348,515	—	—	332,354,240	—	—
Foreign currencies	—	—	—	—	—	—	—	—	—
Total	359,801,679	—	—	361,348,515	—	—	332,354,240	—	—
Allowance for loan losses									
Pesos	(65,124,018)	—	—	(62,471,196)	—	—	(123,519,682)	—	—
Foreign currencies	(6,999,004)	—	—	(8,850,891)	—	—	(23,711,761)	—	—
Total	(72,123,022)	—	—	(71,322,087)	—	—	(147,231,443)	—	—
Other assets									
Pesos	235,946,433	—	—	178,408,405	—	—	216,947,829	—	—
Foreign currencies	9,071,378	—	—	10,741,538	—	—	28,442,358	—	—
Total	245,017,811	—	—	189,149,943	—	—	245,390,187	—	—
Total non interest-earning assets									
Pesos	720,600,914	—	—	785,952,960	—	—	831,331,400	—	—
Foreign currencies	703,272,904	—	—	740,677,704	—	—	958,852,488	—	—
Total	1,423,873,818	—	—	1,526,630,664	—	—	1,790,183,888	—	—
TOTAL ASSETS									
Pesos	4,737,481,235	3,179,341,192	67.11%	4,853,157,033	1,955,741,699	40.30%	4,673,843,237	1,292,544,829	27.65%
Foreign currencies	971,494,647	4,605,464	0.47%	947,876,962	4,089,530	0.43%	1,243,952,012	10,204,694	0.82%
Total	5,708,975,882	3,183,946,656	55.77%	5,801,033,995	1,959,831,229	33.78%	5,917,795,249	1,302,749,523	22.01%

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	Fiscal Year ended December 31,								
	2023			2022			2021		
	Average balance (1)	Interest earned/paid	Average real rate (2)	Average balance (1)	Interest earned/paid	Average real rate (2)	Average balance (1)	Interest earned/paid	Average real rate (2)
	(in thousands of pesos, except percentages)								
LIABILITIES									
Interest-bearing liabilities									
Saving accounts									
Pesos	906,331,473	322,140,360	35.54%	914,340,774	128,471,713	14.05%	913,050,713	86,836,838	9.51%
Foreign currencies	498,720,335	38,515	0.01%	534,368,043	40,364	0.01%	725,861,574	55,533	0.01%
Total	1,405,051,808	322,178,875	22.93%	1,448,708,817	128,512,077	8.87%	1,638,912,287	86,892,371	5.30%
Time deposits									
Pesos	1,346,761,666	1,239,207,126	92.01%	1,401,616,580	769,572,216	54.91%	1,265,188,272	465,289,619	36.78%
Foreign currencies	75,493,265	134,877	0.18%	81,461,588	152,087	0.19%	121,306,605	300,077	0.25%
Total	1,422,254,931	1,239,342,003	87.14%	1,483,078,168	769,724,303	51.90%	1,386,494,877	465,589,696	33.58%
Banks loans – Central bank									
Pesos	—	—	0.00%	—	—	0.00%	—	—	0.00%
Foreign currencies	403,164	—	0.00%	331,927	—	0.00%	235,171	—	0.00%
Total	403,164	—	0.00%	331,927	—	0.00%	235,171	—	0.00%
Banks loans – Other financial institutions									
Pesos	27,738,834	(10,663,375)	(38.44%)	49,840,651	2,986,481	5.99%	44,972,466	(2,198,808)	(4.89%)
Foreign currencies	3,519,831	476,414	13.54%	2,457,394	186,162	7.58%	20,220,021	1,314,849	6.50%
Total	31,258,665	(10,186,961)	(32.59%)	52,298,045	3,172,643	6.07%	65,192,487	(883,959)	(1.36%)
Debt securities issued									
Pesos	2,670,885	3,430,633	128.45%	973,398	1,212,975	124.61%	5,737,269	2,561,095	44.64%
Foreign currencies	—	—	0.00%	—	—	0.00%	—	—	0.00%
Total	2,670,885	3,430,633	128.45%	973,398	1,212,975	124.61%	5,737,269	2,561,095	44.64%
Other liabilities									
Pesos	192,644	1,949,732	1,012.09%	14,294,959	2,109,295	14.76%	158,353	329,000	207.76%
Foreign currencies	3,043,740	—	0.00%	828,053	—	0.00%	1,148,131	—	0.00%
Total	3,236,384	1,949,732	60.24%	15,123,012	2,109,295	13.95%	1,306,484	329,000	25.18%
Total interest-bearing liabilities									
Pesos	2,283,695,502	1,556,064,476	68.14%	2,381,066,362	904,352,680	37.98%	2,229,107,073	552,817,744	(24.80)%
Foreign currencies	581,180,335	649,806	0.11%	619,447,005	378,613	0.06%	868,771,502	1,670,459	0.19%
Total	2,864,875,837	1,556,714,282	54.34%	3,000,513,367	904,731,293	30.15%	3,097,878,575	554,488,203	(17.90)%

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	Fiscal Year ended December 31,								
	2023			2022			2021		
	Average balance (1)	Interest earned/paid	Average real rate (2)	Average balance (1)	Interest earned/paid	Average real rate (2)	Average balance (1)	Interest earned/paid	Average real rate (2)
	(in thousands of pesos, except percentages)								
Non-interest-bearing liabilities and stockholders´ equity									
Checking accounts									
Pesos	503,887,151	—	—	673,188,272	—	—	722,120,562	—	—
Foreign currencies	219,276,092	—	—	223,407,198	—	—	283,780,123	—	—
Total	723,163,243	—	—	896,595,470	—	—	1,005,900,685	—	—
Other liabilities									
Pesos	865,473,585	—	—	783,934,611	—	—	781,193,493	—	—
Foreign currencies	86,594,692	—	—	71,180,441	—	—	89,762,078	—	—
Total	952,068,277	—	—	855,115,052	—	—	870,955,571	—	—
Shareholders' equity									
Pesos	1,168,868,525	—	—	1,048,810,106	—	—	943,060,418	—	—
Foreign currencies	—	—	—	—	—	—	—	—	—
Total	1,168,868,525	—	—	1,048,810,106	—	—	943,060,418	—	—
Total non-interest-bearing liabilities and shareholders' equity									
Pesos	2,538,229,261	—	—	2,505,932,989	—	—	2,446,374,473	—	—
Foreign currencies	305,870,784	—	—	294,587,639	—	—	373,542,201	—	—
Total	2,844,100,045	—	—	2,800,520,628	—	—	2,819,916,674	—	—
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY									
Pesos	4,821,924,763	1,556,064,476	32.27%	4,886,999,351	904,352,680	18.51%	4,675,481,546	552,817,744	11.76%
Foreign currencies	887,051,119	649,806	0.07%	914,034,644	378,613	0.04%	1,242,313,703	1,670,459	0.13%
Total	5,708,975,882	1,556,714,282	27.27%	5,801,033,995	904,731,293	15.60%	5,917,795,249	554,488,203	9.32%

	2023	2022	2021
Net Interest Margin and Spread			
Net interest income (5)			
Pesos	1,623,276,716	1,051,389,019	739,727,085
Foreign currencies	3,955,658	3,710,917	8,534,235
Total	1,627,232,374	1,055,099,936	748,261,320
Net interest margin (6)			
Pesos	40.41%	25.85%	19.32%
Foreign currencies	1.47%	1.79%	2.99%
Weighted average rate	37.97%	24.68%	18.20%
Yield spread, nominal basis (7)			
Pesos	11.01%	10.10%	8.96%
Foreign currencies	1.61%	1.91%	3.39%
Weighted average rate	19.96%	15.70%	13.75%

(1) For 2023, the average balances are presented in terms of the measuring unit current at December 31, 2023. For 2022 and 2021 average balances were restated in terms of the measuring unit current at the end of the reporting period (December 31, 2023).
(2) Interest earned/paid divided by average balance.
(3) Includes trading gains and losses in all fiscal years. Unrealized gains and losses arising from changes in the market value of our trading portfolio of government securities and yield on our investment portfolio of government securities are included.
(4) Loan amounts are stated before deduction of the allowance for loan losses.
(5) Net interest income is defined as interest earned less interest paid. Trading results from our portfolio of government securities are included in interest.
(6) Net interest margin is net interest income stated as a percentage of average interest-earning assets.
(7) Yield spread nominal basis is defined as the difference between the average nominal rate on interest-earning assets and the average nominal rate on interest-bearing liabilities.

Changes in Interest Income and Interest Expense; Volume and Rate Analysis

The following tables allocate, by currency of denomination, changes in our interest income and interest expense between changes in the average volume of interest-earning assets and interest-bearing liabilities and changes in their respective average interest rates for the year ended December 31, 2023 compared with the year ended December 31, 2022 and the year ended December 31, 2022 compared with the year ended December 31, 2021. Volume and rate variances have been calculated based on movements in average balances over the period and changes in average interest rates on average interest-earning assets and average interest-bearing liabilities. The net change attributable to changes in both volume and rate has been allocated to volume. Trading gains and losses and yield on government trading and investment accounts results are included in the computation of interest income in all fiscal years.

	Year ended December 31, 2023/2022 Increase (Decrease) Due to Changes in			Year ended December 31, 2022/2021 Increase (Decrease) Due to Changes in		
	Volume	Rate	Net change	Volume	Rate	Net change
ASSETS						
Interest-earning assets						
Government securities						
Pesos	(26,166,487)	787,290,653	761,124,166	158,154,347	331,876,130	490,030,477
Foreign currencies	—	—	—	—	—	—
Total	(26,166,487)	787,290,653	761,124,166	158,154,347	331,876,130	490,030,477
Loans and advances						
To customers/financial institutions						
Pesos	(33,932,719)	491,833,533	457,900,814	(25,495,710)	197,633,377	172,137,667
Foreign currencies	79,893	125,991	205,884	(3,408,521)	(2,883,471)	(6,291,992)
Total	(33,852,826)	491,959,524	458,106,698	(28,904,231)	194,749,906	165,845,675
To central bank						
Pesos	—	—	—	—	—	—
Foreign currencies	—	—	—	—	—	—
Total	—	—	—	—	—	—
Other assets						
Pesos	3,464,547	1,109,966	4,574,513	(10,538)	1,039,264	1,028,726
Foreign currencies	(370,733)	680,783	310,050	65,616	111,212	176,828
Total	3,093,814	1,790,749	4,884,563	55,078	1,150,476	1,205,554
Total interest-earning assets						
Pesos	(56,634,659)	1,280,234,152	1,223,599,493	132,648,099	530,548,771	663,196,870
Foreign currencies	(290,840)	806,774	515,934	(3,342,905)	(2,772,259)	(6,115,164)
Total	(56,925,499)	1,281,040,926	1,224,115,427	129,305,194	527,776,512	657,081,706

	Year ended December 31, 2023/2022 Increase (Decrease) Due to Changes in			Year ended December 31, 2022/2021 Increase (Decrease) Due to Changes in		
	Volume	Rate	Net change	Volume	Rate	Net change
LIABILITIES						
Interest-bearing liabilities						
Saving accounts						
Pesos	(2,846,772)	196,515,419	193,668,647	181,263	41,453,612	41,634,875
Foreign currencies	(2,753)	904	(1,849)	(14,465)	(704)	(15,169)
Total	(2,849,525)	196,516,323	193,666,798	166,798	41,452,908	41,619,706
Time deposits						
Pesos	(50,474,113)	520,109,023	469,634,910	74,907,387	229,375,210	304,282,597
Foreign currencies	(10,663)	(6,547)	(17,210)	(74,390)	(73,600)	(147,990)
Total	(50,484,776)	520,102,476	469,617,700	74,832,997	229,301,610	304,134,607
Banks loans – Central bank						
Pesos	—	—	—	—	—	—
Foreign currencies	—	—	—	—	—	—
Total	—	—	—	—	—	—
Banks loans – Other financial institutions						
Pesos	8,496,390	(22,146,246)	(13,649,856)	291,704	4,893,585	5,185,289
Foreign currencies	143,802	146,450	290,252	(1,345,623)	216,936	(1,128,687)
Total	8,640,192	(21,999,796)	(13,359,604)	(1,053,919)	5,110,521	4,056,602
Debt securities issued						
Pesos	2,180,347	37,311	2,217,658	(5,936,376)	4,588,256	(1,348,120)
Foreign currencies	—	—	—	—	—	—
Total	2,180,347	37,311	2,217,658	(5,936,376)	4,588,256	(1,348,120)
Other liabilities						
Pesos	(142,728,218)	142,568,655	(159,563)	2,085,929	(305,634)	1,780,295
Foreign currencies	—	—	—	—	—	—
Total	(142,728,218)	142,568,655	(159,563)	2,085,929	(305,634)	1,780,295
Total interest-bearing liabilities						
Pesos	(185,372,366)	837,084,162	651,711,796	71,529,907	280,005,029	351,534,936
Foreign currencies	130,386	140,807	271,193	(1,434,478)	142,632	(1,291,846)
Total	(185,241,980)	837,224,969	651,982,989	70,095,429	280,147,661	350,243,090

Investment Portfolio: weighted average yield by remaining maturities

The following table shows the weighted average yield by remaining maturities of our debt securities not carried at fair value as of December 31, 2023:

	Maturing				
	Within 1 year	After 1 year but within 5 years	After 5 years but within 10 years	After 10 years	Total
	Weighted average yield (in percentages)				
Government securities (1)					
In Pesos:					
Argentine bonds	—	271%	—	—	271%
Total government securities in pesos	—	271%	—	—	271%
Total government securities:	—	271%	—	—	271%

(1) The weighted average yield has been determined based on the price calculated by the Market Risks Area at December 31, 2023 plus the coupon pending collection considering the contractual maturity and amortization profile of each bond.

Maturity Composition of the Loan Portfolio

The following table shows our loan portfolio as of December 31, 2023 by type of loan and by the time remaining to maturity. Loans are stated before deduction of the allowance for loan losses. We expect most loans to be repaid at maturity in cash or through refinancing at market terms.

	Amount as of December 31, 2023	Maturing				
		Within 3 months	After 3 months but within 1 year	After 1 year but within 5 years	After 5 years but within 15 years	After 15 years
	(in thousands of pesos, except percentages)					
To government sector	145,208	92,344	6,041	46,823	—	—
To financial institutions	16,432,085	8,305,022	5,660,068	2,466,995	—	—
To the non-financial private sector and residents abroad	2,004,341,674	1,297,585,443	431,165,069	211,308,906	47,406,231	16,876,025
Credit Cards	702,657,639	702,657,639	—	—	—	—
Notes	318,069,103	102,342,068	165,155,186	50,571,849	—	—
Overdrafts	176,515,811	147,869,616	28,561,258	84,937	—	—
Loans for the prefinancing and financing of exports	153,200,806	36,236,564	112,638,856	4,325,386	—	—
Consumer loans	151,819,857	27,925,059	30,399,585	93,414,615	80,598	—
Commercial papers	145,212,037	125,317,237	19,894,800	—	—	—
Real estate mortgage	79,404,563	2,714,969	3,455,488	16,269,957	42,060,592	14,903,557
Pledge loans	44,335,196	15,321,121	17,117,924	11,895,294	857	—
Receivables from financial leases	12,719,733	4,918,469	1,506,537	6,294,727	—	—
Loans to employees	10,268,564	323,562	405,149	2,303,201	5,264,184	1,972,468
Other financing	210,138,365	131,959,139	52,030,286	26,148,940	—	—
Total	2,020,918,967	1,305,982,809	436,831,178	213,822,724	47,406,231	16,876,025
Percentage of total loan portfolio	100.00%	64.62%	21.62%	10.58%	2.35%	0.84%

Interest Rate Sensitivity of Outstanding Loans

The following table shows, by currency of denomination, the interest rate sensitivity of our loan portfolio as of December 31, 2023. Loans are stated before deduction of the allowance for loan losses.

	As of December 31, 2023 (in thousands of pesos)
Variable Rate	
Pesos – including Adjustable loans	3,954,220
Foreign currency	—
Sub-total	3,954,220
Fixed Rate	
Pesos	1,950,569,138
Foreign currency	31,188,427
Sub-total	1,981,757,565
Non-performing	
Pesos	32,435,329
Foreign currency	2,771,853
Sub-total	35,207,182
Total	2,020,918,967

The following table sets forth a breakdown of our fixed and variable rate loans by maturity as of December 31, 2023.

	Interest Sensitivity of Outstanding Loans Maturing in			
	Less Than One Year		More Than One Year	
	Fixed rate	Variable rate	Fixed rate	Variable rate
	(in thousands of pesos)			
To government sector	98,385	—	46,823	—
To financial institutions	13,965,090	—	2,466,995	—
To the non-financial private sector and residents abroad	1,724,803,785	3,946,727	275,583,669	7,493
Credit Cards	702,657,639	—		—
Notes	267,432,078	65,176	50,571,849	—
Overdrafts	176,430,874	—	84,937	—
Loans for the prefinancing and financing of exports	148,875,420	—	4,325,386	—
Consumer loans	58,324,644	—	93,495,213	—
Commercial papers	145,212,037	—	—	—
Real estate mortgage	6,151,244	19,213	73,234,062	44
Pledge loans	32,439,045	—	11,896,151	—
Receivables from financial leases	4,530,074	1,894,932	6,294,727	—
Loans to employees	725,844	2,867	9,532,404	7,449
Other financing	182,024,886	1,964,539	26,148,940	—
Total	1,738,867,260	3,946,727	278,097,487	7,493

Foreign Country Outstanding Positions

The following table sets forth, as of December 31, 2023 and 2022 the aggregate amount of "cross-border outstandings" exceeding 1% of our total assets at such date. Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-bearing deposits with other banks, other interest-bearing investments and any other monetary assets which are denominated in dollars or other non-local currency.

	Fiscal Year ended December 31,	
	2023	2022
	(in thousands of pesos)	
Cash and cash equivalents	55,639,908	53,032,362
Financial assets at fair value through other comprehensive income	432,216	187,626
Financial assets at amortized cost	58,404,975	58,743,397
Total	114,477,099	111,963,385

Credit ratios

See *"Item 5. Operating and Financial Review and Prospects—A. Operating Results—Financial Position"*.

Composition of Deposits

The following table sets out the composition of each category of deposits that exceeded 10% of average total deposits in each of the fiscal years ended December 31, 2023 and 2022.

	Fiscal Year ended December 31, 2023	2022
	(in thousands of pesos, except percentages)	
Deposits in Domestic Bank Offices		
Non—interest-bearing liabilities		
Checking accounts		
Average		
Pesos	503,887,151	673,188,272
Foreign currencies	219,276,092	223,407,198
Total	723,163,243	896,595,470
Interest-bearing liabilities		
Saving Accounts		
Average		
Pesos	906,331,473	914,340,774
Foreign currencies	498,720,335	534,368,043
Total	1,405,051,808	1,448,708,817
Average real rate		
Pesos	35.54%	14.05%
Foreign currencies	0.01%	0.01%
Total	22.93%	8.87%
Time Deposits		
Average		
Pesos	1,346,761,666	1,401,616,580
Foreign currencies	75,493,265	81,461,588
Total	1,422,254,931	1,483,078,168
Average real rate		
Pesos	92.01%	54.91%
Foreign currencies	0.18%	0.19%
Total	87.14%	51.90%

Uninsured deposits

	Fiscal Year ended December 31, 2023	2022
	(in thousands of pesos)	
Uninsured deposits	1,311,469,406	1,498,215,340

	Fiscal Year ended December 31, 2023	2022
	(in thousands of pesos)	
Deposits in excess of insurance limit with a maturity of:		
Within 3 months	2,092,402,441	2,214,659,538
After 3 but within 6 months	175,271,543	206,014,841
After 6 but within 12 months	58,582,955	128,759,275
After 12 months	1,580,315	25,751,856
Total	2,327,837,254	2,575,185,510

For more information about uninsured deposits see *"Item 4. Information on the Company—F. The Argentine Banking System and its Regulatory Framework—Deposit Guarantee Insurance System"*.

F. The Argentine Banking System and its Regulatory Framework

Argentine Banking System

According to data from the Central Bank as of December 31, 2023, Argentina's banking system consisted of 63 commercial banks, 13 of which were government-owned or government-related banks and 50 of which were Argentine private banks. In addition, the financial system also includes 14 financial companies. The principal regulators of financial institutions in Argentina are the Central Bank, the Superintendence and, in the case of financial institutions that publicly offer their own securities and/or corporate bonds in Argentina or otherwise engage in the offering or trading of third parties' securities in Argentina, the CNV.

Private Sector Banks

According to data from the Central Bank as of December 31, 2023, the largest Argentine private banks, in terms of total assets, were: Banco de Galicia y Buenos Aires S.A., Banco Santander S.A., BBVA Argentina, Banco Macro S.A. and Industrial and Commercial Bank of China. Some of these banks, including BBVA Argentina, have one or more significant foreign investors. Argentine private banks accounted for 57.62% of total deposits and 62.08% of total gross loans in the Argentine financial sector, of which the ten largest Argentine private banks accounted for 45.94% of total deposits and 53.88% of total gross loans in the Argentine financial sector. Foreign banks compete under the same regulatory conditions as Argentine banks.

Public Sector Banks

The principal state-owned banks are Banco de la Nación Argentina, Banco de la Provincia de Buenos Aires and Banco de la Ciudad de Buenos Aires. As of December 31, 2023, based on the available data of the Central Bank, these three institutions accounted for 36.86% of total deposits and 29.77% of total gross loans in the Argentine financial sector.

Under the provisions of the Argentine financial institutions Law No. 21,526 (the "Financial Institutions Law"), government-owned or government-related banks and private banks have similar rights and obligations except that the former have the sole right and obligation to handle public revenues and promote regional development. Government-owned banks are required to meet the credit needs of public sector entities. Moreover, the Bylaws of some government-owned banks, which include federal, provincial and locally-owned banks, require their shareholders to guarantee their commitments.

Central Bank

The Financial Institutions Law regulates banking activities in Argentina and places the supervision and control of the Argentine banking system in the hands of the Central Bank, an autonomous institution. The Financial Institutions Law provides the Central Bank with broad access to the accounting systems, books, correspondence, documents and other paperwork of banking institutions. The Central Bank regulates the provision of credit and supervises the liquidity and the general operation of Argentine financial markets. The Central Bank enforces the Financial Institutions Law and authorizes banks to operate in Argentina. Since an amendment to the Financial Institutions Law of 1994, there is no distinction between domestically-owned and foreign-owned financial institutions.

The Central Bank establishes "technical ratios" to limit the levels of indebtedness, liquidity, maximum credit that may be granted per customer and foreign exchange assets and liabilities positions of financial institutions, among others. The Central Bank carries out formal inspections from time to time of all banking institutions to monitor their compliance with legal and regulatory requirements. The Central Bank supervises banks on a consolidated basis. It has a supervision department of internal and external auditors of financial institutions that evaluate performance comprehensively in internal audit areas as well as firms and professionals working as external auditors of financial institutions. When a financial institution does not comply with the mandatory technical ratios, it must explain such noncompliance to the Central Bank. There are specific regulations governing reorganization plans and other measures arising from non-compliance with these plans. Moreover, the Central Bank has the authority to impose sanctions for non-compliance, ranging from a warning to the revocation of banking licenses.

In addition, financial entities need the authorization from the Central Bank for certain actions, such as opening, moving or closing branches or ATMs, acquiring share interests in other financial institutions or non-financial corporations and establishing liens over their assets, among others.

The Central Bank requires financial institutions to submit information to it on a daily, monthly, quarterly, semiannual and annual basis. These reports contain, among other important information, balance sheets and income statements, information relating to reserve funds and use of deposits and indicators on portfolio quality, including details on principal debtors and any loan-loss provisions. The reports are designed to allow the Central Bank to monitor the financial institutions' business practices. If the Central Bank's rules are breached, various sanctions may be imposed depending on the gravity of the violation, ranging from simple reprimanding to the imposition of fines or even the revocation of a bank's operating license. Moreover, noncompliance with certain rules may result in the mandatory submission by the infringing financial institution to the Central Bank of specific capital adequacy or regularization plans. These plans must be approved by the Central Bank for a financial institution to maintain its license.

Law No. 25,780 introduced amendments to the Financial Institutions Law and to the charter of the Central Bank (as amended, the "Charter"). Among the most important modifications were the following:

- Unless expressly provided otherwise by law, the Central Bank shall not be affected by regulations of a general nature that have been or may be enacted with reference to public administration entities and which introduce limitations on the authority or powers of the Central Bank established in its Charter.
- The Central Bank is authorized to make temporary advances to the federal government up to an amount equivalent to 12% of the monetary base, which for this purpose includes monetary circulation plus deposits at sight of financial institutions in the Central Bank, whether in current account or in special accounts. It may also grant advances up to an amount not exceeding 10% of the cash resources obtained by the federal government in the previous twelve months. At no time may the amount granted as temporary advances, excluding those exclusively destined to the payment of obligations with multilateral lending institutions, exceed 12% of the monetary base. All advances thus granted must be repaid within the following twelve months; if any of these advances remain unpaid after their expiration date, it will not be possible to use again these powers until all amounts owed have been repaid.
- The validity of Sections 44, 46 (c), 47 and 48 of the Charter, with respect to the powers of the Superintendent of Financial and Exchange Entities (Superintendente de Entidades Financieras y Cambiarias) under the terms of the text approved as Article 1 of the Law No. 24,144.
- A transitional provision is introduced authorizing the Central Bank to: (i) provide assistance to financial entities with liquidity and / or solvency problems (already authorized under Decree No. 214/02), including those in process of restructuring by resolution of the Central Bank in terms of Article 35 bis of the Financial Institutions Law; (ii) to authorize the integration of reserve requirements of financial institutions with financial assets other than cash, in the form of demand deposits at the Central Bank or in foreign currency accounts according to Article 28 of the Central Bank's Charter

Amendments to the Central Bank's Charter and the Convertibility Law

Law No. 26,739 amended in 2012 the functions and powers of the Central Bank and the ability of the federal government to obtain financing from the Central Bank. This law amended the "Charter", which had been previously approved by Law No. 24,114 and the Convertibility Law. The amendments introduced by Law No. 26,739 may be grouped under two subjects: (i) amendments to the functions and powers of the Central Bank as the regulatory and supervisory authority of the financial sector; and (ii) expansion of the federal government's access to financing from the Central Bank. We briefly explain below the most relevant aspects of each.

- Functions and powers of the Central Bank:
  - *Purpose of the Central Bank*. Prior to Law No. 26,739 according to the Charter, the "primary and fundamental purpose" of the Central Bank was to "preserve the value of the currency". Following Law No. 26,739, the Central Bank has multiple purposes, including "promoting currency stability, financial stability, employment and economic development with social equity".
  - *Relationship of the Central Bank with the executive branch and Congress*. Under the Charter, the Central Bank remains a "self-governed entity" and (i) in the exercise of its powers and faculties, the Central Bank shall not be subject to the instructions of the executive branch, and (ii) the Central Bank may not enter into any obligation that implies a restriction or a delegation of its powers, without Congress' express authorization. However, the Charter provides that the Central Bank's purpose must be fulfilled "within the framework of the policies set by the federal government".
  - *Obligations and powers of the Central Bank related to economic information*. The amendments to the Charter limited the ability of the Central Bank to supply economic information. In particular, (i) the requirement to report the expected rate of inflation for each year; (ii) the publication of statistics regarding the balances of payment and the national accounts of the Republic and (iii) the requirement that the entity's financial statements reflect the amount and composition of the reserves and of the monetary base were removed from the Charter.
  - *Functions and powers of the Central Bank*. New powers were vested in the Central Bank, including: (i) to regulate the amount of money and the interest rates, and direct credit policies; (ii) to regulate payment systems, liquidating and clearing houses, fund remittance entities, and transportation of valuables and (iii) to protect the rights of consumers of financial services and fair competition within the financial sector.
  - *Powers of the Central Bank's president*. The amendments strengthened the powers of the president of the Central Bank's board of directors. In this respect, (i) the Superintendence is now under the president's supervision; (ii) the president was empowered to operate directly in the currency and foreign exchange markets (formerly, these powers were vested in the Central Bank's board of directors) and (iii) the president's powers in emergency situations were increased.
  - *Powers of the Central Bank's board of directors*. New regulatory powers were expressly conferred to the board, such as: (i) to establish the information and accounting regime for the entities subject to the Central Bank's supervision; (ii) to regulate credit conditions and policies; (iii) to enact rules that preserve competition in the financial markets and (iv) to regulate the capture (through negotiable instruments or otherwise) of foreign currency funds by financial institutions.
- Financing of the federal government:
  - *Temporary Advances*. The amendment of the Charter significantly increased the Central Bank's ability to grant temporary advances to the federal government. See "—Central Bank" above.
  - *Powers of the Central Bank's board of directors*. See "—Central Bank—Functions and powers of the Central Bank" above.
  - *Determination and application of "freely available" reserves*. The amendments to the Convertibility Law abrogated the requirement that the Central Bank's reserves must underpin up to 100% of the monetary base. Now the Central Bank's board of directors shall determine the amount of reserves necessary to carry out the foreign exchange policy, taking into consideration the evolution of the external accounts. Consequently, the "freely available" reserves will no longer be constituted by those that exceed the amount necessary to underpin up to 100% of the monetary base. The "freely available" reserves will now be those which exceed the amount determined by the board of directors in the manner contemplated above. The amendments also expanded the scope of application of "freely available" reserves. In addition to the payment of obligations with international financial institutions, pursuant to the reform approved by Congress, the "freely available" reserves may also be applied to the payment of "official bilateral external debt", which includes the debt that the Republic has with creditors grouped together in the "Paris Club".

- *Argentine Fund for Indebtedness Reduction*. This fund was created through Decree No. 298/10 in order to apply "freely available" reserves of the Central Bank to the payment of sovereign debt held by private creditors. This Fund is composed by the "freely available" reserves allocated for each fiscal year. Law No. 26,739 provides that this fund will continue to operate until the purpose for which it was created has been fulfilled.

Supervision on a consolidated basis

Argentine financial institutions are subject to supervision on an individual and consolidated basis by the Central Bank. Therefore, the financial statements and other information of financial institutions must reflect the transactions of their head office as well as those of their branches domestically and offshore, and those of any domestic and foreign "significant subsidiaries" (as defined below). The requirements as to liquidity, solvency, minimum capital, risk concentration, and provisions for loan losses, among others, must be calculated on a consolidated basis.

Financial institutions must submit certain financial information to the Central Bank, including the following:

- financial statements and other quarterly and annual reports reflecting on a consolidated basis the transactions of the financial institution, its domestic and foreign branches and its domestic and foreign "significant subsidiaries" (as defined below); and
- financial statements and other quarterly and annual reports reflecting on a consolidated basis the transactions of the financial institution, its domestic and foreign branches, its domestic and foreign "significant subsidiaries" (as defined below) or entities or companies in the Republic and abroad where the financial institution owns or controls more than 12.5% of the shares entitled to vote (in those cases determined by the Superintendence), and those companies not subject to consolidated supervision which the financial institution may have chosen to include with the prior approval of the Superintendence.

For the purposes of these regulations:

- A "subsidiary" of a domestic financial institution is any domestic or foreign financial institution or company where:
  (1) the domestic financial institution has direct or indirect control of more than 50% of the total votes of any instrument with voting rights in such entity or company,
  (2) the domestic financial institution has direct or indirect control as to determining by itself the composition of most of the management bodies of such entity or company, or
  (3) a majority of the directors of the domestic financial institution is also a majority of the directors of such entity or company

The possession or control by the financial institution is considered indirect if exercised through another legal person, its controlling shareholders or directors appointed by such controlling shareholders or persons linked to them, in control of more than 50% (measured as a whole) of the total votes of any instrument with voting rights in another entity or company. Any other form of control or interest where, in the opinion of the Superintendence, and even if the shareholders' interest does not exceed 50%, a situation of control, and therefore the subsidiary character of an entity or company, is established or can be inferred from the evidence collected.

- A "significant subsidiary" is any subsidiary:
  (1) whose assets, possible commitments and other transactions recorded in off-balance sheet accounts represent 10% or more of the total capital of the local financial institution and its subsidiaries abroad; or
  (2) whose results of operations corresponding to the current fiscal year represent 10% or more of the aggregate results of operations for the current fiscal year of the local financial institution and its subsidiaries abroad.

Acquisition of Shares of Financial Entities

The Central Bank regulations require the approval of the Central Bank as a condition to the consummation of an acquisition of shares of a financial entity if such acquisition is likely to modify the control or the structure of the shareholders' groups controlling a financial entity ("Significant Acquisitions"). In addition, any acquisition, other than a Significant Acquisition, in a public offering of 2% or more of the capital stock of a financial entity, such entity must report the identity, nationality and domicile of each purchaser to the Central Bank.

Legal Reserve

The Central Bank requires that financial institutions allocate on an annual basis a certain percentage of their net income in accordance with BCRA rules to a legal reserve. Such percentage is currently set at 20%. This reserve can only be used during periods in which a financial institution has incurred losses and has exhausted all unappropriated retained earnings and other reserves. Financial institutions may not pay dividends if the legal reserve has been impaired. However when the legal reserve is used to absorb losses, no profits may be distributed until such losses are fully refunded. If the legal reserve balance before any loss absorption exceeds 20% of the capital stock plus a capital adjustment, profits may be distributed once the latter value (capital stock plus the capital adjustment) is reached.

Reserve Requirements and Liquidity Requirements

Reserve and liquidity requirements are determined on the basis of average daily balances of sight and time deposits, and other financial institutions' liabilities (in pesos and foreign currency), government and private securities, and BCRA monetary policy instruments recorded at the end of each calendar day.

The following liabilities are excluded: payments to the BCRA, to local financial institutions, and to banks located abroad for foreign trade credit lines, and forward and unsettled spot purchases and sales; sight liabilities arising from transfers abroad; liabilities to foreign correspondent banks; and liabilities to stores for sales on credit or purchase cards.

Minimum cash requirements shall be calculated by applying the rates shown in the following chart to: (i) institutions belonging to Group "A", and branches or subsidiaries of foreign banks rated as global systemically important banks ("G-SIB") not included in that group; and (ii) the remaining financial institutions.

The table below indicates the minimum cash requirements for each type of account as of December 31, 2023

	December 2023 Categories	
Type of Account	**Group "A" institutions and G-SIBs not included in that Group**	**Remaining institutions**
Current accounts and demand accounts open in Credit Unions	45%	20%
Other demand deposits, basic account and universal free account		
In pesos	45%	20%
In foreign currency	25%	25%
Unused balances from current account advances effected	45%	20%
Current accounts of non-bank financial institutions	100%	100%
Fixed-term deposits, bonds for acceptances (including liabilities for the sale or assignment of credits to subjects other than financial institutions), reverse repurchases, bonds and stock-exchange reverse swaps, investments at constant term, with advanced cancellation or renewal option:		
In pesos		
Up to 29 days	25%	11%
From 30 to 59 days	14%	7%
From 60 to 89 days	4%	2%
More than 90 days	0%	0%
In foreign currency		
Up to 29 days	23%	23%
From 30 to 59 days	17%	17%
From 60 to 89 days	11%	11%
From 90 to 179 days	5%	5%
From 180 to 365 days	2%	2%
More than 365 days	0%	0%

Type of Account	December 2023 Categories Group "A" institutions and G-SIBs not included in that Group	 Remaining institutions
Demand and term deposits made by judicial order with funds originated in legal actions currently under course and their immobilized balances		
In pesos		
Up to 29 days	22%	10%
From 30 to 59 days	14%	7%
From 60 to 89 days	4%	2%
More than 90 days	0%	0%
In foreign currency	15%	15%
Special deposits related to funds revenues from abroad – Decree No. 616/05	100%	100%
Term investments instrumented by nominative non-transferable certificates in pesos corresponding to public sector security holders, entitled to exercise the prepayment option within a term not greater than 30 days after constitution thereof	25%	11%
Deposits and term investments of "UVA" and "UVI" – including savings accounts in "UVA" and "UVI"		
Up to 29 days	7%	7%
From 30 to 59	5%	5%
From 60 to 89 days	3%	3%
More than 90 days	0%	0%
Labor Closure Fund for Workers of the Construction Industry in "UVA"	7%	7%
Deposits and term investments that are constituted on behalf of minors by funds received gratuitously	0%	0%
Sight deposits in pesos recorded as credit in money market mutual investment funds	0%	0%
Deposits in pesos in the accounts of Payment Service Providers (PSPs) offering payment accounts in which the funds of their customers are deposited.	100%	100%
Deposits in exporters special accounts		
In pesos	0%	0%
In foreign currency	0%	0%

In addition, financial institutions' minimum daily balance shall be equal to 25% of the prior month's requirement (50% is required in case of a shortfall).

Reduction of the average requirement in pesos:

- The requirement is reduced for the share of loans to Micro, small and medium-sized enterprises (MSMEs) in pesos to the non-financial private sector, according to the following table:

Participation of the financing to MSMEs in the total financing granted by the entity to the non-financial private sector. In %	Reduction (on the total of items included in pesos). In %
Less than 4	0.00
Between 4 and less than 6	1.00
Between 6 and less than 8	1.25
Between 8 and less than 10	1.50
Between 10 and less than 12	1.75
Between 12 and less than 14	2.00
Between 14 and less than 16	2.25
Between 16 and less than 18	2.50
Between 18 and less than 20	2.75
Between 20 and less than 22	3.00
Between 22 and less than 24	3.25
Between 24 and less than 26	3.50
26 or more	3.75

- The requirement shall be reduced by 35% of loans in pesos granted by financial institutions up to September 30, 2020; by 50% of loans in pesos granted from October 1, 2020 to January 31, 2022; and by 40% of loans in pesos granted as from February 1, 2022 under the "Ahora 12" program, either directly or by a credit card issuing non-financial company, at a maximum interest rate of 17%. Reductions shall not be higher than 8% of the average items in pesos subject to the requirement of the month preceding the date of calculation.
- The requirement is reduced for cash withdrawals made through ATMs, assigning greater significance to withdrawals made at ATMs located in areas that have less economic activity.
- The requirement shall be reduced by 40% of the financings set forth in paragraph 4.1. of the "Credit Line for Productive Investment for MSMEs" granted at an annual nominal interest rate not exceeding the one set forth in paragraph 5.1.1. of that regulation, calculated as the monthly average of the daily balances of the previous month.
- The minimum cash requirement of financial institutions offering the Universal Free Account ("Cuenta Gratuita Universal") remotely and in person may be reduced in terms of: loans granted from April 1, 2021 to natural persons and MSMEs not reported by financial institutions to the Financial System's Central Credit Database.
- Based on the balances of financing disbursed until September 30, 2022:

(1) In the case of institutions belonging to Group "A", and branches or subsidiaries of foreign banks rated as G-SIB not included in Group "A", the requirement shall be reduced by 30% of all financings in pesos granted to MSMEs (either directly or indirectly through other financial institutions) at a maximum fixed 40% annual nominal rate through February 16, 2020 (which may be calculated until paid up in full) and a fixed 35% annual nominal rate from February 17, 2020.

(2) The requirement shall be reduced by 40% of all financings in pesos granted (either directly or indirectly through other institutions) at a maximum annual nominal interest rate of 24% for: (i) MSMEs that allocate at least 50% to working capital; (ii) human health service providers rendering inpatient services in the context of the health emergency that allocate funds for the purchase of medical supplies and equipment; and (iii) non-MSMEs customers that allocate funds for the purchase of machinery and equipment manufactured by domestic MSMEs.

(3) The requirement shall be lowered by 60% of the sum of "zero interest rate credits", "subsidized interest rate credits for companies" and "zero interest rate credits for culture" granted in the context of the health emergency caused by the Covid-19 pandemic, and disbursed until November 5, 2020; by 24% of the "subsidized interest rate credits for companies" disbursed from November 6, 2020 at an annual nominal rate of 27%; and by 7% of the "subsidized interest rate credits for companies" disbursed from November 6, 2020 at an annual nominal rate of 33%.

(4) The requirement shall be reduced by 40% of all financings in pesos granted to MSMEs (either directly or indirectly through other institutions) at a maximum annual nominal interest rate of 24%, as long as MSMEs have not been reported to the BCRA's Financial System's Central Credit Database.

(5) The requirement will be reduced by an amount equivalent to 60% of the sum of the "Zero Rate Credits 2021" granted within the framework of Decree No. 512/21 calculated as the monthly balance in the period prior to the computation of the requirement.

Additional requirement: The institutions that fail to comply with the regulations on lending capacity in foreign currency are bound by an additional minimum cash requirement for the excess amount and in the same currency.

Increase of the average requirement in pesos:

The minimum cash requirement in pesos is increased for financial institutions that fail to comply with the regulations on "Credit Line for Productive Investment" in an amount equal to that breach and is effect from the day following the date in which failure to comply has been identified and for 24 months thereafter.

Lending Capacity Provided by Deposits in Foreign Currency

The lending capacity provided by deposits denominated in foreign currency must be calculated in the same currency of the underlying deposits. Deposits denominated in foreign currency also include deposits denominated in dollars but payable in pesos. The transactions below must be financed in foreign currency:

(1) Prefinancing and financing of exports carried out directly or through agents, consignees or other proxies acting for the account and order of the owner of the goods. It also comprises the financing of suppliers of services to be exported. This includes those transactions for the purpose of financing working capital and/or the acquisition of objects related to the production of goods to be exported, provided the flow of income in foreign currency deriving from such exports is sufficient to settle such transactions.

(2) Other financing to exporters who can rely on a flow of future income in foreign currency and who, in the year prior to the finance being granted, can provide evidence of invoicing in foreign currency -brought into the Republic- for an amount reasonably proportional to such financing.

(3) Financing transactions granted to goods, producers or processors, provided:

- They have firm sale contracts for the goods to be produced for an exporter, with prices fixed or to be fixed in a foreign currency (regardless of the currency in which the transaction is settled) and involving fungible goods with a regular and customary quotation in foreign currency which is widely known and easily accessed by the public in local or international markets. In all cases of term purchase and sale agreements for a price to be fixed, such price must be in direct relation with the price of such products in local markets.
- Their main activity is the production, processing and/or storage of fungible goods with a normal and regular foreign currency quotation in markets abroad that is widely known and easily accessible to the public and provided there is evidence, in the year prior to obtaining the financing, that total revenue from sales of such goods bears a reasonable proportion to that activity and its financing.

This category also includes transactions to finance suppliers of services directly used in the process of exporting goods.

(4) Financing transactions for producers of goods to be exported, either in the same condition or as part of other goods, by third-party purchasers, provided they have total pledges or guarantees in foreign currency from such third parties.

(5) Financings to suppliers of goods and/or services that form part of the production process of perishable items with prices quote in foreign currency, being customarily used in local markets or abroad, widely spread and with easy access to public knowledge, provided they enter into firm sales agreements for such goods and/or services in foreign currency.

(6) Financing of investment projects, working capital and/or the acquisition of any kind of goods, including temporary importation of commodities, which may increase or be related to the production of goods for exportation. Even though income from exporter companies does not totally derive from sales abroad, financing may only be allocated if the income flow deriving from exportation is sufficient.

This category also includes those transactions where financing is granted via the bank's participation in "syndicated loans", be they with domestic or foreign entities.

(7) Financing to clients from the commercial portfolio and of a commercial nature who receive treatment for their consumption or housing credits –under the provisions of the "Debtors' Classification" regulations–destined for the importation of capital goods ("BK" according to the Common Nomenclature for the MERCOSUR attached as Annex I to Decree No. 690/02 and other complementary provisions) which will result in an increase in the production of goods destined for domestic consumption.

(8) Debt securities or certificates of participation in financial trusts in foreign currency -including other collection rights specifically acknowledged in the trust agreement to be constituted within the framework of loans established by multilateral credit institutions of which Argentina is a party, whose assets under management are loans originated by financial institutions under the terms described in (1) through (4) and the first paragraph of (6) above or documents denominated in foreign currency, bought by the trustee for the purpose of financing transactions on the terms and conditions mentioned in the above points above.

(9) Financing transactions for purposes other than mentioned in (1) to (4) and the first paragraph of (6) above, included in the credit program "IDB Loan No. 1192/OC-AR", without exceeding 10% of the lending capacity.

(10) Loans to financial institutions (any interfinancing loans granted with such resources must be identified).

(11) Notes and bills issued by the Central Bank denominated in U.S. dollars.

(12) Direct investments abroad by companies residing in the Republic, whose purpose is to develop production activities of non-financial goods and/or services, be they through contributions and/or purchases of participations in companies, as far as they are incorporated in countries or territories considered as cooperators regarding tax transparency in terms of article 1 of Decree No. 589/13, as amended.

(13) Financing of investment projects, including their working capital, which permit increasing production in the power sector, and having firm sales agreements and/or full sureties or guaranties in foreign currency.

(14) Debt instruments in foreign currency of the national treasury, up to an amount equivalent to one third the total amount of applications made according to this article.

(15) Financings of investment projects for bovine cattle, including their working capital, without exceeding 5% of the entity's deposits in foreign currency.

(16) Financing to foreign importers for the acquisition of goods and/or services produced in the Republic, either directly or through lines of credit to foreign banks.

(17) Financing to residents guaranteed by stand-by letters of credit issued by foreign banks that comply with the provisions of section 3.1. of the rules on "Credit assessments", requiring to this effect an international rating of investment grade risk, insofar as such letters of credit are unrestricted and the accreditation of the funds is carried out immediately at the simple request of the beneficiary entity.

The lending capacity of a financial institution will result from the sum of all deposits in foreign currency plus all inter-financial loans received, as reported by the granting financial institution, as originated in its lending capacity for this type of deposit, after deduction of the minimum reserve requirements applicable to deposits.

Any deficiencies in the application of foreign currency lending capacity, net of a portion of: (i) cash balances, (ii) cash under custody in other financial institutions, (iii) cash in transit and (iv) cash with armored car transport companies, up to the amount of such deficiency, require an equivalent increase in the minimum cash requirement discussed in *"—Reserve Requirements and Liquidity Requirements"* above. Any deficiencies arising from debt restructuring transactions arranged by the national executive power are excluded from this requirement and cannot be compensated by foreign currency purchases.

Limitations on Types of Business

Argentine commercial banks may conduct all activities and operations that are not specifically prohibited by law or by regulations of the Central Bank. Banks are permitted, among other things, to:

- make loans in pesos and foreign currency;
- receive deposits in pesos and foreign currency;
- issue guarantees;
- underwrite, place and broker equity and debt securities in the over-the-counter market, subject to the prior approval of the CNV;

- conduct transactions in foreign currency;
- act as fiduciary; and
- issue credit cards.

According to the Financial Institutions Law, banks in Argentina are prohibited from investing in commercial, industrial or agricultural entities, or other entities without the express authorization of the Central Bank. The Central Bank may then impose conditions and limits to guarantee the safety and soundness of the financial institutions.

These limitations include:

- the prohibition of a bank from pledging its shares;
- restriction on incurring any liens upon its properties without prior approval from the Central Bank; and
- limitations on transactions with directors or officers, including any company or person related to such directors or officers, on terms more favorable than those normally provided to clients. See *"—Lending and Investment Limits—Related Persons"* below in this section.

Notwithstanding the foregoing, banks may own shares in other financial institutions with the prior approval of the Central Bank and in public service companies if necessary to obtain public services.

Capital Adequacy Requirements

Basel Accord

In July 1988, the Basel Committee on Banking Regulations and Supervisory Practices (the "Basel Committee" or "BCBS"), which includes the supervisory authorities of twelve major industrial countries, adopted an international framework (the "Basel Accord") for capital measurement and capital standards of banking institutions (known as Basel I).

In 2007 the Central Bank published its road map for the implementation of the capital adequacy requirements contained in the document "International Convergence of Capital Measurement and Capital Standards", issued by the Basel Committee and known as Basel II. The first stages were implemented according to schedule and consisted of the publication of best practices for risk management, seminars, review of supervision processes on the basis of the best practices being encouraged by the BCBS, analysis of the areas subject to "national discretion" in the calculation of regulatory capital, and publication of the text "Guidelines for Operational Risk Management in Financial Institutions".

Following the sub-prime lending crisis that spread in 2008 and 2009, the BCBS published in December 2010 a set of measures known as Basel III, designed to increase the capacity of the system to absorb shocks from stress situations and improve risk management and the transparency of bank disclosures.

Basel III incorporated the terms of Basel II, contained in three "pillars":

- Pillar 1 provides supervisors with a number of options to quantify capital requirements for credit, operational and market risk, and defines which components of an institution's net worth are eligible to satisfy those requirements.
- Pillar 2 describes the process to be followed by institutions to evaluate the sufficiency of their capital in relation to their risk profile.
- Pillar 3 establishes minimum information requirements that financial institutions must provide on the adequacy of their capital.

- Minimum Capital

Since the introduction of Basel I, financial institutions must keep an amount of total capital of not less than 8% of their risk weighted assets. Items going towards compliance with this capital requirement are classified in two groups:

- Core capital (Tier 1), and
- Supplementary capital (Tier 2).

According to Basel II, at least half of the capital requirement should be composed of core capital, preferably common equity, a category that includes both common shares and retained earnings.

Basel III established more demanding requirements, as banks must comply with three minimum ratios in relation to their risk-weighted assets:

- 4.5% for common equity (for which the qualifying criteria are more restrictive than for Basel II),
- 6% for Tier 1 capital, and
- 8% for total capital.

These new capital composition requirements help ensure that banks have increased capacity to absorb losses under stress scenarios

- Capital Conservation Buffer

The so-called capital conservation buffer imposed an additional capital requirement equivalent to 2.5% of risk-weighted assets and it must be satisfied by common equity. Its purpose is to be able to count on sufficient reserves to absorb additional losses generated at times of economic and financial stress. In fiscal years where common equity is less than 7% of risk-weighted assets (the 4.5% base requirement from Basel III plus the conservation buffer), constraints are established for financial institutions, restricting their ability to pay dividends, award discretionary bonuses or perform share buybacks.

- Countercyclical Capital Buffer

The goal of the countercyclical capital buffer is to offset the pro-cyclical nature of the financial sector. In times of exceptional credit growth at the aggregate level, financial institutions will be required to increase their common equity until 2.5% of their risk-weighted assets.

- Leverage Ratio

Basel III complemented risk weighted asset capital requirements with a limit on total leverage. This limit, known as the leverage ratio, is the ratio between core capital (Tier 1) and total assets without risk weighting, both on and off balance sheet, plus derivatives. At the international level, this ratio was initially set at 3%. Although Basel II had previously established a capital requirement for the market risk generated by foreign currency positions, Basel III did not impose any limitation on foreign currency positions. Basel III introduced a limitation through the leverage ratio, set forth in relation to total exposure regardless of the currency in which the underlying assets are recorded. Argentine regulations limited direct exposure to currency risk. Furthermore, with the aim of preventing the indirect exposure generated by the granting of loans denominated in foreign currency to agents whose income is in pesos, regulations in Argentina only allowed funds obtained from deposits in foreign currency to be lent to customers who generate income in the same currency.

- Liquidity Coverage Ratio

The Liquidity Coverage Ratio ("LCR") is based on the methodologies used by international banks. It is calculated so that financial institutions can tolerate stress scenarios over a thirty-day period. Liquidity requirements in Argentina are stricter than those established by the international standards. See "*—Liquidity Coverage Ratio"* below.

- Net Stable Funding Ratio

The Net Stable Funding Ratio ("NSFR") is calculated on the basis of long-term liquidity and structural mismatching in the composition of sources of funding. The design of the NSFR is based on net liquid assets and liquid capital methodologies used by internationally active banks. Banks should hold sufficient stable sources of funding (net worth and long-term liabilities) to fund the proportion of their assets that they cannot monetize within a term of one year.

- Intensive Supervision of Systemically Important Institutions

The Financial Stability Board and the BCBS are working on the design of an appropriate regulatory framework for global systemically important financial institutions ("G-SIFIs"). It is being discussed whether G-SIFIs should be subject to more demanding capital requirements than those foreseen by Basel III. To that effect, a methodology to identify G-SIFIS and the additional capital requirements to ensure a greater loss-absorbing capacity would have to be agreed.

Central Bank Rules

Under the Financial Institutions Law, Argentine financial institutions must comply at all times with the minimum capital requirements set forth by the Central Bank.

Since February 1, 2013, by Communication "A" 5369 of the BCRA, the minimum capital is equal to total capital, RPC as per the Central Bank's denomination.

Basic net equity includes:

- Ordinary capital level 1:
  a) Corporate capital (excepting preferred shares);
  b) Non-capitalized contributions (excepting share premiums);
  c) Equity adjustments;
  d) Reserve (excepting the special reserve for debt instruments);
  e) Retained earnings;
  f) Other results (either positive or negative);
  g) Other comprehensive income ("OCI"), including 100% of the results recorded in revaluation of property, plant and equipment and intangibles, and gains or losses by financial instruments at reasonable value with changes in OCI; and 100% of the outstanding balance of each of the items recorded in OCI not previously mentioned.
  h) Share premiums for instruments included in ordinary capital level 1; and
  i) Third-party participations for those companies subject to consolidated supervision systems.

  For the purposes of determining the RPC, the financial entities of Group "A" (such as BBVA Argentina) may compute as ordinary capital level 1 the positive difference between the accounting forecast computed according to point 5.5 of IFRS 9 and the regulatory provision calculated in accordance with the standards on "Minimum provisions for bad debt risk" or the accounting corresponding to the balance sheet of November 30, 2019, whichever is higher.
- Additional Capital Level 1:
  a) Instruments issued by the financial institution and not included in ordinary capital level 1;
  b) Share premiums for instruments included in additional capital level 1;

c) Instruments issued by subsidiaries in the hands of third parties not included in ordinary capital level 1 for those companies subject to consolidated supervision systems.

Less: certain deductible items

Complementary net equity includes:

a) Instruments issued by the financial institution and not included in the basic net equity;

b) Share premiums for instruments included in the complementary net equity;

c) Allowances for loan losses from the portfolio of debtors classified as in "normal" situation which do not exceed 1.25% of the credit-risk-weighted assets (only for financial entities that do not apply IFRS 9); and

d) Instruments issued by subsidiaries in the hands of third parties not included in the basic net equity for those companies subject to consolidated supervision systems.

Less: certain deductible items

Minimum limits were also established to be observed by the ordinary capital level 1, the basic net equity and the minimum capital (4.5%, 6% and 8% of the risk-weighted assets, respectively). Noncompliance with these minimum levels is considered as noncompliance with the minimum capital payment.

Minimum capital must be, at least, the greater of:

- Minimum basic capital; and
- The sum of minimum capital required for credit risk, market risk and operational risk.

Minimum capital requirement for credit risk: it is determined as the sum of:

(a) 8% of the sum of credit-risk-weighted asset transactions without delivery against payment;

The risk-weighters table is reformulated with new items and weighters and with a new scheme. Some of the new items and weighters are, among others:

- Within the "Cash and cash equivalents" item, the cash on hand, in transit (if the financial institution assumes the transportation risk and liability) and in automated teller machines (weighted at 0%); and the cash items in the process of being received (collectible checks and drafts), cash in treasury transporting companies and cash in custody of financial institutions (weighted at 20%). Also included are the demand deposits and special demand deposits at the BCRA and payment orders charged by the BCRA (weighted at 0%).
- Exposure to governments and central banks (weighted from 0% to 100%)

  a) To the BCRA denominated and funded in pesos; the national, provincial, municipal government denominated and funded in pesos; to the public non-financial sector arising from financing granted to social security beneficiaries or public employees (with discount code) and the shares of all financing entity that has a periodic amortization system that does not exceed, at the time of the agreements, 30% of the debtor's income and/or, if applicable, the codebtor's income) (weighted at 0%).

  b) To governmental sector and Central Bank (weighted at 100%):

Qualification	AAA until AA-	A+ until A-	BBB+ until BBB-	BB+ until B-	Less than B-	Not rated
Risk weighting	0%	20%	50%	100%	150%	100%

c) To other sovereign states (or their central banks):

Qualification	AAA until AA-	A+ until A-	BBB+ until BBB-	BB+ until B-	Less than B-	Not rated
Risk weighting	0%	20%	50%	100%	150%	100%

d) Entities from the governmental sector of other sovereign states according to the credit rating assigned to the corresponding sovereign:

Qualification	AAA until AA-	A+ until A-	BBB+ until BBB-	BB+ until B-	Less than B-	Not rated
Risk weighting	20%	50%	100%	100%	150%	100%

e) The public sector due to the purchase of public bonds issued in pesos by the central administration, when in the amount and with some of the guarantees established in item 4.1.1. of the rules on "Financing the public sector in the financial sector", according to the credit rating assigned to the corresponding jurisdiction:

Qualification	AAA until AA-	A+ until A-	BBB+ until BBB-	BB+ until B-	Less than B-	Not rated
Risk weighting	20%	50%	100%	100%	200%	200%

- Exposure to Multilateral Development Banks (weighted from 0% to 100%)
- Exposure to financial institutions in the Republic (weighted from 20% to 100%). For those entities with 100% risk score, a risk weight corresponding to a less favorable category than those assigned to exposures with the National Government is applied in foreign currency with a 100% cap amount, provided that the risk assessment is B-, in which case the risk score will be 150%.
- Exposure to financial institutions from abroad.

Qualification	AAA until AA-	A+ until A-	BBB+ until BBB-	BB+ until B-	Less than B-	Not rated
Risk weighting	20%	50%	100%	100%	150%	100%

- Exposure to companies and other legal persons in the Republic and abroad –including foreign-exchange dealers, insurance companies, stock exchanges and local companies treated as part of the non-financial private sector (100%)
- Exposures included in the retail portfolio (with weighters from 75% to 100%)
- Mortgage-guaranteed financing, which, subject to certain conditions, has weighters between 35% and 100%
- Loans more than 90 days in arrears (with weighters from 50% to 150%)
- Exposures to individuals and legal persons originated by purchases in installments made through credit cards of tickets abroad and other tourist services abroad (such as accommodation, car rental, etc.), either made directly with the provider of the service or through travel and / or tourism agencies or web platforms (1.250%). As provided for in Communication "A" 7407, effective since November 26, 2021, financial and non-financial credit card issuers will not be allowed to finance credit card purchases in installments made by their customers (individuals or legal entities) of air tickets and other travelling services abroad (accommodation, car rental, etc.), whether directly from the service provider, or indirectly through a travel and/or tourism agency, web platform or other intermediaries.

  For the purposes of determining the minimum capital requirement for credit risk of all financing that is granted from May 18, 2020 to clients with agricultural activity, who are not MiPyME and who maintain a stock of their production for a value greater than 5% its annual harvesting capacity, the amount resulting from applying the provisions of Section 2 of the rules on minimum capital must be multiplied by a factor equal to 4.

(b) failed delivery-against-payment transactions; and

(c) requirement for counterpart credit risk in transactions with over-the-counter derivatives.

The sum of (a), (b) and (c) is multiplied by a coefficient which varies from 1 to 1.19 based on the rating the entity is granted by the Superintendence.

Minimum Capital Requirement for Market Risk: the Central Bank imposes additional minimum capital requirements in relation to market risk associated with positions held by financial institutions in securities imputed to the trading book. Likewise, foreign currency positions in the trading and investment portfolio (COAP) are also subject to the market risk calculation.

The market risk is the sum of interest rate risk, exchange risk, options risk, basic products risk and stocks risk. BBVA Argentina is only exposed to interest rate risk and exchange risk.

The risk rate is calculated as the addition of the specific risk and the general risk. The capital requirement for specific risk is intended to protect the entity against adverse movements in the price of a bond caused by factors related to its issuer. General risk is derived from the sensitivity to changes in interest rates.

Exchange risk is calculated by weighting the net position.

Minimum Capital Requirement for Interest Rate Risk: Interest rate risk extends to all assets and liabilities for financial intermediation not included in the computation of market risk. It tries to capture the risk arising when sensitivity of the asset to changes in the interest rate does not match with that related with the liabilities.

The BCRA abrogated effective since January 1, 2013 the regulations on minimum capital for interest rate risk. Even so, the financial institutions must continue to manage such risk, and will be subject to revision by the Superintendence, which may determine the need to pay a higher amount of capital.

Minimum Capital Requirement for Operational Risk: Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The definition includes legal risk but excludes strategic and reputational risk. Financial institutions must establish a system for the management of operational risk that includes policies, processes, procedures and the structure for their adequate management.

Seven operational risks event types are defined, according to internationally accepted criteria:

- internal fraud;
- external fraud;
- employment practices and workplace safety;
- clients, products and business practices;
- damage to physical assets, resulting from acts of terrorism and vandalism, earthquakes, fire or flood;
- business disruption and system failures; and
- execution, delivery and process management.

The operational risk management process comprises the following stages:

1. Identification and assessment: the identification process should consider both internal and external factors that could adversely affect the development of the processes and projections done according to the business strategies defined by the bank.
2. Monitoring: an effective monitoring process is required, to quickly detect and correct deficiencies in the policies, processes and procedures for managing operational risk. In addition, the development of indicators should be analyzed to detect deficiencies and undertake corrective actions.

3. Control and mitigation: financial institutions must have an appropriate control system to ensure compliance with internal policies, and they should re-examine control and operational risk reduction strategies with at least an annual frequency in order to make the necessary adjustments.

Financial institutions must have contingency plans and business continuity programs that are in accordance with the size and complexity of their operations, to ensure the continuity of their operating capacity and loss reduction in the event of a business interruption.

The BCRA by Communication "A" 5282 established that the additional capital requirement for operational risk (which is added to the credit risk and market risk requirements) is equivalent to 15% of the average of positive gross income for the last three years. This calculation will be made on a monthly basis by taking three periods of 12 consecutive months in which gross income was positive, considering the last 36 months preceding the month in which the calculation is made.

Gross income is defined as the sum of:

(i) financial and service income less financial and service charges; and

(ii) other profits less other losses.

The following items, however, must be excluded, as applicable, from the accounting entries mentioned in (i) and (ii) above:

- charges originated in the constitution of allowances, the cancellation of allowances from previous financial years and credits recovered in the financial year which were settled in previous years;
- the result from participations in financial institutions and in companies, to the extent that these may be items deductible from the computable equity liability;
- extraordinary or irregular items –namely those originated in atypical and exceptional results occurred during the period, of infrequent occurrence in the past and not expected for the future–, including income from the collection or insurance (loss recoveries); and
- results from the sale of securities classified and measured at amortized cost or fair value with change in other comprehensive income.

According to the Central Bank regulations on minimum capital requirements, the financial institutions must comply with such regulations on an individual and consolidated basis.

Any defects of application derived from the requirement of additional capital will not make the financial institution fall into noncompliance with the Minimum Capital Regulations, even if they will not be allowed to distribute cash dividends and pay fees, ownership interest or bonuses originated in the bank's distribution of results.

By Communication "A" 5827, the BCRA established that financial institutions must maintain the following as of that date:

- Capital conservation margin

The capital conservation margin is equivalent to 2.5% of the amount of risk-weighted assets ("APR"). This is in addition to the minimum capital requirement. Furthermore, financial institutions that the BCRA classifies as Domestic Systemically Important Banks ("D-SIBs") or Global Systemically Important Financial Institutions ("G-SIFIs") must increase their capital conservation margin by 1% of the APR, resulting in a capital conservation margin requirement of 3.5%. The capital conservation margin must be composed exclusively of regular level 1 capital (COn1), net of any deductible items (CDCOn1).

- Counter cyclical margin

Whenever credit growth is excessive in the Central Bank's opinion which is causing an increase in systemic risk, the Central Bank may impose the obligation on financial institutions to establish a counter cyclical margin between 0% and 2.5% of their APR, subject to a 12-month prior notice. The Central Bank may also eliminate or reduce this obligation whenever, in its opinion, such systemic risk has disappeared or decreased. Banks must comply on an individual and consolidated basis with the ratios for minimum capital. If a financial institution does not comply with all these minimum capital requirements, it must submit a regulatory and restructuring plan to the Central Bank, which may impose various penalties, including:

- temporary limitation on the amount of deposits a bank may accept;
- institutional restrictions as per expansion capacity and dividends distribution in cash;
- revocation of the license of a bank to conduct foreign exchange transactions; and, in some extreme cases, and
- revocation of the license of a bank to operate.

The following table presents, at December 31, 2023, both the calculation of our ratio of capital to risk-weighted assets computed under the Basel Accord and our capital under the minimum capital rules of the Central Bank.

	December 31, 2023 (in millions of pesos, except percentages)
Basel Accord	
Total capital	1,372,846.3
Risk-weighted assets	4,377,459.2
Ratio of total capital to risk-weighted assets (1)	31,4%
Required capital	350,196.7
Excess capital	1,022,649.6
Central Bank's Rules (2)	
Total capital	1,140,647.9
Risk-weighted assets	3,908,369.7
Ratio of total capital to risk-weighted assets (3)	29,2%
Required capital (4)	336,643.9
Excess capital	804,004.0

(1) Under the risk-based capital requirements of the Basel Accord, the Bank would be required to maintain a minimum ratio of total capital to risk-weighted assets of 8%.

(2) Calculated on a consolidated basis in accordance with Central Bank requirements.

(3) Under the risk-based capital requirements of the Central Bank, we are required to maintain a minimum ratio of total capital to risk and fixed weighted assets of 10% and 8%, respectively, depending upon the nature of the asset by application of an alpha correction factor equal to 0.15 over financing to the national public sector granted up to May 31, 2003.

(4) The Bank must maintain a surplus of minimum paid-in capital amounting to at least Ps 93 million, equivalent to 0.25% of the amount of values under custody for securities representing investments from pension funds, as well as in connection with its function as registrar of mortgage-backed bonds, invested in national public securities and other destinations authorized by the BCRA and guaranteed in favor of such entity.

Liquidity Coverage Ratio (LCR)

By Communication "A" 5693, the BCRA ordered the application of the Liquidity Coverage Ratio, or "LCR", which took effect as of January 30, 2015.

This Communication sets forth that financial institutions must have an adequate stock of high-quality liquid assets (HQLA) free of any restrictions which can be immediately converted into cash in order to cover their liquidity needs during a period of 30 days in case of a stress scenario. Also, financial institutions must carry out their own stress tests to determine the liquidity level that they should maintain in other scenarios, considering a period greater than 30 calendar days. The LCR must be equal to or greater than 1.00 (the stock of high-quality liquid assets must not be lower than the total net cash outlays) in the absence of a financial stress scenario. The LCR may fall below 1 in other scenarios.

The BCRA describes how to categorize a stress scenario, taking into account the following: the partial loss of retail deposits; the partial loss of wholesale non-guaranteed funding capacity; the partial loss of guaranteed funding; additional fund outlays due to situations contractually provided for as a consequence of a significant decline in the financial institution's credit quality; market volatility increases that have an effect on the quality of guarantees or on the potential future exposure of positions in derivatives; the unforeseen use of credit and liquidity facilities compromised and available but not used that the financial institution may have granted to its clients; and/or the need that the financial institution may experience to repurchase debt or to comply with non-contractual obligations so as to mitigate its reputational risk.

The LCR calculation must be made on a permanent and monthly basis.

In order to calculate the LCR, the related assets include, among others, cash in hand, cash in transit, in armored transportation companies and ATMs; deposits with the BCRA, certain national public bonds in pesos or in foreign currency, securities issued or guaranteed by the *Banco de Pagos Internacionales*, the IMF, the European Central Bank, the European Union or Multilateral Development Banks that comply with certain conditions and debt securities issued by other sovereign entities (or their central banks).

BBVA Argentina's LCR was 271% as of December 31, 2023, 348% as of December 31, 2022, and 320% as of December 31, 2021.

CAMEL Quality Rating System

Under Law No. 24,144, the Central Bank established the "CAMEL" quality rating system, which is based on weighting consistent and comparable criteria, creditworthiness, compliance with the Financial Institutions Law, its administrative order and the general operating solvency of the entity. Each letter of the CAMEL system corresponds to the following areas of the operations of each bank that is being rated: "C" represents capital, "A" represents assets, "M" represents management, "E" represents earnings and "L" represents liquidity. Each factor is evaluated and rated on a scale from 1 to 5, 1 being the highest rating an institution can receive. By combining the individual factors that are under evaluation, a combined index can be obtained which represents the final rating for the entity. The rating a bank receives from the CAMEL system is used by the Central Bank in making decisions such as determining the levels of minimum capital or the amount of contributions a bank is required to contribute to the insurance guarantee system.

Foreign Currency Position

General Exchange Position

The Central Bank defines the general foreign-exchange position as the sum of the following items:

- gold and foreign currency resources available in the Republic;
- gold and foreign currency resources available abroad;
- foreign public and corporate securities;
- cash or future foreign-exchange purchases pending settlement;
- cash or future public and private security purchases pending settlement;
- cash or future foreign-exchange sales pending settlement;
- cash or future public and private security sales pending settlement; and
- foreign-exchange holdings in the form of deposits and investments at any term in banks from abroad and all kinds of liquid investments abroad.

The general foreign exchange position does not include foreign assets of third parties under custody, purchases and sales of foreign currencies or securities at a term and direct investments abroad.

In addition to the limit described above, all funds from foreign currency deposits and received financial loans granted with funds from foreign currency deposits must be applied mainly to the financing of foreign trade transactions, any deficiencies in the application of foreign currency lending capacity, net of a portion of: (i) cash balances, (ii) cash under custody in other financial institutions, (iii) cash in transit and (iv) cash with armored car transport companies, requires an equivalent increase in the minimum cash requirement. See "*Item 4. Information on the Company—F. The Argentine Banking System and its Regulatory Framework—Lending Capacity Provided by Deposits in Foreign Currency"* above.

Through Communication "A" 6244 dated May 19, 2017, the Central Bank provided that financial entities may freely determine the level and use of their general foreign exchange position. Thus, financial entities are enabled to manage their foreign currency positions, both in terms of the composition of their assets, and the possibility of entering and withdrawing their holdings of the Republic, with its consequent impact on reserves.

Global Net Position

The global net position of a financial institution may not exceed the following limits:

- Monthly average negative global net position of foreign currency (liabilities exceeding assets), may not exceed 30% of the RPC of the last immediately preceding month.
- Daily positive global net position of foreign currency (assets exceeding liabilities), may not exceed 5% of the RPC of the last immediately preceding month.
- An additional daily limit to the positive global net position for cash, which may not exceed 4% of the RPC of the last immediately preceding month. By means of Communication "A" 7405 dated November 25, 2021, the Central Bank established that, this limit may not exceed 0% of the RPC, effective since December 1, 2021.

The global net position in foreign currency will include all assets and liabilities from financial intermediation in foreign currency and securities in foreign currency (deriving from cash and term transactions) including those contracts for derivatives linked to these concepts, those items which must be included in the general foreign exchange position, all deposits in such currency in accounts opened with the Central Bank, as well as the gold position, any Central Bank bills in U.S. dollars as well as foreign currency subordinated debt and foreign currency debt securities. Term transactions made within a framework agreement in the area of self-regulatory markets of the Republic based on liquidation by difference will be also computed, without delivery of the negotiated underlying asset. Furthermore, the pass-through certificates or debt securities issued by financial trusts as well as the credit rights regarding ordinary trusts, in the pertinent proportion, when their underlying asset is constituted by assets in foreign currency, will also be considered.

Any excess above the limits will be subject to a charge equivalent to 1.5 times the monetary policy rate.

In addition to the above-mentioned charge, sanctions set forth in Section 41 of the Financial Institutions Law shall apply (including: caution; warning; fine; temporary or permanent disqualification to dispose of a banking current account; temporary or permanent disqualification to act as promoters, founders, directors, administrators, members of surveillance committees, comptrollers, liquidators, managers, auditors, partner or shareholders; and license revocation).

Fixed Assets and Other Items

The Central Bank requires that the fixed assets and other items maintained by financial institutions must not exceed 100% of the entity's RPC. The BCRA has resolved to increase by 50 percentage points the specified limit to the extent that the immobilization of the assets is originated in the holding of national public securities and/or monetary regulation instruments of the BCRA appropriated as guaranteed by financial institutions in favor of such entity according to the regulations in force for transactions implemented by the ALADI (*Asociación Latinoamericana de Integración*) reciprocal payments and credits agreement.

Such fixed assets and other items include the following:

- shares of local companies;
- various credits (including the net balance favorable to the given entity corresponding to the tax on minimum presumed income or "TOMPI");
- property for own use;
- various other property items;

- debt securities or financial trust participation certificates whose underlying assets are the above-mentioned loans, computed in their respective proportion; and
- financing transactions for related clients.

Excluded from the above items are those assets deductible for calculating the entity's RPC and assets used as a guarantee for certain transactions mainly related to derivatives, as well as the financing transactions with certain related companies, provided the participation in the company exceeds 50% of the corporate capital and 50% of the votes.

The calculation of such assets must be done according to the balances at the close of each month, net of depreciations, accumulated amortizations and bad debt risk allowances (except the allowance on the portfolio in a normal situation and grants covered by preferred guarantees "A", which have been computed to determine the complementary net equity of the rules on minimum capital). It is also possible to deduct certain liabilities related to the assets being calculated. In the case of financing transactions with related clients, the calculation is based on the balance at the close of each month or the largest assistance provided to each client during the period in question.

Any excess in this relationship generates an equivalent increase of the minimum capital requirements. Furthermore, any entity incurring noncompliance violations in three consecutive or four non-consecutive months within a period of twelve consecutive months must submit a regularization program.

Lending and Investment Limits

Private sector

Central Bank rules limit the amount of credit, including guarantees, that a financial institution may extend to, and the amount of equity that it may invest in, any entity at any time. These limits are based on the Bank's allowable capital base, or "ACB" (basic net equity) on the last day of the immediately preceding month.

According to Central Bank rules, a financial institution may not extend credit to a single non-related client and its affiliates, or invest in that client's equity, in an amount in excess of 15% of the bank's ACB. However, it may extend additional credit to that client up to 25% of the bank's ACB if that additional credit is secured with certain senior preferred liquid assets, including public or private debt securities. Total loans or other extensions of credit that a financial institution may grant to any particular borrower and its affiliates are also limited based on the borrower's net worth. Total loans or other extensions of credit to any particular borrower and its affiliates may not exceed, in general, 100% of such borrower's net worth, but such limit may be increased to 200% of the borrower's net worth if such amount does not exceed 2.5% of the bank's RPC or 300% in the case of reciprocal guarantee companies and public guarantee funds registered (in both cases) with the pertinent registry authorized at the Central Bank, and provided it does not exceed 10% of relevant entity's RPC.

The Central Bank requires that extensions of credit in any form in excess of 2.5% of a bank's ACB must be approved by the relevant branch manager, regional manager, relevant first line administrative officer of the credit area, general manager and credit committee, if any, of the bank, as well as by its board of directors, administration council or similar corporate body.

In addition, an equity investment of a financial institution in another company that does not provide services that are complementary to the services provided by a financial institution may not exceed 12.5% of the shareholders' equity of such company.

Related Persons

The Central Bank limits the amount a bank can lend to, and the amount of equity it may invest in, a "Related Person". A Related Person is defined to include:

- any individual or entity controlling a bank, controlled by a bank or affiliated with a bank, as defined by the Central Bank;
- any entity that both controls the bank and has common directors to the extent such directors, voting together, will constitute a simple majority of the boards of directors of the bank and such entity; or

- in certain exceptional cases, any individual or entity that the Central Bank has determined to be in a position to adversely affect the financial condition of the bank.
- "Control" is defined as:
  - holding or controlling, directly or indirectly, 25% of the voting stock of the controlled entity;
  - having held 50% or more of the voting stock of the controlled entity at the time of the last election of such entity's board of directors;
  - any type of equity holding that creates the ability to vote or direct the vote so as to prevail on any issue considered at the controlled entity's general shareholders' meeting or meeting of the board of directors; or
  - when a person is determined by the board of directors of the Central Bank to be exercising any influence, directly or indirectly, on the management or policies of the bank.

The Central Bank requires that the total amount of financing that a financial institution may provide to a related company or person may not exceed the following percentages of the bank's ACB as of the last day of the immediately prior month:

(i) Local financial sector

a. By a controlling relationship

			Additional		
Lender entity	Borrowing entity	General	Tranche I	Tranche II	Tranche III
CAMEL 1 to 3	CAMEL 1 (*)	100%	25% earmarked by the financial institution acquiring assistance to finance transactions that comply with certain conditions.	25% in the event of financing transactions with guarantee or assignment of credit portfolio where assignor is responsible provided the requirements of Tranche I are met.	—
	CAMEL 2 (*)	20%	25% earmarked by the financial institution acquiring assistance to finance transactions that comply with certain conditions.	25% if the financing transactions involve guarantee or assignment of credit portfolio where assignor is responsible provided the requirements of Tranche I are met.	55% for financing transactions for an agreed initial term of up to 180 days.
	CAMEL 3 (*)	10%	20% earmarked by the financial institution acquiring assistance to finance transactions that comply with certain conditions.	20% if the financing transactions involve guarantee or assignment of credit portfolio where assignor is responsible provided the requirements of Tranche I are met.	—
	Not meet any of the above conditions	10%	—	—	—

(*) Subject to consolidation with the lender.

b. By a relationship that is not controlling

Lender entity	Borrowing entity	Maximum limits
CAMEL 1 to 3	CAMEL 1 to 3 provided that it belongs to the same consolidation group of the lender.	25%
	Not meet any of the above conditions	10%
CAMEL 4 or 5		0%

(ii) Foreign financial sector

Lender entity	Borrowing entity	Maximum limits
CAMEL 1 to 3	To each foreign related bank:	
	• With "Investment Grade" classification	10%
	• Without "Investment Grade" classification:	
	Financing without computable warranty	5%
	Financing with/without computable warranty	10%
CAMEL 4 or 5	To each foreign related bank subject to consolidation and parent company:	
	• With "Investment Grade" classification	10%
	• Without "Investment Grade" classification:	
	Financing without computable warranty	5%
	Financing with/without computable warranty	10%
	To each foreign related bank not subject to consolidation:	
	• With "Investment Grade" classification	10%
	• Without "Investment Grade" classification	5%
	To each foreign related bank that does not meet any of the above conditions	0%

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(iii) Local complementary services companies

Lender entity	Borrowing entity	General	Additional Tranche I	Additional Tranche II	Additional Tranche III
CAMEL 1	Stock exchange agent or other broker, leasing, factoring or temporary acquisition of participation in companies to sell the holdings afterwards (**)	100%	—	—	—
	Debit/credit card issuers (**)	100%	25% earmarked by the financial institution acquiring assistance to finance transactions that comply with certain conditions.	25% in the event of financing transactions with guarantee or assignment of credit portfolio where assignor is responsible provided the requirements of Tranche I are met.	—
	Not meet any of the above conditions	10%	—	—	—
CAMEL 2	Stock exchange agent or other broker, leasing, factoring or temporary acquisition of participation in companies to sell the holdings afterwards (**)	10%	—	—	90%
	Debit/credit card issuers (**)	20%	25% earmarked by the financial institution acquiring assistance to finance transactions that comply with certain conditions.	25% if the financing transactions involve guarantee or assignment of credit portfolio where assignor is responsible provided the requirements of Tranche I are met.	55% for financing transactions for an agreed initial term of up to 180 days.
	Not meet any of the above conditions	10%	—	—	—
CAMEL 3	Debit/credit card issuers (**)	10%	20% earmarked by the financial institution acquiring assistance to finance transactions that comply with certain conditions.	20% if the financing transactions involve guarantee or assignment of credit portfolio where assignor is responsible provided the requirements of Tranche I are met.	—
	Not meet any of the above conditions	10%	—	—	—
CAMEL 4 or 5	Complementary services companies (**)	10%	—	—	—
	Not meet any of the above conditions	0%	—	—	—

(**) Subject to consolidation with the lender.

3. Foreign complementary services companies

Lender entity	Borrowing entity	Maximum limits
CAMEL 1 to 3	To each complementary services related companies:	
	• Financing without computable warranty	5%
	• Financing with/without computable warranty	10%
CAMEL 4 or 5	To each complementary services companies subject to consolidation with the lender:	
	• Financing without computable warranty	5%
	• Financing with/without computable warranty	10%
	To each complementary services related companies that do not meet any of the above conditions	0%

4. Other clients related by controlling relationship

Lender entity	Borrowing entity	Maximum limits
CAMEL 1 to 3	To each related borrower:	
	• Financing without computable warranty	5%
	• Financing with/without computable warranty	10%
CAMEL 4 or 5	• To each related company (only equity investment) (***)	5%
	• To each related borrower that does not meet any of the above conditions	0%

(***) Admitted activity under Section 3 of the rules on "Complementary services of the financial activity and permitted activities".

5. By personal relationship

Lender entity	Borrowing entity	Maximum limits
CAMEL 1 a 3	To each related borrower	5%
CAMEL 4 or 5	• To each related person to use exclusively for personal or family purposes	30 times the minimum vital and mobile salary (****)
	• To each related borrower that does not meet any of the above conditions	0%

(****) Established by the National Employment, Productivity and Minimum, Vital and Mobile Salary Council for monthly workers who complete the full legal working day, in effect at the time of granting the loan in question.

The total financing granted to all related clients (subject to maximum individual limits exceeding 10%) may not exceed 20% of the ACB of the entity.

Failure to properly observe these requirements can result in an increase of the minimum capital requirements for credit risk in an amount equal to 100% of the daily excess amounts over the requirements beginning on the month when the excess amounts are not corrected and continuing while the excess amounts remain. In the case of information registered out of term, this increase will be applied beginning on the month when the information is registered and for as long as the default exists. Moreover, once the default has been corrected, the increase will be applied for a number of months equal to the period during which the Central Bank was not informed. For repeated defaults the increase can reach up to 130% of the excess amount.

At December 31, 2023, the aggregate of computable loans, other extensions of credit and equity investments by BBVA Argentina on a consolidated basis to related persons totaled Ps 22,219 million, or 2.48% % of BBVA Argentina's RPC.

Non-financial Public Sector

The non-financial public sector includes, *inter alia*:

- the federal government;
- provincial governments;
- the city of Buenos Aires;
- municipal governments;
- central administration, ministries, departments and their decentralized and autonomous entities and other official bodies; and
- trusts and trust funds whose final beneficiary or trustee, as determined by the respective contracts or applicable regulations, belongs to the non-financial public sector, including other trusts or trust funds where such sector is the final destination of the financed works.

In certain circumstances the Central Bank may apply to state-owned companies governed by Law No. 20,705 the provisions applicable to non-financial private sector corporations, provided such state-owned companies:

- do not require resources from the state budget whether national, municipal, provincial or belonging to the Autonomous City of Buenos Aires for such items as transfers, capital contributions (excepting those corresponding to their incorporation) or reimbursable financial assistance to be used for covering expenses and/or investments made in the course of their normal and customary businesses, except those which may have been contemplated in the 2001 and 2002 budgets;
- maintain technical and professional independence of their management for implementing corporate policies;
- trade their goods and/or services at market prices;
- possess fixed assets; the use of which in the activity is not subject to any condition from their shareholders; and
- do not distribute of dividends among their shareholders.

Compliance with all the above conditions must have been verified continuously during at least the ten years immediately preceding the date of the granting of financial assistance.

The Central Bank may also apply the provisions applicable to non-financial private sector corporations to state-owned companies that are not governed by Law No. 20,705, provided that such state-owned companies not governed by Law No. 20,705 comply with the following requirements:

- their creation must have been ordered by a national law or decree by the federal executive;
- they must create a limited liability company according to the rules of Chapter II, Sections V and VI of the Argentine Companies Law No. 19,550;
- the public state must hold a majority interest, direct or indirect;
- they must be the purpose of developing of activities for oil reserves, its transportation, distribution, commercialization and industrialization or the generation and/or sale of electric energy; and

- they must be subject to internal and external control by the national public sector in terms of the Financial Administration Law and the National Public Sector's Control System Law No. 24,156.

Consequently, those corporations receiving the treatment set forth in this resolution are exempted from the application of the provisions regarding financial assistance to the owners of entities in the non-financial public sector.

All financing granted to the above entities may not exceed the following limits with respect to the entity's RPC as at the last day of the preceding month:

- for transactions in the national public sector: 50%, which includes loans granted to governments from other jurisdictions guaranteed by their participation in the federal tax collection system;
- for all transactions granted to each provincial jurisdiction and the City of Buenos Aires (excluding those comprised in the previous paragraph which must be guaranteed by the collection of local taxes or by pledge or implemented under leasing agreements): 25%. This limit includes financing transactions granted to municipal governments in the respective jurisdiction and guaranteed by their participation in the collection of provincial taxes;
- for all transactions with each municipal jurisdiction, which must be guaranteed by the collection of local taxes or by pledge, or implemented under leasing agreements: 3%;
- the limits mentioned above may be increased by 15 percentage points, provided that the increases are applied to a specific purpose;
- total financing granted through the acquisition of public securities issued in pesos by the central administration of the provincial non-financial public sector and / or the CABA, which do not have any of the guarantees provided: 5%;
- for all transactions granted to provincial, CABA and municipal jurisdiction: 25%
- for all transactions to municipal jurisdictions: 15%; and
- for all transactions referred to in the first three points above: 75%.

The limits mentioned in the two bullets immediately above may be increased by 50 percentage points, provided that the increases are applied to a specific purpose and the available unused quota of the limit mentioned in the last bullet above may be used for transactions in the national and / or provincial public sector – including CABA.

In addition, the monthly average of the daily balances of the set of transactions corresponding to holders of debt of the non-financial public sector (national, provincial, CABA and municipal), with the exception of those carried out with the BCRA, cannot exceed 35% of the total assets on the last day of the previous month.

The following financial assistance will be excluded from compliance with the limits provided above:

- financing covered by cash guarantees, which constitute preferred "A" guarantees;
- financing covered by bonds of fixed-term certificates of deposit issued by the financial institution itself, which constitute preferred "A" guarantees;
- export financing when the transactions are automatically reimbursed by the BCRA, in accordance with regimes of bilateral or multilateral foreign trade agreements;
- financing covered by guarantees of monetary regulation instruments of the Central Bank, which constitute preferred guarantees "A";
- credits for cash transactions to be liquidated, without prejudice to the calculation of the credits for the liquidation mismatches that occur;

- loans corresponding to claims covered by the National State (Law No. 20,299) in export financing;
- premiums for purchase and sale options taken;
- financing and guarantees, bonds and other responsibilities granted by local branches or subsidiaries of foreign financial entities, on behalf of and order of its parent company or its branches in other countries or of the controlling entity, under certain conditions; and
- primary subscriptions of national government securities that shall be paid with funds produced from the collection of financial services of other national government securities, provided that the period between the subscription date and the collection date does not exceed three business days.

Loan Loss Allowances

The loan loss allowances presented in our Consolidated Financial Statements included in this Form 20-F are prepared in accordance with IFRS-IASB (see Note 2.3.4.g) to the Consolidated Financial Statements), which differs from the statutory consolidated annual financial statements and the regulatory framework applicable to the Argentine banking system. The below describes the treatment of loan loss allowances pursuant to BCRA-GAAP as they are applicable to our regulatory framework of the Argentine banking system.

Classification System According to Central Bank Regulations

The Central Bank has established specific loan loss allowance requirements for loans to borrowers classified as "Substandard", "Medium Risk", "High Risk of Insolvency", "High Risk", "Irrecoverable" and "Irrecoverable for Technical Decision". In addition, the Central Bank established a mandatory general allowance requirement for all performing loans.

A. Debtor classification

The Central Bank establishes guidelines for classifying debtors depending on their credit quality and compliance with their commitments, according to the evaluation performed for that purpose by the financial institution.

1. The guidelines vary depending on whether they relate to commercial loans or consumer or housing loans:

   a) Commercial loans: commercial financing of more than. Ps 426,300,000 and consumer loans of more than Ps.426,300,000 whose repayment is not linked to fixed or periodic income of the client, but to the evolution of its productive or commercial activity.

   b) Consumer or housing loans: Personal, family and professional loans for the acquisition of consumer goods, credit card financing, or the purchase, construction or rehabilitation of the creditor's own home. In addition, commercial loans up to Ps 426,300,000 whose repayment is linked to the relevant client's fixed or periodic income but to the evolution of his productive or commercial activity.

   2. Debtors and all their loans are included in one of five categories or situations of decreasing credit quality:

Commercial Loans	Consumer or Housing Loans	Arrears
1. Normal	1. Normal (1)	up to 31 days
2. Low risk (2)	2. Low risk (5)	up to 90 days
3. Medium risk	3. Medium risk	up to 180 days
4. High risk (3)	4. High risk	up to 1 year
5. Irrecoverable (4)	5. Irrecoverable (4)	more than a year

(1) Current account overdrafts are considered to be performing until 61 days have elapsed from the date granted.
(2) Commercial loans in category 2 are divided into loans:

- under observation, which include debtors up to 90 days in arrears in situations that, if not controlled or corrected in a timely manner, could compromise their repayment capacity, and
- under negotiation or with refinancing agreements, which include debtors that although unable to pay their obligations under the agreed conditions, have declared their intention of refinancing their debts no later than 60 days after becoming past due. The borrower must enter into an agreement with the lender within 90 days (if up to two lenders are involved) or 180 days (if more than two lenders are involved) after the date on which the obligations become overdue. If no agreement has been reached within the established deadline, the borrower must be reclassified to the next category below according to the indicators established for each level.

(3) This category includes debtors that have filed for creditor protection or an out-of-court preventive measure, or for which payment has been demanded in court. In the case of the consumer portfolio, debtors that have filed for creditor protection or are covered by out-of-court measures can record arrears of up to 540 days.

(4) This category includes mainly insolvent debtors facing bankruptcy or liquidation processes.

(5) The low risk consumer or housing loan portfolio is divided into:

- Customers with more than 31 days' and up to 90 days' arrears in payment of principal, interest or otherwise in respect of any of their loans.
- "Special tracking": For refinancing arrangements granted for the first time within the calendar year, and once the customer has settled the first installment under such refinancing arrangement, it may be reclassified into this category one time only. After such refinancing and for purposes of the classification, only customers' obligations in arrears should be considered. For subsequent refinancing arrangements, customers will be afforded the general treatment set forth in these provisions.

3. The basic criterion for the evaluation and classification of clients is their repayment capacity of the debt or commitments guaranteed by a financial institution.

   a) For the commercial portfolio, evaluation is made on the basis of repayment capacity and debtor cash flows. Indicators used include liquidity, financing structure, compliance with payment of obligations, quality of management and administration, IT systems, prospects for the client's business sector, its position within the sector, its legal standing and the existence of refinancing or debt discounts.

   b) For the consumer and housing loans portfolio, evaluation is based on debt payment compliance and the legal status of the debtor. The evaluation criteria is exclusively objective – the degree of compliance with the obligations, the legal situation of the debtor and the existence of refinancing or debt discounts.

An evaluation of the payment capacity based on the borrower's income is not mandatory as long as other specific evaluation methods are used or the borrower's loans are for minimal amounts as determined by the BCRA.

4. When loans are fully collateralized by preferred class A collateral, evaluation of the repayment capacity is not required.

5. Minimum classification frequency. Debtors and loans must be valuated and classified with a minimum frequency depending on the type of clients, as described below.

   a) Consumer portfolio clients: monthly

   b) Commercial portfolio clients: annually. However classification should be performed:

      - During the course of each quarter for clients whose debts are equivalent to 5% or more of the financial institution's total capital;
      - During the course of each half-year in the case of clients whose debt at some moment has totaled between 1% of the financial institution's total capital or the equivalent to Ps.426,300,000 whichever is lower, and less than 5% of the financial institution's total capital.
      - During the course of the year for the rest of clients who are considered part of the commercial portfolio.
      - In addition, the bank should review a debtor's situation when any of the following circumstances occur:

        a) when there are changes to any of the objective classification criteria (arrears or legal situation);

        b) when a credit rating agency lowers the rating of securities issued by the client by more than one level;

        c) notification of the final determination of the Superintendency of the adjustment of provisions, as a result of inspection tasks; or

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d) when there is more than a one-level discrepancy between the classification assigned by the financial institution and at least two other institutions, and certain requirements have been met.

6. Mandatory reclassification of clients. One-level discrepancy is allowed in relation to the information submitted by financial institutions to the credit information data base. If there is a greater discrepancy between the rating of the bank and the lower classification awarded by at least two other banks, and total loans from such banks account for 40% or more of the total informed, the bank will be required to reclassify the debtor to at least the level immediately above that registering the highest level of indebtedness with the comparison institutions.

7. Criterion for an improving credit rating. For a debtor to be categorized as "normal", up to two refinancings must have taken place within the last twelve months and it must be no more than 31 days in arrears since the date of the last refinancing. For all other scenarios, the basic criterion is that the highest penalty must be applied to borrowers who have delays after refinancing, such that:

   The borrower must accumulate a greater number of down payments (as shown in table (i) below) or increase his repayment percentage (as shown in table (ii) below) in order to improve his situation. The BCRA regulations provide that those clients whose debts have been refinanced via obligations subject to regular payments (monthly or bi-monthly) may be reclassified at the immediately upper level if they have complied punctually (or with delays not exceeding 31 days) with the payment of the established installments or who have repaid at least a certain specified percentage of their refinanced principal obligations.

   Table (i) – Enhanced situation by the payment of installments. Consumer portfolio (*)

	Quantity of payments			
Change of category	**from Irrecoverable**	**from High Risk**	**from Medium Risk**	**from Low Risk**
Change to High Risk	3	—	—	—
Change to Medium Risk	6	3	—	—
Change to Low Risk	8	5	2	—
Change to Normal	9	6	3	1

(*) The refinancing requires a punctual payment or with delays of not more than 31 days according to the German or French Amortization System. Regularity may be monthly or bimonthly.

   Table (ii) – Enhanced situation by cancellation percentage of repayment of outstanding amount. Consumer and commercial portfolios (**)

	Percentage of repayment of outstanding amount			
Change of category	**from Irrecoverable**	**from High Risk**	**from Medium Risk**	**from Low Risk**
Change to High Risk	15%	—	—	—
Change to Medium Risk	25%	10%	—	—
Change to Low Risk	30%	15%	5%	—
Change to Normal	35%	20%	10%	5%

(**) For amortization systems with periods greater than bimonthly or irregular.

Recoverables are not applied and rebates may not be counted in order to improve the situation (they belong to the debt preceding the signing of the refinancing agreement), so no quantification was made. Up-front payments may be computed as per their equivalent in installments or amortization percentage in order to improve the borrower's situation.

8. Refinancing. This refers to the criterion for deteriorating situation as a result of non-compliance with refinancing requirements. Arrears are considered to exist in a refinancing scenario if a delay exceeding 31 days from the due date occurs.

a) Tranches of arrears are allocated in any applicable situation according to the table below:

Situation	Minimum delay time (in days)
Normal	0
Low Risk	92
Medium Risk	151
High Risk	241
Irrecoverable	More than 1 year

b) Afterwards the refinancing arrears must be taken into account to determine the situation in which the refinanced client must be placed at.

B. Provisioning

1. Loan provisioning must be performed on the basis of the classification assigned to the debtor. No provision is required for loans for up to 30 days granted to other financial institutions (if not past due), for loans granted to the public non-financial sector, or unused balances of current account overdraft agreements.

2. The following minimum provisioning levels are to be applied on total debt:

Debtor Category	With preferred collateral "A" (1)	With preferred collateral "B" (2)	Without preferred collateral
1. Normal	1%	1%	1%
2. a) Under observation and low risk	1%	3%	5%
b) Under negotiation or with refinancing agreements	1%	6%	12%
c) Special treatment	1%	8%	16%
3. Substandard and medium risk	1%	12%	25%
4. High insolvency risk and high risk	1%	25%	50%
5. Irrecoverable	1%	50%	100%

(1) Consists of titles or documents that the creditor can easily liquidate to settle an unpaid debt without following the normal procedure of bankruptcy. They include foreign currencies, certificates of deposit, government securities and other.
(2) Includes mortgages and pledges in the first degree for which it must comply with legal enforcement procedures;

Banks are required to establish provisions equal to 100% of any interest accrued on loans to borrowers classified as "Substandard and Medium Risk" or lower. The Bank chooses to interrupt interest accrual accounting as permitted by the regulation.

By Communication "A" 4683, the BCRA introduced the possibility for debtors of the consumer and consumer-like portfolio to be assigned a percentage above the minimum estimate for a particular category without having to be automatically reclassified to the next category. BBVA Argentina has used this possibility.

3. Procedure for constituting provisions above the minimum ones established by the regulations for a portfolio in a normal situation.

The main criterion is based on the provisions of point 7.1. of the "Debtor Classification Standard" and "Debt Provisions Standard", more stringent criteria may be adopted on the basis of the objective guidelines mentioned in the first paragraph of the same point, provided this constitutes a generally applied policy which must be duly detailed in the "Debtor Classification and Provision Procedures Manual", without this affecting the rating that must be allocated to eligible borrowers as provided hereunder, and provided this is duly grounded on objective criteria based on behavioral studies that give support to the higher provisions (be it for the active portfolio as a whole or by type of financing).

4. Allowance percentages used by BBVA Argentina.

The allowance percentages being used by the Bank for the commercial, consumer and consumer-like portfolios approved by the Risk Management Committee following the guidelines of BCRA regulations are the following:

- Percentages of allowance for consumer portfolio and consumer-like portfolio clients:

Situation	Category	Without Preferred Guarantees	With Preferred Guarantees B	With Preferred Guarantees A
			(in percentages)	
1	Normal	1	1	1
2	Low Risk	5	3	1
2.b.	Special treatment	16	8	1
3	Medium Risk	100	12	1
4	High Risk	100	25	1
5	Irrecoverable	100	50	1

- Percentages of allowance for commercial portfolio clients:

Situation	Category	Without Preferred Guarantees	With Preferred Guarantees B	With Preferred Guarantees A
			(in percentages)	
1	Under Observation	1	1	1
2.a.	Under Observation	5	3	1
2.b.	Under Negotiation	12	6	1
2.c.	Special treatment	16	8	1
3	Substandard	25	12	1
4	High Risk	50	25	1
5	Irrecoverable	100	50	1

4.1. Classification/Allowance Manual Adjustment Procedure

The "Classification/Allowance Manual Adjustment Procedure" will apply in exceptional cases, as authorized by the Wholesale Risk Monitoring Committee, a sub-committee of the Risk Management Committee, defining the classifications and/or percentages of allowances to be manually applied to certain customers. This procedure supplements the one established in our classification manual.

The "Classification/Allowance Manual Adjustment Procedure" for customers within the commercial or consumer-like portfolio is based on:

- Expert analysis criteria warranting changes to the classification/allowance required by the Central Bank;
- Requests for changes to the customer's situation, based on court decisions; and
- Changes to the customer's situation pursuant to national and/or provincial laws.

All these aspects will be discussed by the Wholesale Risk Monitoring Committee in order to determine any potential change to a customer's situation or allowance from time to time.

Once approved by the Wholesale Risk Monitoring Committee, notice is given to Financial & Risk Reporting, which is in charge of administering and monitoring that the allowances and situations determined by the Wholesale Risk Monitoring Committee comply with the regulations on minimum allowances laid down by the Central Bank.

Following review by Financial & Risk Reporting, the list is approved and reported to our Accounting Department at the end of each month, which is responsible for changing the relevant customers' situation or allowance, based on the information reported in the list of manual adjustments in the Bank's computing system.

Once the relevant change has been implemented, the Accounting Department is required to report these changes to Financial & Risk Reporting which is to ensure that the changes so made are as requested in the list of manual adjustments. If the change has not been adequately implemented, Financial & Risk Reporting, will cause the pertinent corrections to be made.

5. The Superintendence may require additional provisioning if it determines that the current level is inadequate.
6. Accrual of interest on client debts classified as "under negotiation or with refinancing agreements" when arrears of more than 90 days in the payment of obligations are recorded, and those in the "substandard" or "medium risk", "high risk", and "irrecoverable" categories must be provided for at 100% as from the moment they are classified in any of those categories. The financial institution may opt to interrupt interest accrual.
7. Client debt classified as "irrecoverable" and fully provided for must be written off as from the seventh month subsequent to that in which such actions were taken. These loans should be booked in off-balance sheet accounts.
8. Provisioning for the normal portfolio is of a global nature, while for other categories, the allocation of provisions for each debtor is made on an individual basis.

Priority of Deposits

Law No. 24,485, as amended, sets forth that in case of judicial liquidation or bankruptcy of a financial institution, all depositors, irrespective of the type, amount or currency of their deposits, would be senior to the other remaining creditors (such as the shareholders of the bank), with exceptions made for certain labor creditors (Article 53 paragraphs "a" and "b") and for those creditors backed by a pledge or mortgage, in the following order of priority: (a) deposits of up to Ps.6,000,000 per person (including any amount of said person deposited with a financial institution), or their equivalent in foreign currency, in accordance with the provisions of Communication "A" 7661 of the Central Bank ; (b) any and all deposits higher than Ps.6,000,000, or their equivalent in foreign currency; and (c) the liabilities originated in commercial lines granted to the bank and that directly affect international commerce. Through Communication "A" 7985, the BCRA updated the amount mentioned in points (a) and (b) above to Ps.25,000,000 effective as of April 1, 2024.

Furthermore, pursuant to article 53 of the Financial Institutions Law, as amended, Central Bank credits will have absolute priority over other credits, except for pledged or mortgaged credits, certain labor credits, the depositors' credits as per art. 49, paragraph e), points i) and ii), credits granted under Article 17, paragraphs (b), (c) and (f) of the Central Bank's Charter (including discount granted by financial institutions due to temporary lack of liquidity, advances in favor of financial institutions with security interest, assignment of rights, pledge or special assignment of certain assets) and credits granted by the fund Fondo de Liquidez Bancaria backed by pledge or mortgage.

The amendment introduced to art. 35 bis of Financial Institutions Law by Law No. 25,780, sets forth that if a financial institution is in a situation where the Central Bank may revoke its authorization to operate and become subject to dissolution or liquidation by judicial resolution, the Central Bank's Board may decide by absolute majority to transfer assets and liabilities of the bank in favor of financial trusts or other financial institutions, the Central Bank may totally or partially exclude the liabilities mentioned in article 49, paragraph e) of the Financial Institutions Law, as well as its credits defined in art. 53, observing the order of priority among its creditors. Regarding the partial exclusion, the order of priority of point e) art. 49 of the Financial Institutions Law must be followed, without assigning, in any case, a differentiated treatment to liabilities of the same grade.

Capital Markets

Under the Financial Institutions Law, financial institutions may underwrite and place both equity and debt securities. There are currently no statutory limitations on the size of a financial institution's underwriting commitments. However, a financial institution's underwriting commitment would be treated as an extension of credit subject to the limitations discussed under *"Item 4. Information on the Company—F. The Argentine Banking System and its Regulatory Framework—Lending and Investment Limits"*.

Commercial banks are authorized to trade public and private debt securities in the Argentine over-the-counter market if they are members of the Mercado Abierto Electrónico ("MAE") and authorized to act as over-the-counter brokers. In our capacity as an over-the-counter broker, we are subject to MAE rules and the supervision of the CNV, and accordingly, we must comply with certain reporting requirements.

Since 1990, the Buenos Aires Stock Exchange (BCBA) (now the ByMA) has authorized brokerage firms or houses organized as sole purpose corporations to operate as securities brokers on the ByMA. Commercial banks may freely own a securities brokerage company, as there are no current restrictions on ownership, and most of the principal commercial banks operating in Argentina have already established their own securities brokerage company. An agreement between the ByMA and representatives of the MAE dealers provides that trading in shares and other equity securities will be conducted exclusively on the ByMA and that all debt securities listed on ByMA may also be traded on the MAE. Trading in Argentine government securities, which are not covered by the agreement, is conducted mainly on the MAE. The agreement does not extend to other Argentine exchanges.

Commercial banks may operate as both managers and custodians of Argentine investment funds; provided, however, that a bank may not act simultaneously as manager and custodian for the same fund.

We have been registered as an over-the-counter broker since 1989. In 1991, we created Francés Valores Sociedad de Bolsa S.A., renamed later as BBVA Francés Valores S.A., by virtue of the last change of name registered before the IGJ on April 4, 2014 under No. 5,883 Book 68 of Corporations. In the shareholders' meetings held on April 24, 2019 and May 15 2019, the shareholders of BBVA Francés Valores S.A. resolved to change the company's corporate name to "BBVA Valores Argentina SA", being registered by the IGJ on February 20, 2020, under No. 3405 Book 99 of Corporations.

On December 28, 2012 Law No. 26,831, the "Capital Markets Law" was enacted, and was supplemented by the CNV by Resolution No. 622/13 dated September 5, 2013, According to section 47 of the said law, all agents acting in the different markets, must have the prior approval and registration of the CNV. During 2014 BBVA Argentina and BBVA Valores Argentina S.A. completed their registration as settlement and integral compensation agents.

On March 8, 2019, the respective boards of BBVA Argentina and BBVA Valores Argentina S.A. approved the merger of the two companies, and on April 24, 2019, the respective shareholders' meetings approved the transaction. The merger was registered before the IGJ on August 27, 2021, under No. 13335, Book 104 of Corporations.

Financial Institutions with Economic Difficulties

Under the Financial Institutions Law, if a financial institution:

- evidences a cash reserve deficiency,
- has not satisfied certain technical standards,
- has not maintained minimum net worth standards, or
- is deemed by the Central Bank to have impaired solvency or liquidity;

then such financial institution must submit a regularization plan under such terms and conditions as may be established by the Central Bank within a term that may not exceed thirty days. This notwithstanding, the Central Bank may appoint overseers with veto powers and/or demand the creation of guarantees and restrict or prohibit the distribution of dividends or profits. The lack of submission, the rejection of or any noncompliance with the regularization plan entitle the Central Bank to revoke the authorization to operate as a financial institution and to apply sanctions. If the plan is accepted, the Central Bank may grant a temporary exemption with respect to the observance of the technical regulations and excuse or postpone the payment of fines (if any).

Likewise, and prior to the revocation of the authorization to operate as a financial institution, the Central Bank may authorize the restructuring of the entity for the protection of its depositors, by applying any of the following decisions or a combination thereof in a sequential, gradual or direct manner: reduction, increase and assignment of the corporate capital, exclusion of assets and liabilities and their transfer to other financial institutions, judicial intervention, and responsibility for and transfer of excluded assets or liabilities.

Dissolution and Liquidation of Financial Institutions

As provided in the Financial Institutions Law, the Central Bank must be notified of any decision adopted by a financial institution's legal or corporate authorities concerning its dissolution. The Central Bank, in turn, must then submit such decision to a competent court, which must determine whether the corporate authorities or an appointed independent liquidator will liquidate the entity. The court's decision must be based on whether or not there is sufficient assurance that the corporate authorities are capable of carrying out such liquidation properly.

Pursuant to the Financial Institutions Law, the Central Bank no longer acts as liquidator of financial institutions. However, if a restructuring plan has failed or is not deemed feasible, or violations of local laws and regulations have been incurred, or significant changes have occurred in the institution's condition since the original authorization was granted, then the Central Bank may revoke a bank's license to operate as a financial institution. In this event, the law allows for judicial or extra-judicial liquidation. During the liquidation process and once the license to operate as a financial institution has been revoked, a court of competent jurisdiction may adjudge the former financial institution in bankruptcy or a petition in bankruptcy may be filed by any creditor of the bank after a period of 60 calendar days has elapsed since the license was revoked.

Money Laundering

The concept of money laundering is generally used to denote transactions intended to introduce criminal proceeds into the institutional system and thus to transform profits from illegal activities into assets of a seemingly legitimate origin. On April 13, 2000, the Argentine Congress passed Law No. 25,246 (as amended, the "Anti-Money Laundering Law"), which defines money laundering as a type of crime. The Anti-Money Laundering Law established severe penalties for anyone participating in any such criminal activity and created the UIF as the agency responsible for the analysis, treatment and transmission of information, with the aim of preventing money laundering resulting from different crimes and the financing of terrorism.

Below is a summary of certain provisions of the anti-money laundering regime set forth by the Anti-Money Laundering Law, as amended and supplemented by other rules and regulations, including regulations issued by the UIF, the Central Bank, the CNV and other regulatory entities. Investors are advised to consult their own legal counsel and to read the Anti-Money Laundering Law and its statutory regulations.

In line with internationally accepted practices, the Anti-Money Laundering Law does not merely assign responsibility for controlling criminal transactions to government agencies, but also assigns certain duties to various private sector entities such as financial institutions, stockbrokers, brokerage houses and insurance companies, which become legally bound reporting parties. These duties basically consist of information-capturing functions.

According to the Anti-Money Laundering Law, the following persons, among others, are subject to report to the UIF: (i) financial institutions and insurance companies; (ii) exchange agencies and individuals or legal entities authorized by the Argentine Central Bank to operate in the purchase and sale of foreign currency in the form of cash or checks drawn in foreign currency or by means of credit or debit cards or in the transfer of funds within Argentina or abroad; (iii) broker-dealers, over-the-counter market agents, and intermediaries engaged in the purchase, lease, or borrowing of securities; (iv) armored transportation services companies and companies or concessionaires rendering postal services that carry out foreign currency transfers or remittance of different types of currency or notes; (v) governmental organizations, such as the Central Bank, the Argentine Tax Authority, the National Superintendency of Insurance (Superintendencia de Seguros de la Nación), the CNV and the IGJ; (vi) professionals in economics sciences and notaries public; and (vii) individuals and legal entities acting as trustees of any kind and individuals or legal entities related directly or indirectly to trust accounts, trustees and trustors under trust agreements.

Individuals and entities subject to the Anti-Money Laundering Law must comply with some duties that include: (i) obtaining documentation from their customers that irrefutably evidences their identity, legal status, domicile, and other data stipulated in each case (know your customer policy); (ii) reporting any suspicious event or transaction (which according to the customary practices of the field involved, as well as to the experience and competence of the parties who have the duty to inform, are those transactions attempted or consummated that, having been previously identified as unusual transactions by the legally bound reporting party, or have no economic or legal justification or are unusually or unjustifiably complex, whether performed on a single occasion or repeatedly (regardless its amount)); and (iii) abstaining from disclosing to customers or third parties any act performed in compliance with the Anti-Money Laundering Law. Within the framework of analysis of a suspicious transaction report, the aforementioned individuals and entities cannot refrain from disclosing to the UIF any information required from it by claiming that such information is subject to bank, stock market or professional secret, or legal or contractual confidentiality agreements. AFIP shall only disclose to UIF the information in its possession when the suspicious transaction report has been made by such entity and refers to the individuals or entities involved directly with the reported transaction. In all other cases the UIF shall request that the federal judge holding authority in a criminal matter order the AFIP to disclose the information in its possession.

Argentine financial institutions must comply with all applicable anti-money laundering regulations as provided by the Central Bank, the UIF, and, if applicable, the CNV. In this regard, in accordance with Resolution No. 229/2014 of the UIF, both the Central Bank and the CNV are considered "Specific Control Organs". In such capacity, they must cooperate with the UIF in the evaluation of the compliance with the anti-money laundering proceedings by the legally bound reporting parties subject to their control. In that respect, they are entitled to supervise, monitor and inspect such entities, and if necessary, to implement certain corrective measures and actions. Resolution No. 14/2023 issued by the UIF, as amended ("Resolution No. 14"), is applicable to financial entities subject to the FIL, to entities subject to the Law No. 18,924, as amended, and to individuals and legal entities authorized by the Central Bank to intervene in the purchase and sale of foreign currency through cash or checks issued in foreign currency or through the use of credit or payment cards, or in the transfer of funds within or outside the national territory. Resolution No. 78/2023 of the UIF, as amended ("Resolution No. 78"), is applicable to brokers and brokerage firms, agents of the over-the-counter market, intermediaries in the purchase or leasing of securities affiliated with stock exchange entities with or without associated markets, and intermediary agents registered on forwards or option markets. Resolution No. 14 and Resolution No. 78 regulate, among other things, the obligation to collect documentation from clients and the terms, obligations and restrictions for compliance with the reporting duty regarding suspicious money laundering and terrorism financing transactions.

Resolution No. 14 and Resolution No. 78 establish general and specific guidelines, based on a risk-regarding customer identification approach, due diligence to be applied depending on the level of risk assigned and procedures to detect and report suspicious transactions. They also establish that failure to update client files, due to the absence of collaboration or reluctance on the part of the client to deliver the required updated data or documents, will require the financial institution to conduct a client analysis in order to evaluate the continuity or not of the relationship with such client and, if appropriate, to report such client's operations as suspicious.

Additionally, as mentioned, each financial institution must appoint a member of the Board of Directors as the person responsible for money laundering prevention, in charge of centralizing any information the Central Bank may require on its own initiative or at the request of any competent authority and reporting any suspicious transactions to the UIF. Notwithstanding the officer's role as a liaison with the UIF, all board members have personal, joint, several and unlimited responsibility for the entity's compliance with its reporting duties with the UIF. In addition, this officer will be responsible for the implementation, tracking and control of internal procedures to ensure compliance with the regulations in financial institutions and its subsidiaries.

The CNV Rules include a specific chapter regarding "Prevention of Money Laundering and the Financing of Terrorism" and state that the persons set forth therein (Negotiation Agents, Clearing and Settlement Agents (which are stockbrokers), Distribution and Placement Agents, Brokerage Agents, Collective Depositary Agents, issuers with respect to capital contributions, irrevocable capital contributions for future capital increases or significant loans that have been made in its benefit, specifically with respect to the identity of contributors and/or creditors and the origin and legality of the funds so contributed or loaned) are to be considered legally bound to report under the Anti-Money Laundering Law, and therefore must comply with all the laws and regulations in force in connection with anti-money laundering and terrorism financing, including resolutions issued by the UIF, presidential decrees referring to resolutions issued by the United Nations Security Council in connection with the fight against terrorism and the resolutions (and its annexes) issued by the Ministry of Foreign Affairs.

Deposit Guarantee Insurance System

The Bank is included in the Deposit Guarantee System established by Law No. 24,485, Regulatory Decrees No. 540/95, No. 1292/96, 1127/98 and No. 30/18 and Communication "A" 5943 issued by the BCRA.

Such law provided for the creation of the company "Seguros de Depósitos S.A.” ("SEDESA”) for purposes of managing the Deposit Guarantee Fund (the "DGF”), whose shareholders, in accordance with the changes introduced by Decree No. 1292/96, shall be the BCRA with one share as a minimum and the trustees of the trust created by the financial institutions in such proportion as may be determined for each by the BCRA according to their contributions to the DGF. This guarantee system does not include:

- transferable certificates of deposit whose ownership has been acquired by way of endorsement;
- the higher of (i) demand deposits for which the interest rate is higher than the benchmark interest rate and deposits and term investments that exceed 1.3 times that rate or (ii) the benchmark interest rate plus five percent points. They will also be excluded when those interest rate limits are distorted by incentives or additional remuneration;
- deposits made by other financial institutions, including certificates of deposit acquired by secondary trading;
- deposits made by persons directly or indirectly related to the financial institution;
- certificates of deposit of securities, acceptances or guarantees; or
- fixed amounts from deposits and other excluded transactions.

We held a 8.6374% equity interest in SEDESA as of December 31, 2023 (BCRA Communication "B” 12,503). Through Communication "B” 12,755 of March 4, 2024, the BCRA updated its participation to 8.3672%.

Pursuant to Communication "A” 7661, effective from January 1, 2023, the amount covered by the deposit guarantee system is Ps.6,000,000 per person and per deposit. In the case of transactions in the name of two or more persons, the guarantee will be prorated among the respective holders. The total guarantee amount by persons may not exceed Ps.6,000,000 regardless of the number of accounts and/or deposits.

The deposits for amounts over Ps.6,000,000 are also included in the guarantee system up to the Ps.6,000,000 limit. The Central Bank may decide at any time to amend the guarantee system cover amount based on the continued consolidation of the Argentine financial sector or any other indicators.

Through Communication "A” 7985, the BCRA updated the amount covered by the deposit guarantee system to Ps.25,000,000 effective as of April 1, 2024.

The Argentine insurance system is financed by monthly contributions from all financial institutions operating in Argentina. These contributions are equivalent to 0.015% of average daily balances of demand deposits, time deposits, term investments, salary account of social security and fixed assets of previous concepts.

Furthermore, institutions must make an additional contribution which will depend on the rating assigned by the Central Bank, the excess recorded in the integration of the RPC and the portfolio quality. This additional contribution may not exceed the standard contribution.

SEDESA may issue nominative non-endorsable securities to be offered to depositors as payment of the deposit guarantee whenever it did not have sufficient funds for such purpose. Such securities, whose conditions would be established for general purposes by the Central Bank, must be accepted by the financial institutions in order to constitute deposits.

Credit Cards Law No. 25,065

Law No. 25,065, enacted in 1999, governs different aspects of the credit, purchase and debit card system. This law (i) creates an obligation to sign a contract between the bank and the holder of the credit card before the card is issued, (ii) fixes a maximum limit to financial interest charged on balances, which may not exceed by more than 25% the rate applied to personal loan transactions and (iii) prohibits providing information to financial background databases regarding credit card holders in delinquent payment situations.

Law No. 26,361, enacted in 2008, amended article 50 of Law No. 25,065, empowering the Secretariat of the Domestic Commerce, dependent on the Ministry of Economy and Production, to issue regulatory provisions and to exercise powers of control, survey and ensure compliance with the law. The City of Buenos Aires and the provinces act as local authorities of application, with powers which they may delegate, if applicable, to their dependent bodies or to municipalities. Irrespective of the above, the national authority of application may act concurrently, even if the presumed infringements occur only within the scope of the Autonomous City of Buenos Aires or the provinces.

Since the enforcement of Law No. 25,065, the Central Bank is the relevant authority in matters related to the credit, purchase and debit card system.

Disclosure of Iranian Activities Pursuant to Section 13(r) of the Exchange Act

The Bank discloses the following information pursuant to Section 13(r) of the Exchange Act, which requires an issuer to disclose whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with natural persons or entities designated by the U.S. government under specified executive orders, including activities not prohibited by U.S. law and conducted outside the United States by non-U.S. affiliates in compliance with local law. In order to comply with this requirement, the Company has requested relevant information from its affiliates globally.

The BBVA Group has the following activities, transactions and dealings with Iran requiring disclosure:

Iranian embassy-related activity. On a continuing basis, Banco Bilbao Vizcaya Argentaria, S.A. maintains a bank account in Spain for one employee of the Iranian embassy in Spain. This employee is a Spanish citizen. Estimated gross revenues for the year ended December 31, 2023, from this account, which include fees and/or commissions, totaled US$56.96. The BBVA Group does not allocate direct costs to fees and commissions and therefore has not disclosed a separate profit measure.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Economic conditions

2023

During 2023 economic activity measured by GDP fell 1.7% compared to 2022 primarily due to the severe drought suffered in recent years, import restrictions, the inflationary acceleration and the two corrections of the exchange rate that took place in August 2023 and December 2023.

The unemployment rate decreased to 6.1% in 2023, from 6.3% in 2022

The national CPI increased by 211.4% in 2023, reflecting a significant acceleration of inflation compared to 94.8% in 2022, mainly driven by the two corrections of the exchange rate that took place in August 2023 and December 2023

The domestic public sector had a primary fiscal deficit of 3.0% of GDP, above the 1.9% target of the IMF program.

2022

During 2022 economic activity measured by GDP grew 5.2% compared to 2021. Economic activity continued the recovery that started in 2021, following the 2020 decline resulting from the Covid-19 pandemic.

The unemployment rate decreased again in 2022 and stood at 6.3% at December 31, 2022 compared to 8.7% at December 31, 2021. However, the quality of employment did not improve, with a higher incidence of underemployment and workers working in the informal economy.

The national CPI increased by 94.8% in 2022, reflecting a significant acceleration of inflation compared to 50.9% in 2021, mainly driven by the inflationary acceleration that followed a financial stress episode in July 2022 that resulted in the sudden resignation of Minister of Economy Martin Guzman.

The domestic public sector had a primary fiscal deficit of 2.4% of GDP, just below the 2.5% goal of the IMF program.

2021

During 2021 economic activity measured by GDP grew 10.7% compared to 2020. The activity recovered sharply from the 2020 crisis thanks to the easing of lockdown measures and the government's fiscal-monetary stimulus in 2021.

With respect to the labor market, there was a decrease in the average unemployment rate in 2021 to 8.7%, compared to 11.4% in 2020, primarily due to the removal of mobility restrictions, which allowed the reopening of non-essential activities that had been restricted since the outbreak of the pandemic.

The national CPI increased by 50.9% in 2021, reflecting a significant acceleration compared to 36.1% in 2020, mainly driven by the monetary pressures resulting from the 2020 money issuance to cover fiscal needs.

The domestic public sector had a primary fiscal deficit of Ps.980 billion, accounting for 2.1% of GDP (3.0% without considering the IMF SDRs delivered in September 2021).

Effects of Recent Regulatory Changes on BBVA Argentina

Below is a summary of the main rules and regulations enacted in recent years which remain in force as of the date of this annual report on Form 20-F, which are mainly related to the crisis triggered by the Covid-19 pandemic.

New Financing Lines

In response to the crisis triggered by the Covid-19 pandemic, the Central Bank adopted a set of credit stimulus measures aimed at the most vulnerable sectors, primarily, micro, small and medium-sized companies ("MSMEs") and the self-employed. The main characteristics of the new financing lines are described below:

- Credit Lines for MSMEs' Productive Investment:

In October 2020, the Central Bank issued Communication "A" 7140 approving the rules on the new "Credit Line for MSMEs' Productive Investment" which proceeds are used to:

1. Finance MSMEs' investment projects (with an initial maximum annual nominal rate of 30%) and a 112% maximum annual rate as of the date of this annual report). These credit lines are subject to a reduced cash requirement equal to 40% of the aggregate amount being lent.

2. Working capital and post-dated check and other document discounting to MSMEs (with an initial maximum annual nominal rate of 35% and a 124% maximum annual rate as of the date of this annual report).

3. Special lines (health providers for the purchase of medical supplies and equipment; non-MSMEs using the proceeds to purchase machinery and equipment manufactured by local MSMEs; other financial institutions not included in Group "A", to the extent the proceeds are applied to MSMEs' credit lines (investment projects or working capital) within 10 business days) for which an auditor report is required (incorporated by Communication "A" 7161, November 12, 2020) (with an initial maximum annual nominal rate of 35% and a 124% maximum annual rate as of the date of this annual report).

For these credit lines, financial institutions are required to maintain a regulatory quota equal to 7.5% of their non-financial private sector deposits. At least 30% of the quota must be used for investment projects.

- Home Mortgage Loans and UVA-linked Pledge Loans (Decrees No. 319/2020 and 767/2020 and Communication "B" 12099)

By means of Decree No. 319/20, the executive branch provided that, in view of the mandatory lockdown measures implemented as a result of the Covid-19 pandemic, monthly payments in respect of home mortgage loans had to remain at the same amount as in March 2020 until September 30, 2020. The difference between the amount of the effective payments and the actual accrued amount could be settled in, at least, three monthly, equal and consecutive payments commencing in October 2020 without being subject to interest accrual due to the deferred payment. Any payment defaults until September 30, 2020 could be settled in three installments, at compensatory interest only, up until December 31, 2020.

Pursuant to Decree No. 767/20, the executive branch extended the measure above until January 31, 2021 and capped monthly payments in respect of home mortgage loans for an 18-month period (February 2021 to July 2022) on the basis of a convergence schedule. Both the installment difference and the indebtedness accrued as of September 30, 2020 will be converted into UVA and will be refinanced with no interest or charges payable from the end of the current loan schedule, in installments not to exceed the amount of the original ones.

- Outstanding Credit Card Balances

The Central Bank established a limit for credit card financing (Communication "A" 7181). Effective as of February 2021, the limited rate applies up to Ps.200,000 of the total financed amount (Communication "A" 7198). This maximum annual nominal current rate is 122% (Communication "A" 7862) and is not applicable if the monthly consumption in foreign currency is higher than 200 U.S. dollars.

Minimum Cash Rules

- Minimum Cash Requirement:

By means of Communication "A" 7536 dated June 30, 2022 and effective since October 1, 2022, the Central Bank simplified the Minimum Cash Requirement by reducing the number of deductions, maintaining only those that favor productive credit for MSMEs and financing for household consumption, and reducing reserve rates.

The structure of deductions as of the date of this annual report is as follows:

- Participation of loans granted to MSMEs on the total financing to the non-financial private sector in pesos.
- Financing under the "AHORA 12" Program.
- Financing included in the "Credit Line for MSME's Productive Investment".
- Special for financial institutions offering the "Universal Free Account" in terms of loans granted to individuals and / or MSMEs not informed in the "Central of debtors of the financial system", under certain conditions.

- Payment of Minimum Cash Requirement:

With regards to the payment of the minimum cash requirement, the Central Bank, by means of Communication "A" 7016, provided that financial institutions included in Group "A" (such as the Bank) may pay the minimum cash requirement -for the period and daily -in pesos, out of "fixed-rate Treasury Bonds in pesos due in May 2022". Bonds used to pay the minimum cash requirement in pesos will be excluded from the limits set forth in the rules on "Financing to the non-financial public sector". Effective since May 18, 2020, financial institutions may pay their minimum cash requirements in pesos entirely out of Central Bank's bills (LELIQ)—except to the extent of the maximum proportion allowed to be paid in out of "fixed-rate Treasury bonds in pesos"—in respect for time deposits and term investments from the non-financial private and public sectors (Communication "A" 7018). Effective since June 1, 2021, financial institutions may also integrate their minimum local currency cash requirements, with treasury bonds in pesos (which are currently allowed to be paid out of LELIQ).

By means of Communication "A" 7511; Communication "A"7637 and Communication "A" 7767, the Central Bank provided that financial institutions included in Group "A" may pay the minimum cash requirement in pesos, out of "fixed-rate Treasury Bonds in pesos due in May 2027", "fixed-rate Treasury Bonds in pesos due in November 2027" and "fixed-rate Treasury Bonds in pesos due in August 2025".

LELIQ – Special provisions:

Effective since January 10, 2022, the Central Bank established a new maximum Leliq holding amounting to the equivalent of the monthly average of daily balances of time-deposits in pesos of the non-financial private sector.

Since March 9, 2023 this limit is calculated as the monthly average of daily balances of total time-deposits in pesos (not only those of the non-financial private sector).

On December 18, 2023, the Central Bank decided against continuing to resort to liquidity bills (LELIQs) auctions.

Profit Distribution

The Central Bank suspended the distribution of profits by financial institutions until June 30, 2020. Such term was then extended until December 31, 2020, again until June 30, 2021, and finally until December 31, 2021 (Communication "A" 6939, Communication "A" 7035, Communication "A" 7181 and Communication "A" 7312).

Pursuant to Communication "A" 7421 dated December 16, 2021, the Central Bank enabled financial entities, from January 1, 2022 to December 31, 2022, to distribute dividends for up to 20% of their "distributable profit". Financial entities, having the previous authorization of the Central Bank, had to make this distribution in 12 equal, monthly and consecutive installments.

By means of Communication "A"7659 dated December 15, 2022, the Central Bank reinstated the suspension of profit distributions from January 1, 2023 to December 31, 2023.

By Communication "A" 7719 dated March 9, 2023, the Central Bank enabled financial entities, with its prior authorization, to distribute dividends for up to 40% of their "distributable profit" in six equal, monthly and consecutive installments from April 1, 2023 to December 31, 2023.

On March 21, 2024 the BCRA issued Communication "A" 7984, effective until December 31, 2024, which established that financial institutions may distribute dividends for up to 60% of their "distributable profit" in six equal, monthly and consecutive installments once authorization is obtained by the BCRA.

Exchange Market Regulations

By means of Communication "A" 7106 dated September 15, 2020, even though the US$200 limit individuals could buy per month was maintained, effective September 1, 2020 payments for foreign currency-denominated purchases made abroad with credit or debit cards would be considered within such limit (any excess would be deducted from the subsequent months' limit). Communication "A" 7106 further stated that individuals who had refinanced outstanding credit card balances (Communication "A" 6949) and/or who had benefitted from frozen installments (Decree No. 319/20) could not access the exchange market, or otherwise engage in transactions or complete sales of securities in the country to be settled in foreign currency or transfer such securities to foreign depositary institutions, until the total payment of the outstanding balances or for as long as the benefit is in place, as the case may be. This communication also established the requirement to submit a refinancing plan to the BCRA for those who recorded scheduled capital maturities between October 15, 2020 and March 31, 2021 based on the following criteria:

- Access to the MULC ("*Mercado Único y Libre de Cambio*", in Spanish) in the original term for up to 40% of the expiring capital;
- Rest refinanced with an average life of at least 2 years; and
- Applicable to amounts greater than US$1 million per month.

This requirement was extended to those who register capital maturities for amounts greater than US$2 million per month between April, 1 2021 and June 30, 2022 through Communication "A" 7230 and "A" 7416. Such term was further extended until December 31, 2023 by Communication "A" 7621.

Since November 26, 2021, purchases of air tickets, hotel accommodation, or any tourist service provided abroad, are forbidden to be paid through local credit cards installments.

On July 26, 2022, the Central Bank set up a regime for the sale of soybean which was in effect until August 31, 2022. During such period, producers could acquire foreign currency for up to 30% of the funds obtained from the sale of grains and maintain the remaining 70% into a freely available deposit with variable remuneration depending on the evolution of the official exchange rate (Communication "A" 7556).

Through Decree No. 576/22 of September 5, 2022, the government established the "Export Increase Program", which established an exchange rate of Ps.200 for every US$1 for exports of soybean until September 30, 2022.

This program was extended several times, and by means of Decree No. 28/23 effective since December 13, 2023 exporters were allowed to settle 80% of their foreign currency at the official exchange rate, while the remaining 20% had to be channeled through purchase and sale transactions of securities purchased in foreign currency and sold in local currency.

By means of Communication "A" 7917, effective December 13, 2023, the Central Bank established a new scheme to access the Free and Single Foreign Exchange Market ("*Mercado Único y Libre de Cambio*", or MULC by its Spanish acronym) for importing goods and services aimed at normalizing the flow of imports which were halted due to the accumulated commercial debt. The Central Bank established different payment terms, depending on the tariff position of the imports of goods and services involved. This measure is aimed at managing foreign currency in the beginning of the year characterized by seasonally low exports.

With respect to outstanding payments of imports, the Central Bank established the general parameters for one or more foreign currency instruments that may eventually be subscribed in pesos to ensure the availability of foreign currency on specific dates and amounts.

Other Regulations

- New Monetary Policy

From December 19, 2023, the monetary policy interest rate will be the same as the overnight reverse repo rate, which was set at 100% on December 13, 2023. The Central Bank decided against continuing to resort to liquidity bills (LELIQs) auctions to rationalize the liquidity management scheme and decided to instead use reverse repo transactions as an instrument for absorbing monetary surpluses.

- Deposits and Interest Rates

In order to encourage savings in pesos, by means of Communication "A" 6980 dated April 16, 2020 and effective since April 20, 2020, the Central Bank provided that entities should pay a minimum interest rate on time-deposits based on a percentage of the LELIQ rate.

Effective December 19, 2023 by means of Communication "A" 7922, the Central Bank set the current minimum rate for time-deposits at 110%.

By means of Communication "A" 7970 dated March 11, 2024 and effective since March 12, 2024, the Central Bank eliminated the minimum interest rate for time deposits.

- Foreign Currency Net Global Position

Effective since December 1, 2021, and by means of Communication "A" 7405, the Central Bank established that the positive net global cash position in foreign currency shall not be over 0% of the RPC.

By means of Communication "A" 7417, the Central Bank established that, when calculating the cash position in foreign currency, entities must deduct the equivalent of five days of consumption of the credit card guaranteed balance for operations abroad.

Critical Accounting Policies

The Consolidated Financial Statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were prepared by the Bank's management in compliance with IFRS-IASB, and by applying the basis of consolidation, accounting policies and measurement bases, described in Note 2 to the Consolidated Financial Statements, so that they present fairly the Bank's total equity and financial position as of December 31, 2023 and 2022, and its results of operations and consolidated cash flows for the years ended December 31, 2023, 2022 and 2021.

In preparing the Consolidated Financial Statements, estimates were made in order to recognize and measure the assets, liabilities, income, expenses and commitments reported therein. These estimates relate mainly to the following:

- The loss allowance of certain financial assets.

- The fair value of certain unlisted financial assets and liabilities.
- Derivatives and other future transactions.
- The availability of future taxable profit against which deferred tax assets.
- The assumptions used to measure other provisions.

Although these estimates were made on the basis of the best information available as of December 31, 2023 and 2022 respectively, events that take place in the future might make it necessary to revise these estimates (upwards or downwards) in coming years.

Note 2.3 to our Consolidated Financial Statements contains a summary of our significant accounting policies. We consider certain of these policies to be particularly important due to their effect on the financial reporting of our financial condition and results of operations and because they require management to make difficult, complex or subjective judgments, some of which may relate to matters that are inherently uncertain. Our reported financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that underlie the preparation of our Consolidated Financial Statements. The nature of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing our Consolidated Financial Statements and the discussion below.

We have identified the accounting policies enumerated below as critical to the understanding of our financial condition and results of operations, since the application of these policies requires significant management assumptions and estimates that could result in materially different amounts to be reported if the assumptions used or underlying circumstances were to change.

- ***Financial instruments – Impairment***

IFRS 9 became effective as of January 1, 2018 and replaced IAS 39 regarding the classification and measurement of financial assets and liabilities, the impairment of financial assets and hedge accounting. For information regarding the classification and measurement of financial instruments under IFRS 9, see Note 2.3.4 to our Consolidated Financial Statements.

- ***Fair value of financial instruments***

The fair value of an asset or a liability on a given date is taken to be the price that would be received upon the sale of an asset, or paid upon the transfer of a liability in an orderly transaction between market participants at the measurement date. The most objective and common reference for the fair value of an asset or a liability is the price that would be paid for it on an organized, transparent and active market ("*quoted price*" or "*market price*").

If there is no market price for a given asset or liability, its fair value is estimated on the basis of the price established in recent transactions involving similar instruments and, in the absence thereof, by using mathematical measurement models sufficiently tried and trusted by the international financial community. Such estimates would take into consideration the specific features of the asset or liability to be measured and, in particular, the various types of risk associated with the asset or liability. However, the limitations inherent to the measurement models developed and the possible inaccuracies of the assumptions required by these models may signify that the fair value of an asset or liability thus estimated does not coincide exactly with the price for which the asset could be sold or the price that would be paid for the transfer of a liability on the date of its measurement.

- ***Derivatives and other future transactions***

These instruments include outstanding foreign currency purchase and sale transactions, outstanding securities purchase and sale transactions, futures transactions relating to securities, exchange rates or interest rates, forward interest rate agreements, options relating to exchange rates, securities or interest rates and various types of financial swaps.

All derivatives are recognized at fair value from the date of arrangement. If the fair value of a derivative is positive, it is recorded as an asset and if it is negative, it is recorded as a liability. Unless there is evidence to the contrary, it is understood that on the date of arrangement the fair value of the derivatives is equal to the transaction price. Changes in the fair value of derivatives after the date of arrangement are recognized in the heading "Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net" in the consolidated statement of profit or loss.

Specifically, the fair value of the standard financial derivatives included in the held for trading portfolios is equal to their daily quoted price. If, under exceptional circumstances, their quoted price cannot be established on a given date, these derivatives are measured using methods similar to those used to measure over-the-counter ("OTC") derivatives.

The fair value of OTC derivatives is equal to the sum of the future cash flows arising from the instruments discounted at the measurement date ("present value" or "theoretical value"). These derivatives are measured using methods recognized by the financial markets, including the net present value method and option price calculation models.

- ***Income tax***

In estimating accrued taxes, we assess the relative merits and risks of the appropriate tax treatment considering statutory, judicial and regulatory guidance in the context of the tax position.

Because of the complexity of tax laws and regulations, interpretation can be difficult and subject to legal judgment. It is possible that others, given the same information, may reach different reasonable conclusions regarding the estimated amounts of accrued taxes.

Changes in the estimate of accrued taxes may occur due to changes in tax rates, interpretations of the status of examinations being conducted by various taxing authorities, and newly-enacted statutory and regulatory guidance that affect the relative merits and risks of tax positions. These changes, when they affect accrued taxes, could affect our operating results.

- ***Contingent liabilities***

We are subject to proceedings, lawsuits and other claims related to labor, commercial, civil and other matters. We make determinations of the amount of provisions required, if any, for these contingencies after a careful analysis of each individual issue. The required provisions may change in the future due to new developments in each matter or changes in the settlement strategy.

A. Operating Results

The Consolidated Financial Statements have been prepared in accordance with IFRS-IASB.

Results of Operations for the Fiscal Years Ended December 31, 2023, 2022 and 2021

Overview

The table below shows the Bank's consolidated statements of profit or loss and comprehensive income for 2023, 2022 and 2021.

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos) (1)						
Interest income	3,183,946,656	1,959,831,229	1,302,749,523	1,224,115,427	62.5%	657,081,706	50.4%
Interest expenses	(1,556,714,282)	(904,731,293)	(554,488,203)	(651,982,989)	72.1%	(350,243,090)	63.2%
NET INTEREST INCOME	**1,627,232,374**	**1,055,099,936**	**748,261,320**	**572,132,438**	**54.2%**	**306,838,616**	**41.0%**
Fee and commission income	254,342,658	247,043,990	243,282,464	7,298,668	3.0%	3,761,526	1.5%
Fee and commission expense	(115,387,309)	(101,484,112)	(99,715,262)	(13,903,197)	13.7%	(1,768,850)	1.8%
Gains on financial assets and liabilities at fair value through profit or loss, net	(20,692,983)	46,405,880	24,403,483	(67,098,863)	N/A	22,002,397	90.2%
Gains (Losses) on derecognition of financial assets not measured at fair value through profit or loss, net	40,590,622	902,916	(741,855)	39,687,706	4395.5%	1,644,771	N/A
Exchange differences, net	210,110,057	25,152,175	33,603,095	184,957,882	735.4%	(8,450,920)	(25.1)%

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos) (1)						
Other operating income	67,247,917	65,900,311	49,716,559	1,347,606	2.0%	16,183,752	32.6%
Other operating expenses	(262,604,959)	(192,201,583)	(164,374,167)	(70,403,376)	36.6%	(27,827,416)	16.9%
GROSS INCOME	**1,800,838,377**	**1,146,819,513**	**834,435,637**	**654,018,864**	**57.0%**	**312,383,876**	**37.4%**
Administration costs	(497,566,179)	(423,883,000)	(386,672,961)	(73,683,179)	17.4%	(37,210,039)	9.6%
Personnel benefits	(248,430,523)	(212,043,186)	(190,336,033)	(36,387,337)	17.2%	(21,707,153)	11.4%
Other administrative expenses	(249,135,656)	(211,839,814)	(196,336,928)	(37,295,842)	17.6%	(15,502,886)	7.9%
Depreciation and amortization	(28,677,320)	(34,171,257)	(33,858,994)	5,493,937	(16.1)%	(312,263)	0.9%
Impairment of financial assets	(133,602,042)	(98,632,380)	(77,479,161)	(34,969,662)	35.5%	(21,153,219)	27.3%
Loss on net monetary position	(828,823,310)	(416,046,365)	(251,297,163)	(412,776,945)	99.2%	(164,749,202)	65.6%
NET OPERATING INCOME	**312,169,526**	**174,086,511**	**85,127,358**	**138,083,015**	**79.3%**	**88,959,153**	**104.5%**
Share of profit of equity accounted investees	1,156,636	(1,452,699)	(341,086)	2,609,335	N/A	(1,111,613)	325.9%
PROFIT BEFORE TAX	**313,326,162**	**172,633,812**	**84,786,272**	**140,692,350**	**81.5%**	**87,847,540**	**103.6%**
Income tax benefit (expense)	(156,070,330)	7,859,103	(28,034,559)	(163,929,433)	N/A	35,893,662	N/A
PROFIT FOR THE YEAR	**157,255,832**	**180,492,915**	**56,751,713**	**(23,237,083)**	**(12.9)%**	**123,741,202**	**218.0%**
Attributable to owners of the Bank	156,858,600	183,235,202	57,012,016	(26,376,602)	(14.4)%	126,223,186	221.4%
Attributable to non-controlling interest	397,232	(2,742,287)	(260,303)	3,139,519	N/A	(2,481,984)	953.5%
PROFIT FOR THE YEAR	**157,255,832**	**180,492,915**	**56,751,713**	**(23,237,083)**	**(12.9)%**	**123,741,202**	**218.0%**
Items that are or may be reclassified to profit or loss							
Profit or loss for financial instruments at fair value through other comprehensive income (FVOCI)							
(Loss) Profit for the year for financial instruments at fair value through other comprehensive income (FVOCI)	328,019,623	(41,197,640)	(5,928,564)	369,217,263	N/A	(35,269,076)	594.9%
Adjustment for reclassifications for the year	(34,816,740)	(847,700)	649,075	(33,969,040)	4,007.2%	(1,496,775)	N/A
Related income tax	(84,922,739)	(2,222,546)	(15,926,656)	(82,700,193)	3,721.0%	13,704,110	(86.0)%
	208,280,144	**(44,267,886)**	**(21,206,145)**	**252,548,030**	**N/A**	**(23,061,741)**	**108.8%**
Share in other comprehensive income (OCI) from investees at equity method							
Profit/(Loss) for the year for the share in OCI from associates at equity-method	—	339,486	(21,613)	(339,486)	N/A	361,099	N/A
	—	**339,486**	**(21,613)**	**(339,486)**	**N/A**	**361,099**	**N/A**
Items that will not be reclassified to profit or loss							
Fair value changes for equity instruments at fair value through other comprehensive income (FVOCI)							
Profit (Loss) for the year for equity instruments at fair value through other comprehensive income (FVOCI)	1,623,428	(7,408)	13,369	1,630,836	N/A	(20,777)	N/A
	1,623,428	**(7,408)**	**13,369**	**1,630,836**	**N/A**	**(20,777)**	**N/A**
Other comprehensive (loss) income, net of tax	**209,903,572**	**(43,935,808)**	**(21,214,389)**	**253,839,380**	**N/A**	**(22,721,419)**	**107.1%**
Total comprehensive income for the year	**367,159,404**	**136,557,107**	**35,537,324**	**230,602,297**	**168.9%**	**101,019,783**	**284.3%**

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos) (1)						
COMPREHENSIVE INCOME (LOSS):							
Attributable to owners of the Bank	366,086,910	139,299,433	35,797,627	226,787,477	162.8%	103,501,806	289.1%
Attributable to non-controlling interests	1,072,494	(2,742,326)	(260,303)	N/A	N/A	(2,482,023)	953.5%
OTHER:							
Profit for the year attributable to owners of the Bank per ordinary share (2)(3)	256.01	299.08	93.05				
Profit for the year attributable to owners of the Bank per ADS (2)(3)(5)	768.03	897.24	279.15				
Diluted profit for the year attributable to owners of the Bank per ordinary share (2)(3)	256.01	299.08	93.05				
Diluted profit for the year attributable to owners of the Bank per ADS (2)(3)(5)	768.03	897.24	279.15				
Declared dividends per ordinary share (2)(3)(4)	127.1029	—	155.8023				
Declared dividends per ordinary share (in US$)	0.1501	—	0.1840				
Declared dividends per ADS (2)(3)(4)(5)	381.3087	—	467.4068				
Declared dividends per ADS (in US$)	0.4503	—	0.5520				
Net operating income per ordinary share (2)(3)	509.49	284.13	138.94				
Net operating income per ADS (2)(3)(5)	1,528.47	852.39	416.82				
Average ordinary shares outstanding (000s) (3)	612,710	612,710	612,710				

(1) Except percentages, declared dividends per ordinary share (in US$), declared dividends per ADS (in US$), net operating income per ordinary share and net operating income per ADS data and financial ratios.

(2) Based on the average number of ordinary shares outstanding during the year.

(3) The average number of ordinary shares outstanding during a year was computed as the average number of shares outstanding during the twelve months taking into account the outstanding amounts as of the end of each month.

(4) On April 5, 2024, the Board of Directors resolved to propose for shareholder approval at the next ordinary and extraordinary shareholders' meeting, to be held on April 26, 2024, a distribution of dividends for an amount of Ps.169,231 million (nominal value), subject to BCRA prior authorization. For the fiscal year ended December 31, 2022, the dividends in kind and cash declared at the ordinary and extraordinary shareholders' meeting held on April 28, 2023 were Ps.35,566 million (nominal value) and in turn authorization was requested from the Central Bank to distribute Ps.50,401 million (nominal value).
For the fiscal year ended December 31, 2021, the dividends in cash declared at the ordinary and extraordinary shareholders' meeting held on April 29, 2022 were Ps.13,165 million (nominal value). Dividends per ordinary share for each year are calculated taking into account dividends declared in such year and the number of outstanding shares at the end of such year. BCRA Communication "A" 6886, in force since January 31, 2020, provides that financial institutions must have the prior authorization of the Central Bank for the distribution of their results. Subsequently, BCRA issued Communication "A" 7312 whereby financial institutions were not allowed to distribute dividends until at least December 31, 2021. Pursuant to Communication "A" 7421 dated December 16, 2021, the Central Bank enabled financial entities, from January 1, 2022 to December 31, 2022, to distribute dividends for up to 20% of their "distributable profit". By Communication "A" 7719 dated March 9, 2023, the Central Bank enabled financial entities, with its prior authorization, to distribute dividends for up to 40% of their "distributable profit" in six equal, monthly and consecutive installments from April 1, 2023 to December 31, 2023. On March 21, 2024 the BCRA issued Communication "A" 7984, effective until December 31, 2024, which established that financial institutions may distribute dividends for up to 60% of their "distributable profit" in six equal, monthly and consecutive installments once authorization is obtained by the BCRA.

(5) Each ADS represents three ordinary shares.

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The changes in our consolidated statement of profit or loss for 2023, 2022 and 2021 were as follows:

Interest income

The components of our interest income are reflected in the following table.

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Interest from government securities	1,148,563,753	798,761,165	324,244,033	349,802,588	43.8%	474,517,132	146.3%
Premium for reverse repurchase agreements	388,218,226	99,209,289	228,093,675	289,008,937	291.3%	(128,884,386)	(56.5)%
CER clause adjustment (1)	378,917,667	255,612,556	111,126,397	123,305,111	48.2%	144,486,159	130.0%
Interest from commercial papers	332,571,766	123,306,207	89,199,264	209,265,559	169.7%	34,106,943	38.2%
Interest from credit card loans	280,546,581	194,999,904	155,021,093	85,546,677	43.9%	39,978,811	25.8%
Interest from overdrafts	175,982,067	89,584,141	51,366,573	86,397,926	96.4%	38,217,568	74.4%
Interest from other loans	169,865,129	138,280,663	103,005,923	31,584,466	22.8%	35,274,740	34.2%
Interest from consumer loans	130,268,098	99,886,476	88,207,800	30,381,622	30.4%	11,678,676	13.2%
UVA clause adjustment (2)	111,676,303	97,727,166	84,583,069	13,949,137	14.3%	13,144,097	15.5%
Interest from pleage loans	36,795,436	33,043,342	33,786,748	3,752,094	11.4%	(743,406)	(2.2)%
Interest from financial leases	9,455,935	6,140,145	5,805,600	3,315,790	54.0%	334,545	5.8%
Interest from mortgage loans	6,461,673	9,474,404	10,442,566	(3,012,731)	(31.8)%	(968,162)	(9.3)%
Interest on loans to the financial institutions	6,405,275	7,770,983	5,732,491	(1,365,708)	(17.6)%	2,038,492	35.6%
Interest from private securities	3,463,339	2,064,035	950,574	1,399,304	67.8%	1,113,461	117.1%
Interest from loans for the prefinancing and financing of exports	2,404,576	2,260,264	5,936,147	144,312	6.4%	(3,675,883)	(61.9)%
Interest from cash and bank deposits	4,560	—	—	4,560	100%	—	0%
Other financial interest income	2,346,272	1,710,489	5,247,570	635,783	37.2%	(3,537,081)	(67.4)%
	3,183,946,656	**1,959,831,229**	**1,302,749,523**	**1,224,115,427**	**62.5%**	**657,081,706**	**50.4%**

(1) The UVA is an index determined by the Central Bank, reflecting the variation of one one-thousandth of the average value of a square meter built for housing in Argentina (such that 1,000 UVAs are equivalent to one square meter). This value was initially set at Ps.14.05 and is updated daily based on the variation in the Reference Stabilization Coefficient (CER) since March 31, 2016. The CER is an index that reflects the variation in inflation in Argentina and is calculated based on the daily variations in the CPI as determined by the INDEC.

(2) UVA (Purchasing Value Unit): It is a unit of measure that is updated daily according to the CER.

The Bank's interest income increased in 2023 compared to 2022 primarily due to an increase in interest from government securities and an increase in premium for reverse repurchase agreements (REPO), mainly due to an increase in the position of BCRA liquidity bills (LELIQ) and an increase in the BCRA's REPO position, respectively, which was partially offset by a decrease in interest from mortgage loans and interest on loans to financial institutions primarily due to lower activity levels.

The Bank's interest income increased in 2022 compared to 2021 primarily due to an increase in interest from government securities, explained both by an increase in the position of BCRA liquidity bills (LELIQ) and inflation-linked (CER) National Treasury bonds, which was partially offset by a decrease in premium for reverse repurchase agreements, mainly due to a low level of deposits and a decrease in interest from loans for the prefinancing and financing for export, mainly due to a low level of such activity.

The variation in the interest component of interest income for the year ended December 31, 2023 resulted mostly from an increase in the average real rates of interest-earning assets partially offset by a decrease in the average volume of interest-earning assets.

The variation in the interest component of interest income for the year ended December 31, 2022 resulted mostly from an increase in the average real rates of interest-earning assets and, to a lesser extent, an increase in the average volume of interest-earning assets.

The following table sets forth the changes in the interest component of interest and other income due to increases or decreases in the volume of interest-earning assets and increases or decreases in the average real rates of interest-earning assets.

	December 31, 2023 vs, December 31, 2022 Increase (Decrease)	December 31, 2022 vs, December 31, 2021 Increase (Decrease)
Change in interest income due to change in:	(in thousands of pesos)	
the volume of interest-earning assets	(56,925,499)	129,305,194
average real rates of interest-earning assets	1,281,040,926	527,776,512
Net Change	1,224,115,427	657,081,706

Interest expenses

The components of our interest expenses are reflected in the following table.

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Interest from time deposits	1,163,622,989	666,796,740	414,778,905	496,826,249	74.5%	252,017,835	60.8%
Interest from current and savings accounts deposits	318,699,068	128,512,077	86,892,920	190,186,991	148.0%	41,619,157	47.9%
UVA clause adjustment (1)	42,734,378	78,198,789	28,655,063	(35,464,411)	(45.4)%	49,543,726	172.9%
Interest from bank loans	25,305,718	27,087,785	16,185,121	(1,782,067)	(6.6)%	10,902,664	67.4%
Interest from other financial liabilities	4,614,829	2,097,053	5,120,469	2,517,776	120.1%	(3,023,416)	(59.0)%
Interest on the lease liability	1,699,151	1,935,792	2,812,644	(236,641)	(12.2)%	(876,852)	(31.2)%
Premium for reverse repurchase agreements	24,987	83,678	17,173	(58,691)	(70.1)%	66,505	387.3%
Other financial interest expense	13,162	19,379	25,908	(6,217)	(32.1)%	(6,529)	(25.2)%
	1,556,714,282	**904,731,293**	**554,488,203**	**651,982,989**	**72.1%**	**350,243,090**	**63.2%**

(1) UVA (Purchasing Value Unit): It is a unit of measure that is updated daily according to the CER.

The Bank's interest expenses increased in 2023 compared to 2022 primarily due to an increase in interest expenses from time deposits, mainly due to a higher volume of interest expenses related to the wholesale sector and an increase in interest expenses from savings accounts deposits due to an increase in the volume of such deposits, which were partially offset by a decrease in interest expenses from UVA clause adjustment and bank loans primarily due to lower activity levels.

The Bank's interest expenses increased in 2022 compared to 2021 primarily due to an increase in interest expenses from time deposits, mainly due to a higher volume of interest expenses related to the wholesale sector and an increase in interest expenses from time deposits with UVA clause adjustment due to an increase in the volume of such deposits, which were partially offset by a decrease in interest expenses from other liabilities mainly due to lower interest paid to financial institutions.

The variation in the interest component of interest expenses for the year ended December 31, 2023 resulted mostly from an increase in the average real rates of interest-bearing liabilities which was partially offset by a decrease the volume of interest-bearing liabilities.

The variation in the interest component of interest expenses for the year ended December 31, 2022 resulted mostly from an increase in the average real rates of interest-bearing liabilities and, to a significant lesser extent, an increase in the average volume of interest-bearing liabilities.

The following table sets forth the changes in the interest component of interest expenses due to increases or decreases in the volume of interest-bearing liabilities and increases or decreases in the average nominal rates of interest-bearing liabilities.

	December 31, 2023 vs, December 31, 2022 Increase (Decrease)	December 31, 2022 vs, December 31, 2021 Increase (Decrease)
Change in interest expenses due to change in:	(in thousands of pesos)	
the volume of interest-bearing liabilities	(185,241,980)	70,095,429
average real rates of interest-bearing liabilities	837,224,969	280,147,661
Net Change	651,982,989	350,243,090

Net interest income

The following table sets forth the changes in the components of our net interest income for the periods discussed herein:

	December 31, 2023 vs, December 31, 2022 Increase (Decrease)	December 31, 2022 vs, December 31, 2021 Increase (Decrease)
Net interest income due to changes in:	(in thousands of pesos)	
the volume of interest-earning assets and interest-bearing liabilities	128,316,481	59,209,765
average real rates of interest-earning assets and interest-bearing liabilities	443,815,957	247,628,851
Net Change	572,132,438	306,838,616

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The changes in net interest income are due to the changes in interest income and interest expense as explained above.

See *"Item 4. Information on the Company—E. Selected Statistical Information—Average Balance Sheets, Interest Earned on Interest-Earning Assets and Interest Paid on Interest-Bearing Liabilities"* and *"Item 4. Information on the Company—E. Selected Statistical Information—Interest-Earning Assets: Net Interest Margin and Spread"*.

Fee and commission income

The following table provides a breakdown of our fee and commission income by category.

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Linked to credit cards	116,614,858	96,446,245	96,349,100	20,168,613	20.9%	97,145	0.1%
Linked to deposits and other	84,330,593	105,117,264	102,177,447	(20,786,671)	(19.8)%	2,939,817	2.9%
Linked to loans and other	25,720,503	20,710,903	16,740,732	5,009,600	24.2%	3,970,171	23.7%
From foreign currency transactions	10,834,946	10,966,990	12,482,747	(132,044)	(1.2)%	(1,515,757)	(12.1)%
Insurance agent fees	9,635,209	10,964,732	11,961,149	(1,329,523)	(12.1)%	(996,417)	(8.3)%
Linked to securities	6,693,634	2,826,789	3,514,269	3,866,845	136.8%	(687,480)	(19.6)%
Fees linked to loan commitments	407,453	—	—	407,453	100%	—	0%
From guarantees granted	105,462	11,067	57,020	94,395	852.9%	(45,953)	(80.6)%
	254,342,658	**247,043,990**	**243,282,464**	**7,298,668**	**3.0%**	**3,761,526**	**1.5%**

The Bank's fee and commission income increased in 2023 compared to 2022 primarily due to an increase in fee and commissions linked to credit cards, mainly due to a lower expense related to the BBVA Points Reward Program and an increased volume of credit card transactions combined with an increase in prices, and an increase in fee and commissions linked to securities due to higher commissions for purchase and sale of securities and shares, which were partially offset by a decrease in fee and commissions linked to deposits, and a decrease in fee and commissions from insurance agent fee related to lower commissions earned from insurance sales.

The Bank's fee and commission income increased in 2022 compared to 2021 primarily due to an increase in fee and commissions linked to credit cards, mainly due to more activity and consumption with credit cards, and an increase in fee and commissions linked to deposits, due to a higher volume of savings accounts, which were partially offset by a decrease in fee and commissions from foreign currency transactions related to lower activity in connection with exchange operations and a decrease in fee and commissions from insurance agent fee related to lower activity in connection with insurance operations.

Fee and commission expense

The table below shows a breakdown of our fee and commission expense by category.

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
For credit and debit cards	67,777,600	71,874,724	72,598,091	(4,097,124)	(5.7)%	(723,367)	(1.0)%
For foreign trade transactions	18,507,530	3,068,814	3,093,282	15,438,716	503.1%	(24,468)	(0.8)%
For promotions and other	11,650,892	8,136,693	9,553,506	3,514,199	43.2%	(1,416,813)	(14.8)%
Linked to transactions with securities	67,420	48,894	72,604	18,526	37.9%	(23,710)	(32.7)%
Other commission expenses	17,383,867	18,354,987	14,397,779	(971,120)	(5.3)%	3,957,208	27.5%
	115,387,309	**101,484,112**	**99,715,262**	**13,903,197**	**13.7%**	**1,768,850**	**1.8%**

The Bank's fee and commission expense increased in 2023 compared to 2022 primarily due to an increase in fee and commissions expenses for foreign trade transactions related to royalties affected by the devaluation of the Argentine peso and payroll marketing campaigns, which was partially offset by a decrease in fee and commission expense for credit and debit cards primarily due to a decrease in royalties from VISA.

The Bank's fee and commission expense increased in 2022 compared to 2021 primarily due to an increase in other commission expenses mainly due to commissions for cobranding, which were partially offset by a decrease in fee and commission expenses for promotions related to digital sales and a decrease in fee and commissions expenses for credit and debit cards due to lower expenses in travel assistance VISA cards.

(Losses)/Gains on financial assets and liabilities at fair value through profit or loss, net

The table below shows a breakdown of our gain on financial assets and liabilities at fair value through profit or loss, net by category:

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Gain from foreign currency forward transactions	23,533,993	4,646,318	19,649,692	18,887,675	406.5%	(15,003,374)	(76.4)%
Gain from the sale of financial assets	—	1,557,976	—	(1,557,976)	—	1,557,976	—
Interest rate swaps	(177,777)	314,816	294,256	(492,593)	N/A	20,560	7.0%
Loss from put options	(522,183)	(107,924)	(7,170,021)	(414,259)	383.8%	7,062,097	(98.5)%
(Loss) Income from debt and equity instruments	(43,527,016)	39,994,694	11,629,556	(83,521,710)	N/A	28,365,138	243.9%
	(20,692,983)	**46,405,880**	**24,403,483**	**(67,098,863)**	**N/A**	**22,002,397**	**90.2%**

The Bank's gains on financial assets and liabilities at fair value through profit or loss, net, decreased in 2023 compared to 2022 primarily due to a decrease in income from debt and equity instruments, mainly due to decreased income from government securities.

The Bank's gains on financial assets and liabilities at fair value through profit or loss, net, increased in 2022 compared to 2021 primarily due to an increase in income from debt and equity instruments primarily due to a higher volume and higher interest generated by the LELIQ portfolio, and increased income from the sale of financial assets which were partially offset by a decrease in gains from foreign currency forward transactions related to NDF BBVA Madrid and a loss from put options resulting from the sale of the Bank's remaining stake in Prisma Medios de Pago S.A,. As of October 1, 2021, the Bank, together with the rest of Prisma Medios de Pago S.A,'s Class B shareholders, gave notice of the exercise of the put option to sell the remaining 49% of its shareholding stake in Prisma Medios de Pago S.A.

Gain/(Losses) on derecognition of financial assets not measured at fair value through profit or loss, net

The table below shows a breakdown of our losses/gains on derecognition of financial assets not measured at fair value through profit or loss, net by category:

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Income/(Loss) from sale of government securities	33,186,455	676,393	(738,604)	32,510,062	4,806.4%	1,414,997	N/A
Income/(Loss) from sale of private securities	7,404,167	226,523	(3,251)	7,177,644	3,168.6%	229,774	N/A
	40,590,622	**902,916**	**(741,855)**	**39,687,706**	**4,395.5%**	**1,644,771**	**N/A**

The Bank's gains on derecognition of financial assets not measured at fair value through profit or loss increased in 2023 compared to 2022 primarily due to an increase in income from sale of government securities, mainly due to an increase in the volume of sales.

The Bank's gains on derecognition of financial assets not measured at fair value through profit or loss increased in 2022 compared to a loss in 2021 primarily due to an increase in sales of government securities, mainly those denominated in foreign currency.

Exchange differences, net

The following table provides a breakdown of our exchange differences, net by category:

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Conversion of foreign currency assets and liabilities into pesos	170,534,409	(13,756,414)	(6,629,645)	184,290,823	N/A	(7,126,769)	107.5%
Income from trading in foreign currency	39,575,648	38,908,589	40,232,740	667,059	1.7%	(1,324,151)	(3.3)%
	210,110,057	**25,152,175**	**33,603,095**	**184,957,882**	**735.4%**	**(8,450,920)**	**(25.1)%**

The Bank's exchange differences, net, increased in 2023 compared to 2022, primarily due to a higher conversion of foreign currency assets and liabilities into pesos, mainly due to dual bonds (bonds that allow obtaining a return linked to inflation or the price of the US dollar, whichever is higher), and also from income from foreign currency forward transactions.

The Bank's exchange differences, net, decreased in 2022 compared to 2021, primarily due to a decrease in income from trading in foreign currency mainly due to a decrease in traded volume and government restrictions affecting foreign currency.

For more information see *"Item 3, Key Information—D,Risk Factors—Risks relating to Argentina— Exchange controls and restrictions on capital inflows and outflows could have a material adverse effect on Argentine public sector activity, and, as a result, on our business"*.

Other operating income

The following table shows a breakdown of other operating income by category:

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Adjustments and interest on miscellaneous receivables	27,530,770	21,267,898	15,317,617	6,262,872	29.4%	5,950,281	38.8%
Rental of safe deposit boxes	8,069,353	9,109,074	9,707,584	(1,039,721)	(11.4)%	(598,510)	(6.2)%
Fees expenses recovered	2,339,878	2,569,661	2,344,644	(229,783)	(8.9)%	225,017	9.6%
Proceeds from electronic transactions	1,098,672	1,141,101	1,280,231	(42,429)	(3.7)%	(139,130)	(10.9)%
Income related to foreign trade	901,679	1,084,258	1,511,289	(182,579)	(16.8)%	(427,031)	(28.3)%
Gain from the sale of non-current assets held for sale	—	—	92,780	—	—	(92,780)	—
Result for initial recognition of Argentine Government Securities	—	1,420,141	—	(1,420,141)	—	1,420,141	—
Other operating income	27,307,565	29,308,178	19,462,414	(2,000,613)	(6.8)%	9,845,764	50.6%
	67,247,917	**65,900,311**	**49,716,559**	**1,347,606**	**2.0%**	**16,183,752**	**32.6%**

The Bank's other operating income increased in 2023 compared to 2022 primarily due to an increase in the adjustments and interest on miscellaneous receivables mainly as a result of loans related to the sale of our ownership stake in Prisma Medio de Pago S.A., which were partially offset by a decrease in other operating income and a decrease in gain from the sale of non-current assets held for sale.

The Bank's other operating income increased in 2022 compared to 2021 primarily due to an increase in other operating income due to higher other operating income, and an increase in adjustments and interest on miscellaneous receivables due to the UVA accrual adjustment on loans granted to Prisma Medio de Pago S.A. which were partially offset by a decrease in rental of safe deposit boxes and decreased income related to foreign trade. On July 13, 2022, the building of Fundación BBVA was sold, and the result from the sale was registered as a gain from the sale of non-current assets held for sale.

Other operating expenses

The following table shows a breakdown of other operating expenses by category:

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Turnover tax	203,493,961	127,248,778	103,330,661	76,245,183	59.9%	23,918,117	23.1%
Provisions for legal and administrative proceedings	15,905,318	12,102,734	1,476,764	3,802,584	31.4%	10,625,970	719.5%
Loss on initial recognition of loans bearing below market interest rate	11,671,162	13,100,574	11,940,628	(1,429,412)	(10.9)%	1,159,946	9.7%
Contributions to the Deposits Guarantee Fund	5,728,161	6,330,105	6,830,968	(601,944)	(9.5)%	(500,863)	(7.3)%
Expected credit losses on financial guarantee and loan commitments	4,849,781	6,367,666	4,305,070	(1,517,885)	(23.8)%	2,062,596	47.9%
Damage claims	2,544,611	4,604,462	1,900,080	(2,059,851)	(44.7)%	2,704,382	142.3%
Loss from sale or impairment of investment properties and other non-financial assets	238,314	37,562	236,113	200,752	534.5%	(198,551)	(84.1)%
Provisions for reorganization	—	7,391,880	13,737,124	(7,391,880)	(100.0)%	(6,345,244)	(46.2)%
Other operating expenses	18,173,651	15,017,822	20,616,759	3,155,829	21.0%	(5,598,937)	(27.2)%
	262,604,959	**192,201,583**	**164,374,167**	**70,403,376**	**36.6%**	**27,827,416**	**16.9%**

The Bank's other operating expenses increased in 2023 compared to 2022 primarily due to an increase in turnover tax related to higher income from REPO and LEDIV and, to a significant lesser extent, an increase in provisions for legal and administrative proceedings, which were partially offset by a decrease in provisions for reorganization as a result of the alignment in previous years between the Bank's organizational structure and the corporate strategy and a decrease in expected credit losses on financial guarantee and loan commitments due to a decrease in commercial activities.

The Bank's other operating expenses increased in 2022 compared to 2021 primarily due to an increase in turnover tax, especially driven by higher income from LELIQ, and an increase in provisions for legal and administrative proceedings, mainly related to the increase in credit card purchase limits and the provision for commercial lawsuits, which were partially offset by a decrease in provisions for reorganization aligning the organizational structure with the corporate strategy and a decrease in other operating expenses, mainly due to a decrease in life insurance paid for leasing loans.

Administration costs

Administration costs include personnel benefits and other administrative expenses.

The following table shows a breakdown of personnel benefits by category:

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Salaries	124,626,413	116,592,289	113,477,115	8,034,124	6.9%	3,115,174	2.7%
Other short term personnel benefits	66,174,342	43,038,362	32,806,821	23,135,980	53.8%	10,231,541	31.2%
Social security charges	40,872,783	36,578,358	33,654,333	4,294,425	11.7%	2,924,025	8.7%
Personnel compensations and rewards	7,669,538	8,881,142	4,525,387	(1,211,604)	(13.6)%	4,355,755	96.3%
Personnel services	5,137,521	4,709,035	3,562,198	428,486	9.1%	1,146,837	32.2%
Termination benefits	477,840	698,306	786,555	(220,466)	(31.6)%	(88,249)	(11.2)%
Fees to Bank Directors and Supervisory Committee	329,204	357,466	397,882	(28,262)	(7.9)%	(40,416)	(10.2)%
Other long term benefits	3,142,882	1,188,228	1,125,742	1,954,654	164.5%	62,486	5.6%
	248,430,523	**212,043,186**	**190,336,033**	**36,387,337**	**17.2%**	**21,707,153**	**11.4%**

The Bank's personnel benefits increased in 2023 compared to 2022 primarily due to an increase in other short-term personnel benefits and an increase in salaries as a result of the adjustment of vacation stock provisions and variable compensations, respectively, which was partially offset by a decrease in personnel compensations and rewards and termination benefits.

The Bank's personnel benefits increased in 2022 compared to 2021 primarily due to an increase in other short term personnel benefits and personnel compensations and rewards due to the increase in the variable remuneration of the Bank's employees and an increase employee training expenditures, which were partially offset by a decrease in termination benefits and fees to Bank Directors and Supervisory Committee.

The following table shows a breakdown of other administrative expenses by category:

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Taxes	52,718,652	45,028,114	41,596,363	7,690,538	17.1%	3,431,751	8.3%
Rent	33,994,508	32,689,896	24,809,117	1,304,612	4.0%	7,880,779	31.8%
Administrative services hired	30,476,143	19,300,322	19,402,898	11,175,821	57.9%	(102,576)	(0.5)%
Maintenance costs	21,248,132	20,605,053	21,636,474	643,079	3.1%	(1,031,421)	(4.8)%
Armored transportation services	20,868,537	22,656,053	24,967,609	(1,787,516)	(7.9)%	(2,311,556)	(9.3)%
Advertising	13,742,372	10,927,305	9,569,072	2,815,067	25.8%	1,358,233	14.2%
Electricity and communications	8,381,378	7,721,326	8,636,952	660,052	8.5%	(915,626)	(10.6)%
Other fees	7,298,122	7,097,728	8,377,297	200,394	2.8%	(1,279,569)	(15.3)%
Security services	5,838,983	5,602,508	6,472,158	236,475	4.2%	(869,650)	(13.4)%
Insurance	1,933,567	2,010,411	2,311,562	(76,844)	(3.8)%	(301,151)	(13.0)%
Representation, travel and mobility	1,595,378	2,004,805	987,006	(409,427)	(20.4)%	1,017,799	103.1%
Stationery and supplies	376,081	266,751	390,584	109,330	41.0%	(123,833)	(31.7)%
Other administrative expenses	50,663,803	35,929,542	27,179,836	14,734,261	41.0%	8,749,706	32.2%
	249,135,656	**211,839,814**	**196,336,928**	**37,295,842**	**17.6%**	**15,502,886**	**7.9%**

The Bank's other administrative expenses increased in 2023 compared to 2022 primarily due to an increase in other administrative expenses and administrative expenses mainly due to an increase in technical consulting, commercial reports for late payment and IT expenses, which were partially offset by a decrease in armored transportation services and travel expenses as a consequence of the national economic and political scenario.

The Bank's other administrative expenses increased in 2022 compared to 2021 primarily due to an increase in rent as a consequence of the increase in the exchange rate, due to the fact that most lease contracts are denominated in foreign currency, and an increase in other administrative expense due to IT processing which were partially offset by a decrease in armored transportation services due to lower service costs paid by the Bank and a decrease in other fees mainly due to lower costs in services paid to external lawyers.

Depreciation and amortization

The following table shows a breakdown of depreciation and amortization by category:

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Depreciation of property and equipment	20,672,963	22,694,895	25,609,369	(2,021,932)	(8.9)%	(2,914,474)	(11.4)%
Amortization of intangible assets	3,727,340	2,049,038	1,311,756	1,678,302	81.9%	737,282	56.2%
Amortization of rights to use leased real estate	2,401,985	6,286,287	6,331,675	(3,884,302)	(61.8)%	(45,388)	(0.7)%
Depreciation of investment properties	1,072,992	942,985	322,980	130,007	13.8%	620,005	192.0%
Loss from sale or impairment of property and equipment	797,137	2,191,553	228,652	(1,394,416)	(63.6)%	1,962,901	858.5%
Depreciation of other assets	4,903	6,499	54,562	(1,596)	(24.6)%	(48,063)	(88.1)%
	28,677,320	**34,171,257**	**33,858,994**	**(5,493,937)**	**(16.1)%**	**312,263**	**0.9%**

The Bank's depreciation and amortization decreased in 2023 compared to 2022 primarily due to a decrease in amortization of rights to use leased real estate mainly as a result of fewer branch rental contracts and a decrease in depreciation of property and equipment, which were partially offset by an increase in amortization of intangibles assets due to an increase in amortization of corporate projects and an increase in depreciation of investment properties.

The Bank's depreciation and amortization was flat in 2022 compared to 2021 primarily due to a decrease in depreciation of property and equipment and depreciation of other assets which were offset by an increase in loss from sale or impairment of property and equipment due to the impairment in the book value of certain properties and increased in amortization of intangible assets.

Impairment of financial assets

At December 31, 2023 the non-performing loan ratio was 1.29% compared to 1.13% at December 31, 2022. The NPL ratio had a slight increase and the coverage ratio decreased, both explained by the retail portfolio performance, where provisions had a lower growth than non-performing loans.

The non-performing loan portfolio amounted to Ps.35,207,182 million at December 31, 2023 compared with Ps.39,177,321 million at December 31, 2022 which in turn represented a decrease compared with Ps 58,355,582 million at December 31, 2021 due to a decrease in non-performing loans in the wholesale portfolio.

The impairment of financial assets increased in 2023 compared to 2022 mainly due to the inflationary context and the update of parameters of the expected loss model due to the local macroeconomic context.

Loss on net monetary position

In a hyperinflationary economy, reporting of operating results and financial position in the local currency without restatement is generally not considered useful to investors. Money loses purchasing power at such a rate that compares amounts from transactions and other events that have occurred at different times, even within the same accounting period, can be different or misleading.

The table below sets forth the Bank's net monetary inflation adjustment effect, which has been calculated by applying the CPI to monetary assets and liabilities:

	Year ended December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
ASSETS							
Cash and cash equivalents	(884,332,142)	(646,366,610)	(558,454,391)	(237,965,532)	36.8%	(87,912,219)	15.7%
Loans and other receivables, net	(2,829,005,370)	(1,609,786,801)	(1,167,711,831)	(1,219,218,569)	75.7%	(442,074,970)	37.9%
Investment securities	(1,825,275,737)	(1,187,104,886)	(449,061,584)	(638,170,851)	53.8%	(738,043,302)	164.4%
Financial assets pledged as collateral	(212,758,832)	(87,930,072)	(54,150,308)	(124,828,760)	142.0%	(33,779,764)	62.4%
All other assets	(212,443,479)	(110,734,745)	(117,426,001)	(101,708,734)	91.8%	6,691,256	(5.7)%
TOTAL ASSETS (A)	(5,963,815,560)	(3,641,923,114)	(2,346,804,115)	(2,321,892,446)	**63.8%**	(1,295,118,999)	**55.2%**
LIABILITIES							
Deposits	4,107,650,489	2,656,858,043	1,722,933,652	1,450,792,446	54.6%	933,924,391	54.2%
Other financial liabilities	492,405,836	260,294,598	152,099,678	232,111,238	89.2%	108,194,920	71.1%
Bank loans	44,794,540	38,229,167	28,505,103	6,565,373	17.2%	9,724,064	34.1%
Corporate bonds issued	4,790,921	1,319,635	2,959,358	3,471,286	263.0%	(1,639,723)	(55.4)%
Income tax liabilities	68,702,146	2,373,681	4,981,721	66,328,465	2,794.3%	(2,608,040)	(52.4)%
All other liabilities	416,648,318	266,801,625	184,027,440	149,846,693	56.2%	82,774,185	45.0%
TOTAL LIABILITIES (B)	5,134,992,250	3,225,876,749	2,095,506,952	1,909,115,501	**59.2%**	1,130,369,797	**53.9%**
Net monetary inflation adjustments (A) + (B)	**(828,823,310)**	**(416,046,365)**	**(251,297,163)**	**(412,776,945)**	**99.2%**	**(164,749,202)**	**65.6%**

- *Exchange Rates*

The following tables show the annual high, low, average and period-end exchange rate for US$1.00 for the periods indicated. The exchange rate is calculated by the Central Bank based on the information provided by financial institutions on the exchange rate for trading of U.S. dollars for settled transactions in Argentine pesos and U.S. dollars. Such information must be representative of the prevailing market conditions. After gathering this information, the Central Bank calculates the daily exchange rate using the formula set out in Annex I of Communication "A" 3500.

The Federal Reserve Bank of New York does not report a noon buying rate for pesos.

Year /Period	High (1)	Low (1)	Average (2)	Period-end
	(in pesos per US$1,00)			
2019	60.0033	37.0350	48.2423	59.8950
2020	84.1450	59.8152	70.5941	84.1450
2021	102.7500	84.7033	95.1615	102.7500
2022	177.1283	103.0400	130.8089	177.1283
October 2023	350.0250	350.000	350.0204	350.0083

November 2023	360.5250	349.9917	353.8404	360.5250
December 2023	808.4833	361.0250	641.9947	808.4833
2023	808.4833	178.1417	295.2123	808.4833
January 2024	826.2500	810.6500	818.3455	826.2500
February 2024	842.2500	826.8500	834.9140	842.2500
March 2024	857.4167	842.7500	850.3377	857.4167
April 2024 (through April 15, 2024)	868.2500	861.2500	864.5278	868.2500

(1) Source: BCRA.
(2) For annual averages, this is the average of monthly average rates during the period.

Fluctuations in the exchange rate between pesos and dollars affect the dollar equivalent of the peso price of the ordinary shares on the ByMA and as a result, would most likely affect the market price of the ADSs, Fluctuations in exchange rates also affect dividend income measured in dollars. The Bank of New York Mellon, as depositary for the ADSs is required, subject to the terms of the deposit agreement, to convert pesos to dollars at the prevailing exchange rate at the time of making any dividend payments or other distributions. The following table shows the rate of devaluation of the peso compared with the dollar at year end, the rate of exchange (number of pesos per dollar prevailing in the Argentine foreign exchange market at year end) and the rate of inflation for consumer price for the fiscal years ended December 31, 2023, 2022, 2021, 2020 and 2019.

Since the repeal of the Convertibility Law in January 2002, the peso has devalued 86,725% compared with the dollar.

	As of and for the year ended December 31,				
	2023	2022	2021	2020	2019
Devaluation Rate(1)	356.44%	72.39%	22.11%	40.49%	58.42%
Exchange Rate(2)	808.4833	177.1283	102.7500	84.1450	59.8950
Inflation Rate(3)	211.40%	94.79%	50.94%	36.14%	53.83%

(1) For the twelve-month period then ending according to the Central Bank.
(2) Pesos per dollar according to the Central Bank.
(3) The inflation rate presented is for the CPI published by the Argentine National Statistics and Censuses Institute ("INDEC") and is calculated over the prior twelve months.

Share of profit of equity accounted investees

Share of profit of equity accounted investees increased to Ps.1,156.6 million for the fiscal year ended December 31, 2023 from a loss of Ps.1,452.7 million for the fiscal year ended December 31, 2022 which in turn decreased from a loss of Ps.341.1 million for the fiscal year ended December 31, 2021. These variations are directly related to the profits or losses of the Bank's subsidiaries.

Income tax

Income tax expense for the fiscal year ended December 31, 2023 was a loss of Ps.156,070.3 million, compared to an income of Ps.7,859.1 million recorded for the fiscal year ended December 31, 2022 which increased from a loss of Ps.28.034,6 million for the fiscal year ended December 31, 2021. These variations were mainly due to the inflationary effect for tax purposes.

The changes in our consolidated statement of comprehensive income for 2023, 2022 and 2021 were as follows:

Profit or loss for financial instruments at fair value through other comprehensive income (FVOCI)

Profit or loss for financial instruments at FVOCI for the fiscal year ended December 31, 2023 were a loss of Ps.208,280.1 million, compared to a loss of Ps.44,267.9 million recorded for the fiscal year ended December 31, 2022 which in turn decreased from a loss of Ps.21,206.1 million for the fiscal year ended December 31, 2021. These variations were mainly due to the effect of the accrual of interest on the financial instruments' portfolio registered under this line item.

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Share in other comprehensive income (OCI)/loss from investees at equity-method

Share in OCI/loss from investees at equity-method for the fiscal year ended December 31, 2023 was Ps.0 compared to December 31, 2022 that was Ps.339.4 million, compared to a loss of Ps.21.6 million recorded for the fiscal year ended December 31, 2021. These variations were mainly due to the percentage of participation that the Bank had over the investments in securities classified in OCI of its investees.

Fair value changes for hedging instruments—Cash flow hedge

The Bank did not record a balance for fair value changes for hedging instruments—Cash flow hedge in 2023, 2022 nor 2021.

Fair value changes for equity instruments at fair value through other comprehensive income (FVOCI)

Fair value changes for equity instruments at FVOCI for the fiscal year ended December 31, 2023 was Ps.1,623.4 million compared to a loss of Ps.7.4 million recorded for the fiscal year ended December 31, 2022 which in turn decreased from Ps.13.3 million profits for the fiscal year ended December 31, 2021.

Summary of Financial Position

	As of December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Cash and cash equivalents	1,142,679,367	922,374,620	1,324,071,770	220,304,747	23.9%	(401,697,150)	(30.3)%
Financial assets at fair value through profit or loss	240,052,522	101,495,702	64,400,833	138,556,820	136.5%	37,094,869	57.6%
Financial assets at amortized cost	3,431,682,657	2,695,838,377	3,425,311,457	735,844,280	27.3%	(729,473,080)	(21.3)%
Financial assets at fair value through other comprehensive income	843,869,573	1,922,420,488	1,013,481,686	(1,078,550,915)	(56.1)%	908,938,802	89.7%
Investment in joint ventures and associates	12,366,232	10,797,712	12,357,247	1,568,520	14.5%	(1,559,535)	(12.6)%
Tangible assets	358,370,632	360,738,833	325,873,872	(2,368,201)	(0.7)%	34,864,961	10.7%
Intangible assets	33,137,494	29,949,642	22,296,181	3,187,852	10.6%	7,653,461	34.3%
Income tax assets	3,006,156	4,854,415	22,706,184	(1,848,259)	(38.1)%	(17,851,769)	(78.6)%
Other assets	44,091,677	29,285,976	41,604,541	14,805,701	50.6%	(12,318,565)	(29.6)%
Non-current assets held for sale	852,195	700,909	1,832,590	151,286	21.6%	(1,131,681)	(61.8)%
TOTAL ASSETS	**6,110,108,505**	**6,078,456,674**	**6,253,936,361**	**31,651,831**	**0.5%**	**(175,479,687)**	**(2.8)%**
Financial liabilities at fair value through profit or loss	12,475,553	1,041,154	1,906,031	11,434,399	1,098.2%	(864,877)	(45.4)%
Financial liabilities at amortized cost	4,128,571,787	4,522,599,338	4,744,768,319	(394,027,551)	(8.7)%	(222,168,981)	(4.7)%
Provisions	20,723,763	26,997,156	34,049,224	(6,273,393)	(23.2)%	(7,052,068)	(20.7)%
Income tax liabilities	210,542,533	35,892,527	54,277,039	174,650,006	486.6%	(18,384,512)	(33.9)%
Other liabilities	323,018,173	366,501,441	430,098,337	(43,483,268)	(11.9)%	(63,596,896)	(14.8)%
TOTAL LIABILITIES	4,695,331,809	4,953,031,616	5,265,098,950	(257,699,807)	**(5.2)%**	(312,067,334)	**(5.9)%**
Equity attributable to owners of the Bank	1,396,808,614	1,108,598,940	969,299,507	288,209,674	26.0%	139,299,433	14.4%
Non-controlling interests	17,968,082	16,826,118	19,537,904	1,141,964	6.8%	(2,711,786)	(13.9)%
TOTAL EQUITY	**1,414,776,696**	**1,125,425,058**	**988,837,411**	**289,351,638**	**25.7%**	**136,587,647**	**13.8%**
SELECTED RATIOS							
Profitability and Performance							
Return on average total assets (1)	2.57%	2.97%	0.90%				
Return on average total equity (2)	12.52%	17.64%	5.71%				
Capital							
Total equity as a percentage of total assets	23.15%	18.51%	15.81%				
Total liabilities as a multiple of total equity	3.32x	4.4x	5.32x				
Credit Quality							
Allowances for loan losses as a percentage of financial assets at amortized cost (loans and advances)	1.78%	3.25%	2.99%				
Allowances for loan and credit losses	60,971,398	87,669,090	102,268,937	(26,697,692)	(30.5)%	(14,599,847)	(14.3)%
Financial assets at amortized cost (loans and advances)	3,431,682,657	2,695,838,377	3,425,311,457	735,844,280	27.3%	(592,590,662)	(18.0)%

	As of December 31,			Variation			
	2023	2022	2021	2023 vs 2022		2022 vs 2021	
	(in thousands of pesos, except percentages)						
Charge-off during the period/ average amounts outstanding							
Loans and advances to government sector	0.0%	0.0%	0.0%				
Charge-off during the period	—	—	—	—	0.0%	—	0.0%
Average amounts outstanding	95,305	4,198	2,005	91,107	2,170.2%	2,193	109.4%
Loans and advances to central bank	0.0%	0.0%	0.0%				
Charge-off during the period	—	—	—	—	0.0%	—	0.0%
Average amounts outstanding	357	14,882	—	(14,525)	(97.6)%	14,882	N/A
Loans and advances to financial institutions	0.0%	0.0%	0.0%				
Charge-off during the period	—	—	—	—	0.0%	—	0.0%
Average amounts outstanding	9,706,445	19,078,333	21,103,616	(9,371,888)	(49.1)%	(2,025,283)	(9.6)%
Loans and advances to customers	1.4%	1.9%	1.5%				
Charge-off during the period	27,955,398	39,312,392	32,381,174	(11,356,994)	(28.9)%	6,931,218	21.4%
Average amounts outstanding	2,022,955,265	2,061,299,669	2,230,900,208	(38,344,404)	(1.9)%	(169,600,539)	(7.6)%

(1) Profit or loss for the year attributable to owners of the Bank as a percentage of average total assets, computed as the average of fiscal-year-beginning and fiscal-year-ending balances.

(2) Profit or loss for the year attributable to owners of the Bank as a percentage of average shareholders' equity, computed as the average of fiscal-year-beginning and fiscal-year-ending balances.

Significant changes in financial position

The Bank's assets increased in 2023 compared to 2022 primarily due to an increase in financial assets at amortized cost mainly due to an increase in reverse repurchase agreements, an increase in cash and cash equivalents, and an increase in financial assets at fair value through profit or loss due to an increase in debt securities.

Loans to the private sector in pesos decreased 16.1% compared to 2022. During the last year, the decrease was especially driven by a general decline in loans, particularly an 18.6% decrease in credit cards, followed by a 38.3% decrease in other loans (mainly commercial loans) and a 31.6% decrease in consumer loans, which were partially offset by a 27.1% increase in discounted instruments, driven by increased activity.

Loans to the private sector denominated in foreign currency increased 48.2% compared to 2022 mainly due to a 96.2% increase in financing and prefinancing of exports.

On the other hand, the Bank's liabilities decreased in 2023 compared to 2022 primarily due to a decrease in financial liabilities at amortized cost due to a decrease in the deposits' portfolio and a decrease in bank loans.

B. Liquidity and Capital Resources

Asset and Liability Management

The purpose of the asset and liability management is to structure our consolidated statement of financial position in light of interest rates, liquidity and foreign exchange risks, as well as market risk, public sector risk and our capital structure. Our Asset and Liability Committee establishes specific limits with respect to risk exposure, sets forth our policy with respect to pricing and approves commercial policies which may have a financial impact on our balance sheet. It is also responsible for the follow-up of monetary aggregates and financial variables, our liquidity position, regulations from the Central Bank and monitoring the competitive environment in assets, liabilities and interest rates.

Liquidity

Our asset and liability management policy attempts to ensure that sufficient liquidity is available to meet our funding requirements. As a measure of our liquidity, our ratio of liquid assets to total deposits was 37.99%, 25.03%, and 32.31%, at December 31, 2023, 2022 and 2021. Liquid assets include cash and cash equivalents and financial assets at fair value through profit or loss.

Our primary source of funds is our deposit base, which primarily consists of peso- and dollar-denominated deposits in checking accounts, savings accounts and time deposits from individuals and corporations. Deposits at December 31, 2023 totaled Ps.3,639,307 million compared with Ps.4,091,312 million at December 31, 2022.

As of December 31, 2023, the Bank, excluding its subsidiaries, had no outstanding corporate bonds.

Including the Bank's subsidiaries, as of December 31, 2023 and 2022, the outstanding principal and accrued interest on corporate bonds amounted to Ps.12,816,710 and Ps.595,354 respectively.

Dividends and other payments from our Argentine non-banking subsidiaries also provide an additional potential source of liquidity, even though relatively insignificant in amount. Each Argentine non-banking subsidiary is required to allocate 5% of its annual net income to a legal reserve until such reserve equals 20% of the subsidiary's capital stock. This reserve cannot be used to pay us dividends.

In addition, the Bank ordinarily enters into transactions involving off-balance sheet financial instruments. We use these instruments to meet the risk management, trading and financing needs of clients or for our proprietary trading and asset and liability management purposes. These instruments are subject to varying degrees of credit and market risk. We monitor credit risk and market risk associated with on- and off-balance sheet financial instruments on an aggregate basis.

We use the same credit policies in determining whether to enter or extend call and put option contracts, commitments, conditional obligations and guarantees as we do for granting loans. Our management believes that the outstanding off-balance sheet items do not represent an unusual credit risk.

- *Derivatives*

The market risk of derivatives arises from the potential for changes in value due to fluctuations in market prices. We reduce our exposure to market risk, if necessary, by entering into offsetting transactions in accordance with the hedging global policy defined by the Bank and its subsidiaries. The credit risk of derivatives arises from the potential of a counterparty to default on its contractual obligations. The effect of such a default varies as the market value of derivative contracts changes. Credit exposure exists at a particular point in time when a derivative has a positive market value. We attempt to limit our credit risk by dealing with creditworthy counterparties and obtaining collateral where appropriate.

- *Credit Commitments*

Credit commitments are agreements to lend to a customer at a future date, subject to compliance with contractual terms. Credit commitments generally have fixed expiration dates or other termination clauses and may require the payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent actual future cash requirements for the Bank. The Bank evaluates each customer's creditworthiness on a case-by-case basis. Foreign trade acceptances represent Bank customers' liabilities on outstanding drafts or bills of exchange that have been accepted by the Bank and the Bank's liability to remit payment upon the presentation of the accepted drafts or bills of exchange. The credit risk involved in foreign trade acceptances and guarantees granted is essentially the same as that involved in extending loan facilities to customers.

- *Trust Activities*

We act as trustee in several financial trusts established for various purposes. We are not personally liable for the liabilities assumed in the performance of the trust obligations. Any liabilities resulting from the trust are satisfied with and up to the full amount of the trust assets or their proceeds.

In addition, we act as trustee in 12 non-financial trusts. We are in no case personally liable for the liabilities assumed in the performance of the contract obligations. Any liabilities are satisfied with and up to the full amount of the trust assets and their proceeds. The non-financial trusts at issue were set up to secure the receivables of several creditors (beneficiaries) and the trustee was entrusted with the management, care, preservation and custody of the trust assets. The trust assets represented Ps.1,986.7 million as of December 31, 2023 and mainly consisted of cash, creditors' rights, real estate and shares.

Capital Stock

As at December 31, 2023 the Bank's capital stock consisted of 612,710,079 ordinary shares, par value Ps.1,00 each, all of which were issued to the stockholders. The capital stock of the Bank, after taking into account the adjustment for inflation, amounted to Ps.417,879,151 as of December 31, 2023.

Interest Rate Sensitivity

A key component of our asset and liability policy is the management of interest rate sensitivity. Interest rate sensitivity measures the exposure of net interest income to interest rate changes. For any given period, the pricing structure is matched when an equal amount of assets and liabilities reprice. Any mismatch of interest-earning assets and interest-bearing liabilities is known as a gap position and is shown in the following tables. A negative gap denotes liability sensitivity and normally means that a decline in interest rates would have a positive effect on net interest income while an increase in interest rates would have a negative effect on interest income.

Our interest rate sensitivity strategy, which seeks to maintain exposure within levels that are consistent with the Bank's risk appetite framework approved by the Board of Directors, takes into account not only the rates of return and their underlying risk, but also liquidity requirements, including minimum regulatory cash reserves, mandatory liquidity ratios, withdrawal and maturity of deposits and additional demands for funds.

The following table shows the interest rate sensitivity of our interest-earning assets and interest-bearing liabilities. Variations in interest rate sensitivity may also arise within the repricing periods presented.

	Remaining Maturity or Earliest Repricing Intervals at December 31, 2023					
	0-3 months	3 Months-One Year	1-5 Years	5-10 Years	Over 10 Years	Total
	(in thousands of pesos, except percentages)					
Interest-earning assets:						
Interest earning deposits in banks	7,972,667	99,086,483	34,420,575	—	—	141,479,725
Government securities	373,228,985	481,803,755	117,533,779	—	—	972,566,519
Corporate bonds	1,266,111	43,602	9,799,778	—	—	11,109,491
Loans and advances (1)	1,305,982,809	436,831,178	213,822,724	26,791,116	37,491,140	2,020,918,967
Total	1,688,450,572	1,017,765,018	375,576,856	26,791,116	37,491,140	3,146,074,702
Interest-bearing liabilities:						
Deposits	1,779,765,269	74,265,726	748,104	—	—	1,854,779,099
Corporate bonds	12,816,710	—	—	—	—	12,816,710
Due to other banks	374,337,949	—	—	—	—	374,337,949
Total	2,166,919,928	74,265,726	748,104	—	—	2,241,933,758
Asset/liability gap	(478,469,356)	943,499,292	374,828,752	26,791,116	37,491,140	904,140,944
Cumulative sensitivity gap	(478,469,356)	465,029,936	839,858,688	866,649,804	904,140,944	
Cumulative sensitivity gap as a percentage of total interest-earning assets	(15.21%)	14.78%	26.70%	27.55%	28.74%	

(1) Loan and advances amounts are stated before deducting the allowance for loan losses.

The following table shows the interest rate sensitivity of our peso-denominated interest-earning assets and interest-bearing liabilities.

	Remaining Maturity or Earliest Repricing Intervals at December 31, 2023					
	0-3 months	3 Months-One Year	1-5 Years	5-10 Years	Over 10 Years	Total
	(in thousands of pesos, except percentages)					
Interest-earning assets:						
Interest earning deposits in banks	4,735,488	96,176,483	34,420,575	—	—	135,332,546
Government securities	150,166,116	481,288,547	117,533,779	—	—	748,988,442
Corporate bonds	1,266,111	43,602	3,879,772	—	—	5,189,485
Loans and advances (1)	1,273,109,457	435,744,250	213,822,724	26,791,116	37,491,140	1,986,958,687
Total	1,429,277,172	1,013,252,882	369,656,850	26,791,116	37,491,140	2,876,469,160
Interest-bearing liabilities:						
Deposits	825,561,475	72,744,706	648,141	—	—	898,954,322
Corporate bonds	12,816,710	—	—	—	—	12,816,710
Due to other banks	373,899,958	—	—	—	—	373,899,958
Total	1,212,278,143	72,744,706	648,141	—	—	1,285,670,990
Asset/liability gap	216,999,029	940,508,176	369,008,709	26,791,116	37,491,140	1,590,798,170
Cumulative sensitivity gap	216,999,029	1,157,507,205	1,526,515,914	1,553,307,030	1,590,798,170	
Cumulative sensitivity gap as a percentage of total interest-earning assets	7.54%	40.24%	53.07%	54.00%	55.30%	

(1) Loan and advances amounts are stated before deducting the allowance for loan losses.

The following table shows the interest rate sensitivity of our foreign currency denominated interest-earning assets and interest-bearing liabilities.

	Remaining Maturity or Earliest Repricing Intervals at December 31, 2023					
	0-3 months	3 Months-One Year	1-5 Years	5-10 Years	Over 10 Years	Total
	(in thousands of pesos, except percentages)					
Interest-earning assets:						
Interest earning deposits in banks	3,237,179	2,910,000	—	—	—	6,147,179
Government securities	223,062,869	515,208	—	—	—	223,578,077
Corporate bonds	—	—	5,920,006	—	—	5,920,006
Loans and advances (1)	32,873,352	1,086,928	—	—	—	33,960,280
Total	259,173,400	4,512,136	5,920,006	—	—	269,605,542
Interest-bearing liabilities:						
Deposits	954,203,794	1,521,020	99,963	—	—	955,824,777
Due to other banks	437,991	—	—	—	—	437,991
Total	954,641,785	1,521,020	99,963	—	—	956,262,768
Asset/liability gap	(695,468,385)	2,991,116	5,820,043	—	—	(686,657,226)
Cumulative sensitivity gap	(695,468,385)	(692,477,269)	(686,657,226)	(686,657,226)	(686,657,226)	
Cumulative sensitivity gap, and as a percentage of total interest-earning assets	(257.96%)	(256.85%)	(254.69%)	(254.69%)	(254.69%)	

(1) Loan and advances amounts are stated before deducting the allowance for loan losses.

Exchange Rate Sensitivity

At December 31, 2023, our total foreign exchange-denominated asset position was Ps.1,654,077 million and our total foreign exchange-denominated liability position was Ps.1,426,790 million, resulting in a net asset currency position of Ps.227,287 million. For a description of foreign exchange risk, see *"Item 11. Quantitative and Qualitative Disclosures About Market Risk—Foreign Exchange Risk"*.

Capital Requirements

As of December 31, 2023, we had consolidated excess capital of Ps.804,004.0 million pursuant to the Central Bank's rules. At such date, total capital, subject to applicable deductions, amounted to Ps.1,140,647.9 million under the Argentine risk-based capital guidelines, which are based on the Basel Accord.

As of December 31, 2022, we had consolidated excess capital of Ps.646,937.7 million pursuant to the Central Bank's rules. At such date, total capital, subject to applicable deductions, amounted to Ps.958,835.1 million under the Argentine risk-based capital guidelines, which are based on the Basel Accord.

As of December 31, 2023, we complied with the Central Bank's capital requirements on a consolidated basis. See a description of the minimum capital requirements currently in effect in *"Item 4. Information on the Company—F. The Argentine Banking System and its Regulatory Framework"*.

As of December 31, 2023, 2022 and 2021, our shareholders' equity was Ps.1,414,776.7 million, Ps.1,125,425.1 million and Ps.988,837.4 million, respectively. At such dates, our ratio of average shareholders' equity/average total assets was 20.84%, 17.14% and 16.17%, respectively.

In our opinion, our capital resources are sufficient for the Bank's present requirements on an individual and a consolidated basis.

We are not aware of any legal or economic restrictions on the ability of our subsidiaries to transfer funds to us in the form of dividends, loans or advances, subject to the regulations of each industry, or corporate law requirements. However, there can be no assurance that in the future such restrictions will not be adopted and that, if adopted, they will not negatively affect our liquidity.

The following table sets forth, for the dates indicated, the calculation of our excess capital under the Central Bank's rules and certain capital and liquidity ratios.

	At December 31,		
	2023	**2022**	**2021**
	(in thousands of pesos, except ratios and percentages)		
Calculation of excess capital (1)			
Allocated to assets at risk	222,092,365	219,153,734	254,228,499
Incremental minimum capital requirements originated in excesses in other regulations (2)	17,505,613	—	—
Credit risk	239,597,978	219,153,734	254,228,499
Market risk	6,537,813	4,611,870	1,376,981
Operational risk	90,508,105	88,131,816	91,840,536
Required minimum capital under Central Bank rules	336,643,896	311,897,420	347,446,016
Basic net worth	1,136,940,621	937,565,827	834,069,148
Complementary net worth	—	15,884,427	22,439,564
Deductions	—	—	—
Minority interest	3,707,256	5,384,842	5,749,484
Total capital under Central Bank rules	1,140,647,877	958,835,096	862,258,196
Excess capital	804,003,981	646,937,676	514,812,180
Selected capital and liquidity ratios			
Average shareholders' equity as a percentage of average total assets (3)	20.84%	17.14%	16.17%
Total liabilities as a multiple of total shareholders' equity	3.32x	4.40x	5.32x
Cash and due from banks as a percentage of total deposits	31.40%	22.54%	30.82%
Liquid assets as a percentage of total deposits (4)	59.53%	73.96%	57.71%
Loans as a percentage of total assets	32.33%	36.74%	36.74%

(1) See *"Item 4. Information on the Company—F. The Argentine Banking System and Its Regulatory Framework—Capital Adequacy Requirements"* for a discussion of the Central Bank's capital requirements.

(2) The increase in the minimum capital credit risk requirement results from the failure to comply with the maximum limit established by the BCRA for financing to the non-financial public sector for 15 days in December 2023. According to the provisions of the regulations, this non-compliance results in an increase in the minimum capital requirement for credit risk by an amount equivalent to 100% of the excess of the ratio, from the month in which the defaults are first registered and for as long as they remain. In the case of credit ratios, the calculation of the set-aside shall be made on the basis of the monthly average of the daily excesses. As of the date of this annual report on form 20-F, the aforementioned situation has been regularized.
(3) Average shareholders' equity and average total assets computed as the average of period-beginning and period-ending balances.
(4) At December 31, 2023, 2022 and 2021"Liquid Assets" includes cash and cash equivalents and financial assets at fair value through profit or loss.

Market discipline

The BCRA imposed by Communication "A" 5394 the mandatory publication on the website of financial institutions of certain information in order to allow market participants to assess the information related to capital, risk exposures, assessment processes risk and capital adequacy of each of them. Financial institutions must provide appropriate information to ensure transparency in the management and measurement of risks and the adequacy of their capital.

This standard applies to the highest level of consolidation of each entity. Information concerning BBVA Argentina is available at: https://ir,bbva,com,ar/informacion-financiera/disciplina-del-mercado/. Such information is not incorporated by reference in this document.

Credit Ratings

The cost and availability of debt financing are influenced by our credit ratings. A reduction in these ratings could increase the cost of and reduce our market access to debt financing. See *"Item 3. Key Information—D. Risk Factors-Risks Relating to the Argentine Financial System and to BBVA Argentina—Our credit ratings depend on Argentine sovereign credit ratings, and such dependence limits our access to international financial markets.*"

S&P Global Ratings

S&P Global Ratings has issued during 2021, 2022, 2023 and through the date of this Annual Report, in respect of BBVA Argentina, local long-term institutional ratings ranging from raCCC+ to raBBB- and short-term institutional ratings ranging from raC to raA-3, and in respect of BBVA Argentina's negotiable obligations program ratings ranging from raCCC+ to raBBB-, As of the date of this Annual Report. S&P Global Ratings current long term institutional rating of BBVA Argentina is raCCC+, short term institutional rating of BBVA Argentina is raC and the rating of BBVA Argentina's negotiable obligations program is raCCC+, with a negative outlook.

Fix SCR

During 2021, 2022, 2023 and through the date of this Annual Report, Fix SCR's long term national credit rating of BBVA Argentina has been AAA(arg), short term national credit rating of BBVA Argentina has been A1+(arg) and the rating of BBVA Argentina's corporate bonds program has been AAA(arg). As of the date of this Annual Report, Fix SCR's outlook with respect to BBVA Argentina's ratings is stable.

Fitch Ratings

Fitch Ratings has issued during 2021, 2022, 2023 and through the date of this Annual Report, in respect of BBVA Argentina, foreign currency long term ratings ranging from CCC- to CCC, local currency long term ratings ranging from CCC- to CCC, and viability ratings ranging from ccc- to ccc. As of the date of this Annual Report, Fitch Ratings' foreign currency long term rating of BBVA Argentina is CCC-, local currency long term rating of BBVA Argentina is CCC- and BBVA Argentina's viability rating is ccc-.

C. Research and Development, Patents and Licenses

We incur research and development expenses in connection with technology information systems. The amount spent during each of the last three years was not material and we hold no material patents and do not license to others any of our intellectual property.

We plan the update and development of technological infrastructure (data processing, management, deployment of communication schemes, support for electronic channel platforms, information security management and asset protection) based on current and prospective demand of such services.

We acquire the necessary technology, and equipment from third parties.

D. Trend Information

We believe that the macroeconomic environment and the following trends in the Argentine financial system and in our business have affected and will, for the foreseeable future, continue to affect our results of operations and profitability. Our continued success and ability to increase our value to our shareholders will depend upon, among other factors, economic growth in Argentina and the corresponding growth of the market for long-term private sector lending and access to financial products and services by a larger segment of the population. This analysis should be read in conjunction with the discussion in *"Item 3, Key Information—D, Risk Factors"* and "*Item 4, Information on the Company– Recent Political and Economic Developments in Argentina"* of this annual report on Form 20-F.

Trends related to climate change

There is an increasing concern over ESG and climate change matters, which may result, among others, in changes in consumer preferences and additional legislation and regulatory requirements. Further, climate-related disasters could result in market volatility, negatively impact customers' ability to pay outstanding loans, result in the deterioration of the value of collateral or in insurance shortfalls or otherwise disrupt the operations of banks or the operations of their customers or third parties on which they rely. See *"Item 3, Key Information—D, Risk Factors—The Bank is exposed to various risks in connection with climate change".*

Argentina continues to pursue the CO2 emissions reduction which began in 2015, although there is still a long way to go. A recent World Bank study shows droughts and floods as major climate risk factors in Argentina, due to their strong impact on agricultural output and poverty, respectively. The environmental agenda should include structural measures to achieve the challenging goals proposed in the Paris agreement.

Trends related to the international and local scenario

The most relevant event in 2021 was the acceleration of Covid-19 vaccination. Argentina reached an agreement with laboratories in Russia, China and the United Kingdom to be supplied with vaccines for most of its population. Initially, given the difficulty in distributing vaccines globally. Argentina suffered delays in deliveries, which resulted in the vaccination campaign being later than initially scheduled. However, vaccination sped up in the second half of the year, driving a global economic recovery that positively affected Argentina.

On February 24, 2022 Russia invaded Ukraine initiating the largest military attack on a European state since World War II. This conflict has affected the Argentine economy, primarily as a result of an increase in international soybean, wheat, corn and fuel prices. Soybean prices increased to historically high levels in 2022, resulting in an increase of commercial dollar inflows. Conversely, as Argentina imports fuels, a significant increase in fuel prices caused a larger deficit in the energy balance.

As of the end of 2022 Argentina held a positive trade balance of US$6.92 billion. Inflation in 2022 reached 94.8% with inflation related to food products reaching 95% from 50.3% in 2021, mainly due to the raise in commodity prices that resulted from the Russia-Ukraine conflict.

In 2023, concerns arose with respect to the financial condition of a number of banking organizations in the United States and Europe, in particular those with exposure to certain types of depositors and large portfolios of investment securities. On March 10, 2023 Silicon Valley Bank was closed by the California Department of Financial Protection and Innovation and the Federal Deposit Insurance Corporation was appointed receiver of Silicon Valley Bank. On March 11, 2023, Signature Bank was similarly closed and placed into receivership and concurrently the Federal Reserve Board announced it would make available additional funding to eligible depository institutions to assist eligible banking organizations with potential liquidity needs. In Europe, on March 15, 2023 the National Swiss Bank announced several measures amounting to approximately 50 billion Swiss francs to provide Credit Suisse with liquidity and on March 20, 2023 UBS announced that it would acquire Credit Suisse for approximately US$3,250 million. Additionally, in 2023, the Argentine economy was adversely affected by the severe drought suffered in recent years which adversely affected the agricultural sector, resulting in an estimated reduction in dollar inflows of approximately US$20 billion.

Trends related to the Argentine financial system

Argentina has a small and under-penetrated system compared to its peers in Latin America. For this reason, we believe that the financial sector has potential room to grow if adequate policies are implemented and inflation and interest rates are normalized.

In terms of the distribution network, the financial sector has a good penetration, with points of sales covering all the provinces, advanced technology, strong regulations and good practices.

According to BBVA Research estimates, the Argentine financial system is expected to stagnate in the coming years, with private loans and total deposits to GDP ratios of approximately 6.3% and 16.42%, respectively, for 2024.

The Argentine banking system remains largely unconsolidated, with significantly more financial institutions compared to other countries of the region.

Trends related to BBVA Argentina

2023 was a challenging year for Argentine economy and financial markets, with an estimated GDP contraction of 1.6%, fiscal deficit of approximately 2.7% of GDP, and inflation increasing from 95% to 211%. Macroeconomic imbalances, a severe drought that adversely affected the harvest and Central Bank reserves shortage resulted in increased foreign trade debts and led to more capital controls and regulation, which coupled with the political uncertainty arising from the presidential elections, adversely affected the market. Throughout the year, the Central Bank increased interest rates from 75% to 133%, but the increase could not prevent an inflation acceleration and exchange rate volatility, particularly in the context of an increased fiscal deficit as a result of the electoral campaign.

In November 2023, Javier Milei was elected president, and took office in December 10, 2023. Milei has announced a broad range of populist measures but he will likely face the challenge from Congress where he does not have sufficient support. The Milei administration has adopted, among others, the following measures: a significant adjustment of utilities, transport and fuel prices (all of them heavily subsidized), a devaluation of 54% of the Peso and the announcement of a zero fiscal deficit target by the end of 2024.

Deposit and loan activity in local currency kept growing below inflation in 2023, falling around 25% in real terms, loan to GDP ratio continued to decrease, foreign currency deposits remained relatively stable, decreasing by 3%, while US$ loans fell 2% continuing the decreasing trend that started in 2019.

The expectation generated by the Milei administration could potentially result in higher foreign currency loans and deposits, but the Bank will continue to show a high level of prudency regarding the management of this segment of the balance sheet.

We expect local currency activity in 2024 to start a gradual recovery, particularly during the second half of the year.

Regarding the level of interest rates they were below inflation through many months of the year. In addition, we had the expectation that this negative real rate process could deepen in the case a new government should implement a stabilization plan. As a consequence, and as it was mentioned last year, the bank kept a portfolio of treasury bonds linked to the evolution of inflation or foreign exchange, in order to protect the bank equity from the eroding effects of inflation. This portfolio was a bit higher in relative terms when compared to 2022, reaching at its peak a level of around 16% of total assets.

The Central Bank has continued to regulate the level of interest rates for many lines of business, including time deposits, and some retail and SMEs products as well as certain minimum loan volumes that banks have to lend to specific customer groups. Even if these regulations are still in place as of the date of this annual report, we have the expectation that at some point during 2024 these regulations may start to be removed, in line with the measures announced by the Milei administration.

In 2024 banks continued to be subject to restrictions on their ability to distribute dividends. According to regulations from the Central Bank, banks are allowed to distribute dividends for up to 60% of their "distributable profit” to December 2023 in six equal, monthly and consecutive installments once authorization is obtained by the BCRA. We believe these limitations could start to soften in the future.

The Bank continued to show strong levels of liquidity and solvency, which we expect to maintain in coming years. In general, we expect volatility in financial variables to remain to a certain extent until the stabilization plan established by the Milei administrations starts to show results.

BBVA Argentina seeks to keep the strong pace it has shown during the last years in terms of customer growth (both commercial and retail) and its digitalization strategy, as the transformation process in which the Bank embarked a few years ago is a key component of our strategy. In this sense, the Bank expects to focus on tools like Net Promoter Score, which allows us to know the degree of satisfaction of our customers with our service and address the necessary steps to continue improving it. Regarding our digitalization strategy, the accelerated adoption of digital tools by our customers that began in 2020, has had a consolidation during 2023. We expect to continue to develop new features and tools to improve our customers' financial health. These are developed collaboratively among the countries in which the BBVA platform has been implemented, generating global synergies in the development of new features and the response to market.

BBVA Argentina's management has emphasized the need of taking care of the business and managing volatility, and maintaining robust liquidity and solvency ratios.

E. Critical Accounting Estimates

Not Applicable.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Directors

The Bylaws of BBVA Argentina state that the Bank's management is led by a board of directors consisting of a minimum of three and a maximum of nine directors, who are elected by the shareholders to hold such office for a period of three years and who may be re-elected (the "Board" or the "Board of Directors"). The Bylaws also provide for the appointment of alternate directors. According to the Bank's Bylaws, the Board shall meet at least once per month.

The table below indicates the names of the current members of our Board, their present position in the Board, their business background and the date of expiration of the period for which they were elected. According to regulation, the members of the Board whose appointment expired in December 2023, will remain as members of Board at least until the next shareholders' meeting.

Name	Current Term Ends	Current Position	Date of Birth	Present principal occupations and business experience
Lorenzo de Cristóbal de Nicolás	December 2023	Chairman	11/29/1964	Present principal occupation: regular director at BBVA Argentina. Business experience: Head of Options Desk at Bank of America in Madrid and held various executive positions at BBVA, such as: Director of Global Portfolio Management; Head of Market Risks; Director of Guaranteed and Quantitative Funds and Investment Director at BBVA Asset Management. Mr. de Cristóbal de Nicolás was elected Director in April 2022.
Jorge Delfín Luna	December 2025	Vice Chairman 1º	11/17/1958	Present principal occupation: regular director at BBVA Argentina; PSA Finance Argentina Compañía Financiera S.A. and Rombo Compañía Financiera S.A. Business experience: commercial director of BBVA; committee director member at BBVA Argentina; regional interior manager at Banco de Crédito Argentino; director business banking and foreign trade; general manager and vice president of BBVA Uruguay; general manager of Easy Bank (BBVA Argentina); and regional manager at Citibank. Mr. Luna was elected Director in March 2017.
Francisco Javier Pérez Cardete (*)	December 2025	Vice Chairman 2º	02/19/1961	Present principal occupation: regular director at BBVA Argentina. Business experience: South and East territorial director at BBVA; area director at BBVA; and risk responsible of Valencia at BBVA Mr. Javier Pérez Cardete was elected Director in April 2016
Adriana M. Fernández de Melero (*)	December 2025	Regular Director	04/02/1961	Present principal occupation: regular director at BBVA Argentina. Business experience: in charge of profitability analyses and financial planning at Banco Español; development and planning human resources manager at Banco de Crédito Argentino; human resources administration manager at BBVA Argentina; organization manger and productivity at BBVA Argentina; development business manager at BBVA Argentina; director of corporate development and transformation BBVA Argentina; presidential advisor at Banco Provincia. Ms. Melero was elected Director in March 2017.
Ernesto Mario San Gil (*)	December 2023	Regular Director	02/21/1957	Present principal occupation: regular director at BBVA Argentina. Business experience: independent director and member of the Audit Committee of Ternium Argentina S.A. (ex Siderar S.A.); member of the Ad honorem Strategic Board of the Ministry of Modernization of the Argentine Nation; director of IDEA; different positions in EY Argentina (formerly Ernst & Young and Arthur Andersen) including: Chief Strategy Officer (CSO), President and CEO, member of the Executive Committee of the EY South America region, partner in charge of the Transactions practice, partner specialized in Financial Institutions. Mr. San Gil was elected Director in April 2021.

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Name	Current Term Ends	Current Position	Date of Birth	Present principal occupations and business experience
Gustavo A, Mazzolini Casas	December 2025	Regular Director	03/27/1967	Present principal occupation: regular director at BBVA Argentina. Business experience: CFO at BBVA; financial staff country monitoring at BBVA; strategies and financial director lobs and ads at BBVA; financial director at Banco Provincial grupo BBVA; department responsible of coordination financial directions Latam grupo at BBVA; planning financial director at Credilogros Compañía Financiera at BBVA; and financial director at Corp Banca Argentina. Mr. Mazzolini was elected Director in March 2017.
Gabriel Alberto Chaufán	December 2024	Regular Director	02/14/1966	Present principal occupation: regular director at BBVA Argentina; Chairman at BBVA Seguros Argentina S.A. and Regular Director at BBVA Uruguay S.A. Business experience: Chairman at AVIRA, Committee director member at BBVA; Chairman and Chief Executive Officer at Consolidar ART, Consolidar Seguros, Consolidar Salud, Consolidar Retiro and Consolidar AFJP (undergoing liquidation proceedings), Pensions and Insurance Business Manager; Head of the Pension Business and all lines of Insurance (Life, Heritage, Life Annuities, Health) and Group Technical Manager. Mr. Chaufán was elected Director in April 2019.
Gustavo Fabián Alonso	December 2024	Alternate Director	07/02/1964	Present principal occupation: alternate director at BBVA Argentina. Business experience: Commercial Director; Director of Innovation and Development; Retail Product Manager; Manager of Means of Payment and Consumption; Manager of Strategic Alliances and Products; Marketing manager; Zone Manager; and Branch Manager Pilar, San Nicolás and Rosario, all at BBVA Banco Francés. Mr. Alonso was elected Director in April 2022.
Carlos Eduardo Elizalde	December 2024	Alternate Director	06/12/1961	Present principal occupation: alternate director at BBVA Argentina. Business experience: Regional Banking Director of Global Latam Operations at BBVA; General Manager at AL-Rajhi Bank; free-lance consultant in Riyadh KSA Buenos Aires; General Director at Citigroup Miami; Regional Head for Latin America at Citigroup Miami; and Head of Regional Sales at Citigroup Buenos Aires. Mr. Elizalde was elected Director in April 2023.

(*) Qualify as independent directors according to the independence criteria set forth by General Resolution No, 622 of the CNV.

At the ordinary and extraordinary shareholders' meeting held on April 20, 2021, María Isabel Goiri Lartitegui and Gabriel Eugenio Milstein were reelected as Regular Directors. In addition, Ernesto Mario San Gil and Gustavo Alberto Mazzolini Casas were elected as Regular Directors.

On March 29, 2022, Ms. María Isabel Goiri Lartitegui submitted her resignation from the position of Regular Director with effect from the meeting that appointed her replacement.

At the ordinary and extraordinary shareholders' meeting held on April 29, 2022, Lorenzo de Cristóbal de Nicolás was elected as Regular Director to succeed María Isabel Goiri Lartitegui and Gustavo Fabián Alonso was elected as Alternate Director. In addition, Gustavo Alberto Mazzolini Casas was reelected as Regular Director and Gabriel Alberto Chaufán was reelected as Alternate Director.

In June, 2022, Mr. Alfredo Castillo Triguero submitted his resignation from the position of Regular Director and Mr. Javier Pérez Cardete took over his replacement.

At the ordinary and extraordinary shareholders' meeting held on April 28, 2023, Carlos Eduardo Elizalde was elected as Alternate Director.

On December 21, 2023, Gabriel Eugenio Milstein passed away. The Board of Directors on January 12, 2024 in replacement decided to appoint Gabriel Alberto Chaufán who was acting as Alternate Director, as Regular Director.

Senior Management

Our senior management consists of the Chief Executive Officer and those executive officers who have decision-making powers and who report directly to the Chief Executive Officer. As described below, the main members of our senior management are members of the Management Committee. The table below shows the names of our senior managers and the year of their appointment to such position, as well as their business background. The senior managers are appointed for an indefinite period.

Name	First Appointed	Current Position	Date of Birth	Background and Business Experience
Martín Ezequiel Zarich	2015	Chief Executive Officer	04/09/1964	Work Experience: alternate director at BBVA Argentina; regular director at BBVA Consolidar Seguros S.A.; regular director at BBVA Francés Valores S.A.; council chairman at Fundación Banco Francés; director of innovation and development at BBVA Argentina; merger director at BBVA Argentina; planning director at BBVA Argentina; financial director at BBVA Argentina; retail banking director at BBVA Argentina; director at Credilogros; director at BBVA Banco Francés Uruguay; deputy general director, business development at BBVA Group; sub deputy director general development of the business of the BBVA Group; economist at Banco de Crédito Argentino; management control and budget manager at Banco de Crédito Argentino; director of planning, control of management and economics at Banco de Crédito Argentino. Mr. Zarich joined the Bank in 1987.
Carmen Morillo Arroyo	2022	Director, Finance	03/14/1976	Work Experience: Global Financial Planning & Performance discipline leader; Director of Planning and Management Control for Businesses in South America; Manager of Planning and Management Control of South American Banks; Financial Analyst; Business Banking Manager BBVA Spain. Ms. Morillo Arroyo joined the Bank in 2022.
Juan Christian Kindt	2019	Director, Business Development	11/14/1969	Work Experience: Business Execution Manager at BBVA; Segment and Business Manager at BBVA; TMKT Commercial Channels and Customer Service Manager at BBVA; Manager of Financing and Consumption in Commercial Banking at BBVA; Zonal Manager of the Metro Sur zone and Territorial Zonal Manager Buenos Aires at BBVA; Comodoro Rivadavia Branch Manager at BBVA. Mr. Kindt joined the Bank in 1994.

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Name	First Appointed	Current Position	Date of Birth	Background and Business Experience
Leandro Alvarez	2020	Director, Engineering & Data	03/26/1970	Work Experience: Head of Solutions Development at Business Development Officer, Assistant Manager of Channels & Application Architecture; Regional manager for Latin America for the technological replacement of the bank branch systems where BBVA has been present (BBVA Aplica SA) and Assistant Manager of Channels and Markets. Mr. Alvarez joined the Bank in 1994.
Pablo Hernan Jordan	2021	Director, Commercial	06/13/1977	Work Experience: Chief Commercial Officer at BBVA Argentina since October 2021, Previously, he served as Business Coordination Manager, Territorial Manager, Commercial Banking Manager, Deputy Territorial Manager for Retail Banking, Territorial Commercial Assistant, VIP Executive and Individual Banking Officer, all positions at BBVA Argentina. Mr. Jordan joined the Bank in 1998.
Gustavo Osvaldo Fernández	2010	Director, Talent & Culture	01/22/1964	Work Experience: director of technology and operations at BBVA; systems and organizations coordinator at Banca Nazionale del Lavoro; systems coordinator at Banco de Galicia; organization and systems development manager at Banco de Crédito Argentino; design and development manager at BBVA Argentina; media director at BBVA Argentina; design and development at América director at BBVA; and business partner America at BBVA. Mr. Fernández joined the Bank in 1995.
María Verónica Incera	2023	Director, Corporate & Investment Banking	05/14/1970	Work Experience: Head of Global Clients in the United States, having corporate governance responsibilities for the BBVA NY Branch; Industry Banker for Consumers, Before joining BBVA, she worked for Credit Agricole in Argentina and New York, where she held various positions. Ms. Incera joined the Bank in 2023,
Gerardo Fiandrino	2015	Director, Risks	11/11/1965	Work Experience: retail banking director for South América at BBVA; wholesale banking director for South América at BBVA; retail risks manager at BBVA Argentina; wholesales and corporate manager at BBVA Argentina; admission and control manager at BBVA Argentina; control and operational risks manager at BBVA Argentina; director at Rombo Compañía Financiera S.A.; director at PSA Finance Argentina Compañía Financiera S.A; portfolio control manager at Banco de Crédito Argentino; and senior investment banking officer at Banco de Crédito Argentino. Mr. Fiandrino joined the Bank in 1992.
Eduardo González Correas	2017	Director, Legal Services	03/07/1982	Work Experience: Legal manager Banking Business, Corporate & Investment Banking at BBVA Argentina; Legal Assistant Manager Corporate & Investment Banking at BBVA Argentina; lawyer Legal Assistant Management Corporate & Investment Banking at BBVA Argentina; lawyer at Estudio Jurídico Allende & Brea; lawyer at Estudio Jurídico Pérez Alati, Grondona, Benites, Arntsen & Martínez de Hoz (h). Mr. González Correas joined the Bank in 2008.

Name	First Appointed	Current Position	Date of Birth	Background and Business Experience
Mónica Gabriela Etcheverry	2022	Chief Internal Control and Compliance Officer	05/30/1964	Work Experience: Deputy Director of Compliance at Banco BBVA Argentina S.A.; Accounting Manager at BBVA Banco Francés S.A. (BBVA Argentina); Financial Audit Manager (BBVA Argentina); Vice President of Internal Audit in the New York and Miami branches of Argentaria (Banco Exterior de España) USA; Member of the International Internal Audit team of Banco Exterior de España for America. Ms. Etcheverry joined the Bank in 2000.

The service agreements of the directors and the executive officers of the Bank do not provide for benefits upon termination of employment except as described in *"—B, Compensation"* below.

B. Compensation

The Bank has a Nomination and Remunerations Committee which was created on March 30, 2009. Its members must be directors with no executive functions and the presidency will be exercised by an independent director. Its main functions are to provide assistance to the Board in all issues regarding compensation policies and other benefits. Moreover, it is also in charge of stating the terms and conditions for the selection and hiring of the key principal executives of the Bank. As of the date hereof it consists of (i) Gabriel Chaufán; (ii) Jorge Delfín Luna; (iii) Adriana Fernández de Melero; (iv) Gustavo Fernández; and (v) Eduardo González Correas.

The aggregate amount of compensation paid by the Bank and its subsidiaries during the fiscal year ended December 31, 2023 to all directors and officers for services in all capacities, including salaries and bonuses, was Ps.3,059,458 million. This amount also included compensation accrued during 2022 and paid in 2023. We hereby confirm that disclosure of the directors individual compensation is not required under Argentine law. Moreover, Argentine legislation requires approval of an aggregate amount of Director's compensation in the annual ordinary shareholders' meeting.

During the fiscal year ended December 31, 2023 and 2022, the Bank did not pay, set aside or accrue any amount as contribution to pension plans.

C. Board practices

Our corporate governance system is based on the distribution of functions between the Board and the several committees described below.

Supervisory Committee

The primary responsibilities of the Supervisory Committee are to monitor management's compliance with Argentine corporate law, the Bylaws, the Bank's internal regulations, if any, and the shareholders' resolutions. It also performs other functions, including, but not limited to: (i) attending meetings of the Board, the Management Committee and shareholders' meetings, (ii) calling extraordinary shareholders' meetings when deemed necessary and ordinary and special shareholders' meetings when not called by the Board, and (iii) investigating written complaints of shareholders. In performing these functions, the Supervisory Committee does not control our operations or assess the merits of the decisions made by the directors.

The Supervisory Committee has unlimited access to our books and records and a right to request as much information as necessary for the performance of its duties.

At the ordinary and extraordinary shareholders' meeting of BBVA Argentina held on April 28, 2023, the following members were appointed to the Supervisory Committee:

		Expiration of term
Regular	Gonzalo José Vidal Devoto	December 31, 2023
	Vanesa Claudia Rodríguez	December 31, 2023
	Marcelino Agustín Cornejo	December 31, 2023
Alternate	Lorena Claudia Yansenson	December 31, 2023
	Magdalena Laudignon	December 31, 2023
	Julieta Paula Pariso	December 31, 2023

Both the regular and alternate members of the Supervisory Committee as of December 31, 2023 had represented, in their capacity as lawyers, to the Bank that: (a) they performed or were prepared to perform the function of legal advisors with the professional independence required by technical resolution No, 15 of the Argentine federation of professional councils in economic sciences; (b) they were members of Biscardi & Asociados S.R.L. and qualified as "independent" according to General Resolution No, 622 (New Text 2013), and (c) they disclosed all the information required by the CNV regarding their professional relations with the Bank.

Below is some background information of the current members of the Supervisory Committee.

- Gonzalo José Vidal Devoto: Lawyer, member of Biscardi & Asociados S.R.L.; regular member of the Supervisory Committee of Bimbo de Argentina S.A.; Rombo Compañía Financiera S.A.; Banco BBVA Argentina S.A.; BBVA Broker S.A; BBVA Consolidar Seguros S.A; Consolidar AFJP (undergoing liquidation proceedings); Centro Automotores S.A.; Centro del Norte S.A.; Cormasa S.A.; Courtage S.A.; Orazul Generating S.A.; Orazul Energy Southern Cone S.R.L.; INC S.A.; Plan Rombo S.A. de Ahorro para Fines Determinados; Santista Argentina S.A.; VTV Norte S.A.; Banco de Servicios Financieros S.A.; Alimentos Valente Argentina AVA S.A.; Rombo Compañía Financiera S.A; Renault Argentina S.A; VTV Metropolitana S.A.; Bimbo Frozen Argentina S.A. and Metalurgica Tandil S.A. He serves as an alternate member of the supervisory committee in: Consultatio Asset Management Gerente de Fondos Comunes de Inversión S.A; Volkswagen Financial Services Compañía Financiera S.A.; Orazul Energy Cerros Colorados S.A. and Industrial Asset Management Sociedad Gerente de Fondos Comunes de Inversion S.A.
- Vanesa Claudia Rodríguez, Senior Lawyer at Biscardi & Asociados S.R.L; she is in charge of the corporate law area of the firm, From that position, she advises firms such as Compañía de Alimentos Fargo S.A., GDC Argentina S.A., Pandurata Argentina S.A., Daikin Air Conditioning Argentina S.A. (among others), in all matters related to corporate advice for companies. She worked at the Sáenz Valiente & Asociados Law Firm as a lawyer, and later as an associate, advising clients such as Grupo Clarín, Cablevisión S.A., Artear and AGEA, among others. Mrs. Rodríguez graduated from the National School of Commerce of Formosa with the title of commercial expert and later graduated as a lawyer at the Universidad Católica Argentina with diploma of honor. She specialized in Corporate Law at the Universidad Notarial Argentina, also pursuing postgraduate degrees at UADE and at the Universidad Católica Argentina. She also completed the Master of Laws at New York University (NYU), being admitted to practice law in the state of New York. She is a Professor of Private International Law at the Universidad Católica Argentina and UCES, a professor in Compliance specialization courses and a member of the Institute of Private International Law of the Bar Association of Buenos Aires.
- Marcelino Agustín Cornejo: Lawyer, member of Biscardi & Asociados S.R.L.; Academic Director of the Diploma in Public Management UNAB; Constitutional Law Teaching Assistant; Legal representative at Estudio Arrizabalaga, Biscardi & Asociados; INSSJP Legal Technical Secretary, He currently holds the position of regular member of the Supervisory Committee at: Banco BBVA Argentina S.A.; BBVA Broker S.A; BBVA Consolidar Seguros S.A; CONSOLIDATE AFJP S.A. (on sale); Rombo Compañía Financiera S.A; FARGO FOOD COMPANY S.A. He serves as deputy member of the Supervisory Committee at Volkswagen Financial Services Compañía Financiera S.A and PSA Finance Argentina Compañía Financiera S.A. Mr. Marcelino Agustin Cornejo studied Law with a focus on Public Administrative Law at the Universidad de Buenos Aires, completed a master's degree in Economic Administrative Law (UCA) and obtained a specialization in Constitutional Law (UCASAL).
- Julieta Paula Pariso: Lawyer, member of Biscardi & Asociados S.R.L.; regular member of the Supervisory Committee of: BBVA Broker S.A Consultatio Asset Management Gerente De Fondos Comunes De Inversión S.A.; Daikin Air Conditioning Argentina S.A; Rombo Compañía Financiera S.A.; BBVA Consolidar Seguros S.A.; Centro Automotores S.A.; Centro del Norte S.A.; Consolidar AFJP S.A. (undergoing liquidation proceedings); Cormasa S.A.; Courtage S.A.; Orazul Energy Cerros Colorados S.A.; Orazul Generating S.A.; Orazul Energy Southern Cone S.R.L.; Industrial Valores S.A.; Metalúrgica Tandil

S.A.; Plan Rombo S.A. De Ahorro Para Fines Determinados; Renault Argentina S.A.; Rombo Ahorro S.A. De Ahorro Para Fines Determinados; Santista Argentina S.A.; VTV Norte S.A.; Banco de Servicios Financieros S.A.; VTV Metropolitana S.A.; INC S.A. Industrial Asset Management Sociedad Gerente de Fondos Comunes de Inversión S.A. and Volkswagen Financial Services Compañía Financiera S.A.

- Lorena Claudia Yansenson: Lawyer, member of Biscardi & Asociados S.R.L.; alternate member of the Supervisory Committee of Bimbo de Argentina S.A.; Rombo Compañía Financiera S.A.; Banco BBVA Argentina S.A.; BBVA Broker S.A; Consolidar Seguros S.A; Consolidar AFJP(undergoing liquidation proceedings); Centro Automotores S.A.; Centro del Norte S.A.; Cormasa S.A.; Courtage S.A.; Orazul Generating S.A; Orazul Energy Southern Cone S.R.L; INC S.A; Plan Rombo S.A. de Ahorro para Fines Determinados; Renault Argentina S.A.; Santista Argentina S.A.; VTV Norte S.A.; Banco de Servicios Financieros S.A.; Alimentos Valente Argentina AVA S.A.; VTV Metropolitana S.A.; Bimbo Frozen Argentina S.A. and Metalurgica Tandil S.A.

- Magdalena Laudignon: Lawyer, Lawyer in the litigation sector at Biscardi & Asociados S.R.L.; Independent lawyer at private law firm; Paid intern at Covelia S.A. Miss Laudignon received a Bilingual Bachelor’s degree with a Humanities Orientation from Highlands School. She later received her law degree from the Argentine Catholic University, where she also completed a Master’s Degree in Civil Property Law.

There are no agreements between the Bank and its directors, members of the Supervisory Committee or main executives, as a consequence of which the directors, members of the Supervisory Committee or main executives might have interests in opposition to those of the Bank, according to the provisions of Article 272 of the Argentine Companies Law.

Audit Committee

According to the Board’s resolution dated June 29, 2021, BBVA Argentina has an Audit Committee to comply with the provisions set out by the Central Bank in its Communication "A” 6552 and the standards of Law No. 26,831 as modified by Law No. 27,440, whose current composition is as follows:

Members:	Adriana Fernández de Melero
	Javier Pérez Cardete
	Ernesto San Gil

According to Section 303A.07(b) of the NYSE Listed Company Manual, all of the members of the Audit Committee must be "independent”. Moreover, according to Law No. 26,831 the Audit Committee must consist of at least three members of the Board, the majority of whom should be independent directors. Each of the members of the Audit Committee qualify as an independent director according to the independence criteria set forth by General Resolution No. 622 of the CNV.

The Audit Committee meets once a month. In each of these meetings, the Audit Committee shall be in charge of assisting the Board of Directors in the monitoring of the internal control environment and in the validation of existing facts or circumstances and improvement of controls covering the main risks of the Bank, financial statements, external auditors, directors’ fees, transactions with related parties and conflicts of interest.

The Audit Committee’s duties are set forth below:

1. Internal Control Environment and Financial Statements:

- Monitor the proper operation of internal controls and the development and publication of the administrative and accounting system.
- Ensure the consistency and integrity of all the documentation provided to the market.
- Evaluate observations on internal control weaknesses found by auditors and by comptroller bodies.
- Submit to the Board, at the time of publication of the year-end financial statements, a report on the status of the internal control system.

- Know and monitor the internal control environment and the controls that cover the main risks to which the Bank is exposed.
- Hold meetings with the Management Division for the purpose of reporting on the Bank's exposure to the relevant risks.
- To know the results of the reports that the Bank's Supervisory Committee and the different control committees established by the Central Bank issue in compliance with their duties,.
- To engage independent counsel and other advisors as it deems necessary to carry out its duties, for which the Bank shall ensure that the Audit Committee has sufficient funding.

2. Internal Audit:

- Propose to the Board the selection, appointment, re-election and separation of the person responsible for the Internal Audit duty, on the basis of the candidates shortlisted within the executive scope by the Talent and Culture area.
- Oversee the independence, effectiveness and development of the Internal Audit function.
- Review and approve the annual work program and the reports issued by the Bank's internal audit area, as well as its level of compliance, ensuring that it has adequate resources to carry out its duties and functions in the entity.
- Ensure that the Internal Audit is provided with the material and human resources necessary for the effective discharge of its functions, both in terms of staff, as well as material elements, systems, procedures and performance manuals.
- Analyze and, where appropriate, approve the annual work plan of the Internal Audit, as well as those additional plans of an occasional or specific nature to be implemented for reasons of regulatory changes or for the needs of the Bank's business organization.
- Receive monthly information from the head of the Internal Audit on the activities carried out, as well as on incidents and obstacles that may arise and verify that the Senior Management takes into account the conclusions and recommendations of its reports. Similarly, monitor such plans, with the possibility to delegate to the Chairman the performance of preparatory tasks to facilitate the work of the Committee. In the event of substantial deviations in the timing of the implementation of the actions provided for in the plans, or in the scope of the reviews, the Audit Committee shall be informed of the reasons for such deviations by submitting for approval such amendments as may be appropriate to the plans of the Internal Audit. Notwithstanding the foregoing, the head of the Internal Audit shall also report to the Board in full, as often as appropriate, on the activities carried out by the Internal Audit department.
- To know the degree of compliance by the audited units with the corrective measures recommended by the Internal Audit in previous actions, and to report to the Board of Directors cases that may pose a relevant risk to the Bank.
- The Committee shall be informed of irregularities, anomalies or non-compliances that the Internal Audit department has detected in the course of its proceedings, provided that they are relevant. "Relevant" means those that may cause significant and material impact or damage to the Bank's assets, results, or reputation, the assessment of which shall be at the discretion of the Internal Audit department.

3. External Audit:

- Review the external auditors' plans, assess their performance and provide an opinion thereon in its Annual Management Report.
- Analyze the reasonableness of the fees billed by external auditors.
- Request the external auditor to report to the Audit Committee any relevant fact that has a significant impact on the Bank's assets, results, or reputation, or that constitutes a relevant weakness in its internal controls.
- Meet with management and external auditors to discuss the annual and interim financial statements.

- Provide the mechanisms for the reports to be presented by the external and internal auditors of financial institutions to be presented in a timely manner.
- When shareholders representing not less than 5% of the share capital, request the Bank to appoint an external auditor proposed by them for the performance of one or more particular tasks, the Audit Committee shall previously issue an opinion and inform the CNV.

4. Issuance and Share Plans and Acquisition of Own Shares, Directors´ Fees:

- Give an opinion and make it public, on the compliance with legal requirements and on the reasonableness of the conditions for the issuance of shares or convertible securities in the event of a capital increase with exclusion or limitation preferred subscription rights.
- Issue a report prior to any decision of the Board of Directors to acquire the Bank's own shares.
- Give an opinion on the reasonableness of the proposals made by the Board of Directors on fees and stock options plans for the Company directors and managers.

5. Transactions with Related Parties and Conflict of Interest:

- Ensure that transactions between related parties are carried out in accordance with the provisions of Law No. 26,831, issuing an informed opinion regarding transactions with related parties in the established and specifically required cases.
- It shall immediately provide the market with full information on transactions in which there is or may be a conflict of interest between the Bank and members who participate in the corporate bodies or controlling shareholders of the Bank.

6. Standards of Conduct:

- Investigate the irregular behavior or that which may not be in conformity with the applicable regulations or with the BBVA Argentina Code of Conduct.
- Review the Bank's rules of conduct, ensure that they are properly disseminated to all the Bank's staff and verify compliance with those rules of conduct.
- Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

7. Action Plan and relationship with regulatory authorities:

- Annually present an action plan for the year, which will be submitted to the Board of Directors and the Supervisory Committee within 60 calendar days from the beginning of the financial year, in which it shall inform the treatment given during the year to the questions within its competence as provided for in Article 18 of Chapter III of the CNV Rules.
- Maintain constant communication with the Superintendence´s officers responsible for the control of the Bank in order to know their concerns, the problems detected in the inspections carried out and the actions for their solution.

All directors, members of the Supervisory Committee, managers and external auditors must, at the request of the Audit Committee, attend its sessions and cooperate with it, facilitating its access to such information as may be available to them, In order to ensure a more appropriate exercise of the powers and duties contemplated herein, the Audit Committee may request the advice of lawyers and other independent professionals and retain their services for the account of the Bank within the budget allocated for such purposes by the shareholders' meeting. The Audit Committee shall have access to such information and documentation as it may deem necessary in order to comply with its obligations.

Nomination and Remunerations Committee

According to the Board's resolution dated January 12, 2024, the composition of the Bank's Nomination and Remunerations Committee is as follows:

Members: Adriana Fernández de Melero
Jorge Delfín Luna
Gabriel Alberto Chaufán

Guest members: Gustavo Fernández
Eduardo González Correas

Its main purpose is to provide information and advice regarding the nomination and compensations of directors and executive officers. Its main functions are to:

- establish the requirements for the appointments of directors and executive officers;
- approve training programs for directors and executive officers;
- approve policies and criteria for the evaluation of performances of directors and executive officers;
- annually inform the Board of Directors of the criteria enforced to determine the compensation of directors and executive officers; and
- state the policies for the promotion, layoff, suspension and retirement of directors and executive officers.

Special Committees of the Bank's Management

The Bank has the following special committees:

- Management Committee

As of the date of this annual report, the Management Committee consists of: (i) Martín Ezequiel Zarich; (ii) Pablo Hernan Jordan; (iii) Juan Christian Kindt; (iv) Gustavo Fernández; (v) Carmen Morillo Arroyo; (vi) Gerardo Fiandrino; (vii) Leandro Alvarez; (viii) María Verónica Incera; (ix) Eduardo González Correas and (x) Mónica Gabriela Etcheverry

The obligations of the Management Committee are to: (i) establish the business and investment strategies, the general risks policies, and the human resources policies of the Bank and cooperate with the General Manager in their implementation; (ii) delegate powers to other officers; (iii) analyze and approve the general annual budget, monitor its evolution and determine corrective measures according to internal and market variables and (iv) create business synergies with other companies of the group.

The Management Committee meets monthly.

- Information Technology Committee

The Information Technology Committee assists the Board of Directors to oversight of technological risk and cybersecurity management and in monitoring the technological and cybersecurity strategy and is responsible for the institutional treatment of the policies, goals and planning of the information systems area, and as of the date of this annual report consists of: (i) Leandro Alvarez; (ii) Gabriel Alberto Chaufán; (iii) Adriana María Fernández de Melero; (iv) Analía González,; (v) Daniel Neme; (vi) Atilio Lucarelli; (vii) Sergio Sirotinsky; (viii) Germán Guarine; (ix) Marcelo Palmero; (x) Tomás Rebagliatti; (xi) Leonardo Rojas y; and (xii) Gabriela Molinengo. The Information Technology Committee meets quarterly.

- Disclosure Committee

As of the date of this annual report, the Disclosure Committee consists of: (i) the financial director Carmen Morillo; (ii) the legal services director, Eduardo González; (iii) the accounting manager, Carlos Reinaudo; (iv) the investor relations manager, Inés Lanusse; (v) the associate of investors and rating agents, Belén Fourcade; (vi) the risks director, Gerardo Fiandrino and (vii) the Head of Secretary of the Board of Directors, Gabriela Verónica Valdez.

The general functions of the Disclosure Committee are to ensure, with respect to all information to be disclosed by the Bank to its shareholders, to the markets where its shares are listed and to the regulatory entities of said markets, (i) that the information required to be disclosed to the public (whether directly or through regulatory bodies) is recorded, processed, summarized and reported accurately and in a timely manner and (ii) that such information is collected and communicated to managers and directors in due time and form in order to take appropriate decisions on the required information.

The Disclosure Committee meets quarterly or as otherwise necessary.

- Asset Laundering and Terrorism Financing Prevention Committee

The Asset Laundering and Terrorism Financing Prevention Committee as of the date of this annual report consists of: (i) two directors, Gabriel Alberto Chaufán, who is the compliance officer on money laundering prevention before the anti-money laundering organism (*Unidad de Información Financiera*) and Gustavo Alberto Mazzolini, (ii) the compliance director, Mónica Etcheverry; (iii) the official in charge of the compliance area processes, Adriana Scorza and (iv) the responsible for the money laundering prevention area, Federico Maliandi.

In order to comply with its control and prevention purposes, the Asset Laundering and Terrorism Financing Prevention Committee assumes the following responsibilities:

- to deal with all matters related to the prevention of terrorism assets laundering and financing;
- to define operational policies and continuously monitor their degree of advancement; and
- to assign duties to the different areas involved.

Each member assumes the following functions:

- to render his or her area of activity more sensitive as to the importance of preventing terrorism assets laundering and financing;
- to detect any relevant situation which may occur in his or her area;
- to analyze any new product or service and evaluate potential asset laundering risks; and
- to assume the necessary commitments in his or her area in order to implement prevention systems in coordination with the officer responsible for asset laundering prevention.

The Asset Laundering and Terrorism Financing Prevention Committee meets every three months, or extraordinarily whenever the coordinator should deem it convenient due to the existence of relevant matters to be discussed.

Not later than five business days prior to any meeting the regulatory compliance director shall discuss with the secretary the agenda to be discussed at the meeting, and the secretary will submit such agenda to the members of the committee.

- Compliance Committee

The Compliance Committee consists of: (i) the executive director, Martín Ezequiel Zarich; (ii) the compliance director, Mónica Etcheverry; (iii) the retail banking director, Pablo Hernán Jordan; (iv) the financial area director, Carmen Morillo; (v) the legal services director, Eduardo González; (vi) the risks director, Gerardo Fiandrino and (vii) the internal audit director, Ana Karina Ortiz Cuéllar, who attends as an observer with voice but without vote.

The main functions of the Compliance Committee are to:

- set action plans and continuously review their progress;

- contribute to preserve the corporate integrity of BBVA Argentina**,** ensuring the effective application of the Code of Conduct and the Regulations of Conduct in the Capital Markets;
- encourage and promote a culture of ethics and integrity, promote the adoption of necessary measures to resolve queries, concerns, suggestions in relation to compliance and application of the Code of Conduct as well as ethically questionable actions that may arise in the context of the Bank's operations;
- promote and monitor the operation and effectiveness of the Whistleblower Channel and the review of its most significant cases;
- ensure compliance with the provisions of the Protection of Users of Financial Services, considering the claims submitted by users and adopting actions that mitigate their occurrence;
- assume the necessary commitments and agree on actions to carry out prevention systems, in coordination with the Responsible for Asset Laundering and Terrorism Financing Prevention; and
- promote training and raise awareness about the importance of compliance with the Code of Conduct and the Compliance Committee's actions.

The Compliance Committee meets on a monthly basis.

- Risk Management Committee

This committee consists of the risks director, the retail risk and process transformation manager, the wholesale risks manager, the internal risk control manager, a member of Internal Risk Control as Technical Secretary, the manager of financial risks and reporting, all of them as permanent participants; the Executive Director; the Head of the subject area; the C&IB Director and/or the Manager of Global Transactional Banking and/or the Manager of Global Markets Argentina; the Commercial Director and/or the Retail Coordination Manager and/or the Business Coordination Manager; all of them as guests and the Business Development Director and/or the Business Implementation Manager as lecturer.

The main purpose of the Risks Management Committee is to:

- approve any transactions and financial programs of clients which exceed the powers granted to the credit risk, financial institutions and issuer risk committee, and any other matter solved outside the regional scope. Any and all transactions which may result special or exceptional may be dealt with by such committee;
- approve refinancing, cancellations and penalties for individual or corporate clients;
- approve the operations of non-delegated risks (risks concerning means of communications, public importance, political parties, trade unions or associated companies of the Bank or its members);
- treat the proposal for delegation of powers that will then be submitted to the Board for approval;
- approve the Specific Risk Management Framework annually and periodically monitor the evolution of the metrics defined therein;
- define and approve the necessary strategies, manuals, policies, practices and procedures to identify, evaluate, measure and handle the risks to which the entity is exposed to (credit, market, structure, liquidity, operational risks, among others);
- approve credit policies, rating tools and models and campaigns of pre-approved items or massive campaigns);
- approve the limits of asset allocation and stress tests;
- call the Crisis Committee if necessary;

- submit to the Board those issues required by the local regulator;
- presentation and analysis of periodic management reports, which must subsequently be submitted to Senior Management and the Board. These reports should include the main aspects of the management of all the risks of the entity;
- approve quarterly the prioritization of SDA projects (Intradominium refinement); and
- monthly review of IFRS9 sanitation according to IFRS9 methodology.
- Corporate Assurance Committee

As of the date hereof, the Corporate Assurance Committee consists of the executive director as Chairman, the members of the Management Committee as permanent participants and the Secretary of the Committee, which is the non-Financial Risk Manager.

The main functions of this committee are:

- to promote and ensure the effectiveness of the control model and the necessary culture of transparency and self-criticism;
- to ensure the implementation and maintenance of the corporate assurance model within the BBVA Group entities;
- to prioritize control weaknesses identified by the expert areas and the internal audit bureau regarding adequacy, appropriateness and timeliness of the proposed remedial actions;
- to ensure that experts activities are carried out with self-criticism and transparently;
- to understand, evaluate, and assign responsibilities for managing risks that are submitted for consideration;
- to give timely follow up on agreed action plans to mitigate risks;
- to communicate to specialists and business units all decisions;
- to promote awareness of the operational risk model, as well as the dissemination of corporate policies governing the matter;
- to solve and take decisions regarding the operational risk, required by its materiality or importance;
- to ensure the implementation of the operational risk model and facilitate proper management for operational risks related to BBVA Argentina business;
- to supervise the proper implementation of tools and model methodology; and
- to deal with any matter that enhances the quality and reliability of BBVA Argentina internal controls and its affiliated companies.

Meetings of the Corporate Assurance Committee may be ordinary and extraordinary. The former, are held on a quarterly basis, summoned in advance by the secretary. The latter are held when summoned by the secretary or upon the request of one or more members of the committee when special circumstances so require it.

- Assets and Liabilities Committee

The Assets and Liabilities Committee consists of: (i) the executive director, Martín Ezequiel Zarich; (ii) the business development director, Juan Christian Kindt; (iii) the financial director, Carmen Morillo Arroyo; (iv) the risks director, Gerardo Fiandrino; (v) the commercial director, Pablo Hernán Jordan; (vi) the corporate & investment banking director, María Verónica Incera; (vii) the Financial Management Manager, Diego Cesarini, all of them as permanent participants; (viii) the BBVA Research director, Marcos Dal Bianco; and (ix) the financial risks manager, reporting and sustainability, Ezequiel Bulos, all of them as guests.

The main functions of this committee are:

- to monitor macroeconomic variables;
- to analyze and discuss domestic and foreign market conditions and forecast any potential impact on the Bank's structural risks;
- to monitor and control limits and liquidity alerts, rates, change position and market risks, both internal and regulatory, and to define corrective actions if necessary;
- to analyze the historical evolution and projection of the balance sheet, deviations from budget, and comparison against the market and competition;
- to monitor the Bank's excess liquidity, comparison of market and analysis of stress scenarios;
- to determine the resource allocation strategy;
- to determine price and products policy for assets and liabilities;
- to monitor the Bank's financial margin and its main deviations;
- to determine the strategy to be applied for investments and surplus;
- to analyze risks associated with investments in the public sector;
- to analyze the historical and projected evolution of the capital position and projected dividends of the Bank; and
- to order financial or other analyzes deemed necessary to optimize management of the items mentioned above.

This committee meets on a monthly basis.

Also in compliance with resolutions of the Central Bank or other controlling bodies, the Bank has appointed different officers responsible for specific subjects, as detailed below:

- Responsible for Foreign Exchange Positions (Communication "A" 4246 BCRA)
  Main Responsible Officer: Germán Adolfo Salse
  Alternate Responsible Officer: Adolfo César Martinez Luque
- Responsible for Foreign Exchange Control (Communication "A" 4246 BCRA)
  Main Responsible Officer: Leonardo Rojas
  Alternate Responsible Officer: Adolfo César Martinez Luque
- Responsible for costumer services in compliance with Communication "A" 5388 of BCRA,
  Responsible Manager: Jorge Delfín Luna
  Main Responsible Officer: Rubén Lemme
  Alternate Responsible Officer: Mónica Gabriela Etcheverry / Carolina Noelia Guevara
- Responsible for the Liquidity Policy (Communication "A" 2879 BCRA):
  Main Responsible Officer: Diego Cesarini
- Responsible for Information Systems (Communication "A" 2593 BCRA)
  Main Responsible Officer: Carmen Morillo Arroyo
  Alternate Responsible Officer: Juan Christian Kindt

- Responsible for Market Relations (Law No. 26,831)
  Main Responsible Officer: Eduardo González Correas / Carmen Morillo Arroyo
  Alternate Responsible Officers: Inés Lanusse / Gabriela Valdez
- Compliance Officer on Money Laundering Prevention (Communication "A" 5004 BCRA):
  Main Responsible Officer: Gabriel Alberto Chaufán
  Alternate Responsible Officer: Gustavo Alberto Mazzolini Casas
- Security Responsible for Financial Entities (Communications "A" 5120 and 5132)
  Main Responsible Officer: Juan Antonio Calderón
  Alternate Responsible Officer: Victor Fabian Garibotto

Advisors

All internal legal advice is provided to the Bank by its own legal services department.

D. Employees

The following table shows the breakdown of our full-time payroll employees as of December 31, 2023, 2022 and 2021:

	As of December 31,		
	2023	2022	2021
Main office	3,795	4,011	3,863
Branches	2,214	1,877	2,000
Total	6,009	5,888	5,863

Our employees are represented by a national bank union with optional membership. As of December 31, 2023, 2,315 employees were unionized. The union negotiates a collective bargaining agreement to establish minimum salaries for all of its members. We have not experienced any conflicts with the union for over 20 years and we consider relations with our employees to be satisfactory.

We have a personnel Training and Development Department, which is in charge of the training of all of the Bank's employees. This includes in-house training courses and seminars in all the areas: Operations, Technology and Business (Branches, Corporate Banking). We provide bonuses to individual employees on a discretionary basis, taking into consideration individual merit and overall profit levels. We do not have a formal profit-sharing plan.

The Bank does not employ a significant number of temporary employees.

E. Share Ownership

As of February 29, 2024, none of our directors or senior executives owned shares or options on shares of BBVA Argentina.

F. Disclosure of a registrant's action to recover erroneously awarded compensation

Not applicable

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth certain information regarding the beneficial ownership of our ordinary shares as of March 31, 2023, by each person who, to our knowledge, beneficially owned more than 5% of our ordinary shares as of such date. These persons do not have different voting rights.

Beneficial Owner	Ordinary Shares Beneficially Owned at March 31, 2023	
	Number of Shares	Percentage of Shares Outstanding
Banco Bilbao Vizcaya Argentaria S.A.	245,154,707	40.01%
BBV América SL (1)	160,110,585	26.13%
The Bank of New York Mellon (2)	96,812,718	15.80%
Administración Nacional de Seguridad Social	43,279,620	7.06%

(1) BBV América SL, is under the control of BBVA.
(2) As holder agent of ADSs.

Our capital stock at December 31, 2023 was 612,710,079 shares. As of such date, BBVA had an equity interest in the Bank of 66.55%.

On October 9, 2019, the CNV issued Resolution No. 20,484/2019 approving the merger of BBVA Francés Valores S.A. into the Bank. As a result, the Bank was authorized to issue 50,441 ordinary shares, with a nominal value of Ps.1 and entitling to one vote each to be delivered to BBVA Francés Valores S.A.'s minority shareholders.

On August 27, 2021, the definitive agreement for the merger by absorption, the capital increase and the dissolution without liquidation of BBVA Francés Valores S.A. was registered in the Public Registry under No. 13,335 and 13,336 of Book 104 of Corporations.

On September 28, 2021, 50,441 ordinary, book-entry shares with a par value of one peso (Ps.1) each and entitled to one vote per share of BBVA Argentina, were delivered to the shareholders of BBVA Francés Valores S.A.

We are a corporation registered under Argentine law whose shareholders restrict their liability to the shares they have subscribed and paid-in under the Argentine Companies Law. Therefore, and in terms of Law No. 25,738, no shareholder of the Bank, whether foreign or local, is liable beyond such paid-in shares for obligations deriving from transactions made by the Bank.

We are unaware of any arrangements the operation of which may, at a subsequent date, result in a change of control of BBVA Argentina.

As of December 31, 2023, according to our records 12 holders of ordinary shares and 35 registered holders of ADSs (in accordance with the records of the Bank of New York Mellon ("BoNY"), as depositary for the ADSs) have an address in the United States, representing 17.80% of our issued and outstanding ordinary shares.

B. Related Party Transactions

The following table presents the aggregate amounts of total financial exposure of BBVA Argentina to related parties for the two-month period ended February 29, 2024 and for the fiscal year ended December 31, 2023. Related parties include controlled companies, controlling shareholders and entities under common control, key management and directors and associated entities.

The financings described below (a) were made in the ordinary course of business, (b) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and (c) did not involve more than the normal risk of collectability or present other unfavorable features.

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Related Party	February 29, 2024 Largest Outstanding Amount (1)(2)	Interest Rates	Amount Outstanding (2)	Interest Rates	Nature	December 31, 2023 Largest Outstanding Amount (1)(2)	Interest Rates	Amount Outstanding (2)	Interest Rates	Nature
Controlled, Controlling and Under Common Control Entities										
BBVA and subsidiaries	16,493,060	—	16,493,060	—	Guarantees given and correspond-dents	11,316,428	—	11,316,428	—	Guarantees given and correspond-dents
BBVA Asset Management S.A.U,	16,486,042	32.73%	16,486,042	32.73%	Other loans, credit card loans and equity investment	11,481,977	32.73%	11,481,977	32.73%	Other loans, credit card loans and equity investment
Consolidar AFJP S.A. (undergoing liquidation proceedings)	148,272	—	142,807	—	Other loans, guarantees given and equity investment	148,272	—	148,272	—	Guarantees given and investment
PSA Finance S.A.	28,990,065	117.53%	28,990,065	117.53%	Advances, call money, other loans and equity investment	23,552,076	117.53%	23,552,076	117.53%	Advances, credit card loans, call money, other loans and equity investment
BBVA Consolidar Seguros S.A.	5,878,205	28.47%	5,878,205	28.47%	Credit card loans, other loans and equity investment	4,970,987	32.49%	4,970,987	32.19%	Credit card loans, other loans and equity investment
Openpay Argentina S.A	642,004	—	610,377	—	Advances and equity investment	516,512	179.95%	516,152	179.95%	Credit card loans and equity investment
Volkswagen Financial Services S.A	32,529,359	71.3%	23,950,122	31.27%	Advances, Credit card loans, other loans, call money and equity investment	24,717,401	83.59%	19,805,335	82.74%	Advances, credit card loans, other loans, call money and equity investment
Associated Entities										
Rombo Cia Financiera S.A.	10,043,934	149.65%	10,043,934	149.65%	Loans, other loans and equity investment	8,164,724	149.53%	8,164,724	149.53%	Call money, other loans and equity investment
Play Digital S.A.	3,307,411	108.41%	3,307,411	108.41%	Advances, Credit card loans and equity investment	2,147,174	125.69%	2,147,174	125.69%	Advances, credit card loans and equity investment
Key Management Personnel (3)	336,622	146.63%	291,818	146.63%	Credit card loans, personal loans, other loans, advances and real estate mortgage	250,914	132.33%	204,951	146.63%	Credit card loans, personal loans, other loans, advances and real estate mortgage

(1) Largest amount during the period indicated.

(2) In thousands of pesos.

(3) Key management personnel includes those having the authority and responsibility for planning, managing and controlling the Bank's activities, whether directly or indirectly, Based on this definition, the Bank considers the members of the Board of Directors as key personnel.
The transactions included in this section (a) were made in the ordinary course of business, (b) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and (c) did not involve more than the normal risk of collectability or present other unfavorable features.

As of December 31, 2023, the Bank did not have outstanding any financial assistance from BBVA.

C. Interest of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Financial Statements and Other Financial Information

See *"Item 5. Operating and Financial Review and Prospects—A. Operating Results"* and *"Item 18. Financial Statements"* and other financial information filed with this annual report.

Legal Proceedings

The Bank and its subsidiaries are involved in a number of legal and regulatory actions and proceedings, including legal claims and proceedings, civil and criminal regulatory proceedings, including class actions, governmental investigations and proceedings, tax proceedings and other proceedings. Legal and regulatory actions and proceedings are subject to many uncertainties, and their outcomes, including the timing thereof, the amount of fines or settlements or the form of any settlements, or changes in business practices we may need to introduce as a result thereof, any of which may be material, are often difficult to predict, particularly in the early stages of a particular legal or regulatory matter.

As of the date hereof, the Bank is involved in a number of legal and regulatory actions and proceedings, the adverse resolution of which may also adversely impact the Bank.

The Bank can provide no assurance that the legal and regulatory actions and proceedings to which it is subject, or to which it may become subject in the future or otherwise affected by, will not, if resolved adversely, result in a material adverse effect on the Bank's financial position, results of operations or liquidity.

On June 24, 2021 we were notified of a financial summary against the Bank, its directors and three managers. The purpose of this financial summary was to accuse the Bank of lack of regulatory compliance with Communication "A" 6981 for assuming that the company Cargill S.A. ("Cargill") was a large exporting company, when according to the documentation presented by Cargill, such company would not fall under such category and therefore would not require authorization provided by the credit policies established by the Central Bank.

On August 4, 2021 discharges were presented against all the defendants (the Bank, its directors and three of its managers). However, on September 14, 2023, we were notified of the resolution of the Central Bank to charge us with a fine amounting to Ps.24,000,000 (in nominal value). Including the fines charged to our directors and managers, the total fine amounted to Ps.47,999,998 (in nominal value), which we paid in September 2023. In October 2023, we appealed the resolution from the Central Bank.

On October 25, 2022 we were notified by the BCRA of the opening of several criminal proceedings against the Bank and certain of its directors and employees related to exchange operations carried out in alleged breach of the provisions of point 9 of Communication "A" 6770 BCRA (in relation to tickets associated with operations carried out between residents and the advanced payment of imports). The Central Bank proceeded to accumulate the different files and treat them as a single case. Depositions have been filed by the Bank and all accused directors and employees. On December 7, 2022 discharges were presented against all the defendants. As of the date of this annual report, the BCRA has not ruled on this matter.

In February 2024 we were notified of a summary proceeding instructed by the UIF against the Bank and the members of its Board of Directors and its compliance officer regarding alleged violations of the regulations for the prevention of money laundering. The Bank intends to also defend the interests of these parties and has presented a deposition in their defense.

Dividends

In Argentina, financial institutions may distribute dividends provided that (i) they are not covered by the terms of sections 34 "Regularization and recovery" and 35 bis "Institution restructuring to safeguard lending and bank deposits" of the Law on Financial Institutions (Law No. 21,526); (ii) they are not receiving financial assistance from the BCRA; (iii) they are not in arrears or non-compliance with the information regime established by the BCRA; (iv) they meet minimum capital requirements and cash requirements; and (v) they have complied with the additional capital margins applicable to it as provided for in Section 4 (Additional Capital Margins) of the BCRA's Structured Income Distribution text.

Financial institutions not included in the above paragraph may distribute earnings up to an amount equal to retained earnings of legal reserves less the following items:

1. 100% of the debit balance of each of the items recorded under other comprehensive income (loss);
2. income (loss) arising from the revaluation of property, plant and equipment, intangible assets and investment properties;
3. net positive amount arising from the difference between the measurement at amortized cost and the fair market value recorded by the financial institution with respect to public debt instruments and/or monetary regulation instruments of the BCRA valued at amortized cost, adjustments to asset valuations: (i) notified by the Superintendence—whether or not accepted by the institution—and/or (ii) required by external auditing and, in both cases, pending accounting registration; and
4. preferential asset valuation exemptions granted by the Superintendence on a case-by-case basis, including adjustments for failure to implement agreed adequacy plans.

Amounts available for dividend distributions are determined pursuant to Argentine law and IFRS-BCRA. As a result, dividends may be paid when the Bank has no income as determined under IFRS-IASB and, conversely, dividends may not be payable even if the Bank has income as determined under IFRS-IASB.

Communication "A" 6886 provides that financial institutions must have the formal authorization of the BCRA before making dividend distributions. In such authorization process, the Superintendence will take into account, among other elements, the potential effects of the application of International Accounting Standards according to Communication "A" 6430 (point 5.5, of IFRS 9) and the restatement of financial statements provided by Communication "A" 6651.

As a result of the Covid-19 pandemic, the Central Bank issued Communication "A" 6939 whereby the distribution of dividends by financial institutions was suspended until June 30, 2020, Communication "A" 7035 extended such restriction until December 31, 2020, which was subsequently extended to June 30, 2021 by Communication "A" 7181 and to December 31, 2021 by Communication "A" 7312.

Pursuant to Communication "A" 7421 dated December 16, 2021, the Central Bank enabled financial entities, from January 1, 2022 to December 31, 2022, to distribute dividends for up to 20% of their "distributable profit". Financial entities, having the previous authorization of the Central Bank, had to make this distribution in twelve equal, monthly and consecutive installments.

The Central Bank allowed banks to pay dividends in 2022, after a two-year ban. However, it did not provide banks with access to foreign currency to make payments to foreign shareholders.

By means of Communication "A" 7659 dated December 15, 2022 the Central Bank reinstated the suspension of profit distributions from January 1, 2023 to December 31, 2023.

By Communication "A" 7719 dated March 9, 2023 the Central Bank enabled financial entities with its prior authorization, to distribute dividends for up to 40% of their "distributable profit" in six equal, monthly and consecutive installments from April 1, 2023 to December 31, 2023.

On March 21, 2024 the BCRA issued Communication "A" 7984, effective until December 31, 2024, which established that financial institutions may distribute dividends for up to 60% of their "distributable profit" in six equal, monthly and consecutive installments once authorization is obtained by the BCRA.

The Board of Directors decided to propose for approval by the ordinary and extraordinary general meeting of shareholders held on April 28, 2023, and such ordinary and extraordinary general meeting of shareholders approved (a) the payment of a dividend in the amount of Ps.35,566,224,479 to be allocated among shareholders in proportion to their respective nominal shareholding interest on the Bank, an amount equivalent to Ps.58.047 per share, through the partial write-off of the Optional Reserve for Future Distributions of Income; and (b) for the purposes of the authorization to be requested to the Central Bank, to set 40% of the Bank's distributable profit at Ps.50,401,015,479. The Central Bank allowed the payment of a dividend in the amount of Ps.50,401,015,479 to be paid in kind through the delivery of Ps.49,524,433,015 in aggregate principal amount of Argentine Treasury bills in pesos adjusted by CER at a discount due November 23, 2023 (ISIN ARARGE520DT9), Ticker X23N3 (CV code 9197).

Significant Changes

None.

ITEM 9. THE OFFER AND LISTING

We were one of the first companies listed on the BCBA (now the ByMA), quoting since 1888. Currently our shares are listed on the ByMA under the ticker BBAR. Since 1993 our shares have also been listed on the NYSE in the form of ADSs under the ticker BBAR and, since December 1999, our shares have also been listed on the Madrid Stock Exchange under the ticker XBBAR. We cannot give assurance that a public market in the United States for the ADSs will continue to exist.

The table below shows the quarterly high and low closing prices of our ordinary shares in pesos on ByMA for the periods indicated. The following prices have not been adjusted for any stock dividends.

	Pesos Per Ordinary Share (1)	
	High	Low
April 2024 (through April 15, 2024)	3,187.75	2,922.40
First quarter	3.089.15	1,765.05
March 2024	3.089.15	2,229.45
February 2024	2,660.45	2,142.60
January 2024	2,624.90	1,765.05
Year ended December 31, 2023	1,888.65	430.05
Fourth quarter	1,888.65	1,032.95
December 2023	1,888.65	1,646.30
November 2023	1,693.70	1,121.50
October 2023	1,362.05	1,032.95
Third quarter	1,609.45	960.35
Second quarter	1,076.35	549.20
First quarter	651.30	430.05
Year ended December 31, 2022	455.20	185.25
Fourth quarter	455.20	290.00
Third quarter	345.70	185.25
Second quarter	230.50	190.85
First quarter	247.10	197.55
Year ended December 31, 2021	288.90	126.45
Year ended December 31, 2020	188.85	69.40
Year ended December 31, 2019	183.45	80.55

(1) Pesos per ordinary share data reflect nominal prices at trading date.
Source: Bloomberg.

Our ordinary shares trade on the NYSE in the form of ADSs issued by The Bank of New York Mellon, as depositary. Each ADS represents three ordinary shares. The table below shows the quarterly high and low closing prices of the ADSs in dollars on the NYSE for the periods indicated.

	Pesos Per Ordinary Share (1)	
	High	Low
April 2024 (through April 15, 2024)	9.19	8.08
First quarter	8.50	4.70
March 2024	8.50	6.36
February 2024	6.34	5.05
January 2024	6.34	4.70
Year ended December 31, 2023	6.31	3.69
Fourth quarter	5.74	3.85
December 2023	5.74	5.10
November 2023	5.66	4.11
October 2023	4.31	3.85
Third quarter	6.19	4.15
Second quarter	6.31	3.87
First quarter	5.20	3.69
Year ended December 31, 2022	3.90	2.15
Fourth quarter	3.90	2.70
Third quarter	3.37	2.15
Second quarter	3.69	2.39
First quarter	3.66	2.84
Year ended December 31, 2021	4.48	2.54
Year ended December 31, 2020	5.77	2.27
Year ended December 31, 2019	13.97	3.06

(1) Source: BoNY Mellon Depositary.

Trading on the ByMA

In Argentina all publicly offered securities must be traded on markets authorized by the CNV. At the end of 2023, the four principal authorized markets in Argentina were the *Bolsas y Mercados Argentinos*-ByMA (for equity and fix income), the *Mercado Abierto Electrónico*-MAE (for fixed income and derivatives), the *Mercado a Término de Buenos Aires*-MATBA (for commodities and derivatives) and the ROFEX (for commodities and derivatives).

The ByMA, founded as the BCBA in 1854, is the oldest and largest equity market in Argentina. Usually, the overwhelming majority of all Argentine equity trades take place on the BCBA.

We were one of the first companies listed on the BCBA (now the ByMA), quoting since 1888. Currently our shares are listed on the ByMA under the ticker BBAR. Since 1993 our shares have also been listed on the NYSE in the form of ADS under the ticker BBAR and, since December 1999, our shares have also been listed on the Madrid Stock Exchange under the ticker XBBAR. We cannot give assurance that a public market in the United States for the ADSs will continue to exist.

As of December 29, 2023, the shares of 79 domestic companies were listed on the ByMA, excluding investment funds. In 2023, the effective volume traded in shares (US$ 52.0 billion). S&P Merval presented an increase in the annual variation of 358.42% compared to December 2023. See "Instituto Argentino de Mercado de Capitales.*"*

All the agents authorized by the CNV can conduct transactions in the authorized markets. These agents must be affiliated with ByMA (stock market continued by ByMA) if they want to trade on this market. Trading on the ByMA is conducted through three different trading systems:

- the "Eomm",
- the "Senebi", and
- the "Sistaco".

The operations at the electronic auction system called the "EOMM" start from 11:00 A.M. and end at 5:30 P.M. each business day. Each broker inserts both its buying and selling orders while the system matches the transactions. EOMM has been considered a single market. The system allows the trade of securities, public bonds, private bonds, futures and derivatives.

The Buenos Aires Stock Market's trades are made through an electronic Senebi Market System (the "Senebi") that operates from 11:00 A.M. to 5:30 P.M. each business day. Member Agents operate on their own, arranging transactions through direct negotiations. The transactions must be informed by the ByMA agents for their disclosure, registration and publication. The transactions arranged and registered in Senebi are considered unsecured and, consequently, do not enjoy the backing of the Mandatory Guarantee Fund Constituted by ByMA. Additionally, such transactions are made through the electronic Sistaco Market System (the "Sistaco") that operates from 11:00 A.M. to 5:30 P.M. each business day which allows Brokers of Negotiable Securities ("ACVN") to inform ByMA of the occurrence of trades in negotiable securities in the systems managed by ACVN which links authorized intermediaries that are later confirmed for subsequent registration in the segment Senebi or agree in the PPT. In all markets, the operations can be executed in pesos or dollars from local accounts or foreign accounts.

The following table summarizes certain historical information about the ByMA.

	December 31,		
	2023	2022	2021
Market capitalization (US$ billion)	52.0	52.8	41.7
Number of companies listed	79	81	83
Rate of return in US$ (1)	0.81%	40.33%	(4.96)%
Market/book ratio (2)	2.54	1.27	1.00

(1) Based on the Merval Index.
(2) Based on IAMC report for S&P Merval Index (integrated by 20 leader companies).
Source: ByMA and Instituto Argentino de Mercados de Capitales (IAMC).

Market Regulation

In November 2012, the Argentine Congress passed the Capital Markets Law, which abrogated Law No. 17,811 enacted in 1968. In July 2013, the Argentine executive branch issued implementing Decree No. 1023/13, and in September 2013, the CNV issued a new set of rules further implementing and administering the requirements of the Capital Markets Law (General Resolution 622/2013 and, together with Decree No. 1023/13, the "CNV Rules").

The objectives of the Capital Markets Law are, among others, the promotion of the participation in the securities market of small investors, including retail investors, trade unions, chambers of commerce, professional organizations, and small and medium-sized companies; the strengthening of the mechanisms to protect and prevent abuses against such investors and the simplification of the mechanisms by which persons trade on the market.

The Capital Markets Law introduced other important amendments, the most important of which are: (i) the end of the Argentine securities market's self-regulation; (ii) new categories of licenses for participants in the public offering regime; (iii) the new powers conferred on the CNV; and (iv) the mandatory tender offer rules. These amendments are briefly described below.

- End of Self-Regulation of the Securities Market

The Capital Markets Law brought to an end the self-regulation of the Argentine securities market. Prior to the Capital Markets Law, in order to trade on a market, broker dealers had to be shareholders of the self-regulated organization ("SRO") that operated such market. Accordingly, in the city of Buenos Aires, the only persons authorized to trade securities listed on the ByMA were the shareholders of the Buenos Aires Stock Market, the entity overseeing brokerage activities and transactions on the Buenos Aires Stock Market. Likewise, for persons to trade securities on the MAE, they had to be shareholders of such entity. While these entities supervised their participants, the CNV, in turn, supervised the entities.

The Capital Markets Law expressly provided that stock exchanges and other securities markets may no longer impose as a requirement for membership to be a shareholder of the relevant exchange or market. It also established that markets must be organized as public companies (i.e. with listed shares), excluding other types of companies or civil associations.

Moreover, the CNV now directly authorizes, revokes the authorization of, regulates and supervises the securities markets, as well as any individuals and companies that in any manner participate in the public offering of securities. Accordingly, the indirect regulation through SROs was abandoned.

- Licenses for Participants in the Public Offering Regime

The Capital Markets Law set several types of licenses for persons and companies already engaged, or wishing to engage, in the public offering of securities. Regarding the former, such as stock brokers or MAE broker dealers that already held a license, the CNV rules allowed them to choose until March 2014 among the new set of licenses and to comply with the requirements of each of them, with longer periods of time available to comply with certain specific requirements such as mandatory minimum capital requirements.

The new types of licenses included the following: Negotiating Agents (*Agentes de Negociación–AN*), for companies that wish to engage in the primary and secondary offer of securities; Liquidation and Compensation Agents (*Agentes de Liquidación y Compensación–ALyC*), for companies that, in addition to the primary and secondary offer of securities, wish to participate in the settlement of transactions; Soliciting Agents (*Agentes Productores–AP*), which allows individuals and companies to solicit clients for referral to either an AN or ALyC; Capital Market Advisors (*Agentes Asesores de Mercados de Capitales–AA*), for individuals or companies giving advice to the public relating to the capital markets; and Selling Agents (*Agentes de Corretaje de Valores Negociables–ACVN*), for ANs, ALyCs and other authorized participants to act as intermediaries among sellers and buyers through electronic platforms.

There are also specific licenses to act as central securities depositories or Collective Deposit Agents (*Agente de Depósito Colectivo–ADC*); or perform certain of their related activities as Custody and Payment Agents (*Agente de Custodia, Registro y Pago–ACRyP*).

Regarding rating agencies, the Capital Markets Law introduced the possibility for public universities to act as such, and therefore there are two categories in this area: rating agents (*Agentes de Calificación de Riesgo–ACR*) and public university rating agents (*Agentes de Calificación de Riesgo–Universidades Públicas*).

Regarding collective investments, including investment funds and trusts, the Capital Markets Law maintained a similar scheme of licenses, extending the requirement imposed on other non-banking entities to register with the CNV to banks, to act as financial trustees.

Finally, the Capital Markets Law requires all employees of registered entities who deal with the public, whether due to the provision of advisory services or any services, to be registered in a special registry to be kept by the CNV (Registry of Competent Agents or *Registro de Idóneos*), and, among others, complete the training programs mandated by the CNV.

- Powers Conferred on the CNV

The CNV directly regulates, supervises and disciplines individuals and companies that participate in any manner in the public offering of securities.

The CNV authorizes the public offering of securities and keeps record of companies authorized to publicly offer their securities. Also, the CNV keeps a registry of, and grants, suspends or revokes the authorization to operate the markets (which governing rules will also approve), licensed agents, and of any other persons or companies that because of their activities are under the CNV supervision. It also approves the governing rules of the securities markets.

The CNV assumed the power to control the companies which hold the licenses described in "*New Licenses for participants in the Public Offering Regime"* section above. The CNV must carry on the permanent supervision of such companies, approving any amendments to their bylaws, variations of their capital, and their dissolution and liquidation.

The CNV enforces the Capital Markets Law, with the power to impose sanctions. The CNV may declare acts which are under its supervision null and void, without the need of prior administrative proceedings, when such acts were contrary to the Capital Markets Law. The courts reviewing the decisions of the CNV are the commercial courts instead of the administrative law courts.

In carrying out its duties, the CNV may, inter alia, request information, conduct inspections and investigations, request the assistance of law enforcement authorities, and file judicial complaints.

- Mandatory Tender Offers Rules

A mandatory tender offer for taking of control of a company is now applicable to all companies admitted to the public offering regime, with no possibility to opt out of the regime.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable

B. Memorandum and Articles of Association

The following summarizes certain material provisions of our Bylaws and Argentine law, the main regulatory bodies governing BBVA Argentina. This summary is qualified in its entirety by reference to the Argentine Companies Law No. 19,550 ("Argentine Companies Law"), the Financial Institutions Law and our Bylaws, and corresponds to the last five years.

At the ordinary and extraordinary shareholders' meeting held on April 24, 2019, our shareholders approved an amendment to section 1 and 3 of our Bylaws in order to change the company name, allow the Board to issue corporate bonds without the prior delegation of the shareholders' meeting, the exercise of preemptive rights in accordance with the prospectus in case of a capital increase and the elimination of the accretion right. This amendment was registered before the Public Registry of Commerce on October 17, 2019 under No. 21332, Book 97 of Corporations. A copy of our Bylaws was filed as an exhibit to our annual report on Form 20-F for the year ended December 31, 2019.

At the ordinary and extraordinary shareholders' meeting held on April 20, 2021, our shareholders approved an amendment to section 22 of our Bylaws in order to include the possibility of holding remote Board meetings. This amendment was registered before the Public Registry of Commerce on July 21, 2021 under No, 11156, Book 1037 of Corporations. A copy of our Bylaws as currently in effect was filed as an exhibit to our annual report on Form 20-F for the year ended December 31, 2021.

Registry and Company's Objects and Purposes

BBVA Argentina is registered with the Public Registry of Commerce of the Argentina (Registro Público de Comercio) under company number 1,065, Page 359, Book 5, Volume "A" of Local Corporate Bylaws, Section 3 of our Bylaws provides that the object of BBVA Argentina is to engage in the commercial banking business, including financial brokerage, whether in Argentina or abroad. Under our Bylaws, BBVA Argentina is authorized to perform the following activities:

- accept term and demand deposits;
- grant short-term bullet and other amortizable loans;
- discount, purchase and sell bills of exchange, promissory notes, pledges, checks, drafts and other negotiable instruments;
- grant guarantees, bonds or other forms of collateral; accept bills of exchange, drafts and other orders of payment, transfer funds and issue and accept letters of credit;
- grant advances on credits from property sales, acquire the same and undertake the risks resulting therefrom, take steps to collect them and offer technical and administrative assistance;

- invest in government securities;
- make temporary investments in liquid assets;
- invest in new stock or securities issues, in pursuance of such regulations as may be set forth to that purpose;
- accept securities in custody and provide other services related to the banking business;
- manage, on account of third parties, the purchase and sale of securities, and act as paying agents in relation to dividends, redemption and interest;
- engage in brokerage activities in the over-the-counter securities market;
- perform foreign exchange transactions;
- comply with agencies related to its operations;
- receive deposits of participation in mortgage loans and in special accounts;
- issue mortgage obligations;
- grant loans for the acquisition, construction, enlargement, repair, improvement and maintenance of urban or rural real estate, and for the substitution of mortgages taken out for that same purpose;
- receive loans from abroad and act as intermediary in local or foreign currency-denominated loans;
- issue private bonds;
- carry out such lending, borrowing and service-related operations as are not forbidden under the Financial Institutions Law; and
- serve and register before the CNV as management agent for collective investment products, custodian for collective investment products, trading agent, settlement and clearing agent, broker, capital market advisor agent, securities broker and/or custody, registration and paying agent, taking into account the compatibilities established by the Argentine Securities Commission and upon compliance with the requirements established by that entity.

Directors

Under Section 18 of our Bylaws, the Board of Directors receives an annual fee established by our shareholders. This fee is subject to the restrictions of Section 261 of the Argentine Companies Law, which provides that the aggregate compensation of the directors may not exceed 25% of the income of the Bank, or 5% of the income if no dividends were distributed to the shareholders.

The compensation of the members of the Board is previously approved by the Nominations and Compensation Committee and the Audit Committee of the Bank, taking into consideration the reasonability and legality of the amount proposed. The decision of these two committees regarding the compensation amount is then submitted to the approval of the Board of Directors and the annual shareholders' meeting.

Under Section 272 of the Argentine Companies Law, a director may not vote in respect of any proposal in which such director, or any person connected to such director, has an interest contrary to the interests of BBVA Argentina, Moreover, directors are not entitled to carry out personal transactions with the company or its affiliates, other than the banking common operations, unless they are approved by a special procedure that guarantees the transparency of proposed transaction.

Directors need not hold shares in BBVA Argentina or any of our subsidiaries to qualify and be appointed as directors of BBVA Argentina.

The Bank has no policies regarding age limits or retirement age.

Rights Attaching to Shares

As of the date of this annual report, our capital is formed by a single class of shares, all of which are ordinary shares and have the same voting and economic rights. Shareholders participate in the distribution of dividends pro rata of the paid-in capital, Furthermore, shareholders are entitled to participate in the distribution resulting from the liquidation of BBVA Argentina in proportion to the paid-in capital.

Shareholders are entitled to vote cumulatively one-third of the vacancies of the Board of Directors. The Board may not be partially reelected if it impairs or prevents the exercise by shareholders of their cumulative voting rights.

Shareholders may no longer claim the payment of dividends from BBVA Argentina once three years have elapsed from the date on which the relevant dividend was made available to such shareholder.

Our Bylaws do not contain any provisions related to sinking funds or potential liability of shareholders of BBVA Argentina to make additional contributions.

Shareholders' Meetings

Ordinary and extraordinary shareholders' meetings are to be convened by the Board of Directors of the Bank or by the Supervisory Committee in such instances as set forth by law, or whenever they may deem it necessary, or upon requisition of shareholders representing at least 5% of our stock capital, as provided by Section 236 of the Argentine Companies Law.

Shareholders' meetings are called by publication for five days, at least 20 and not more than 45 days before the date of the meeting, in the Official Gazette and in one of the most widely circulated newspapers in Argentina. The notice must include the nature, the date, time and place of the meeting, the agenda, and any special requirements in our Bylaws for the shareholders to attend.

In case of adjournment of a regular shareholders' meeting, the meeting on second call may be held on the same date, at least one hour after the time set for the meeting on first call, in compliance with Section 237 of the Argentine Companies Law. In case of adjournment of a special shareholders' meeting, the meeting on second call must be held within the following thirty days, and the publication must appear for three days at least eight days before the date set for that meeting.

In order to attend and vote at any shareholders' meeting, shareholders must deposit with us their shares or a share certificate or a statement of account representing book-entry shares, as the case may be, issued by us, a securities depository or any other authorized institution, to be recorded in the record book of attendance, at least three business days before the date of the meeting.

Holders of registered or book-entry shares, the record of which we keep, are only required to notify us to register their names in the record book of attendance, at least three business days before the date of the meeting. We must provide such shareholders with certificates authorizing them to attend the meeting.

Shareholders may be present at meetings by power-of-attorney or proxy. In the latter case, the principal's signature shall be certified by a court, notary public or bank. Directors, statutory auditors, managers or any other of our employees may not act as agents for these purposes.

A quorum must be present at any regular shareholders' meetings on first call upon the attendance of shareholders representing the majority of voting stock, On second call, there is a quorum with the attendance of any number of shares present. A quorum is present at any special shareholders' meeting on first call upon the attendance of shareholders representing 60% of the voting stock, Shareholders representing 30% of our voting stock shall constitute a quorum at a special shareholders' meeting on second call. In any case, resolutions require the absolute majority of the voting stock present.

Restrictions on Voting and Shareholding

There are no restrictions imposed by Argentine law or our Bylaws or other organizational documents regarding the rights of non-residents or foreign persons to hold or vote our ordinary shares or ADSs of the Bank.

Change of Control

There are no provisions in our articles of incorporation or Bylaws that would have the effect of delaying, deferring or preventing a change of control of BBVA Argentina and that would operate only with respect to a merger, acquisition, corporate restructuring involving BBVA Argentina or any of its subsidiaries.

Ownership Disclosure

There are no provisions in our Bylaws governing the ownership threshold above which shareholder ownership must be disclosed.

Change in the Capital

Our Bylaws do not establish conditions for the changes in the capital of BBVA Argentina more stringent than those conditions imposed by the Argentine Companies Law.

C. Material Contracts

In May 2022 the Board of Directors requested the opinion of the Audit Committee regarding the offer letter of location of information technology services from Aplica Tecnología Avanzada S.A. de C.V. ("ATA"). Since 2019 ATA provides the Bank with services related to data processing in connection with the "Mainframe" technology platform distributed under Unix, Linux, Windows, among others, as well as the "NextGen" platformX86-based open source software that provides the connectivity needed to link the Bank to the hardware and software components used by ATA. The Bank and ATA are considered related parties according to the terms of paragraph III, subparagraph a) of Section 72 of the Capital Markets Law. The Audit Committee concluded that the compensation and scope of services established in this contract are in line with market conditions for similar transactions entered into by independent parties, Such conclusion was taken on the basis of the report issued by the independent evaluating firm PWC Asesores de Empresas S.R.L. in May 2022.

The compensation to be paid by the Bank to ATA as consideration for its services in 2023 exceeds one percent (1%) of the Bank's net worth. The contract was entered in the ordinary course of business of the Bank.

D. Exchange Controls

On January 7, 2002, the Congress approved the Public Emergency Law that introduced dramatic changes to the Republic's economic model and amended the currency board that pegged the peso at parity with the dollar which had been in effect since April 1, 1991 pursuant to the Convertibility Law. The law empowered the executive branch to implement, among other things, additional monetary, financial and exchange measures to overcome the economic crisis in the medium term. The Central Bank, among other restrictive measures, restricted the transfer of U.S. dollars abroad without its prior approval. In 2003 and 2004, the government substantially eased these restrictions. On June 10, 2005 the government issued Decree No. 616/05 establishing further restrictions on capital flows into Argentina, with the following provisions:

(i) all incoming and outgoing funds from the Argentine Exchange market, and any debt operation with non-residents which could demand future payments in foreign currency to non-residents, are subject to registration with the Central Bank for informative purposes;

(ii) any debt entered into between non-governmental persons or entities and non-residents must be agreed for a term of at least 365 days, except for the financing of import and export operations and the primary placements of public debt listed in an authorized stock exchange; and

(iii) all incoming funds relating to foreign private debt, and all incoming funds of non-residents, excluding foreign direct investments and certain types of portfolio investments (purchases in the primary market of debt instruments and equity, listed in authorized stock exchanges, etc.) regardless of the agreed payment procedure, must be agreed for at least 365 days, and 30% of incoming funds must be deposited with a bank in Argentina in a non-interest bearing account, known as "encaje" (legal reserve).

On December 16, 2015, the Ministry of Economy and Public Finances issued Resolution No, 3/2015 (published in the Official Gazette on December 18, 2015) amending Decree No. 616/05. Pursuant to such resolution, the mandatory waiting period was reduced from 365 to 120 calendar days and the mandatory deposit was reduced to zero percent.

Accompanying this resolution, the Central Bank issued new foreign exchange regulations on December 17, 2015: Communications "A" 5850 and continuing with Communications "A" 5861, 5899, 6037, 6137 and supplementary, under which structural changes were made to the current foreign exchange regime, easing the access to the foreign exchange market.

On February 2017, the Ministry of Economy and Public Finances issued Resolution No, 1/2017 reducing the mandatory waiting period to zero days and, at the same time, the Central Bank issued new foreign exchange regulations in Communications "A" 6037, 6118, 6137, 6150, 6163 and 6174 that ease the access to the foreign exchange market in Argentina.

On May 19, 2017, the Central Bank issued Communication "A" 6244 effective as of July 1, 2017, whereby all the rules that regulated trading in the foreign exchange market were significantly modified and rendered more flexible.

After some years of flexibility in foreign exchange matters, on September 1, 2019, the Central Bank issued Communication "A" 6770 that established new regulations, restricting access to the exchange market, Accompanying this main resolution, new regulations, amendments and supplements, were issued in Communications "A" 6776, 6780, 6788, 6815, 6818 and 6844.

Since 2020, the Central Bank has issued more restrictive regulations requiring importers to restrict their operations in the capital markets. All exchange regulations in force up to 2020 were compiled by the Central Bank by means of Communication "A" 7914. After the appointment of Milei as president, the Central Bank issued Communication "A" 7017, which established that debts for goods and services prior to December 12, 2023 would require prior authorization from the Central Bank unless they were related to operations financed prior to that date by local or foreign banks or by export credit agencies. Likewise, those importers of goods or services with debt outstanding as of December 12, 2023 were allowed to subscribe a bond called BOPREAL ("*Bono para la Reconstrucción de una Argentina Libre*") granting them access to the exchange market at the time of maturity of the corresponding debt or which could be transferred to the debt creditor.

With respect to imports of goods and services after December 13, 2023, the Central Bank established that access to the foreign exchange market would be given to importers depending on the type of the imported good within certain deadlines (e.g., immediately for imports of energy and derivatives, within 30 calendar days for pharmaceutical products and their supplies and within 180 days for cars and luxury goods). Debts for other goods or services can be paid with access to the exchange market in a payment schedule that begins 30 calendar days after the nationalization of the merchandise and continues after 60, 90 and 120 calendar days, paying, in each case an amount no greater than 25% of the freight on board value of the goods.

The regulations regarding financial debts, the payment of dividends and operations of non-residents remain in force.

A description of the restrictions and regulations currently in force is included below.

Cross Border Transfers of Funds, Foreign Debts

Up to September 2019, the repayment of the principal and interest on foreign indebtedness did not require the entry and settlement of the disbursement through the foreign exchange market.

Since then, due to the changes introduced by the Central Bank, debts disbursed on or after September 1, 2019 are subject to the entry and compulsory settlement through the foreign exchange market, to the extent that the repayment of the principal and interest are made with access to the exchange market.

Today, regardless of whether the financial indebtedness was incurred before or after September 1, 2019, repayments, of both principal and interest, may be made with a maximum anticipation of three business days to maturity. If the anticipation period is longer, the prior confirmation of the Central Bank is required.

The repayment of capital and interests corresponding to indebtedness between related counterparties requires prior authorization from the BCRA except when the debt was entered and settled by the exchange market after October 2, 2020.

Regulations Regarding Exports, Imports, and Services

In 2019 the Central Bank established certain rules related to the entry and exit of foreign currency collected abroad as a result of the collection of exports of goods, advances and pre-export financing, setting different terms of time (30, 60, 180 and 365 calendar days) for the entry and liquidation of foreign currency to Argentina depending on the type of the products being exported.

Since September 1, 2019 funds originated from the collection of Argentine exports corresponding to official shipping permits must be entered and settled in the exchange market within the maximum terms established in Communication "A" 6770 and its amendments.

The collection of services exports must be entered and settled in the local exchange market within a period not exceeding five business days from the date of receipt abroad or in the country, or its accreditation in foreign accounts.

In 2022, the Ministry of Economy established the Export Increase Program by means of Decree 576/2022 with the aim of promoting the settlement of export charges at a differential exchange rate. Initially, the Export Increase Program applied only to collections for exports of soybeans and other grains and was later extended to all other goods and services. As of the date of this annual report, according to the provisions of Decree 28/2023, at least 80% of the exports of goods and services must be settled by the exchange market, with the remaining 20% being settled through the purchase and sale of negotiable securities acquired at foreign currency and sold at local currency.

In relation to the payment of imports of goods and services, in October 2022, through Communication "A" 7622, the SIRA and SIRASE declarations were established as requirements for access to the exchange market for the payment of goods and services, which consisted of a type of authorization granted by the AFIP jointly with the Ministry of Commerce allowing importers to make payments abroad and nationalize their assets.

Then, through Communication "A" 7917, the Milei administration annulled both the SIRA declaration and the SIRASE declaration with the intent to reduce bureaucracy and provide transparency in the procedures necessary for access to the exchange market for the payment of imports of goods and services.

Communication "A" 7917 also established a specific treatment for debts existing prior to December 12, 2023 and a deadline scheme for new imports after December 13, 2023.

As a result, debts existing prior to December 12, 2023 may subscribe to BOPREAL, under the terms of Communication "A" 7925, as amended, or have the prior approval of the Central Bank. Those importers interested in subscribing to BOPREAL bonds must subscribe them during the first months of 2024. Then, importers will be able to negotiate with their creditors the delivery of these bonds, or their sale in secondary markets, to pay off their debts.

New advance payments must receive prior authorization from the Central Bank, unless such advance payments are financed abroad and fall within one of the exceptions provided for in point 3 of Communication "A" 7917.

The requirement to enter capital goods that have been paid in advance of shipment into the country within 270 days of the payment having been made remains in force and, similarly, those importers who pay in advance of shipment for any other goods must, have the goods enter the country within 90 days from payment of the merchandise.

Payment for services provided between unrelated parties may be made in accordance with a scheme established by the BCRA in Communication "A" 7917, which provides for immediate payment (for example, in the case of health services and audiovisual services) or payment within a 30 day period from the effective provision of the services. Cultural and recreational services, which include payment abroad for concerts and shows provided by people from abroad, may only be paid 90 days after the service is provided. Likewise, the new scheme established by the Central Bank for the payment of services abroad, indicates that access to the exchange market for the payment of services provided between related counterparties can only be carried out 180 days after the service has been effectively provided, with the exception of payment abroad for freight services, even between related counterparties, which may be made 30 days after the arrival of the merchandise to the country of destination of the transported merchandise.

Purchase of Foreign Currency

A. Domestic individuals and companies

The regime applicable since September 2020, provided for in Communications "A" 6770 and "A" 7914 and its supplements and amendments, in relation to the purchase of external assets by legal persons for investment purposes (commonly known as hoarding) requires the prior approval of the Central Bank in certain circumstances, such as: real estate investments abroad, loans granted to non-residents in Argentina, contributions from residents in Argentina of direct investments abroad, portfolio investments of Argentines abroad , certain other investments abroad by Argentine residents, portfolio investments of Argentine legal entities abroad or purchase of foreign currency bills to be carried out in Argentina, For individuals, the limit to perform this type of operation is US$200 per month.

In summary, the exchange regulatory framework currently establishes:

- For the purchase of external assets, resident individuals may access the exchange market for up US$200, or its equivalent in other currencies, per calendar month in all entities authorized to operate in exchange. For larger amounts, the prior approval of the Central Bank is required. Access to the exchange market by legal entities, requires the prior approval of the Central Bank despite of the amount. Non-residents individuals and legal entities require the prior approval of the Central Bank to access the exchange market.
- Transfers in foreign currency for the formation of external assets must come from a bank account in the name of the transferor.
- The income from investments of residents and non-residents is not limited in amount and can be credited to accounts in foreign currency in Argentina.

B. Non-residents

Prior to September 1, 2019, per Communication "A" 6174, entities authorized to trade in the foreign exchange could sell currencies to non-residents without limitation if funds were properly credited to a local account in their name.

Currently, the operations of non-residents require the prior approval of the BCRA.

Transfer of Dividends

The transfer of profits and dividends abroad to non-resident shareholders requires the prior approval of the Central Bank.

As an exception to this general requirement, in accordance with the provisions of Communication "A" 6869, the exchange market may be accessed without the prior approval of the Central Bank for the payment of profits and dividends for non-resident shareholders, when all the conditions set forth in such Communication are fulfilled including, among others, (i) that dividends are settled and distributed based on closed audited balances; (ii) compliance with the "Survey of External Assets and Liabilities" for the operations involved; and (iii) that the total amount of transfers abroad as payment of dividends through the exchange market does not exceed 30% of the value of new contributions of foreign direct investment in the resident company, which must be entered and settled through the foreign exchange market.

Direct Investments

The entrance of direct investments into the country is not restricted. Such investments can be credited in accounts in foreign currency and currently there is no minimum term.

The repatriation of direct investments in the country by non-residents requires the prior authorization of the BCRA, according to the provisions of Communication "A" 6855 from the Central Bank.

Survey of External Assets and Liabilities

The obligation of residents to complete the "Survey of the issuance of debt and external liabilities" (Communication "A" 3602 and complementary) and the "Survey of direct investments" (Communication "A" 4237 and complementary) even when they have not accessed the exchange market and / or it is not foreseen to access it in the future due to the transactions that correspond to be declared, were replaced by Communication "A" 6401 of December 26, 2017. Statements made on or before September 30, 2017 shall be governed by the rules of the replaced communication.

Future and Forward Operations

The Central Bank significantly modified the exchange regulations on derivatives by incorporating the restriction on the execution of cross-border derivative transactions.

The exchange regulations oblige Argentine residents to obtain the prior authorization of the Central Bank to access the foreign exchange market for transfers abroad in derivatives with foreign counterparties, according to Communication "A" 6780 of the Central Bank. The entry of foreign currency for this concept has no restrictions.

Banking institutions must follow specific rules, depending on whether the derivative transaction is made with a central clearing counterparty or a foreign bank.

E. Taxation

The following is a summary of certain Argentine and United States federal income tax consequences of the ownership and disposition of our ADSs or ordinary shares by a U.S. Holder (as defined below). This summary is not a complete analysis or listing of all possible tax considerations that may be relevant to a holder of our ADSs or ordinary shares. Holders of our ADSs or ordinary shares should consult their own tax advisers as to Argentine, United States and other tax consequences of the ownership and disposition of ADSs or ordinary shares.

1. Argentine Taxes

General

The following is a summary of certain Argentine tax matters that may be relevant with respect to the ownership and disposition of ADSs or ordinary shares by U.S. Holders. Such summary is based upon the tax laws of Argentina, and regulations thereunder, in effect as of the date of this annual report and is subject to any subsequent change in Argentine laws and regulations which may come into effect after such date. Investors in ADSs or ordinary shares should consult their own tax advisers as to the Argentine. United States and other tax consequences of the ownership and disposition of ADSs or ordinary shares.

Taxation of Dividends

Pursuant to Law No. 25,063, as enacted into law on December 30, 1998, dividend payments on the ordinary shares (and ADSs), whether in the form of cash, stock, or other types of consideration, are subject to Argentine withholding taxes at a rate of 35% to the extent the aggregate amount distributed exceeds the sum, for the previous year, of: (i) our accumulated taxable earnings and (ii) certain tax-exempt income (such as dividend payments from other corporations) (known as the "equalization tax").

With respect to the equalization tax, article 83 of fiscal reform Law No. 27,430 states that it shall not be applicable for dividends or profits attributable to accrued earnings in the fiscal years beginning as from 1 January 2018.

On the other hand, for the fiscal years beginning as of January 1, 2018 the issuer will be subject to a 30% tax rate and a withholding tax of 7% will be applicable to the dividends. For the fiscal year beginning in 2022, the issuer will be subject to a 25% tax rate and a withholding tax of 13% will be applicable to the dividends.

On December 23, 2019, the Congress passed the Law No. 27,541 "Solidarity and Productive Reactivation Law as a part of Public Emergency" which was proposed by the National Government. The scheduled decrease in enterprise income tax from 30% to 25% was revoked (keeping the income tax rate at 30% as of 2020 and 2021). Consequently, the additional rate charged for dividend payments to parent companies decreased from 13% to 7%.

Law No. 27,630 enacted on June 16, 2021, canceled the generalized reduction of the tax rate explained above, and introduced a system of tax rate by scales that will be in force for fiscal years beginning on or after January 1, 2021, and also, the rate applicable to dividends on profits generated in fiscal years started as of January 1, 2018 was unified at 7%.

The tax must be withheld by the paying entities from the above-mentioned dividends and profits received by individuals and undivided succession residing in the Republic of Argentina and non-resident beneficiaries. An undivided succession is a legal figure created by the Argentine Civil Code which covers the time elapsed between the date of death of a person and the declaration of heirs. Such withholding shall have the character of a unique and definitive payment, except for those individuals and undivided successions residing in the Republic of Argentina and registered as payers of the tax.

In the case of distributed profits generated in fiscal periods in respect of which the paying entity was subject to the 35% tax rate, the payment of the tax or withholding shall not apply to such dividends or profits, as the case may be. Nonetheless, if applicable, the equalization tax still applies.

To these effects it shall be considered, without admission of proof to the contrary, that the dividends or profits made available correspond, first and foremost, to the earliest accumulated profits or benefits.

The dividends or profits distributed by capital companies and permanent establishments will be applied to the fiscal year in which they may have been: (i) made available or paid, whichever occurs first; or (ii) capitalized, provided the securities foresee interest or accrual payments within terms of up to one year.

So far, these rules have not been subject to regulations or interpreted by the executive power or authority of application.

Taxation of Capital Gains

The tax reform Law No. 27,430 enacted in December 2017 brought about changes regarding the taxation of capital gains deriving from the trading of shares, representative values and share deposit certificates and other securities, quotas and corporate participations (including quotas in mutual investment funds, certificates of participation in financial trusts and any other rights on trusts and similar agreements) digital coins, securities, bonds and other financial instruments, whoever the subject acquiring them.

The capital gains deriving from the holding and trading of shares will be considered to be of Argentine source whenever the issuer is domiciled, established or residing in the Argentine Republic. The representative securities or share deposit or other certificates, such as our ADSs, will be of Argentine source when the issuer of the shares and other securities is domiciled, established or resident in the Argentine Republic, regardless of the entity issuing the certificates, the place of issue of the latter or the place of deposit of such shares and other securities.

According to the changes made by the amendment to article 26 paragraph u) in 2019 Decree No. 824/19 of the Income Tax Law, the following will be exempted from tax:

- The capital gains from purchase and sale, exchange, swap or disposal transactions of shares, securities representing shares and share deposit certificates, held by natural resident persons and undivided estate established in the Argentine Republic, provided those transactions are not attributable to subjects comprised in paragraphs d) and e) and in the last paragraph of article 53 of the law.

The benefit established in the preceding paragraph may only be applicable to the extent that (a) it is a placement by public offer authorized by the National Securities Commission; (b) the transactions were carried out in markets authorized by such body under segments ensuring price-time priority and interference of offers; and/or (c) they were effected through a public offer of purchase and/or exchange as authorized by the National Securities Commission.

- The capital gains from purchase and sale, exchange, swap or disposal transactions of shares, securities representing shares and share deposit certificates, held by non-resident beneficiaries insofar as such beneficiaries do not reside in non-cooperating jurisdictions. Likewise, the tax exemption shall also be applicable to the interest or yield or results from the purchase and sale, exchange, swap or disposal by the above-mentioned non-resident beneficiaries of representative securities or share deposit certificates issued abroad, such as our ADSs, provided such shares were issued by entities domiciled, established or residing in the Argentine Republic and have an authorization for public offer issued by the National Securities Commission.

If the requirements of article 26 paragraph u of the law described above are not met, the applicable tax will be fifteen percent (15%).

So far, these rules have not been subject to regulations by the executive power or authority of application.

Value Added Tax ("VAT")

Neither the sale, exchange or other disposition of ADSs or ordinary shares nor the payment of dividends thereunder is subject to VAT.

Transfer Taxes

The sale or transfer of ADSs or ordinary shares is not subject to transfer tax.

Personal Property Tax

According to Law No. 23,966, as amended, and Decrees No. 127/96 and 812/96, all individuals and undivided estates are subject in Argentina to a personal property tax on all assets held at December 31 of each fiscal year (the "Personal Property Tax"). This tax applies to our ADSs and ordinary shares held by U.S. Holders. In the case of individuals and undivided estates domiciled or located in Argentina, an exemption is available to taxpayers whose assets included in the tax base for purposes of the Personal Property Tax do not exceed Ps.27,377,408.28. Corporations and other legal entities domiciled or located in Argentina are not subject to the Personal Property Tax. Individuals and undivided estates domiciled or located in a foreign country are subject to the Personal Property Tax only with respect to assets located in Argentina.

Pursuant to Law No. 25,585, it is presumed — without the right to rebut such presumption — that shares of stock corporations, such as ADSs (held in book-entry form or evidenced by ADRs), shares of common stock and equity interests in entities governed by the Argentine Companies Law No. 19,550, as amended, whose holders are corporations or any other entities, companies, permanent establishments or trusts, domiciled, settled or located in a foreign country, belong indirectly to individuals or undivided estates domiciled in a foreign country.

Pursuant to Law No. 25,585, published in the Official Gazette on May 15, 2002, BBVA Argentina is responsible for paying the Personal Property Tax on our ADSs or ordinary shares held by individuals or undivided estates domiciled in Argentina or a foreign country, or corporations or any other entities located in a foreign country. The tax rate to be applied is 0.50% and the taxable base is the value of the shareholders' equity arising from the last balance sheet of the company at December 31. The minimum exempted amount of Ps 27,377,408.28 is not applicable. The tax so paid is considered a definitive payment.

Companies responsible for the tax payment, such as BBVA Argentina, are entitled to obtain refunds of the amounts paid from holders of ADSs or ordinary shares and may retain or foreclose on the property included in the tax base for purposes of the Personal Property Tax that originated the payment.

In 2024, the Bank expects to make payments on account of its shareholders in connection with Personal Property Tax due with respect to assets held as of December 31, 2023.

Other Taxes

There are no Argentine inheritance, succession or gift taxes applicable to the ownership, transfer or disposition of ADSs or ordinary shares. There are no Argentine stamp, issue, registration or similar taxes or duties payable by holders of ADSs or ordinary shares.

Deposit and Withdrawal of Ordinary Shares in Exchange for ADSs

No Argentine tax is imposed on the deposit or withdrawal of ordinary shares in exchange for ADSs.

Income Tax Treaty

There is currently no income tax treaty or convention in effect between Argentina and the United States.

2. U.S. Federal Income Tax Considerations

The following summary describes material U.S. federal income tax consequences to U.S. Holders of owning and disposing of ADSs or ordinary shares, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to hold such securities. The discussion applies only to the U.S. Holders (described below) that hold ADSs or ordinary shares as capital assets for U.S. federal income tax purposes, and it does not describe all of the tax consequences that may be relevant in light of the U.S. Holder's particular circumstances, including alternative minimum tax consequences, the potential application of the provisions of the Code known as the Medicare contribution tax and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers and traders in securities who use a mark-to-market method of tax accounting;
- persons holding ADSs or ordinary shares as part of a hedging transaction, straddle, wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to ADSs or ordinary shares;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- persons that own or are deemed to own ten percent or more of our stock, by vote or value;
- persons who acquired ADSs or ordinary shares pursuant to the exercise of an employee stock option or otherwise as compensation; or
- persons holding shares in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds ADSs or ordinary shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partnerships holding ADSs or ordinary shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of the ADSs or ordinary shares,

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis, which may affect the tax consequences described herein. Holders of ADSs or ordinary shares are urged to consult their own tax advisers as to the United States, Argentine and other tax consequences of the ownership and disposition of ADSs or ordinary shares in their particular circumstances, including the effect of any U.S. state or local tax laws.

As used herein, a "U.S. Holder" is a beneficial owner of ADSs or ordinary shares that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source,

In general, a U.S. Holder who owns ADSs will be treated as the owner of the underlying shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if a U.S. Holder exchanges ADSs for the underlying shares represented by those ADSs.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of ADSs or ordinary shares in their own particular circumstances.

This discussion assumes that the Company is not, and will not become, a passive foreign investment company ("PFIC"), as described below.

Taxation of Distributions

Distributions paid on ADSs or ordinary shares, other than certain pro rata distributions of ordinary shares, will generally be treated as dividends to the extent paid out of current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid by qualified foreign corporations to certain non-corporate U.S. Holders are taxable at rates applicable to long-term capital gains. A foreign corporation is treated as a qualified foreign corporation with respect to dividends paid on stock that is readily tradable on a securities market in the United States, such as the New York Stock Exchange where our ADSs are traded, U.S. Holders should consult their tax advisers to determine whether the favorable rate will apply to dividends they receive and whether they are subject to any special rules that limit their ability to be taxed at this favorable rate. The amount of a dividend will include any amounts withheld in respect of Argentine taxes. The amount of the dividend generally will be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends-received deduction generally allowed to U.S. corporations under the Code. Dividends generally will be included in a U.S. Holder's income on the date of such U.S. Holder's (or in the case of ADSs, the depositary's) receipt of the dividend. The amount of any dividend income paid in Argentine pesos will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of such receipt regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, U.S. Holders should not be required to recognize foreign currency gain or loss in respect of the dividend income, U.S. Holders may have foreign currency gain or loss if such dividend is not converted into U.S. dollars on the date of its receipt.

Subject to applicable limitations, some of which vary depending upon the U.S. Holder's circumstances, Argentine income taxes, if any, withheld from payments of dividends on ADSs or ordinary shares might be creditable against a U.S. Holder's U.S. federal income tax liability. Treasury regulations, which apply to foreign taxes paid or accrued in taxable years beginning on or after December 28, 2021 (the "Final Treasury Regulations"), impose additional requirements for foreign taxes to be eligible for credit. However, the IRS recently released a notice that indicates that the U.S. Treasury Department and the IRS are considering amendments to the Final Treasury Regulations and provides relief from certain provisions of the Final Treasury Regulations for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). We have not determined whether these requirements have been met with respect to any withholding tax imposed on dividends on ADSs or ordinary shares and, therefore, U.S. Holders should consult their tax advisers regarding the availability of foreign tax credits for any amounts withheld with respect to dividends on ADSs or ordinary shares to which the Final Treasury Regulations apply.

Amounts paid on account of the Argentine Personal Property Tax, if any, will not be eligible for credit against the U.S. Holder's U.S. federal income tax liability. U.S. Holders should consult their tax advisers to determine the tax consequences applicable to them as result of amounts paid on account of the Argentine Personal Property Tax, including whether such amounts are includible in income or deductible for U.S. federal income tax purposes.

The rules governing foreign tax credits are complex and, therefore, U.S. Holders should consult their tax advisers regarding the availability of foreign tax credits in their particular circumstances. Subject to generally applicable limitations under U.S. law, a U.S. Holder may, at its election, deduct such otherwise creditable taxes in computing its taxable income in lieu of claiming a credit. An election to deduct foreign taxes instead of claiming foreign tax credits must apply to all foreign taxes paid or accrued in the taxable year.

Sale or Other Disposition of ADSs or Ordinary Shares

For U.S. federal income tax purposes, gain or loss a U.S. Holder realizes on the sale or other disposition of ADSs or ordinary shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the ADSs or ordinary shares for more than one year. The amount of a U.S. Holder's gain or loss will equal the difference between its tax basis in the ADSs or ordinary shares disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. If an Argentine tax is withheld on the sale or disposition of ADSs or ordinary shares, a U.S. Holder's amount realized will include the gross amount of the proceeds of the sale or disposition before deduction of the Argentine tax. See "—*Argentine Taxes—Taxation of Capital Gains*" for a description of when a disposition may be subject to taxation by Argentina.

Because a U.S. Holder's gain or loss on the disposition of ADSs or ordinary shares will generally be U.S.- source gain or loss for foreign tax credit purposes, and because a U.S. Holder will be entitled to use foreign tax credits to offset only the portion of its U.S. tax liability that is attributable to foreign-source income, a U.S. Holder may be precluded from claiming a credit for all or a portion of the foreign taxes imposed on such gains. In addition, in taxable years to which they apply, the Final Treasury Regulations generally will preclude U.S. Holders from claiming a foreign tax credit with respect to any tax imposed on gains from the disposition of shares by a jurisdiction, such as Argentina, that does not have an applicable income tax treaty with the United States, although such taxes may be applied to reduce the amount realized by the U.S. Holder on the disposition. U.S. Holders should consult their tax advisers regarding the creditability or deductibility of any Argentine tax in their particular circumstances (including any applicable limitations).

Passive Foreign Investment Company Rules

We believe that we were not a PFIC for U.S. federal income tax purposes for the taxable year 2023. However, because our PFIC status depends upon the composition of our income and assets and the market value of our assets (including, among others, less than 25-percent-owned equity investments) from time to time, and because our analysis of our PFIC status is based upon certain proposed Treasury regulations, including those which are not yet in effect but are generally proposed to become effective for taxable years after December 31, 1994 and other regulations proposed in 2021, which may not be finalized in their current form, there can be no assurance that we will not be considered a PFIC for any taxable year. If we are treated as a PFIC for any taxable year during which a U.S. Holder owned ADSs or ordinary shares, gain recognized by such U.S. Holder on a sale or other disposition (including certain pledges) of ADSs or ordinary shares would be allocated ratably over the U.S. Holder's holding period for the ADSs or ordinary shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for such taxable year and an interest charge would be imposed on the resulting tax liability for each such taxable year. Further, any distribution in respect of ADSs or ordinary shares in excess of 125 percent of the average of the annual distributions on ADSs or ordinary shares received by the U.S. Holder during the preceding three years or the U.S. Holder's holding period, whichever is shorter, would be subject to taxation in the same manner. Certain elections (including a mark-to-market election) may be available to U.S. Holders that may result in alternative treatments if we were a PFIC for any taxable year. U.S. Holders should consult their tax advisers to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances.

In addition, if we were a PFIC or, with respect to a particular U.S. Holder, were treated as a PFIC for a taxable year in which we pay a dividend or the prior taxable year, the favorable tax rates discussed above with respect to dividends paid to certain non-corporate holders would not apply.

If we are a PFIC for any taxable year during which a U.S. Holder owned our ADSs or ordinary shares, such U.S. Holder will generally be required to file IRS Form 8621 with the U.S. Holder's annual U.S. federal income tax return, subject to certain exceptions.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is an exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who are individuals or specified entities may be required to report information relating to securities of non-U.S. companies, or accounts through which they are held, subject to certain exceptions (including an exception for securities held in accounts maintained by U.S. financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of these rules on their ownership or disposition of ordinary shares or ADSs.

F. Dividends and paying agents

Not applicable.

G. Statement by experts

Not applicable.

H. Documents on Display

This annual report and the exhibits thereto and any periodic reports or other information filed pursuant to the Exchange Act may be inspected without charge and copied at prescribed rates at the SEC's public reference room located at 100F Street, N.E., Washington, D.C. 25049. In addition, the SEC maintains a website that contains information filed electronically with the SEC, which can be accessed over the internet at www.sec.gov. The documents concerning BBVA Argentina which are referred to in this annual report may also be inspected at our office at Av, Córdoba 111, C1054AAA Buenos Aires, Republic of Argentina.

I. Subsidiary information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Introduction

The General Risks Policy expresses the levels and types of risk that the Bank is willing to take to carry out its strategic plan, with no relevant deviations, even under stress conditions.

To achieve its goals, the Bank uses a management model with two principles for the decision-making process:

- Prudence: materialized in relation to the management of the various risks acknowledged by the Bank.
- Anticipation: refers to the adaptation capacity of risk management.

This process aims to be adequate, sufficiently proven, duly documented and periodically reviewed based on the changes of the Bank's risk profile and the market.

We have divided this section into three parts:

- Risk management, where we explain the policies and procedures that the Bank has in place to monitor and assess the different risks it is exposed to in the ordinary course of its business, and, in particular, we provide qualitative information about market risk.
- Trading portfolio activities, where we provide quantitative information about market risk as of the end of the latest fiscal year for instruments entered into for trading purposes.
- Non-trading portfolio activities, where we provide quantitative information about market risk as of the end of the latest fiscal year for instruments entered into for purposes other than trading.

Risk Management

The risks department of BBVA Argentina continues to adjust its comprehensive management model by reconditioning its structures and improving its policies aimed at providing the solution that is best suited to the clients' requirements, the changes of environment and the requirements of the local regulatory body. It is also oriented to permanently improving its tools and processes, focused on the detection, monitoring and mitigation of each of the risks incurred by the Bank.

This model makes it possible to satisfactorily comply with the guidelines set forth by the BCRA in its communications.

"Risks" comprises five groups:

- Credit Risk: The possibility that a counterpart fails to comply with its contractual obligations in relation to a certain transaction. It is the most important risk for the Bank and includes counterparty risk, issuer risk, settlement risk and country risk management.
- Financial Risk: The possibility of losses generated by changes in the market rates or the risk quality which determine the value of the Bank's assets and liabilities. It is subdivided into: market risk, liquidity risk, interest rate risk and marketplace credit risk.
- Non-Financial Risk: It primarily refers to operational risk, defined as losses caused as a result of: human errors, inadequate or defective internal processes, inappropriate behavior in front of clients, in the markets or against the Bank, failures, interruptions or deficiencies in systems or communications, inadequate data management, legal risks, or as a consequence of external events, including cyber-attacks, fraud committed by third parties, natural disasters and deficient service provided by suppliers.
- Internal Control and Reporting: The control and monitoring areas are in charge of giving cohesion to credit risk management and ensuring that the management of the other critical risk groups is carried out in accordance with the standards established by the Bank.
- Strategy & Solution Development: Area that participates in project evaluation, and supports its development. It includes Risk Center of Expertise (COE) that develops models and performs parameter estimation.

The risks department's objective is to ensure portfolio quality by controlling the origination of businesses and optimizing credit recoveries under best-practice standards. This is undertaken without disregarding the main focus, which is centered on the client, with particular emphasis on not inducing client over-indebtedness.

Risk Appetite

The Bank's risk appetite is approved by the Board of Directors, which determines the risks and the level of risks that the Bank is willing to assume to achieve its business objectives. These are expressed in terms of solvency, profitability, liquidity and financing, or other metrics.

The risk appetite statement of BBVA Argentina is as follows:

"BBVA Argentina's risk policy is focused on promoting a universal, multi-channel and responsible banking business model, based on values, committed to sustainable development and operational excellence, and focused on the needs of our clients. To achieve these objectives, the risk model is aimed at maintaining a moderate risk profile, a robust financial position and a solid risk-adjusted return throughout the cycle, as the best way to face adverse situations without compromising our strategic goals. Risk management is based on prudent management, a comprehensive view of all risks, a diversification of portfolios by geographies, asset classes and customer segments and the maintenance of a long-term relationship with the client, contributing, in this way, to profitable and sustainable growth and the generation of recurring value."

Credit Risk Ratios and Performance

At December 31, 2023 the non-performing loan ratio was 1.29% and the coverage ratio was 165.3%, compared to 1.13% and 242.22% respectively, at December 31, 2022. The NPL ratio suffered in 2023 a slight increase while the coverage ratio decreased, both explained by the retail portfolio performance, where provisions had a lower growth than non-performing loans.

Management Units

The different risk units provide support to the management of commercial banking entities, regarding admission, monitoring and recovery of credits. The model has been configured on the basis of the Bank's business structure.

Retail Risks

Retail Risks is responsible for the management of retail customers, including admission through predictive / statistical tools, both reactive and behavioral, the admission of special cases, the administration of tools and policies, portfolio monitoring, and the recovery process. The Bank assumes retail credit risk as it maintains contractual obligations with private customers.

The development of methods and tools that facilitate risk management in an automated manner continued in 2021, improving the availability within web channels, assuming a qualitative change in the proactive offer, achieving greater decentralization in the making of credit decisions and allowing admission teams to improve their value contribution. New automatic salary advance actions were carried out with online updates.

Currently, a methodology is used by risk groups, allowing a more personalized offer on admission and a better capacity for managing problematic recovery. This methodology has also incorporated regional differentiation, both in minimum income and credit assistance by product, as well as differentiated purchasing power.

Proactive strategy through the Hermes Tool is maintained with respect to clients and non-clients generating more offers on the most attractive profiles.

With respect to monitoring, detailed study of the portfolio, risk strategy and control over risk monitoring and actions on market changes are maintained. Additionally, we seek to maintain a transversal vision that encourages the identification and dissemination of best practices in retail risk management, as well as the identification of business opportunities and improvement paths.

The recovery activity is part of an integral management circuit that covers both actions aimed at preventing non-payment, as well as those carried out after non-payment occurs until the partial or total recovery of the principal amount. Within this continuous process there are different teams, tools and strategies according to the type and / or situation of the client or asset. To ensure the continuity of this process, mechanisms for feedback of information, connectivity of tools and joint committees, among others, must be established.

In order for the recovery team to achieve its objectives, it must carry out strategies, including a segmentation and allocation process. Segmentation consists of selecting groups of clients with the objective of managing each group in a homogeneous way. The indicators used to assign segments should be dynamic and adapted to the desired recovery management. Assignment consists of assigning to each of the client groups the most efficient recovery strategy to a team responsible for such management. Recovery strategies must be considered together looking for actions and solutions so that the Bank partially or totally recovers the unpaid balance in the optimal manner.

Middle Market and Corporate Risk

We have developed a dynamic structure, with an integral end-to-end process formed by the Admission, Monitoring and Recovery areas, which focuses on the fulfillment of market requirements, prioritizing the values of prudence, anticipation and diversification, which we believe are necessary to maintain excellence in risk quality.

We encourage the coordination between the commercial and risks areas in order to improve our response times and satisfy business requirements while maintaining risk quality.

As a result of the challenging environment arising from the Covid-19 pandemic, the prudence and risk containment frameworks were intensified in all areas and management levels.

In 2019 we moved forward on the consolidation of the decentralized model, developing an automatic bid tool for SMEs to provide feedback on the quality of offers and reasons for rejection.

With respect to large companies, we continued using the risk analyst to analyze different activity areas, and in the case of the SMEs, we continued using the rating model. The application of statistical tools gave us the opportunity to complete an efficient analysis to better satisfy our clients' needs.

In the Risk Monitoring area, and due to the challenging environment caused by the Covid-19 pandemic, all preventive management and monitoring measures were intensified adding new measures to those used traditionally. We continue to carry out a proactive control process, by using an alert system and maintaining fluent communication with the commercial areas to anticipate the detection of payment issues. To reinforce this concept, we have developed an ambitious plan that consists of visiting all of our clients throughout the country. Also as part of our end-to-end process, the Monitoring area is integrated with the Recovery Management area to improve the recovery process.

The recovery activity is part of the integral management circuit, which includes both the actions aimed at preventing the lack of payment and those carried out after non-payment until we are able to obtain partial or total recovery of principal. The methodology in this area is based on efficient management, seeking automation in every step of the circuit and the improvement of processes with existing resources, shorter response times, a reduction of recovery times and higher levels of specialization and increasing our profits. Within this continuous process there are different equipment, tools and strategies according to the type and / or situation of the client or asset.

To achieve the optimization of the task based on data, the Bank utilizes a self-management tool that collects the entire recovery process, from the potential delay to full cancellation or subsequent sale.

Financial Risks

BBVA Argentina has developed a comprehensive risk management framework in order to identify, measure, monitor and mitigate financial risks, which is in line with the basic principles of the Basel Committee and includes:

- market risks (counterparty and valuation risk);
- structural risks (interest rate risk, liquidity and financing risk); and
- economic capital and stress tests.

This framework consists of a set of policies and strategies, organizational structures, measurement tools, limits and alerts, and information and control systems. In addition, the financial risks management framework is in accordance with the risk appetite approved by the Board of Directors.

Market Risks

Market risk is defined as the possibility of suffering losses in the value of a portfolio as a result of adverse changes in market prices. For a description of how BBVA Argentina manages market risk and a quantitative analysis of the market risk of the trading portfolio, see *"—Trading Portfolio Activities"* below.

Counterparty Risk

Counterparty Risk is defined as the probability that the counterparty defaults on its obligations to us, causing BBVA Argentina a financial loss. Both Global Markets & Asset and Liabilities Management operate different products which are susceptible to the risk of client defaults on their obligations. Therefore, joint management is employed.

The products where such risk exists are:

- derivatives;
- loans to financial institutions; and
- liquidity-management transactions guaranteed by securities (repurchase agreement operations and reverse repurchase agreement operations).

Daily risk reports are produced to monitor the exposure of each counterparty to ensure that it complies with the predefined scope. Limits are monitored on a daily basis. In addition, the reports include the exposure to the Asset Allocation Counterparty Risk limits. The Asset Allocation Counterparty Risk limits structure reflects the aggregated counterparty risk at the Bank level and by asset class.

As of December 31, 2023, our gross counterparty risk and our net counterparty risk amounted to Ps 17,660 million.

Liquidity and Financing Risk

Liquidity risk is defined as the possibility that the Bank will not be able to comply with its payment obligations without incurring in significant losses that could affect its daily operations or its financial condition.

BBVA Argentina has implemented a management process for the identification, evaluation, measurement, monitoring, control and mitigation of liquidity risk. Within it, the risk appetite framework is configured as a fundamental element, providing BBVA Argentina with an integral framework that determines the risks and the level of risks that it is willing to assume to achieve its business objectives.

Among the fundamental metrics used for the measurement, monitoring and control of liquidity risk are:

- LtSCD (Loan to Stable Customers Deposits): measures the relationship between net credit investment and stable customer funds. The objective is to preserve a stable financing structure in the medium and long term.
- LCR (Liquidity Coverage Ratio): measures the ratio between high-quality liquid assets and total net cash outflows over a 30-day period. The objective is to preserve a cushion of assets or buffer management that absorbs liquidity shocks in the short term.

During 2023, both indicators were within the limits approved by the Board of Directors.

On the other hand, the liquidity risk management process at BBVA Argentina also includes the management of intraday liquidity risk, for which the Bank has a procedure based on a monitoring and control scheme of its liquidity position.

Interest Rate Risk

Interest rate risk is defined as the possibility of changes in the interest margin and / or in the value of the Bank's equity due to the variation of market interest rates.

Among the main metrics used for the measurement, monitoring and control of this risk are:

- Margin at Risk (MeR): quantifies the maximum loss that could be recorded in the projected financial margin for the next 12 month period under a defined scenario of market interest rate curves for a given level of confidence.
- Economic Capital (EC): quantifies the maximum loss that could be generated in the economic value of the Bank under a defined scenario of market interest rate curves for a given level of confidence.

In addition, the Bank has adopted the principles, standards and controls with respect to capital and financial margin established in Communication "A" 6397 from BCRA to manage this risk, and continues to improve its application.

Economic Capital

In accordance with the "Guidelines for Risk Management in Financial Institutions" established by the BCRA. BBVA Argentina has developed an internal, integrated and global process to assess the adequacy of its economic capital based on its risk profile and elaborates, on an annual basis, the Internal Capital Adequacy Assessment Process (ICAAP).

Economic capital is the amount of capital considered necessary to cover unexpected losses that the Bank could face due to the risks to which it is exposed.

The methodologies for capital calculation of the following risks are defined following the guidelines established by the Basel Committee:

- credit risk;
- concentration risk;
- market risk;
- interest rate risk;
- operational risk;
- reputational and strategic risk;

The distribution of economic capital for December 2023 consumption by type of risk is as follows:

- credit risk and concentration risk: 47%;
- operational risk:19%;
- interest rate risk:21%;
- market risk: 2%; and
- other risks: 12%.

Stress Tests

In compliance with the "Guidelines for Risk Management in Financial Institutions" established by BCRA. BBVA Argentina has developed a stress test program which is framed within the comprehensive risk management process of the Bank.

Stress tests are defined as the evaluation of the Bank's economic and financial situation under a severely adverse but possible scenario, requiring the simulation of scenarios that allow the estimation of the potential impact on the value of the portfolios, profitability, solvency and liquidity, with the purpose of identifying latent risks and vulnerabilities. The main purpose of stress tests is to serve as a tool for risk management and capital allocation among the Bank's businesses.

With a minimum annual frequency, BBVA Argentina carries out an integral stress test exercise through which the impact of adverse macroeconomic scenarios on the Bank's solvency, profitability and liquidity position is quantified, taking into account all the relevant risks to which it is exposed and considering the existing interactions between them.

The results of the stress tests carried out in March 2023 corresponding to the 2023/2024 projection period showed a solid solvency and liquidity position of the Bank even under the analyzed adverse scenarios.

Non-Financial Risks

The management of Non-Financial Risks in BBVA Argentina is part of the Group's Control Model, which is structured in three differentiated levels, the objective of which is the comprehensive management of the risk life cycle.

The Control Model has three Lines of Defense ("LdD"), which allow risk management in different areas:

- 1st LdD: Composed of the Business and Support Areas, which assume the responsibility of ensuring adequate management of the operational risks originated in the activity of their respective area. In addition, it has a Risk Control Assurer ("RCA") area that has the responsibility of ensuring the adequate management of operational risk in its area, extending the methodology for the identification of risks, promoting the establishment of mitigation measures and necessary controls in all operational processes performed and outsourced by its area and monitoring their adequate implementation and effectiveness.

- 2nd LdD: Composed of (a) the Non-Financial Risks area, in charge of designing and maintaining the operational risk management model and assessing the degree of application in the different areas and (b) the Control Specialists or Risk Control Specialists ("RCS"), specialists in each risk type, who define the general mitigation and control framework in their respective risk area, across the Bank, and contrast and challenge it with the one proposed or implemented by the 1st LdD.
- 3rd LdD: Performed by Internal Audit, which performs an independent review of the control model, verifying compliance and effectiveness of the established policies.

The Methodology for the Comprehensive Management of the Risk Life Cycle is based on four points:

(1) The definition of the operational risk management parameters that incorporate both quantitative and qualitative indicators that make it possible to periodically evaluate the operational risk profile. The RCSs and the Non-Financial Risks area are responsible for defining these management parameters, proposing tolerance thresholds and periodically reporting, through their respective circuits on their degree of compliance.

As of December 31, 2023 there were 76 operational risk management indicators of different specialties in force, which made up 18 synthetic indicators or management limits.

(2) The identification of operational risk, which aims to anticipate the potential operational risks to which the Bank would be exposed as a result of the creation of new businesses and / or products, the modification of products, activities, processes or systems and procurement decisions (outsourcing). BBVA Argentina has a specific framework for the identification of operational risk that is specified in its Risk Operational Admission and Product Governance Committees where the 1st LdD (proposing units and RCA) has the responsibility of activating this identification process, proposing a mitigation framework, control and monitoring and the 2nd LdD (RCS / Non-Financial Risks area) that contrast the Mitigation and Control Framework proposed by the 1st LdD.

(3) Monitoring and management of operational risk, which is composed of the Risk and Control Self-Assessment and is structured in three phases: a) establishment of the control perimeter, b) identification of potential and actual operational risks from the review of processes, standards and regulations and c) prioritization of operational risks, with the aim of separating critical risks from those that are not.

In line with best practices, there is a database of operational losses (SIRO base), with an adequate level of detail to enable an effective analysis that provides useful information for management and to contrast the consistency of the operational risk map and the continuous monitoring of the control environment where the management that each unit carries out of its operational risks is channeled through the Internal Control and Operational Risk Committees (CIRO), in which management analyzes the situation of its control environment and promotes and monitors the mitigating measures necessary to address the weaknesses observed.

(4) Mitigation, which it is based on reducing the level of exposure to operational risk in order to try to manage the risk in advance by establishing or improving the mitigation and control environment. As long as the residual risk exceeds the defined objective risk, it will be necessary to establish the necessary mitigating measures to reduce it within the established limits.

It is a comprehensive operational risk management model, in accordance with international standards, which is adaptable to the environment and to the necessary internal requirements.

Internal Risk Control

Internal Risk Control has as its main functions: to ensure that there is a sufficient internal regulatory framework; to provide adequate governance and a defined process and measures for each type of risk; to control its application and operation; and to ensure that an assessment of the existence of a control environment and its proper implementation and operation is made.

The area includes a Validation team who submits the relevant risk models to an effective and independent verification unit, in order to test their robustness and stability and ensure that they are suitable for use.

Trading Portfolio Activities

Market risk is defined as the possibility of suffering losses in the value of a portfolio as a result of adverse changes in market prices. The main market risks can be classified as follows:

- Interest rate risk: This arises as a result of exposure to movements in the different yield curves.
- Foreign exchange risk**:** This is caused by the movements in the different currencies exchange rates in which a position is held. This risk is generated primarily in spot currency positions and in any derivative product whose underlying asset is an exchange rate.

The structure of measurement and control of the market risk includes a scheme of limits and alerts in terms of economic capital, value at risk ("VaR"), stress VaR, monthly and annual stop loss and internal sub-limits, In order to measure and manage market risk. BBVA Argentina uses a VaR model, which estimates the maximum loss that may occur in the trading portfolio at a given confidence interval of 99% and a time horizon of one day.

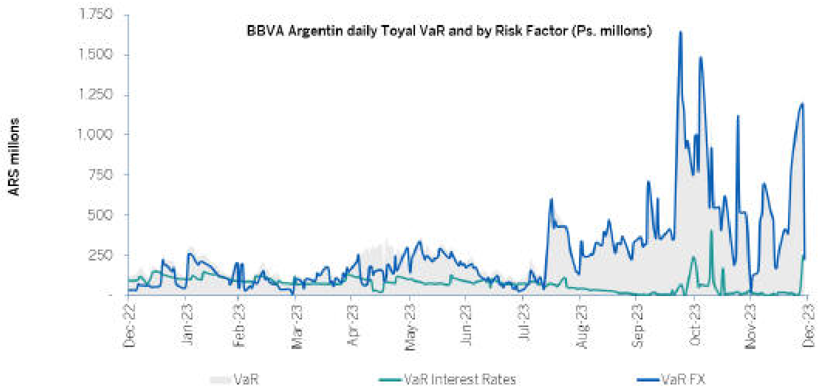
Monitoring and control of market risk is conducted under a scheme of limits that is presented and proposed by the Market Risk Unit and approved every year by the Risk Management Committee and the Board (only those limits included inside the Risk Appetite Framework).

Market risk management focuses on the Bank's Global Market trading portfolio. This portfolio includes:

- fixed income securities (Argentine sovereign bonds and bills, Central Bank bills and corporate bonds);
- spot currency positions; and
- derivative products (foreign exchange futures and forwards).

Within the model of market risk management there are specific circuits established for communication and operation in case approved risks levels are exceeded.

The following charts show the Bank's VaR and Risk Factor evolution during 2023.



The following tables show the evolution of VaR during the last three years.

Daily Trading VaR at BBVA Argentina (in millions of pesos)

	2023	2022	2021
Average	303.54	141.13	222.66
Minimum	24.49	48.71	37.04
Maximum	1,586.80	263.07	504.43
At December 31	296.22	112.22	88.76

Daily Trading VaR – Categories (in millions of pesos)

Interest Risk VaR	2023	2022	2021
Average	336.97	157.79	211.15
Minimum	29.58	49.32	5.75
Maximum	2,163.96	298.07	503.39
At December 31	298.78	121.29	90.95

The maximums are high because during 2023 there was high volatility in the futures' curve that caused VaR levels to increase significantly in the second half of the year, particularly after devaluation events.

Exchange-rate Risk	2023	2022	2021
Average	7.24	1.05	43.11
Minimum	0.29	-0.47	0.99
Maximum	190.63	65.11	157.89
At December 31	12.28	0.15	1.29

Back testing

In line with Basel recommendations, the market risk model is periodically validated through back-testing analysis. The aim of these tests is to determine the quality and precision of the model used to calculate the daily maximum loss of a portfolio, with a 99% of confidence interval and temporal horizon of 250 days, by comparing the trading portfolio results and the risk measurements calculated by the model.

Stress test analysis

As described in "—*Risk Management*" above, a number of stress tests are carried out at the Bank, and this is also performed on the Bank's trading portfolios. The aim is to expose BBVA Argentina's trading portfolios to abnormal market variations, based on stress situations that occurred in the past (historical scenarios) or in stress situations that may occur in the future with some probability (simulated scenarios), but outside the predetermined confidence interval of the daily VaR measurement.

- Historical scenarios: The historical scenario used as reference for this stress test is 2019. The uncertainty due to the government change in August 2019 generated a high impact on the behavior of financial markets, which implied high volatility of prices and interest rates.
- Simulated scenarios: The scenario used for these exercises of economic stress is based on resampling methodology. This methodology is based on the use of dynamic scenarios that are recalculated periodically depending on the main risks in the trading portfolios. On a data window wide enough to collect different periods of stress (data from January 1, 2008 to the stress test date), a simulation is performed by a resampling of historical observations. This generates a distribution of losses and gains that provides an analysis of the most extreme events that occurred within the selected historical window. The advantage of this methodology is that the stress period is not pre-established, but rather is a function of the portfolio held at any time.

Valuation

The Market Risk Unit is responsible for establishing the fair value of fixed income instruments and derivatives. Automatic systems are used for daily capture and dissemination of prices and market variables that have an impact on the Bank´s portfolio and clients' holdings in custody.

For price determination, the use of market information is prioritized. The main market to determine the fair value is the MAE. If not possible, pricing is established through internal models, considering the availability of data with which to develop inputs that represent the assumptions that markets participants would use when pricing the asset. For instance, fixed income securities are priced with the discounted cash flow model using market yield curves, technical value or last market price with the addition of accrued interest.

Derivatives Credit Risk

The Market Risk Unit is responsible for the monitoring and control of derivatives credit risk. The derivatives credit risk exposure is measured by the probability that the counterparty defaults on its obligations as a consequence of insolvency or incapacity of payment, causing BBVA Argentina to suffer a financial loss.

Risk exposure is determined using the following formula:

Derivatives credit risk = Market Value (MtM) + Potential Risk; where:

- The market value is the amount for which something can be sold on a given market. This market value can be positive or negative depending on the risk exposure.
- The potential risk is an estimation of the maximum expected increase of market value for a given level of confidence due to future price fluctuations until the operation due date.

The structure of measurement and control of the counterparty risk includes a scheme of limits and alerts by asset classes (net counterparty risk by clearing house, corporates, government and financial institution and gross counterparty risk by OTC derivatives and clearing house derivatives). Monitoring and control of counterparty risk is conducted under a scheme of limits that is presented and proposed by the Market Risk Unit and approved every year by the Risk Management Committee and the Board who may approve only up to the limit included within the Risk Appetite Framework (net counterparty risk limit).

Interest Rate Risk

Interest rate sensitivity is the relationship between market interest rates and net portfolio value on one hand, and net interest income on the other, due to the repricing of assets and liabilities. Our interest rate sensitivity analysis measures the sensitivity of the net portfolio value and net interest income to parallel changes in interest rates and to changes in the yield curve.

For the purpose of calculating the net present value, when the interest rate is fixed, the future cash flows of the financial assets and liabilities are calculated on a contractual basis. When the interest rate is variable, cash flows that have a maturity during the repricing interval are included. These amounts are added to the remaining balance of the asset or liability at the end of the interval.

Net interest income is calculated as the difference between interest income earned on interest-earning assets and interest expense from interest-bearing liabilities for each month of the fiscal year.

In general, this calculation is limited to the assumption of a permanent increase or decrease in interest rates and of an equal change in interest rates. Accordingly, actual results could differ materially from those projected.

For any given period, the pricing structure is matched when an equal amount of assets and liabilities reprice. Any mismatch of interest-earning assets and interest-bearing liabilities is known as a gap. A positive gap denotes asset sensitivity and normally means that an increase in interest rates would have a negative effect on net portfolio value and a positive effect on interest income, while a decline in interest rates would have a positive effect on net portfolio value and a negative effect on net interest income.

Changes in interest rates could impact our profitability as a result of timing differences on the repricing of the assets and liabilities. One measure of interest rate risk is the change in net portfolio value (defined as the net present value of interest-earning assets and interest-bearing liabilities) and the change in net interest income caused by a change in market interest rates.

The table below sets forth the results of the equity value and net interest income under various interest rate scenarios and the percentage changes from amounts generated under a stable interest rate environment.

	December 31, 2023					
Change in base interest rates and adjust rates (basis points)	Net portfolio value	Percentage change	Net interest and adjust income	Percentage change	Net income of adjustable portfolio	Percentage change
	(in millions of pesos, except percentages)					
500	564,517.1	(2.61)%	1,850,265.8	0.59%	34,956.6	(20.80)%
0	579,651.0	0.00%	1,839,404.0	0.00%	44,137.4	0.00%
(500)	596,426.5	2.89%	1,821,391.3	(0.98)%	48,211.5	9.23%

Based on our position at December 31, 2023, and assuming a hypothetical, immediate 500 basis points increase in interest rates affecting all interest rate sensitive assets and liabilities, we estimate that our net portfolio value would be reduced by Ps.15,133.9 million and our net interest income would be increased by approximately Ps.10,861.7 million.

Foreign Exchange Risk

As of December 31, 2023, as part of our asset and liability management, we aimed to minimize the impact on results of foreign exchange rate fluctuations by maintaining excess balances of assets over liabilities denominated in dollars. The following table shows the estimated effect on net income of a 10% variation in the value of the peso against all other currencies:

Peso against all other currencies	Effect on net income based on our position as of December 31, 2023	Effect on net income based on our position as of December 31, 2022
	(in millions of pesos, except percentages)	
10%	(22,729)	574
(10)%	22,729	(574)

For a description of the changes in exchange rates, see *"Item 5. Operating and Financial Review and Prospects—A. Operating Results —Exchange Rates"*.

Equity and Commodity Price Risk

Equity and commodity price risk are the risks associated with adverse movements in the value of equity securities and commodities or related indexes. We do not have any material exposure to either of them.

Non-trading Portfolio Activities

Non-trading instruments consist primarily of loans and deposits. The Bank's primary market risk exposure in its non-trading instruments is interest rate risk, which arises from the possibility of changes in market interest rates. Such changes in market interest rates affect the Bank's net interest income due to timing differences on the repricing of their assets and liabilities. The Bank is also affected by gaps in maturity dates and interest rates in the different asset and liability accounts.

The interest rate risks arising from these activities is included in the analysis of the interest rate risk previously showed and managed in aggregated manner.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt securities

Not applicable.

B. Warrants and rights

Not applicable.

C. Other securities

Not applicable.

D. American Depositary Shares

Fees and charges for holders of American Depositary Receipts

The depositary for our ADRs is the Bank of New York Mellon (BoNY).

Holders of our ADRs are generally expected to pay fees and expenses to BoNY according to the schedule below:

Persons depositing or withdrawing shares must pay:	For:
US$5.00 (or less) per 100 ADRs (or portion thereof)	• Issuance of ADRs, including issuances resulting from a distribution, sale or exercise of shares or rights or other property
	• Cancellation of ADRs for the purpose of withdrawal including if the deposit agreement terminates
US$0.50 (or less) per 100 ADRs (or portion thereof)	• Any cash distribution made pursuant to the deposit agreement
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADRs	• Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADR registered holders
US$0.05 (or less) per ADRs per calendar year	• Depositary services
Registration or transfer fees	• Transfer and registration of shares on the Company's share register on behalf of the depositary or its agent when shares are deposited or withdrawn.
Expenses of the depositary	• Cable, telex and facsimile transmissions (as expressly provided in the deposit agreement)
	• Incurred in the conversion of foreign currency to U.S. dollars

Persons depositing or withdrawing shares must pay:	For:
Taxes and other governmental charges the depositary or the custodian have to pay on any ADR or share underlying an ADR, for example, stock transfer taxes, stamp duty or withholding taxes	• As necessary
Any other charges incurred by the depositary or its agents for servicing the deposited securities	• As necessary

BoNY collects its fees for the delivery and surrender of ADRs directly from investors depositing shares or surrendering ADRs for the purpose of withdrawal or from intermediaries acting for them. It also collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. BoNY may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. BoNY generally refuses to provide fee-attracting services until its fees for those services are paid.

Fees Paid by Depositary to the Company

Fees due from BoNY to BBVA Argentina in 2023 amounted to US$41,176.24, which have partially offset fees due from BBVA Argentina to BoNY.

- PART II -

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

Effectiveness of Disclosure Controls and Procedures

As of December 31, 2023, the management of the Bank, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act).

Based on such evaluation, the Bank's Chief Executive Officer and Chief Financial Officer concluded that the Bank's disclosure controls and procedures were effective for gathering, analyzing and disclosing the information the Bank is required to disclose in the reports it files under the Exchange Act, within the time periods specified in the SEC's rules and forms.

Management's Annual Report on Internal Control Over Financial Reporting

The management of the Bank is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. The Bank's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS-IASB and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS-IASB, and that our receipts and expenditures are being made only in accordance with authorizations of the Bank's management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements,

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of the Bank's management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria established in "Internal Control—Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this assessment, our management concluded that, as of December 31, 2023, our internal control over financial reporting was effective based on those criteria.

Our internal control over financial reporting as of December 31, 2023 has been audited by Pistrelli, Henry Martin y Asociados S.R.L. (Member of Ernst & Young Global Limited) an independent registered public accounting firm, as stated in their report which is included further below in this annual report on Form 20-F.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Banco BBVA Argentina S.A.

Opinion on Internal Control Over Financial Reporting

We have audited Banco BBVA Argentina S.A.'s (the Bank) internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, the Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Bank as of December 31, 2023 and 2022, the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes, and our report dated April 17, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Bank's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Bank in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Member of Ernst & Young Global Limited

City of Buenos Aires, Argentina
April 17, 2024

Limitations on Effectiveness of Controls and Procedures

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our Bank have been detected.

Changes in Internal Control Over Financial Reporting

There has been no change in the Bank's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, the Bank's internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Bank's Board of Directors has appointed Mr. Ernesto San Gil to serve on its Audit Committee. The Bank's Board of Directors has concluded that Mr. Ernesto San Gil is an audit committee financial expert as defined by the SEC based on his extensive audit experience.

ITEM 16B. CODE OF ETHICS

The BBVA Argentina Code of Conduct applies to all our management and employees, including the Executive Chairman, the Financial Director and other senior financial officers of the Bank. The Code of Conduct sets out the standards of behavior that should be adhered to so that the Bank's conduct towards its customers, colleagues and the society are consistent with the Bank's values. The BBVA Argentina Code of Conduct can be found on BBVA Argentina's website at www.bbva.com.ar and can be accessed without charge.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees

Below is a summary of the fees paid by us to our independent external auditors for the years ended December 31, 2023 and 2022:

	2023	2022
	(in millions of pesos)	
Audit fees	1,005.23	800.20
Audit-related fees	9.56	2.24
Tax fees	—	—
All other fees	—	—
Total fees	1,014.79	802.44

Audit fees are fees for professional services performed by Pistrelli, Henry Martin y Asociados S.R.L. (Member of Ernst & Young Global Limited) during 2023 and 2022, for the audit and limited review of the Bank's annual and quarterly financial statements and services that are normally provided in connection with statutory and regulatory filings. Audit-related fees consist of fees for assurance and related services performed by Pistrelli, Henry Martin y Asociados S.R.L. (Member of Ernst & Young Global Limited) that are reasonably related to the performance of the audit or review of the Bank's financial statements and are not reported as Audit fees. The Bank has approved policies and procedures for pre-approving all non-audit work that would be performed by the Bank's external auditor. Specifically, the policies and procedures prohibit an accounting firm, including the Bank's external auditor, from performing any services for the Bank or its subsidiaries without the prior approval of the Audit Committee.

Services

Since April 2022, Pistrelli, Henry Martin y Asociados S.R.L. (Member of Ernst & Young Global Limited), has acted as the Bank's external auditor. Its appointment was approved by the ordinary and extraordinary shareholders' meetings held on April 29, 2022.

The ordinary and extraordinary shareholders' meetings held on April 28, 2023 designated Pistrelli, Henry Martin y Asociados S.R.L. (Member of Ernst & Young Global Limited) as the Bank's external auditor for the fiscal year 2023.

The firm Pistrelli, Henry Martin y Asociados S.R.L. (Member of Ernst & Young Global Limited) has its domicile at 25 de mayo 487 (C1002ABI), City of Buenos Aires, Argentina and is registered with the Professional Council of Economic Sciences of the City of Buenos Aires, under Volume 1, Page 13.

ITEM 16D. EXEMPTIONS FROM LISTING REQUIREMENTS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

BBVA Argentina corporate governance practices are governed by the applicable Argentine law (particularly Law No. 26,831 as modified by Law No. 27,440 and the standards of the CNV), as well as by its Bylaws. BBVA Argentina has securities that are registered with the SEC and are listed on the NYSE, and is therefore subject to corporate governance requirements applicable to NYSE-listed non-U.S. companies.

NYSE-listed non-U.S. companies may, in general, follow their home country corporate governance practices in lieu of most of the new NYSE corporate governance requirements codified in Section 303A of the NYSE's Listed Company Manual. However, NYSE-listed non-U.S. companies must comply with NYSE Sections 303A.06, 303A.11 and 303A.12 (b) and (c).

The CNV passed in May 2012 and in September 2013. General Resolution No. 606/12 ("GR 606/12") and General Resolution No. 622/13 ("GR 622/13"), respectively, which set forth the corporate governance requirements which companies that publicly offer shares representing their capital stock in Argentina must adopt. Moreover, since December 2012, the Bank has a new corporate governance code (*Código de Gobierno Societario*, hereinafter the "CGS") in accordance with Communication "A" 5201 and Communication "A" 6639, as amended, Communication "A" 7100 of the Central Bank, General Resolution No. 797/19 and the Recommendations Guide for the corporate governance code report 2022 from the CNV.

NYSE Section 303A.11 requires that non-U.S. companies disclose any significant ways in which their corporate governance practices differ from U.S. companies under NYSE listing standards. In accordance with NYSE Section 303A.11, we describe below the relevant differences between BBVA Argentina's corporate governance practices and NYSE standards for listed companies.

Director Independence

Under NYSE Section 303A.01, a NYSE-listed company must have a majority of independent directors on its board of directors.

Under Argentine law, the board is not required to consist of a majority of independent directors. However, when directors are appointed, each shareholder that nominates a director is required to report at the meeting whether or not such director is independent. Since May 28, 2004, Argentine companies are required to have at least two independent directors appointed to the audit committee. Currently, the Board is composed of three independent directors.

Standards for Evaluating Director Independence

NYSE Section 303A.02 establishes general standards to evaluate directors' independence (and no director qualifies as "independent" unless the board of directors affirmatively determines that such director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company)), and emphasizes that the concern is independence from management. The board of directors is also required, on a case-by-case basis, to express an opinion with regard to the independence or lack of independence, of each individual director.

To qualify as an "independent" or "non-independent" director, CNV standards are generally similar to NYSE standards.

Pursuant to CNV Rules, a director will be considered as "independent" if its main relationship with the listed company is his position as director of the board. He will be appointed taking into account his professional career, suitability, qualified knowledge, and criteria, economic and interest independence, considering also that he can perform his functions objectively and impartially.

For the purposes of this definition, it shall be understood under CNV rules that a director does not qualify as "independent", when one or more of the following circumstances are met:

(a) such director is a member of the board of directors of the parent company or another company belonging to the same economic group of the company through a pre-existing relationship at the time of his election, or during the immediately prior three years;

(b) such director is or has been associated with the company or any of the company's shareholders that have a direct or indirect "significant participation" on the company, or with corporations with which such shareholders also have a direct or indirect "signification participation"; or if such director was associated with any of them through an employment relationship during the last three years;

(c) such director has any professional relationship or is a member of a corporation that maintains frequent professional relationships of significant nature and volume, or receives remuneration or fees (other than the one received in consideration of his role as a director) from the company or the company's shareholders that have a direct or indirect "significant participation" on the company, or with corporations in which such shareholders also have a direct or indirect "significant participation." This prohibition includes professional relationships and affiliations during the immediately prior three years to his or her appointment as director;

(d) such director directly or indirectly owns 5% or more of the voting shares and/or capital stock of the company or any company with a "significant participation" in the company;

(e) such director directly or indirectly sells and/or provides goods and/or services (different from those accounted for in section c) above) on a regular basis and of a significant nature and volume to the company or to the company's shareholders that have a direct or indirect "significant participation", that result in proceeds that are higher than his remuneration as a director. This prohibition includes business relationships that have been carried out during the immediately prior three years to such director's appointment;

(f) such director has been a director, manager, administrator or principal executive of not-for-profit organizations that have received funds, for amounts greater than those described in section I) of article 12 of Resolution No. 30/2011 of the UIF and its amendments, from the company, its parent company and other companies of the same group of which the company is a party, as well as of their respective principal executives;

(g) such director receives any consideration, including through such director's participation in plans or stock option schemes, from the company or companies of the same economic group, other than the compensation paid to such director for its role as a director, except dividends paid as a shareholder of the company in compliance with section d) above or the consideration received in compliance with section e);

(h) such director has served as member of the board of directors of the company, its parent company or another company belonging to the same economic group for more than ten years, except if such relationship ceased to exist during the three years immediately preceding the appointment; and

(i) such director is the spouse or legally recognized partner, relative up to the third level of consanguinity or up to the second level of affinity of persons who, if they were members of the board of directors, would not be independent, according to the above listed criteria.

In connection with the independence criteria above, references to "significant participation" refer to those individuals who hold shares representing at least 5% of the capital stock and or the voting shares, or a smaller amount if they have the right to elect one or more directors by share class or have other shareholders' agreements relating to the government and administration of the company or its parent company.

Non-management Directors Meetings

Under NYSE Section 303A.03, non-management directors must meet at regularly scheduled executive meetings not attended by management. Neither Argentine law nor BBVA Argentina Bylaws require that any such meetings be held.

Nominations Corporate Governance Committee

Under NYSE Section 303A.04, listed companies shall have a "nominations/corporate governance committee" comprised entirely of independent directors. GR 622/13, requires public companies to have a Nomination Committee. Moreover, pursuant to CNV standards, the person who nominates a director shall report at the shareholders' meeting whether or not the nominee is an "independent person", based on the criteria established by the CNV (which are substantially similar to NYSE standards).

Compensation Committee

Under NYSE Section 303A.05(a), listed companies have to have a compensations committee comprised entirely of independent directors, Under NYSE Section 303A.05(b), the compensations committee shall have a written charter establishing certain minimum responsibilities as set forth in NYSE Section 303A.05(b)(i). In addition, amendments approved by the NYSE in January 2013 require the charter to specify the rights and responsibilities of the compensation committee regarding the authority to retain advisers and to provide funding for such advisers. Certain specified factors must be considered regarding such advisers' independence from management. GR 622/13 also requires for companies which publicly offer their securities to have a compensation committee.

The CGS sets forth the creation of a nominations and compensations committee, composed of three non-executive directors, whose duties, among others, are to fix the rules and procedures for the selection of key executives and senior staff, to determine the level of remuneration for directors and key executives, to fix policies and practices regarding remunerations and benefits and to approve any relevant changes.

Audit Committee

Under NYSE Section 303A.06, listed companies must have an "audit committee" that complies with SEC requirements. The Audit Committee of BBVA Argentina currently complies with SEC requirements and the standards of Law No. 26,831 as modified by Law No. 27,440 and the Central Bank's rules.

Under NYSE Section 303A.07(a), the audit committee shall consist of at least three members. All of its members shall be financially literate or must acquire such financial knowledge within a reasonable period of time and at least one of its members shall have experience in accounting or financial administration. Argentine law also requires the audit committee to be comprised of at least three members. Pursuant to CNV's standards, audit committee members are required to be conversant in business, financial, or accounting issues. CNV's rules provide for the training of its members to carry out their duties and BBVA Argentina engages in this training.

Under NYSE Section 303A.07(a), if a member of the audit committee is simultaneously a member of the audit committee of more than three public companies, and the listed company does not limit the number of audit committees on which its members may serve, then, in each case the board of directors shall determine whether the simultaneous service would prevent such member from effectively serving on the listed company's audit committee, and shall report its decision in the annual proxy statement of the company or in the company's annual report filed with the SEC. No such provision regarding an audit committee member's simultaneous membership on public companies exists under Argentine law or BBVA Argentina's Bylaws.

Under NYSE Section 303A.07 (a), all members of the audit committee are required to be "independent". In accordance with Law No. 26,831, a majority of the members of Audit Committee must be "independent".

Under NYSE Section 303A.07 (b), the audit committee shall have a charter establishing the duties and responsibilities of its members, including, at a minimum, some of the duties and responsibilities required by Rule 10A-3 of the Exchange Act and as set forth in NYSE Section 303A.7(b) of the NYSE Manual. The functions and responsibilities of the audit committee in Argentina, established by Law No. 26,831 as modified by the Law No. 27,440 and CNV's standards, are essentially the same as provided for under Rule 10A-3 of the Exchange Act.

NYSE Sections 303A.07 (b)(iii) A), (B) and (C) establish the duties and responsibilities of the audit committee, among others: (i) to discuss the annual audited financial statements and the quarterly financial statements of the company with management and the independent auditor, including the information disclosed under the heading "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and (ii) to discuss the company's press releases relating to its earnings, as well as the financial information and guidelines relating to its earnings that are supplied to equity researchers and rating agencies. No such provision is contained in the Argentine law or BBVA Argentina's Bylaws. However, CNV standards establish similar functions for the audit committee, namely, "to verify the reliability of the administrative-accounting system, and of all financial data, or of any significant data submitted to CNV and to self-regulated exchanges, in compliance with the applicable reporting regime".

NYSE Section 303A.07 (b)(iii)(G) provides that the audit committee shall establish clear policies for hiring external auditors' employees. No such provision regarding hiring external auditors' employees is contained in Argentine law or BBVA Argentina's Bylaws.

NYSE Section 303A.07 (c) provides that each company must have an internal audit function in order to provide to the management and to the audit committee permanent assessments on the company's risk management processes and internal control system. The audit committee according to Central Bank's rules, provides to the management permanent assessments about management and operating processes, and risks of the company.

Disclosure of Corporate Governance Guidelines

NYSE Section 303A.09 provides that companies must adopt and disclose corporate governance guidelines, including several issues for which such reporting is mandatory, and include such information on the company's website, which should also include the charters of the audit committee, the nominations committee and the compensation committee.

Law No. 26,831 as modified by the Law No. 27,440 required additional information that companies must include in their annual reports, including information relating to the decision-making organization (corporate governance), the company's internal controls system, rules for director and manager compensation, stock-options, and any other compensation system applicable to Board members and managers. Law No. 26,831 does not address the remaining issues included in NYSE Section 303A.09. However, all relevant information sent by the Bank to the CNV is forwarded to the CNV through the CNV's Financial Reporting Highway and may be viewed on the CNV's website.

The Bank publishes on its website, in the Shareholders and Investors Section, among others, any notices of relevant events; the CGS; the Bank's bylaws or the composition of the Board of Directors and Senior Management.

Evaluation of Board Performance

Under NYSE Section 303A.09, the Board of Directors must make a self-assessment of its performance at least once a year to determine if it or its committees function effectively and report thereon. Under Argentine law, the board's performance is evaluated at the annual shareholders' meeting.

According to the provisions of the CGS, Regular Directors perform an annual self-assessment of Board performance as the governing body and their individual roles as members thereof, must submit them to the head of the Legal Services of the Bank, in his capacity as Secretary of the Board.

Code of Ethics

NYSE Section 303A.10 provides for the adoption of a Code of Business Conduct and Ethics and sets out the topics that such code must contain. BBVA Argentina's Board approved on December 18, 2003, as amended on August 25, 2015 and May 31, 2022, the "Code of Conduct of BBVA Argentina and its group of companies in Argentina", which applies to all management and employees, with no exceptions, the English translation of which is available to the public on BBVA Argentina's website. See "*Item 16B. Code of Ethics"* above, BBVA Argentina believes that its Code of Conduct complies with NYSE requirements.

Certifications by the CEO

NYSE Section 303A.12(a) provides that the CEO shall on a yearly basis certify to NYSE that he/she knows of no violation by the company of NYSE Sections relating to corporate governance. No such certification is required by Argentine law or our Bylaws.

Notification of Non-fulfilment

Under NYSE Section 303A.12(b), the CEO shall notify the NYSE in writing whenever any executive officer of the company becomes aware of any substantial non-fulfilment of any applicable provision under NYSE Section 303A.
No such provision regarding notification of non-fulfilment of NYSE Section 303A is contained in Argentine law or our Bylaws, but BBVA Argentina CEO will comply with the notice provisions as set forth under NYSE Section 303A.12(b).

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Not applicable.

ITEM 16K. CYBERSECURITY

Cybersecurity Risk Management

Risk Management and Strategy

Cybersecurity risk management is an integral part of our overall enterprise risk management program. Our cybersecurity risk management program provides a framework for handling cybersecurity threats and incidents, including threats and incidents associated with the use of services provided by third-party service providers, and is designed to facilitate coordination across different departments in the handling of such cybersecurity threats and incidents. This framework includes steps for assessing the severity of a cybersecurity threat, identifying the source of a cybersecurity threat, including whether the cybersecurity threat is associated with a third-party service provider, implementing cybersecurity countermeasures and mitigation strategies. Our cybersecurity risk management program is regularly updated to align with industry best practices established by internationally accepted security standards and its effectiveness in mitigating the risks that the Bank is exposed to is periodically assessed.

Cybersecurity is not only a strategic priority, but also one of the main elements in the digital transformation of the Bank. Our Corporate Security Area is responsible for ensuring adequate information security management by establishing security policies, procedures and controls that bolster the security of our infrastructures, digital channels and payment methods following a holistic and threat intelligence-led approach, where a program has been designed for each of the four fundamental pillars of our security strategy: cybersecurity, data protection, physical security and security in business processes and fraud management, with the aim to reduce the risks identified in the risk taxonomy defined by the Group.

As cyberattacks evolve and become more sophisticated, the Bank has strengthened its prevention and monitorization efforts. During the past few years, cybersecurity and information security measures have been reinforced with the aim to ensure an adequate protection of our information and the assets supporting business processes, Security measures adopted in the past few years include measures intended to: (i) ensure end-to-end protection of business processes, considering logical and physical security, privacy and fraud management concerns, (ii) ensure compliance with the security and privacy by design principles; and (iii) improve client access control and authentication services related to online services, from a security and user experience perspective, including by enhancing the use of facial biometrics and advanced analytics models.

Further, system monitoring capabilities, as well as incident prevention, detection and response capabilities have also been strengthened through the use of integrated information sources, improved analytical capabilities and automated platforms, improving information security management from a preventive and proactive approach.

The Bank routinely reviews, reinforces and tests its security processes and procedures through simulation exercises in the areas of physical security and digital security. Specialized teams periodically perform security technical tests in order to detect and correct possible security vulnerabilities. These tests include technical tests of technological platforms as well as malicious users' simulated attacks performed by the "red team". The outcome of such exercises is a fundamental part of a feedback process designed to improve the cybersecurity strategies.

We continuously carry out training and awareness initiatives related to security and privacy, promoting training and awareness campaigns for our employees, clients and society, through our app, online channels and social networks. Some of the topics covered include protection of personal information, secure password management, device protection (laptops, smartphones, etc.), social engineering (phishing, smishing, vishing), malware and other technical attacks detection, detection of scams, security on online purchases and how to react if there is a security incident.

The Global and Local Computer Emergency Response Team (CERT) are the first line of detection and response to cyberattacks aimed at users and infrastructure. The Global and Local CERT operate 24x7 and provide services with operation lines dedicated to fraud and cybersecurity.

In 2023, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident.

Governance

Our Board of Directors has overall oversight responsibility for our risk management, and is assisted by the Information Technology Committee in the oversight of technological risk and cybersecurity management and in monitoring the technological and cybersecurity strategy. This Committee is one of the main elements of our risk management governance model. It is responsible for the oversight of our technological and cybersecurity strategies, being informed, every three months, by the Chief Security Officer ("CSO") of the performance and of any incidents that may arise.

Further, our Corporate Security Area and the Risk Control Area is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs. Our cybersecurity programs are under the direction of our CSO, who receives reports from our cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents.

- PART III -

ITEM 17. FINANCIAL STATEMENTS

We have responded to Item 18 in lieu of this item.

ITEM 18. FINANCIAL STATEMENTS

Reference is made to Item 19 for a list of the financial statements filed as a part of this annual report.

ITEM 19. EXHIBITS

- Index to Consolidated Financial Statements:

- Index to Exhibits:

Exhibit Number	Description
1.1	Amended and Restated Bylaws (Estatutos) of Banco BBVA Argentina S.A. (*)
1.2	English translation of the Amended and Restated Bylaws (Estatutos) of Banco BBVA Argentina S.A. (*)
2.1	Description of Registrant's Securities Registered under Section 12 of the Exchange Act
8.1	Subsidiaries of the Company
12.1	Section 302 Certification of Chief Executive Officer
12.2	Section 302 Certification of Chief Financial Officer
13.1	Certification by CEO and CFO pursuant to Section 1350, as adapted pursuant to Section 906 of the Sarbanes – Oxley Act of 2002
97	Remuneration Recoupment Policy
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

(*) Incorporated by reference to BBVA Argentina's annual report on Form 20-F for the year ended December 31, 2021, filed with the SEC on April 12, 2022.

We will furnish to the SEC, upon request, copies of any unfiled instruments that define the rights of holders of long-term debt of BBVA Argentina.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

BANCO BBVA ARGENTINA S.A.

By: /s/ Carmen Morillo Arroyo
Name: Carmen Morillo Arroyo
Title: Chief Financial Officer

Date: April 17, 2024

BANCO BBVA ARGENTINA S.A.
CONSOLIDATED FINANCIAL STATEMENTS, DECEMBER 31, 2023

Banco BBVA Argentina S.A.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Banco BBVA Argentina S.A.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Banco BBVA Argentina S.A. (the Bank) as of December 31, 2023 and 2022, the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Bank at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Bank's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 17, 2024, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on the Bank's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Bank in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of financial assets

Description of the matter

As of December 31, 2023, the Bank's allowances related to financial assets at amortized cost and at fair value through other comprehensive income were 97,086 million of Argentine Pesos as disclosed in Note 8 to the consolidated financial statements. As discussed in Notes 2.3.4.g) and 7 to the consolidated financial statements, the Bank recognized an allowance for credit losses using an expected credit loss (ECL) model. The recognition and measurement of ECL is complex and involves the use of significant analysis and estimation, including formulation and incorporation of forward-looking economic conditions into the ECL model.

Auditing the allowance for credit losses related to financial assets at amortized cost and at fair value through other comprehensive income involved subjective and complex auditor judgment as well as specialized skills and knowledge due to the inherent complexity of the models, including the models and significant assumptions used to estimate the probability of default (PD), exposure at default (EAD) and loss given default (LGD); the significant assumptions and judgments with respect to the forward-looking information that could be affected by future economic conditions and the maintenance of updated and accurate relevant data elements. The variations in model methodology, underlying assumptions and judgments in the calculation of allowance for credit losses could have a material effect on its measurement.

How we addressed the matter in our audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Bank's ECL process. The controls we tested included, among others, controls over management's review of data, models and assumptions used to calculate the ECL.

Our audit procedures, in which we involved professionals with specialized skills and knowledge, included, among others, assessing whether the methodology and assumptions used to estimate ECL are consistent with the requirements of IFRS, the Bank's own historical data and industry standards; evaluating the models used in calculating the PD, EAD and LGD and assessing the methodologies used and the assumptions incorporated into the models by management by inspecting the model documentation and the recalculation of ECL for a sample of collective models, evaluating management's forecasting and comparing management's forward-looking information to independently estimate of future economic conditions and publicly available information; and testing the accuracy of underlying relevant data elements for a sample of loans by comparing them to contractual documentation. We also assessed the adequacy of the allowance for credit losses financial statement disclosures.

/s/ PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.

Member of Ernst & Young Global Limited

We have served as the Bank's auditor since 2022.

City of Buenos Aires, Argentina

April 17, 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Banco BBVA Argentina S.A.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flow of Banco BBVA Argentina S.A. and its subsidiaries (the Company) for the year ended December 31, 2021 and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of operations of the Company and its cash flow for the year ended December 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provide a reasonable basis for our opinion.

/s/ KPMG

We have served as the Company's auditor from 2017 to 2021

Buenos Aires, Argentina
April 17, 2024

Banco BBVA Argentina S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022
(in thousands of Argentine pesos in constant currency – Note 2.1.5.)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
CASH AND CASH EQUIVALENTS	4	**1,142,679,367**	**922,374,620**
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		**240,052,522**	**101,495,702**
Debt securities	5.1.	226,082,874	79,470,642
Derivatives	5.2.	10,001,900	7,063,310
Equity instruments	5.3.	3,967,748	14,961,750
FINANCIAL ASSETS AT AMORTIZED COST		**3,431,682,657**	**2,695,838,377**
Loans and advances to government sector		145,208	4,356
Loans and advances to Central Bank		—	28,132
Loans and advances to financial institutions	6.1.	15,451,444	13,177,999
Loans and advances to customers	6.2.	1,959,900,738	2,219,869,638
Reverse repurchase agreements	6.3.	1,201,149,144	163,404,615
Debt securities	6.4.	83,823,214	117,766,716
Other financial assets	6.5.	171,212,909	181,586,921
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		**843,869,573**	**1,922,420,488**
Debt securities	10.1.	841,884,579	1,922,232,187
Equity instruments	10.2.	1,984,994	188,301
INVESTMENT IN JOINT VENTURES AND ASSOCIATES	12	**12,366,232**	**10,797,712**
TANGIBLE ASSETS		**358,370,632**	**360,738,833**
Property and equipment	13.1.	298,217,768	299,274,663
Investment properties	13.2.	60,152,864	61,464,170
INTANGIBLE ASSETS	14	**33,137,494**	**29,949,642**
INCOME TAX ASSETS		**3,006,156**	**4,854,415**
Current	11.1.	160,343	120,536
Deferred	11.3.	2,845,813	4,733,879
OTHER ASSETS	15	**44,091,677**	**29,285,976**
NON-CURRENT ASSETS HELD FOR SALE	16	**852,195**	**700,909**
TOTAL ASSETS		**6,110,108,505**	**6,078,456,674**

The accompanying explanatory notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022
(in thousands of Argentine pesos in constant currency – Note 2.1.5.) (cont.)

	Notes	December 31, 2023	December 31, 2022
LIABILITIES			
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		**12,475,553**	**1,041,154**
Derivatives	17.1	2,145,218	1,041,154
Trading liabilities	17.2.	10,330,335	—
FINANCIAL LIABILITIES AT AMORTIZED COST		**4,128,571,787**	**4,522,599,338**
Bank loans	18.1.	28,189,967	61,886,118
Deposits from government sector		34,033,530	30,144,496
Deposits from financial institutions		2,573,134	1,058,807
Deposits from customers	18.2.	3,602,699,996	4,060,109,133
Other financial liabilities	18.3.	448,258,450	368,805,430
Debt securities issued	19	12,816,710	595,354
PROVISIONS	20	**20,723,763**	**26,997,156**
INCOME TAX LIABILITIES		**210,542,533**	**35,892,527**
Current	11.2.	192,166,838	22,570,939
Deferred	11.3.	18,375,695	13,321,588
OTHER LIABILITIES	21	**323,018,173**	**366,501,441**
TOTAL LIABILITIES		**4,695,331,809**	**4,953,031,616**
EQUITY			
Share capital	22	612,710	612,710
Share premium		6,744,974	6,744,974
Inflation adjustment to share capital and premium		410,521,467	410,521,467
Reserves		951,054,746	845,745,065
Accumulated loss		(169,590,830)	(143,262,513)
Accumulated other comprehensive income		197,465,547	(11,762,763)
Equity attributable to owners of the Bank		1,396,808,614	1,108,598,940
Non-controlling interests		17,968,082	16,826,118
TOTAL EQUITY		**1,414,776,696**	**1,125,425,058**
TOTAL LIABILITIES AND EQUITY		**6,110,108,505**	**6,078,456,674**

The accompanying explanatory notes are an integral part of these consolidated financial statements.

Banco BBVA Argentina S.A.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(in thousands of Argentine pesos in constant currency – Note 2.1.5., except earnings per share)

	Notes	December 31, 2023	December 31, 2022	December 31, 2021
Interest income	24.1.	3,183,946,656	1,959,831,229	1,302,749,523
Interest expense	24.2.	(1,556,714,282)	(904,731,293)	(554,488,203)
NET INTEREST INCOME		**1,627,232,374**	**1,055,099,936**	**748,261,320**
Fee and commission income	25	254,342,658	247,043,990	243,282,464
Fee and commission expense	26	(115,387,309)	(101,484,112)	(99,715,262)
(Losses) Gains on financial assets and liabilities at fair value through profit or loss, net	27	(20,692,983)	46,405,880	24,403,483
Gains (Losses) on derecognition of financial assets not measured at fair value through profit or loss, net	28	40,590,622	902,916	(741,855)
Exchange differences, net	29	210,110,057	25,152,175	33,603,095
Other operating income	30	67,247,917	65,900,311	49,716,559
Other operating expenses	31	(262,604,959)	(192,201,583)	(164,374,167)
GROSS INCOME		**1,800,838,377**	**1,146,819,513**	**834,435,637**
Administrative costs		(497,566,179)	(423,883,000)	(386,672,961)
Personnel benefits	32	(248,430,523)	(212,043,186)	(190,336,033)
Other administrative expenses	33	(249,135,656)	(211,839,814)	(196,336,928)
Depreciation and amortization	34	(28,677,320)	(34,171,257)	(33,858,994)
Impairment of financial assets		(133,602,042)	(98,632,380)	(77,479,161)
Loss on net monetary position	2.1.5.	(828,823,310)	(416,046,365)	(251,297,163)
NET OPERATING INCOME		**312,169,526**	**174,086,511**	**85,127,358**
Shared of profit or loss of entities accounted using the equity method		1,156,636	(1,452,699)	(341,086)
PROFIT BEFORE TAX		**313,326,162**	**172,633,812**	**84,786,272**
Income tax (expense) benefit	11.4.	(156,070,330)	7,859,103	(28,034,559)
PROFIT FOR THE YEAR		**157,255,832**	**180,492,915**	**56,751,713**
Attributable to owners of the Bank		156,858,600	183,235,202	57,012,016
Attributable to non-controlling interest		397,232	(2,742,287)	(260,303)
EARNINGS PER SHARE				
Basic earnings per share (in pesos)	3	256.0079	299.0569	93.0489
Diluted earnings per share (in pesos)	3	256.0079	299.0569	93.0489

The accompanying explanatory notes are an integral part of these consolidated financial statements.

Banco BBVA Argentina S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(in thousands of Argentine pesos in constant currency – Note 2.1.5.)

	December 31, 2023	December 31, 2022	December 31, 2021
Profit for the year	**157,255,832**	**180,492,915**	**56,751,713**
Items that are or may be reclassified to profit or loss			
Profit or loss for financial instruments at fair value through Other comprehensive income (FVOCI)			
Profit (Loss) for the year for financial instruments at FVOCI	328,019,623	(41,197,640)	(5,928,564)
Adjustment for reclassifications for the year	(34,816,740)	(847,700)	649,075
Related income tax	(84,922,739)	(2,222,546)	(15,926,656)
	208,280,144	**(44,267,886)**	**(21,206,145)**
Share in Other Comprehensive income (OCI) from investees at equity method			
Profit (Loss) for the year for the share in OCI from associates at equity-method	—	339,486	(21,613)
	—	**339,486**	**(21,613)**
Items that will not be reclassified to profit or loss			
Fair value changes for equity instruments at FVOCI			
Profit (Loss) for the year for equity instruments at FVOCI	1,623,428	(7,408)	13,369
	1,623,428	**(7,408)**	**13,369**
Other comprehensive income (loss), net of tax	**209,903,572**	**(43,935,808)**	**(21,214,389)**
Total comprehensive income for the year	**367,159,404**	**136,557,107**	**35,537,324**
Total comprehensive (loss) income:			
Attributable to owners of the Bank	366,086,910	139,299,433	35,797,627
Attributable to non-controlling interests	1,072,494	(2,742,326)	(260,303)

The accompanying explanatory notes are an integral part of these consolidated financial statements.

Banco BBVA Argentina S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(in thousands of Argentine pesos in constant currency, except dividends per share – Note 2.1.5.)

Transactions	Share capital	Share premium	Inflation adjustment to share capital and premium	Other comprehensive income: Fair value reserve	Other comprehensive income: Share of OCI from associates and joint ventures	Reserves: Legal reserve	Reserves: Other reserves	Accumulated loss	Total equity atributable to owners of the Bank	Non-controlling interest	Total equity
Balances at December 31, 2022	**612,710**	**6,744,974**	**410,521,467**	**(11,765,538)**	**2,775**	**298,872,878**	**546,872,187**	**(143,262,513)**	**1,108,598,940**	**16,826,118**	**1,125,425,058**
Total comprehensive income for the year											
- Profit for the year	—	—	—	—	—	—	—	156,858,600	156,858,600	397,232	157,255,832
- Other comprehensive income for the year	—	—	—	209,228,310	—	—	—	—	209,228,310	675,262	209,903,572
Distribution of retained earnings as per the Shareholders' Meeting held on April 28, 2023 (Note 41)											
Legal reserve	—	—	—	—	—	36,637,383	—	(36,637,383)	—	—	—
Other reserves	—	—	—	—	—		146,549,534	(146,549,534)	—	—	—
Distribution of dividends, approved by the Shareholders' Meeting held on April 28, by the BCRA on May 31 and at the Board of Directors' meeting held on June 7, 2023 (Note 41)											
Dividends in kind and cash (1)							(77,877,236)		(77,877,236)		(77,877,236)
Subsidiary capital increase (Note 2.2.)	—	—	—	—	—	—	—	—	—	69,470	69,470
Balances at December 31, 2023	**612,710**	**6,744,974**	**410,521,467**	**197,462,772**	**2,775**	**335,510,261**	**615,544,485**	**(169,590,830)**	**1,396,808,614**	**17,968,082**	**1,414,776,696**

(1) Dividends per share amounts to pesos 58.05 (in nominal values)

The accompanying explanatory notes are an integral part of these consolidated financial statements.

Banco BBVA Argentina S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(in thousands of Argentine pesos in constant currency – Note 2.1.5.)

				Other comprehensive income		Reserves					
Transactions	Share capital	Share premium	Inflation adjustment to share capital and premium	Fair value reserve	Share of OCI from associates and joint ventures	Legal reserve	Other reserves	Accumulated loss	Total equity atributable to owners of the Bank	Non-controlling interest	Total equity
Balances at December 31, 2021	**612,710**	**6,744,974**	**410,521,467**	**32,509,717**	**(336,711)**	**275,008,659**	**451,415,311**	**(207,176,620)**	**969,299,507**	**19,537,904**	**988,837,41**
Total comprehensive income for the year											
- Profit (Loss) for the year	—	—	—	—	—	—	—	183,235,202	183,235,202	(2,742,287)	180,492,9
- Other comprehensive income for the year	—	—	—	(44,275,255)	339,486	—	—	—	(43,935,769)	(39)	(43,935,8
Distribution of retained earnings as per the Shareholders' Meeting held on April 29, 2022 (Note 41)											
Legal reserve	—	—	—	—	—	23,864,219		(23,864,219)	—	—	—
Other reserves	—	—	—	—	—	—	95,456,876	(95,456,876)	—	—	—
Other net increases	—	—	—	—	—	—		—	—	30,540	30,54
Balances at December 31, 2022	**612,710**	**6,744,974**	**410,521,467**	**(11,765,538)**	**2,775**	**298,872,878**	**546,872,187**	**(143,262,513)**	**1,108,598,940**	**16,826,118**	**1,125,425,0**

The accompanying explanatory notes are an integral part of these consolidated financial statements.

Banco BBVA Argentina S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
(in thousands of Argentine pesos in constant currency, except dividends per share – Note 2.1.5.)

Transactions	Share capital	Share premium	Inflation adjustment to share capital and premium	Other comprehensive income: Fair value reserve	Other comprehensive income: Share of OCI from associates and joint ventures	Reserves: Legal reserve	Reserves: Other reserves	Accumulated loss	Total equity atributable to owners of the Bank	Non-controlling interest	Total equity
Balances at December 31, 2020	**612,710**	**6,744,974**	**410,521,467**	**53,715,862**	**(328,467)**	**275,008,659**	**816,352,908**	**(533,665,982)**	**1,028,962,131**	**19,798,207**	**1,048,760,33**
Total comprehensive income for the year											
- Profit (Loss) for the year	—	—	—	—	—	—	—	57,012,016	57,012,016	(260,303)	56,751,71
- Other comprehensive income for the year	—	—	—	(21,206,145)	(8,244)	—	—	—	(21,214,389)	—	(21,214,38
Distribution of retained earnings as per the Shareholders' Meeting held on April 20, 2021											
Cash dividends (1)	—	—	—	—	—	—	(54,517,622)	—	(54,517,622)	—	(54,517,62
Accumulated loss absorption	—	—	—	—	—	—	(269,477,346)	269,477,346	—	—	—
Distribution of retained earnings as per the Shareholders' Meeting held on November 3, 2021											
Cash dividends (2)	—	—	—	—	—	—	(40,942,629)	—	(40,942,629)	—	(40,942,62
Balances at December 31, 2021	**612,710**	**6,744,974**	**410,521,467**	**32,509,717**	**(336,711)**	**275,008,659**	**451,415,311**	**(207,176,620)**	**969,299,507**	**19,537,904**	**988,837,41**

(1) Dividends per share amounts to pesos 11.424653 (in nominal values)
(2) Dividends per share amounts to pesos 10.608606 (in nominal values)

The accompanying explanatory notes are an integral part of these consolidated financial statements.

Banco BBVA Argentina S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(in thousands of Argentine pesos in constant currency – Note 2.1.5.)

Accounts	December 31, 2023	December 31, 2022	December 31, 2021
Cash flow from operating activities			
Profit before tax	**313,326,162**	**172,633,812**	**84,786,272**
Adjustments and other non-cash items	**(1,113,211,430)**	**(259,692,274)**	**88,882,684**
Depreciation and amortization	28,677,320	34,171,257	33,858,994
Net impairment loss of financial assets	133,602,042	98,632,380	77,479,161
Accrued interest	(1,626,862,052)	(1,058,378,324)	(754,086,510)
Exchange rate	(572,860,171)	(3,774,581)	139,724,762
Inflation effect on cash and cash equivalents balances	884,332,142	646,366,610	558,457,873
Gain on sale of Prisma Medios de Pagos S.A. (see Note 5.3.)	—	(1,557,976)	—
Put option - Prisma Medios de Pagos S.A.	—	—	7,170,021
Remeasurement - Prisma Medios de Pagos S.A.	—	—	8,999,481
Other adjustments	39,899,289	24,848,360	17,278,902
Net increases (decreases) in operating assets:	**415,615,714**	**(344,318,816)**	**(97,154,470)**
Financial assets at fair value through profit or loss (FVTPL)	(138,556,820)	(55,167,052)	21,917,821
Financial assets at amortized cost			
Other financial assets	10,024,373	(9,314,120)	67,864,211
Loans and advances to financial institutions	(1,099,968)	11,746,102	(10,519,980)
Loans and advances to customers	181,928,917	(53,519,749)	171,838,433
Loans and advances to government sector	(140,852)	131	194
Loans and advances to central bank	28,132	(28,132)	—
Reverse repurchase agreements	(1,029,651,789)	667,251,433	(385,498,982)
Debt securities	33,943,502	2,689,055	(120,456,524)
Financial assets at fair value through other comprehensive income	1,373,377,226	(950,997,862)	149,321,168
Other assets	(14,237,007)	43,021,378	8,379,189
Net increases (decreases) in operating liabilities:	**(575,987,747)**	**(323,960,717)**	**(158,655,458)**
Financial liabilities at amortized cost			
Deposits from financial institutions	1,514,327	(259,333)	(6,571,258)
Deposits from customers	(465,084,598)	(198,130,647)	(113,465,802)
Deposits from government sector	3,920,504	(50,167,375)	28,769,808
Repurchase agreements	(5,388,624)	2,504,428	(1,410,511)
Financial liabilities at FVTPL	11,434,399	(864,864)	178,322
Other financial liabilities	(122,383,755)	(77,042,926)	(66,156,017)
Income tax paid	(7,061,720)	(5,060,942)	(22,784,345)
Interest received	3,119,468,018	1,971,825,837	1,322,928,612
Interest paid	(1,550,919,465)	(859,480,878)	(537,831,183)
Total cash flows (used in)/generated by operating activities	**601,229,532**	**351,946,022**	**680,172,112**

The accompanying explanatory notes are an integral part of these consolidated financial statements.

Banco BBVA Argentina S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(in thousands of Argentine pesos in constant currency – Note 2.1.5.) (cont.)

Accounts	December 31, 2023	December 31, 2022	December 31, 2021
Cash flows from investing activities			
Payments:	**(44,158,709)**	**(88,096,067)**	**(48,788,435)**
Purchase of property and equipment, intangible assets and other assets	(42,148,338)	(51,101,699)	(48,788,435)
Other payments related to investment activities	(2,010,371)	(36,994,368)	—
Collections:	**1,163,486**	**3,540,447**	**14,519,378**
Dividends received	1,163,486	3,540,447	14,519,378
Total cash flows used in investing activities	**(42,995,223)**	**(84,555,620)**	**(34,269,057)**
Cash flows from financing activities			
Payments:	**(41,445,704)**	**(28,212,668)**	**(15,747,223)**
Dividends	(278,328)	(8,024,881)	—
Debt security payments - Capital	(565,420)	(2,327,802)	(6,745,140)
Debt security payments - Interest	—	—	(504,322)
Payment of lease liabilities	(6,227,606)	(6,673,616)	(8,497,761)
Financing by local financial institutions	(34,374,350)	(11,186,369)	—
Collections:	**14,988,113**	**1,717,145**	**—**
Debt securities issued - Capital	14,153,869	—	—
Other collections related to financing activities	834,244	1,717,145	—
Total cash flows used in financing activities	**(26,457,591)**	**(26,495,523)**	**(15,747,223)**
Effect of exchange rate changes on cash and cash equivalents	572,860,171	3,774,581	(139,724,762)
Inflation effect on cash and cash equivalents	(884,332,142)	(646,366,610)	(558,457,873)
Total changes in cash and cash equivalents	**220,304,747**	**(401,697,150)**	**(68,026,803)**
Cash and cash equivalents at the beginning of the year (Note 4)	**922,374,620**	**1,324,071,770**	**1,392,098,573**
Cash and cash equivalents at the end of the year (Note 4)	**1,142,679,367**	**922,374,620**	**1,324,071,770**

The accompanying explanatory notes are an integral part of these consolidated financial statements.

1. General information

1.1. Information on Banco BBVA Argentina S.A.

Banco BBVA Argentina S.A. (hereinafter "BBVA Argentina", the "Bank" or the "Entity") is a corporation ("sociedad anónima") incorporated under the laws of Argentina, operating as a universal bank with a network of 243 national branches.

Since December 1996, BBVA Argentina is controlled by Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA", "BBVA Group" or the "controlling entity"), which directly and indirectly owned 66.55% of the share capital of the Bank as of December 31, 2023.

These Consolidated Financial Statements relate to the Bank and its subsidiaries (collectively, the "Group"). The Bank's subsidiaries are detailed in Note 2.2.

Part of the Bank's share capital is publicly traded and has been registered with the Buenos Aires Stock Exchange, the New York Stock Exchange and the Madrid Stock Exchange.

1.2. Evolution of the macroeconomic situation and the financial and capital systems

In recent years, the Argentine financial market has observed a prolonged period of volatility in the market values of public and private financial instruments, including a high level of country risk, an increase in the official exchange rate between the Argentine peso and the US dollar, an increase in interest rates and a significant acceleration in inflation (see note 2.1.5. Unit of measurement).

Particularly, with regards to the exchange rate with the US dollar, since the end of 2019, the gap between the official price of the US dollar (mainly used for foreign trade) has widen significantly compared to the alternative exchange rate arising from stock exchange transactions having reached maximum peaks close to 200%. As of the date of issuance of these financial statements, the aforementioned gap amounts to approximately 20%.

National public debt has been subject to several restructuring processes, including various voluntary exchanges and agreements reached with the so-called Paris Club and the International Monetary Fund.

On December 10, 2023, a new national government took office and issued a series of emergency measures. Among the new government main objectives are to pursue, among others, regulatory flexibility in economic matters and a reduction of the fiscal deficit mainly through a reduction in spending, including a reduction of different types of subsidies. Likewise, there was a devaluation of the Argentine peso close to 55% with respect to the US dollar, which has resulted in an acceleration of inflation, with interannual inflation measured from the national consumer price index (CPI) published by the National Institute of Statistics and Census (INDEC, as per its Spanish acronym) amounting to 287.9% as of the date of issuance of these financial statements.

The comprehensive program pursued by the new national government includes reforms in the economy, justice, foreign relations and infrastructure areas, among others. On December 20, 2023, through the Decree of Necessity and Urgency No. 70/2023, the government launched a significant amount of reforms. However, different actors have requested various protections or requests for unconstitutionality to stop its application.

Additionally, the national and international macroeconomic context generates a certain degree of uncertainty regarding its future evolution with regard to the level of economic recovery to global level.

For all of the above, the Entity's Management permanently monitors the macro and local environment to determine the actions to adopt and identify potential impacts on the Entity's assets and financial situation, which could be reflected in the financial statements of future periods.

2. Basis for the presentation of the consolidated financial statements and applicable accounting standard

2.1. Basis for preparation

2.1.1. Applicable accounting standards

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") ("IFRS-IASB").

The consolidated financial statements for the year ended December 31, 2023, were authorized for issue on April 17, 2024.

2.1.2. Figures stated in thousands of pesos

Amounts in these consolidated financial statements are presented in thousands of Argentine pesos in terms of purchasing power as of December 31, 2023 and are rounded to the nearest amount in thousands of pesos.

It should also be noted that the Entity and its subsidiaries, consider the Argentine peso as their functional and presentation currency.

2.1.3. Presentation of Statement of Financial Position

The Entity presents its Statement of Financial Position in order of liquidity.

Financial assets and financial liabilities are generally reported in gross figures in the Statement of Financial Position. They are offset and reported on a net basis only if there is a legal and unconditional right to offset them and Management has the intention to settle them on a net basis or to realize assets and settle liabilities simultaneously.

These consolidated financial statements were prepared on historical cost basis, except for certain financial instruments which were valued at Fair value through Other Comprehensive Income (OCI) or at Fair Value through Profit or Loss. In addition, assets and liabilities of derivatives were valued at Fair Value through profit or loss.

2.1.4. Comparative information

The Statement of Financial Position as of December 31, 2023 is comparatively presented with data as of prior year-end, while the Statements of Profit or Loss, Comprehensive Income, Changes in Equity, and Cash Flows, are comparatively presented with data for the years ended December 31, 2022 and 2021.

The figures of comparative information have been restated in order to consider the changes in the general purchasing power of the currency and, as a result, are stated in the measuring unit current as of the end of the reporting period (see "Measuring unit" below).

2.1.5. Measuring unit

These consolidated financial statements as of and for the year ended December 31, 2023 have been restated to be expressed in terms of the measuring unit current as of that date, as set forth in IAS 29.

According to IFRS, the restatement of financial statements is needed when the functional currency is the currency of a hyperinflationary economy. To achieve consistency in identifying an economic environment of that nature, IAS 29 "Financial Reporting in Hyperinflationary Economies" establishes (i) certain non-exclusive qualitative indicators consisting of analyzing general population behavior, prices, interest rates and salaries in view of the evolution of price indexes and the loss of purchasing power of the currency, and (ii) as a quantitative characteristic, which is the most considered condition in practice, to test whether the cumulative inflation rate in three years approaches or exceeds 100%.

Due to several macroeconomic factors, three-year inflation was above this figure, while the national government's targets and other available projections indicate that this trend will not be reversed in the short term. The Argentine economy is considered to be hyperinflationary as from July 1, 2018.

Such restatement should be made as if the economy had always been hyperinflationary, using a general price index that reflects the changes in the purchasing power of the currency. In order to make such restatement, a series of indexes are prepared and published on a monthly basis by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE, as per its Spanish acronym), which combine the domestic consumer price index (CPI) published by the National Institute of Statistics and Census (INDEC, as per its Spanish acronym) as from January 2017 (base month: December 2016) with the domestic wholesale price index (IPIM, as per its Spanish acronym) published by INDEC until such date, computing for November and December 2015, for which the INDEC did not published any information on the variation of the IPIM, the variation of the CPI in the City of Buenos Aires.

Considering the index referred above, inflation for the fiscal years ended December 31, 2023, 2022 and 2021 was 211.41%, 94.79% and 50.94%, respectively.

Below is a description of the main impacts of applying IAS 29 and the restatement process of financial statements:

a) Description of the main aspects of the statement of financial position restatement process:

i. Monetary items (those with a fixed nominal value in local currency) are not restated, as they are already expressed in the measuring unit current as of the end of the reporting period. In an inflationary period, holding monetary assets generates a loss of purchasing power and holding monetary liabilities generates a gain in purchasing power, provided that such items are not subject to an adjustment mechanism that offsets these effects to some extent. Gain or loss on net monetary position is included in profit (loss) for the reporting period.

ii. Assets and liabilities subject to adjustments pursuant to specific agreements are adjusted according to such agreements.

iii. Non-monetary items measured at their current values at the end of the reporting period are not restated for their presentation in the statement of financial position, but the adjustment process must be completed in order to determine in terms of constant measuring unit, the gain or loss generated for holding those non-monetary items.

iv. Non-monetary items measured at historical cost or at a current value as of a date prior to the end of the reporting period are restated at indexes that reflect the variation occurred in the general price index level as from the date of acquisition or restatement until the closing date, and then the restated amounts of said assets are compared with the relevant recoverable values. Profit (loss) for the period from depreciation of property and equipment and amortization of intangible assets, as well as any other consumption of non-monetary assets are determined on the basis of the new restated amounts.

v. The restatement of non-monetary assets in terms of a measuring unit current at the end of the reporting period without an equivalent adjustment for tax purposes results in a taxable temporary difference and the recognition of deferred tax liabilities, whose balancing entry is recognized in profit or loss for the period.

b) Description of the main aspects of the statements of profit and loss and other comprehensive income restatement process:

i. Expenses and income are restated as from the date of their booking, except for those profit or loss items that reflect or include in their determination the consumption of assets in purchasing power currency of a date prior to the booking of the consumption, which are restated taking as basis the date of origination of the asset with which the item is related; and also except for income or loss arising from comparing two measurements expressed in purchasing power currency of different dates, for which it is necessary to identify the amounts compared, restate them separately, and make the comparison again, but with the amounts already restated.

ii. Gain or loss on net monetary position will be classified according to the item that originated it, and is presented in a separate line reflecting the effect of inflation on monetary items.

c) Description of the main aspects of the statement of changes in shareholders' equity restatement process:

i. As of the transition date, the Entity has applied the following procedures:

a) Equity items, except for those stated below, are restated as from the date on which they were subscribed for or paid-in.

b) Reserves, including the reserve for first time application of IFRS, were maintained at their nominal value as of the transition date (non-restated legal amount).

c) Restated unappropriated retained earnings are determined according to the difference between restated net assets as of the transition date and the rest of the components of initial equity restated as described above.

d) Balances of other accumulated comprehensive income were restated as of the transition date.

ii. After the restatement as of the transition date stated in (i) above, all the shareholders' equity components are restated by applying the general price index from the beginning of the fiscal year and each variation of those components is restated from the date of contribution or from the moment such variation occurred by other means, restating the balances of other accumulated comprehensive income according to the items that give rise to it.

d) Description of the main aspects of the statement of cash flows restatement process:

i. All items are restated in terms of the measuring unit current as of the end of the reporting period.

ii. Monetary gain or loss on the components of cash and cash equivalents are disclosed in the statement of cash flows after operating, investing and financing activities, in a separate line and independent from them, under "Gain/loss on net monetary position of cash and cash equivalents".

2.2. Basis for consolidation

The consolidated financial statements comprise the Entity's and its subsidiaries' financial statements (the "Group") as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021.

Subsidiaries are all entities controlled by the Bank. The Bank controls an entity when it is exposed to, or has rights to, variable returns from its continued involvement with the entity and has the ability to manage the operating and financial policies of that entity, in order to affect those returns.

This is generally observed in the case of an ownership interest representing more than 50% of the voting shares of an entity.

However, under particular circumstances, the Entity may exercise control with an ownership interest below 50% or may not exercise control even with an ownership interest above 50% in the voting shares of an investee.

When assessing if the Entity has control over an investee and therefore, whether it controls the variability of its returns, the Entity considers all the relevant events and circumstances, including:

- The purpose and design of the investee.
- The relevant activities, the decision-making process on these activities and whether the Entity and its subsidiaries can manage those activities.
- Contractual agreements such as call options, put options and settlement rights.
- If the Entity and its subsidiaries are exposed to, or entitled to, variable returns arising from their interest in the investee, and are empowered to affect their variability.

Subsidiaries are fully consolidated as from the date on which effective control thereof is transferred to the Entity and they are no longer consolidated as from the date on which such control ceases. These consolidated financial statements include the Entity's and its subsidiaries' assets, liabilities, profit or loss and each component of other comprehensive income. Transactions among consolidated entities are fully eliminated.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Any change in the ownership interest in a subsidiary, without loss of control, is booked as an equity transaction. Conversely, if the Entity loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other equity components, while any resulting gain or loss is recognized in profit or loss, and any retained investment is recognized at fair value at the date of the loss of control.

The financial statements of subsidiaries have been prepared as of the same date and for the same accounting periods as those of the Entity, using accounting policies consistent with those applied by the Entity. If necessary, relevant adjustments are made to the financial statements of subsidiaries so that the accounting policies used by the Group are uniform.

Besides, non-controlling interests represent the portion of profit or loss and shareholders' equity that does not belong, either directly or indirectly, to the Entity. Non-controlling interests are exposed in these financial statements in a separate line in the Statements of Financial Position, of Profit or Loss, of Comprehensive Income and of Changes in Equity.

As of December 31, 2023, and 2022 and for the years ended December 31, 2023, 2022 and 2021, the Entity has consolidated its financial statements with the financial statements of the following companies:

Subsidiaries	Registered Office	Province	Country	Main Business Activity
Volkswagen Financial Services Cía. Financiera S.A.	Av. Córdoba 111, 30th floor	City of Buenos Aires	Argentina	Financing
PSA Finance Arg. Cía. Financiera S.A.	Carlos María Della Paolera 265, 22nd floor	City of Buenos Aires	Argentina	Financing
Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A. (undergoing liquidation proceedings) (1)	Av. Córdoba 111, 22nd floor	City of Buenos Aires	Argentina	Retirement and Pension Fund Manager
BBVA Asset Management Argentina S.A.U. Sociedad Gerente de Fondos Comunes de Inversión	Av. Córdoba 111, 30th floor	City of Buenos Aires	Argentina	Mutual Funds Management

(1) Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A. (undergoing liquidation proceedings) ("Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings)"): a corporation incorporated under the laws of Argentina undergoing liquidation proceedings. On December 4, 2008, Law 26,425 was enacted, providing for the elimination and replacement of the capitalization regime that was part of the Integrated Retirement and Pension System, with a single pay-as-you go system named the Argentine Integrated Retirement and Pensions System (SIPA). Consequently, Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) ceased to manage the resources that were part of the individual capitalization accounts of affiliates and beneficiaries of the capitalization regime of the Integrated Retirement and Pension System, which were transferred to the Guarantee Fund for the Sustainability of the Argentine Retirement and Pension Regime as they were already invested, and the Argentine Social Security Office (ANSES, as per its Spanish acronym) is now the sole and exclusive owner of those assets and rights. Likewise, on October 29, 2009, the ANSES issued Resolution 290/2009, whereby retirement and pension fund managers interested in reconverting their corporate purpose to manage the funds for voluntary contributions and deposits held by participants in their capitalization accounts had 30 business days to express their intention to that end. On December 28, 2009, based on the foregoing and taking into consideration that it is impossible for Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) to comply with the corporate purpose for which it was incorporated, it was resolved, at a Unanimous General and Extraordinary Shareholders' Meeting to approve the dissolution and subsequent liquidation of that company effective as of December 31, 2009.

On December 7, 2010, Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) filed a lawsuit for damages against the Argentine government under case No. 40.437/2010. The lawsuit was ratified by BBVA Banco Francés in its capacity as the Company's majority shareholder. On July 1, 2021, a decision rejecting the claim was issued. On August 9, 2022, Room I of the Federal Court of Appeals in Contentious and Administrative Matters ratified the trial court decision. On August 25, 2022, a federal extraordinary appeal was filed against the abovementioned resolution, which was partially accepted in regard to the federal issue at stake and rejected the request concerning the grounds of arbitrariness through the court decision dated September 15, 2022. Considering the partial rejection, an appeal was filed with the Argentine Supreme Court of Justice on September 21, 2022. As of the date of issuance of these financial statements, neither the outcome of the legal process referred to above nor the final assessment of the case by the Argentine Supreme Court of Justice can be estimated. Similarly, in the hypothetical event of a rejection, all or part of the legal costs may be imposed on Consolidar AFJP S.A. (undergoing liquidation proceedings) and the assets of such entity were insufficient to bear them, the Bank would bear these expenses, reserving the right to recover the proportional part related to the remaining shareholder.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

As of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, the Entity's interest in its consolidated companies was as follows:

	Shares		Interest held by the Entity		Non-controlling Interests	
Subsidiaries	**Type**	**Number**	**% of Total Shares**	**% of Total Votes**	**% of Total Shares**	**% of Total Votes**
Volkswagen Financial Services Cía. Financiera S.A. (1)	Common	897,000,000	51.00%	51.00%	49.00%	49.00%
PSA Finance Arg. Cía. Financiera S.A. (2) (3)	Common	52,178	50.00%	50.00%	50.00%	50.00%
Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A. (undergoing liquidation proceedings) (4)(5)	Common	127,037,593	53.89%	53.89%	46.11%	46.11%
BBVA Asset Management Argentina S.A.U. Sociedad Gerente de Fondos Comunes de Inversión (6)	Common	242,524	100.00%	100.00%	0.00%	0.00%

(1) As of December 31, 2023 and 2022 total assests of Volkswagen Financial Services Compañia Financiera S.A. were 70,652,055 and 98,063,582, total liabilities were 48,004,597 and 76,997,973, total Equity attributable to the owners of the Bank were 11,550,203 and 10,743,461, total Equity attributable to non-controlling interests were 11,097,255 and 10,322,148, total comprehensive income (loss) for the year Attributable to owners of the Bank were 806,714 and (1,996,973) and total comprehensive income (loss) for the year Attributable to non-controlling interests were 775,078 and (1,918,661), respectively.

(2) As of December 31, 2023 and 2022 total assests of PSA Finance Arg. Cía. Financiera S.A. were 46,124,445 and 61,674,370, total liabilities were 32,636,526 and 48,740,280, total Equity attributable to the owners of the Bank were 6,743,959 and 6,467,045, total Equity attributable to non-controlling interests were 6,743,960 and 6,467,045, total comprehensive loss for the year Attributable to owners of the Bank were 398,368 and 758,209 and total comprehensive loss for the year Attributable to non-controlling interests were 398,368 and 758,209, respectively.

(3) According to the Shareholders' Agreement, the Bank controls the entity because it is exposed, or has rights, to variable returns from its continued involvement with the entity and has the ability to direct the relevant activities in order to affect those returns, such as financial and risk management activities, among others.

(4) As of December 31, 2023 and 2022 total assests of Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A.(undergoing liquidation proceedings) were 299,283 and 150,886, total liabilities were 24,144 and 70,808, total Equity attributable to the owners of the Bank were 148,272 and 43,153, total Equity attributable to non-controlling interests were 126,867 and 36,925, total comprehensive income (loss) for the year Attributable to owners of the Bank were 23,982 and (76,459) and total comprehensive income (loss) for the year Attributable to non-controlling interests were 20,520 and (65,421), respectively.

(5) On November 28, 2023, a contribution of 120,000 (150,605 in restated values) was made, which was integrated in cash. The Bank subscribed 64,667 (81,135 in restated values) and Banco Bilbao Vizcaya Argentaria S.A. (BBVA) 55,333 (69,470 in restated values).

(6) As of December 31, 2023 and 2022 total assests of BBVA Asset Management Argentina S.A.U. Sociedad Gerente de Fondos Comunes de Inversión were 13,768,882 and 14,225,503, total liabilities were 2,374,891 and 2,705,550, total Equity attributable to the owners of the Bank were 11,393,991 and 11,519,953, and total comprehensive income for the year Attributable to owners of the Bank were 7,537,737 and 8,708,915, respectively.

The Board of Directors of the Entity considers that there are no other companies or structured entities that should be included in the consolidated financial statements as of and for the year ended December 31, 2023.

Trusts

The Bank acts as trustee for a number of trusts. The Bank considers the purpose and design of the trust so as to identify its relevant activities, how decisions about such activities are made, who has the current ability to direct those activities, and who receives returns therefrom. In case the Bank has decision-making power over the trust, it determines whether it acts as a principal or as an agent of a third party.

The Bank has concluded that it does not have control over any of these trusts.

Investment funds

A subsidiary of the Bank acts as fund manager of 16 investment funds. The amount of total equity under management accrued as of December 31, 2023 amounts to 1,288,518,885. Determining whether the Bank controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Bank in the fund (comprising any carried interests and expected management fees) and considers that investors have no right to remove the fund manager without cause. The Bank has concluded that it does not have control over any of these investment funds.

2.3. Significant accounting policies

2.3.1. Going concern

The Entity's Management conducted an assessment of its ability to continue as a going concern and concluded that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that could call into question the Entity's ability to continue as a going concern. Therefore, these consolidated financial statements were prepared on a going concern basis.

2.3.2. Foreign currency

Transactions in foreign currencies are translated into the respective functional currency of the Bank at the spot exchange rates published by Argentine Central Bank (the "Central Bank" or "BCRA") at the date of the transactions.

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

Foreign currency differences arising from translation are recognized in profit or loss.

2.3.3. Cash and cash equivalents

Cash and cash equivalents includes cash, bank deposits, balances with no restrictions kept with the BCRA and on-demand accounts held at domestic and foreign financial institutions that are subject to an insignificant risk of changes in their fair value which are used by the Bank in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the Consolidated Statement of Financial Position.

2.3.4. Financial assets and liabilities

a) *Initial recognition and measurement*

The Group initially recognizes loans, deposits, debt securities issued and liabilities on the date on which they are originated. All other financial instruments (including ordinary course purchases and sales of financial assets) are recognized on the trade date, which is the date when the Group becomes party to the contractual provisions of the instrument.

The Group recognizes purchases of financial instruments with the commitment to resell at a certain price as a loan granted in the line "Reverse repurchase agreements" in the Consolidated Statement of Financial Position. 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 financial liabilities are initially recognized at fair value. Instruments not measured at fair value through profit or loss (FVTPL) are recognized at fair value plus (in the case of assets) or minus (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 for initial recognition.

However, if the Group determines that the fair value at initial recognition is different than the consideration received or paid, when the fair value is classified as Level 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 classified as Level 3, the difference between the fair value and the consideration is deferred. The Bank shall recognize that deferred profit or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

b) *Classification of financial assets*

On initial recognition, financial assets are classified as measured at amortized cost, fair value through Other Comprehensive Income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- 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 ("SPPI") on the principal amount outstanding.

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The financial 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 SPPI on the principal amount outstanding.

For a financial asset measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- Interest revenue using the effective interest method;
- Expected credit losses ("ECL") and reversals; and
- Foreign exchange gains and losses.

When a financial asset measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to, for each individual instrument, present subsequent changes in fair value in OCI. Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL. This category includes derivative financial instruments.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, if Management focuses on the profit that arises from contractual interests,
- 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 business 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 stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are SPPI

For the purpose of this assessment, '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 and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as profit margin. 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.

In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Bank's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rate).

Reclassification

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

c) Classification of financial liabilities

The Group classifies its financial liabilities, other than derivatives, financial guarantees and liabilities at fair value through profit or loss as measured at amortized cost.

Financial liabilities held for trading and derivative financial instruments are measured at FVTPL.

Financial liabilities held for trading have been acquired or incurred principally for the purpose of selling or repurchasing in the near term, or held as part of a portfolio that is managed together for short-term profit or position taking. Trading liabilities are initially recognised and subsequently measured at fair value in the Consolidated Statement of Financial Position, with transaction costs recognised in profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss.

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a financial asset.

Financial guarantees issued are initially recognized at fair value, and subsequently are measured at the higher of this amortized amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable.

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 Statement of Financial Position. 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 and is accounted for in the line "Interest expenses" in the Consolidated Statement of Profit or Loss.

d) *Measurement at amortized cost*

The amortized cost of a financial asset or liability is the amount of its initial recognition less the capital 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.

e) *Modifications of financial assets and financial liabilities*

i) Financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

ii) Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

f) Derecognition of financial assets and liabilities

i) Financial assets

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Group retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

ii) Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

g) Impairment of financial assets

The IFRS 9 impairment model is applied to financial assets valued at amortized cost and to financial assets valued at fair value with changes in other comprehensive income, except for investments in equity instruments. Likewise, all the financial instruments valued at fair value through profit and loss are excluded from the impairment model.

The standard classifies financial instruments into three categories, which depend on the evolution of their credit risk from the moment of initial recognition. The first category includes the transactions with no significant increase in credit risk since their initial recognition and not impaired for which a 12-month ECL is recognised (Stage 1); the second comprises the financial assets for which a significant increase in credit risk has been identified since its initial recognition but which are not credit-impaired (Stage 2) for which a lifetime ECL is recognised; and the third category which is for impaired financial assets where one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred (Stage 3).

The calculation of the allowances for credit risk in each of these three categories are done differently following concepts of expected loss:

- Expected loss at 12 months: expected credit loss that arises from possible default events within 12 months following the presentation date of the financial statements, applicable for financial assets classified as Stage 1; and
- Lifetime Expected Credit Losses of the transaction: this is the expected credit loss that arises from all possible default events over the remaining life of the financial instrument, applicable for financial assets classified as Stage 2 and 3.

All this requires considerable judgment, both in the modeling for the estimation of the expected losses and in the forecasts, on how the economic factors affect such losses, which must be carried out on a weighted probability basis.

The Group has applied the following definitions in accordance with IFRS 9:

Default (before November 2021)

BBVA Argentina has applied a definition of default for financial instruments that is consistent with that used in internal credit risk management, as well as the indicators under applicable regulation at the date of implementation of IFRS 9. Both qualitative and quantitative indicators have been considered.

The 90-day past-due stipulation may be waived in cases where the Group considers it appropriate, based on reasonable and documented information that it is appropriate to use a longer term. As of December 31, 2021, the Group did not waive the past-due stipulation for any of the portfolios.

New Definition of Default ("NDoD") (after November 2021)

It will be consider that a default can occur when one or both of the following conditions are met:

a) Objective Default: the obligor has material past due balances for more than 90 consecutive days with respect to any credit obligation. Materiality is defined by an absolute threshold (maximum amount of the sum of all past due amounts fixed in local currency at EUR 100 for retail portfolios and EUR 500 for wholesale portfolios) and a relative threshold (percentage reflecting the past due amount in relation to the total amount of all exposures to the obligor included in the balance sheet, excluding equity exposures, fixed at 1% for all portfolios).

b) Subjective Default: when there are reasonable doubts about the entity's ability to pay all of its debt obligations. In addition to an objective default, subjective default takes into account other indicators of probability of default such as a specific credit risk adjustment, forced restructurings, connected clients, clients in bankruptcy, among others.

Historically, the definition of a credit-impaired asset under IFRS 9 has been largely aligned with the definition of default used by the Bank for internal credit risk management. In 2021, the Bank updated its definition of default. Accordingly, it has updated the definition of credit-impaired asset (Stage 3), considering it as a change in accounting estimates, which restores consistency with the definition of default, and ensuring the integration of both definitions in credit risk management. This modification constitutes a change in an accounting estimate and consequently, its impact was recognized prospectively.

As indicated in IFRS 9, expected losses for credit risk are based on 12-month or lifetime expected losses, depending on whether there is a significant increase in credit risk since initial recognition or not. This evaluation is performed at each month end considering the following criteria:

- Qualitative: the evaluation is based on certain indicators, some of which are included in the quantitative analysis through the rating/scoring model or through macroeconomic scenarios, while others are collected through qualitative analysis (irregular investment, watch list, refinancing, among others).
- Quantitative: based on the comparison between the current forward-looking probability of default over the life of the transaction and the forward-looking origination probability of default over the life of the transaction, adjusted so that both values represent a valid comparison. A loan will be transferred to Stage 2 when both of the following two conditions occur, comparing current and origination probability of default values:

  i) Relative probability of default exceeds a specified threshold.

ii) Absolute probability of default exceeds a specific threshold, different from the relative threshold.

The Bank estimates that the abovementioned amendment resulted in an 4,870,975 increase in impaired financial assets. Concerning expected credit losses, the impact of this change is not deemed significant, since most affected transactions were previously classified as Stage 2 and, therefore, their credit risk hedge already included expected credit losses during the transaction lifetime.

Restructured asset

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the restructuring will not result in the derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the restructuring will result in the derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition.

Credit-impaired financial assets

At each reporting date the Group assesses whether the financial assets carried at amortized cost and debt financial assets carried at FVOCI and finance lease receivables are credit-impaired (Stage 3).

An asset is credit-impaired if one or more events have occurred and they have a detrimental impact on the estimated future cash flows of the asset. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower.
- A breach of contract (e.g., a default or past due event).
- A lender having granted a concession to the borrower – for economic or contractual reasons relating to the borrower's financial difficulty – that the lender would not otherwise consider.
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization.
- The disappearance of an active market for a security because of financial difficulties.

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may cause financial assets to become credit-impaired.

The definition of impaired financial assets in the Group is aligned with the definition of default previously explained.

Significant increase in credit risk

The objective of the impairment requirements is to recognize lifetime ECL for financial instruments for which there have been significant increases in credit risk since initial recognition considering all reasonable and documented information, including that information which is forward-looking.

The model developed by the Group for assessing the significant increase in credit risk has a two-prong approach:

- Quantitative criterion: the Group uses a quantitative analysis based on comparing the current expected probability of default over the life of the transaction with the original adjusted expected probability of default, so that both values are comparable in terms of expected default probability for their residual life. The thresholds used for considering a significant increase in risk take into account special cases according to geographic areas and portfolios. Depending on how old current operations are, at the time implementation of the standard, some simplification is made to compare the probabilities of default between the current and the original moment, based on the best information available at that moment.

- Qualitative criterion: most indicators for detecting significant risk increase are included in the Group's systems through rating/scoring systems or macroeconomic scenarios, so quantitative analysis covers the majority of circumstances. The Group will use additional qualitative criteria when it considers it necessary to include circumstances that are not reflected in the rating/score systems or macroeconomic scenarios used.

Additionally, instruments under one of the following main circumstances are classified as Stage 2 (Qualitative criterion):

- More than 30 days past due. However this presumption can be rebutted in those cases in which the Group considers, based on reasonable and documented information, that such non-payment does not represent a significant increase in risk. The Group has not considered periods superior to 30 days for any of the significant portfolios.

- Watch list: They are subject to special watch by the Risks units because they show negative signs in their credit quality, even though there may be no objective evidence of impairment.

- Refinance or restructuring that does not show evidence of impairment.

Method for calculating ECL

The measurement of ECL must reflect:

- A considered and unbiased amount, determined by evaluating a range of possible results.

- The time value of money.

- Reasonable and documented information that is available without undue cost or effort and that reflects current conditions and forecasts of future economic conditions.

The Group measures ECL both individually and collectively.

For significant impaired instruments the amount of credit losses is calculated as the difference between expected discounted cash flows at the effective interest rate of the transaction and the carrying amount of the instrument.

To establish which and how many clients need to be analyzed individually, the Group adopts the criteria defined by the BBVA Group, which is a relative weight in terms of total risk over the defaulted total risk of wholesale exposure and in terms of total risk over the Watch List total risk of wholesale exposure.

The scope for individual analysis is defined with the following criteria to analyze all clients with at least an asset in default and with total risk above the local threshold (24,000) or with at least an asset on the Watch List (WL) with total risk above the local threshold (64,000), meaning:

a) Stage 3 and Total Risk > 24,000;

b) Stage 2, WL and Total Risk > 64,000.

<u>Threshold for Defaulted exposure</u>: The threshold is established in such a way that the clients with total risk above this threshold are assessed individually for at least 40% of the total risk of the defaulted wholesale portfolio.

<u>Threshold for Watch List exposure</u>: The threshold is established in such a way that the clients with total risk above this threshold are assessed individually for at least 20% of the total risk of the Watch List wholesale portfolio.

For the collective measurement of expected losses instruments are grouped into groups of assets based on their risk characteristics. Exposure within each group is segmented according to the common credit risk characteristics, which are indicative of the payment capacity of the borrower in accordance with his contractual conditions. These risk characteristics have to be relevant in estimating the future flows of each group.

The characteristics of credit risk may consider, among others, the following factors:

- Type of instrument.
- Rating or scoring tools.
- Type of collateral.
- Period of time at default for stage 3.
- Segment.
- Qualitative criteria which can have a significant increase in risk.

ECL are derived from the following parameters:

- Probability of Default (PD): An estimate of the likelihood of default over a given time horizon.
- Exposure at Default (EAD): An estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- Credit Conversion Factors (CCF): Cash conversion factor is the estimate made on off-balance sheet contractual arrangements to determine the exposure subject to credit risk in the event of a default.
- Loss Given Default (LGD): An estimate of the loss arising on default, based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral.

In the case of debt securities, the Low Default Portfolio (LDP) methodology that is used has parameters based on external ratings.

Use of present, past and future information

ECL requires incorporation of present, past and future information to detect any significant increase in risk and measure the expected loss.

ECL does not require identification of all possible scenarios for measuring expected loss. However, the probability of a loss event occurring and the probability it will not occur also need to be considered, even if the possibility of a loss may be very small. Also, when there is no linear relation between the different future economic scenarios and their associated expected losses, more than one future economic scenario must be used for the measurement.

The approach used by the Group consists of using first the most probable scenario (baseline scenario) consistent with that used in the Group's internal management processes, and then applying an additional adjustment, calculated by considering the weighted average of expected losses in other economic scenarios (one more positive and the other more negative). This adjustment is applied every three months and the macro model is calibrated at least once a year. The main macroeconomic variable in each of the scenarios is Gross Domestic Product ("GDP").

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision; and
- Financial assets measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve (OCI).

h) *Write-off*

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment of financial assets' in the Consolidated Statement of Profit or Loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

i) *Offsetting*

Financial assets and financial liabilities are offset and net amounts presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS-IASB, or for gains and losses arising from a group or similar transactions such as in the Group's trading activity.

2.3.5. Investments in joint ventures and associates

An associate is an entity over which the Group has a significant influence but not control over its financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control whereby the Group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are initially recognized at cost, which includes transaction costs, and subsequently accounted for using the equity method.

The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

2.3.6. Property and equipment

Property and equipment items are measured at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost includes the spot purchase price and expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended by Management.

At the transition date to IFRS on January 1, 2017 the Group considered as the deemed cost of its real estate the fair value at that date determined through technical appraisals.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gains or losses on disposal of an item of property and equipment are recognized net within other income in profit or loss. Subsequent expenses are only capitalized if they are likely to provide future economic benefits for the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation is calculated using the straight line method over the estimated useful lives of the assets, and is recognized in profit or loss in the heading "Depreciation and amortization" on the consolidated statement of profit or loss.

The estimated useful lives of significant items of property and equipment are as follows:

- Buildings: as informed in the technical appraisal corresponding to each one.

- Furniture and facilities: 10 years.
- Equipment: 3-5 years.
- Automobiles: 5 years.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted prospectively, if necessary. As a non-monetary asset, this item is adjusted for inflation.

2.3.7. Investment properties

Investment properties are measured at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost includes the spot purchase price and expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended by Management.

At the transition date to IFRS on January 1, 2017 the Group considered as deemed cost of its investment properties the fair value at that date determined through technical appraisals.

Any gains or losses on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) are recognized in profit or loss.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

The estimated useful lives of investment properties are as informed in the respective technical appraisal.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted prospectively, if necessary. As a non-monetary asset, this item is adjusted for inflation.

2.3.8. Leases

IFRS 16 introduces a single lessee accounting model, requiring that lessees recognize the asset related to the right of use of the leased asset and a lease liability representing the obligation to make lease payments. The Entity has opted to apply the exceptions related to the recognition of short-term leases and leases where the underlying asset is of low value.

As to the lessor's accounting, IFRS 16 substantially keeps the requirements of IAS 17. Therefore, lessors continue classifying leases as operating or finance, and each of them is recognized differently.

The Group recognizes the right of use as an asset and the lease liability as a liability, mainly related to the leases of offices in its branch network.

As of December 31, 2023, the Entity had not entered into agreements related to variable lease payments. As of such date, there were no leases that had not yet commenced, pursuant to which the Entity had undertaken commitments, and which enter into force in subsequent years.

Below is a detail of the accounting policies:

- *Contracts that contain a lease*

  At the beginning of the contract, the Group evaluates whether a contract is, or contains a lease. 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.

- *Leases where the Group is the lessor*

  When the Group acts as lessor, at the beginning of the contract the Group determines whether it is a finance or an operating lease.

  To classify each lease, the Group evaluates if it transfers substantially all the risks and rewards incidental to the ownership of the leased asset. If so, it classifies it as a finance lease, otherwise, it is an operating lease.

In a finance lease, the leased asset is derecognized and recognized as a receivable for an amount equivalent to the net investment in the lease under "Loans and other financing."

Lease payments included in the measurement of the net investment are:

- Fixed payments, including payments that are substantially fixed;
- Variable payments, which depend on a rate or index, initially measured applying the rate or index as of the lease commencement date;
- Any amounts expected to be collected as guaranteed residual value;
- The exercise price of call options, if it is reasonably certain that they will be exercised; and
- Any penalties for early termination, if it is reasonably certain that the contract will be terminated early.

Collections received under a finance lease are broken down into interest and the reduction of the net investment in the lease. Interest is recognized over the lease term applying an effective interest rate. Contingent leases are not considered in determining the net investment in the lease.

In an operating lease, the leased asset (generally investment property) is not derecognized, and the collection received is recognized as income applying the straight-line method.

- *Leases where the Group is the lessee*

The Group recognizes the right of use of the leased asset and the lease liability at the beginning of the contract. The right of use is initially measured at cost, which includes the initial amount of the lease liability adjusted for any lease payments made before the beginning of the contract, plus initial direct costs incurred and an estimate of the costs for dismantling or restoring the underlying asset, less any incentives received.

The right of use of the leased asset is then depreciated on a straight-line basis from the beginning of the contract to the expiration of the lease term.

The lease liability is initially measured at the present value of the lease payments that were not paid at the beginning of the contract, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability include the following items:

- Fixed payments, including payments that are substantially fixed;
- Variable payments, which depend on a rate or index, initially measured applying the rate or index as of the lease commencement date;
- Any amounts expected to be paid as guaranteed residual value;
- The exercise price of call options, if it is reasonably certain that they will be exercised;
- Any amounts expected to be paid for renewal periods if it is reasonably certain that the renewal options will be exercised; and
- Any penalties for early termination, if it is reasonably certain that the contract will be early terminated.

The lease liability is measured at amortized cost, using the effective interest rate method. It is remeasured when there is a change in future lease payments due to a change in the rate or index, in the amounts that the Group is expected to pay as guaranteed residual value or if the Group changes the evaluation as regards whether it will exercise a call, renewal or early termination option. When the lease liability is remeasured; the relevant adjustment is recognized in the right of use of the leased asset.

Lease liabilities denominated in US dollars are translated into the functional currency at the spot exchange rate at the reporting date. Foreign currency differences arising from translation are recognized in profit or loss.

The Group has elected not to recognize right of use assets and liabilities for lease of low-value and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.3.9. Intangible assets

Intangible assets include the information systems costs of acquisition and implementation, which are measured at cost less accumulated amortization and impairments, if any.

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

Information systems are amortized using the straight line method over their estimated useful life of 5 years and are recognized in profit or loss in the heading "Depreciation and amortization” on the Consolidated Statement of Profit or Loss.

Amortization methods and the estimated useful lives are reviewed at each reporting date and adjusted prospectively, if necessary. As a non-monetary asset, this item is adjusted for inflation.

2.3.10. Other assets

Foreclosed assets are measured at the lower of the fair value on the date on which the Group receives the ownership of the asset, and the fair value less cost of disposal at the reporting date.

2.3.11. Non- current assets held-for-sale

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 as such.

These assets are measured at the lower of their carrying amount and their fair value less the cost of disposal.

Once classified as held-for-sale, property and equipment are no longer depreciated and any equity-accounted investee is no longer equity accounted.

2.3.12. Impairment of non-financial assets

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

For the impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows for their continued use that is largely independent of the cash inflows from other assets or other cash generating units (CGU). Goodwill arising from a business combination is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

An impairment loss for goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent the carrying amount of the assets does not exceed the amount they would have been determined if the impairment loss had not been recognized.

2.3.13. Provisions

The Group recognizes a provision if and only if the Group has a present legal or constructive obligation resulting from past events; it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation; and the amount payable can be estimated reliably.

To assess provisions, the existing risks and uncertainties are considered, taking into account the opinion of the Group’s external and internal legal advisors. Based on the analysis carried out, the Group recognizes a provision for the amount considered as the best estimate of the potential expense necessary to settle the present obligation at each reporting date.

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

2.3.14. Employee benefits

a) Short-term personnel benefits

Short-term personnel benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by its personnel and the obligation can be estimated reliably.

b) Other long-term personnel benefits

The Group's obligation in relation to long-term personnel benefits is the amount of the future benefit the employees have earned in exchange for services provided during the current and prior periods. The benefit is discounted at present value. Remeasurement is recognized in profit or loss.

c) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be wholly settled within 12 months of the reporting date, then they are discounted.

2.3.15. Share capital, Share premium and Inflation adjustment to share capital and premium

The "Share capital" and "Share premium" accounts are presented at its nominal value, in accordance with current regulations, and the difference with its restated amount is presented in the complementary account "Inflation adjustment to share capital and premium".

Transaction costs directly attributable to the issuance of ordinary shares are recognized as a reduction of the contributions received, net of the related income tax.

2.3.16. 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 that exactly discounts estimated future cash payments and collections during the expected lifetime of the financial instrument to the gross carrying amount of the financial assets; or the amortized cost of the financial liability.

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 incremental costs that are directly attributable to the acquisition of a financial asset or the issuance of a financial liability.

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any ECL allowance.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any ECL allowance.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income and expenses presented in the Consolidated Statement of profit or loss mainly include interest on:

- Financial assets and liabilities measured at amortized cost; and
- Financial assets measured at fair value through OCI

2.3.17. Fee and commission income / expenses

This item contains income from commissions resulting from transactions with customers, mainly related to maintenance and administration fees on current and saving accounts, credit cards, securities custody and foreign exchange transactions.

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

Other commission income is recognized when the related services are performed:

- at a point in time (in relation to fees for services, fees for investment funds management, sales commissions, syndication fees), or
- over the performance obligation period (in relation to annual fee for credit cards, issuance of financial guarantees).

Commission expenses are recognized in profit or loss when the related service is received.

2.3.18. Current and deferred income tax

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

a) Current taxes

The current amount of 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 tax rate enacted or substantially enacted at the reporting date.

b) Deferred tax

Deferred income tax recognizes the tax effect of temporary differences between the carrying amounts of the assets and liabilities and the related tax bases used for tax purposes.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that does not affect accounting nor taxable profit or loss.
- Temporary differences related to an investment in subsidiaries to the extent that is probable that it will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax liabilities are recognized for the tax effect of all taxable temporary differences.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits against which they can be used will be available. Future taxable profits are determined based on the Bank's business plans. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realized; while such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it becomes probable that future taxable profit against which they can be used will be available.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.3.19. Segment reporting

An operating segment is a component of the Bank that engages in business activities and from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Bank's other components, whose operating results are regularly reviewed by the Bank's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Bank's CEO (being the CODM) include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Bank's headquarters), head office expenses and tax assets and liabilities.

2.3.20. Customer Loyalty Program

The loyalty program offered by the Bank consists in accumulating points generated by purchases made with the credit cards, which can be exchanged by any reward available in the program platform.

The Bank concluded that the rewards to be granted originate a separate performance obligation. Therefore, at the end of each fiscal year, the Bank recognized a provision for the rewards to be granted in "Other liabilities".

2.4. Accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires the preparation and consideration, by the Entity's and its subsidiaries' Management, of significant accounting judgments, estimates and assumptions that impact in the reported balances of assets and liabilities, income and expenses, as well as in the determination and disclosure of contingent assets and liabilities as of the end of the reporting period.

The entries made are based on the best estimate of the probability of occurrence of different future events. In this sense, the uncertainties associated with the estimates and assumptions adopted may result in the future in final results that would differ from such estimates and require significant adjustments to the reported balances of the assets and liabilities affected. Accounting judgments, estimates and assumptions are reviewed on an ongoing basis and their effects are recognized prospectively.

2.4.1. Judgments

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

- Note 2.2. – "Basis for consolidation"
- Note 2.3.4.b) – "Financial assets and liabilities - Classification of financial assets"
- Note 2.3.4.g) – "Financial assets and liabilities - Impairment of financial assets"
- Note 2.3.8. – "Leases"

2.4.2. 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 within the next financial year is included in the following notes:

- Note 7 – "Measurement of Expected Credit Losses (ECL)" regarding impairment of financial assets: establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

- Note 11 – "Income tax", regarding availability of future taxable profit against which deferred tax assets may be realized and the effect of the final resolution of uncertain tax positions.
- Note 20 – "Provisions", regarding the likelihood, timing and amount of outflow of resources.
- Note 36 b.3) – "Valuation techniques for Levels 2 and 3", regarding measurement of the fair value of financial instruments with observable and unobservable inputs, respectively.

2.4.3. Fair value measurement

The fair value of a financial asset or liability is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date.

The most objective and usual reference of the fair value of a financial asset or liability is the price that would be paid in an orderly, transparent and deep market, that is to say, its quoted or market price.

If it is not possible to obtain a market price, a fair value is determined using best market practice quoting techniques, such as cash flows discount based on a yields curve for the same class and type of instrument, or if there is no market curve with the same characteristics of the bond, the fair value is calculated considering the latest market price plus interest accrued until the valuation date (whichever is more representative for the security).

In line with the accounting standard, a three-level classification of financial instruments is established. This classification is mainly based on the observability of the necessary inputs to calculate that fair value, defining the following levels:

- Level 1: Financial instruments valued with quoted prices in an active market. Active market means a market that allows the observation of representative prices with sufficient frequency and daily volume.
- Level 2: Financial instruments that do not have an active market, but that may be valued through observable market inputs. Observable market inputs should be understood as such assets with market quoted prices that allow to calculate an interest rate curve or determine a credit spread.
- Level 3: Valuation using models where variables not obtained from observable market inputs are used.

2.5. Regulatory matters

2.5.1. Regulatory changes introduced during this fiscal year by the IASB

In the fiscal year beginning January 1, 2023, the following amendments to IFRS became effective, which have not had a significant impact on these consolidated financial statements taken as a whole:

Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosures of accounting policies:

These amendments require that an entity discloses its material accounting policies instead of its significant accounting policies. In addition, within the amendments some explanations were included on how an entity may identify a material accounting policy together with some examples of when an accounting policy may be material. To that effect, a guidance with explanations and examples called "the 4-step materiality process" described in Practice Statement 2 has been developed.

Amendment to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of accounting estimates:

These amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. They also clarify how an entity uses valuation techniques and input data to develop accounting estimates. The amendment to this standard clarifies that the effect on an accounting estimate due to a change in an input or a change in a valuation technique are changes to accounting estimates if they do not result from the correction of prior period errors. The preceding definition of changes in accounting estimates specified that these changes may result from new information or new developments. Therefore, these changes are not corrections of errors.

The amendment to this IAS will be applicable to the extent that the Entity makes a change in any accounting estimate, but it is estimated that it would not have a significant impact on the financial statements.

Amendment to IAS 12 "Income Tax" - Deferred tax related to assets and liabilities arising from a single transaction:

The IASB issued amendments that narrow the scope of the initial recognition exception under IAS 12, so that it is no longer applicable to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of assets and liabilities.

2.5.2. Regulatory changes introduced by the SEC

The Enhancement and Standardization of Climate-Related Disclosures for Investors

On March 6, 2024, the Securities and Exchange Commission (SEC) issued the final rule on the Enhancement and Standardization of Climate-Related Disclosures for Investors. This rule mandates the disclosure of information regarding a registrant's climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition. The Entity is currently assessing the impact of this rule for disclosure to investors.

2.6. New pronouncements

The standards and interpretations applicable to the Entity, issued but with effective date after the date of these consolidated financial statements are exposed below. The Entity will adopt these standards, if applicable, when they are effective:

a) Amendments to IAS 1: Classification of current and noncurrent liabilities with covenants

In January 2020 and October 2022, the IASB issued amendments to IAS 1 Presentation of Financial Statements specifying the requirements to classify liabilities as current or non-current. The amendments clarify: (i) what it mean by a right to defer settlement; (ii) That a right to defer must exist at the end of the reporting period; (iii) that such classification is unaffected by the likelihood that an entity will exercise its right to defer; (iv) that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability do not affect its classification; and (v) disclosures.

The IASB decided that if an entity's right to defer payment of a liability is subject to an entity's compliance with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has the right to defer payment of the liability even if the entity had not been compliant at the end of the reporting period.

The amendments also clarify that the requirement of the right to exist at the end of the reporting period applies to covenants that the entity must comply with at the reporting date or earlier, regardless of whether compliance is evidenced at that date or at a later date. These amendments will be effective for fiscal years starting on or after January 1, 2024. The Entity does not expect that those amendments have significant impact on the financial statements.

b) Amendment to IFRS 16 – Lease liability in a sale and leaseback

In September 2022, the IASB issued amendments to IFRS 16, specifically on the requirements that a lessee-seller uses to measure the lease liability arising in a sale and leaseback transaction, to ensure that the lessee-seller does not recognize any amount of gain or loss that relates to the right-of-use. The application of these requirements will not prevent the lessee-seller from recognizing, in profit or loss, any gain or loss related to the partial or total termination of a lease. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a subsequent lease. The initial measurement of lease liabilities arising from a subsequent lease may result in the seller-lessee determining 'lease payments' that are different from the general definition of lease payments. The seller-lessee should develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. These amendments are effective from January 1, 2024. The Entity does not expect that those amendments have significant impact on the financial statements.

c) Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures", which specify the information requirements to be disclosed to enhance the current requirements, the purpose of which is helping financial statement users to understand the effects of supplier finance agreements on the entity's liabilities, cash flows and exposure to liquidity risk.

These amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including the terms and conditions of those arrangements, the quantitative information on liabilities related to those arrangements at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of the quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose. These amendments will be effective as from January 1, 2024. The Entity does not expect it to have a material impact on its financial statements.

d) Amendments to IAS 21 - Lack of exchangeability

In August 2023, the IASB issued amendments to IAS 21 relating to the "Lack of exchangeability". The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when interchangeability is lacking. A currency is considered to be exchangeable for another currency when an entity is able to obtain the other currency without undue delay and through markets or exchange mechanisms that create enforceable rights and obligations. If a currency is not exchangeable for another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's purpose in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments state that an entity may use an unadjusted observable exchange rate or other estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable for another currency, it should disclose information that enables users of the financial statements to understand how the fact of that currency not being interchangeable affects, the entity's performance, financial position and cash flows. These amendments will be effective from January 1, 2025. The Entity is evaluating the effects that this amendment would have on the Financial Statements.

3. Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Bank by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

The calculation of the earnings per share is detailed below:

Accounts	December 31, 2023	December 31, 2022	December 31, 2021
Numerator:			
Profit attributable to owners of the Bank	156,858,600	183,235,202	57,012,016
Profit attributable to owners of the Bank adjusted to reflect the effect of dilution	156,858,600	183,235,202	57,012,016
Denominator:			
Weighted average of outstanding ordinary shares for the year	612,710,079	612,710,079	612,710,079
Weighted average of outstanding ordinary shares for the year adjusted to reflect the effect of dilution	612,710,079	612,710,079	612,710,079
Basic earnings per share (in pesos) (1)	256.0079	299.0569	93.0489
Diluted earnings per share (in pesos) (1)	256.0079	299.0569	93.0489

(1) Since BBVA Argentina has not issued financial instruments with a dilutive effect on earnings per share, basic and diluted earnings per share are the same.

4. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash	727,271,193	365,764,558
BCRA - Unrestricted current account	359,854,081	502,637,074
Balances with other local and foreign institutions	55,824,596	53,988,779
Others	—	281,050
Allowances for ECL	(270,503)	(296,841)
TOTAL	**1,142,679,367**	**922,374,620**

It is worth mentioning that the balances of Cash and cash equivalents as of December 31, 2021, amounted to 1,324,071,770.

5. Financial assets at fair value through profit or loss

5.1. Debt securities

	December 31, 2023	December 31, 2022
Government securities	223,932,573	33,957,345
Private securities - Corporate bonds	2,150,301	—
BCRA Liquidity Bills (1)	—	45,513,297
TOTAL	**226,082,874**	**79,470,642**

(1) Due 01-12-2023

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

5.2. Derivatives

The Group uses derivatives, not designated in a qualifying hedge relationship, to manage its exposure to foreign currency and interest rate risks. The instruments used include interest rate swaps and forward contracts (net settled in pesos) and options.

The aforementioned instruments are measured at fair value and were recognized in the Consolidated Statement of Financial Position in the item "Derivative instruments". Changes in fair values were recognized in the Consolidated Statement of Profit or Loss in "Gains on financial assets and liabilities at fair value through profit or loss, net".

	December 31, 2023	December 31, 2022
Foreign Currency Forwards	8,536,206	6,817,417
Put Options (1)	1,465,694	153,156
Interest Rate Swaps	—	92,737
TOTAL	**10,001,900**	**7,063,310**

(1) The Entity subscribed options according to Communication "A" 7546 issued by the BCRA.

The notional amounts of foreign currency forward transactions, stated in US Dollars (US$) and in Euros, as applicable, as well as the base value of interest rate swaps and put options taken are reported below:

	December 31, 2023	December 31, 2022
Foreign Currency Forwards		
Foreign currency forward purchases - US$	169,836	1,165,119
Foreign currency forward sales - US$ (3)	119,093	1,217,856
Foreign currency forward sales - Euros (3)	5,500	1,825
Interest Rate Swaps		
Fixed rate for floating rate (1)	—	1,500,000
Put Options		
Put options taken (2)	142,183,107	4,685,000

(1) Floating rate: BADLAR (Buenos Aires Deposits of Large Amount Rate), is the interest rate for time deposits over 1 (one) million pesos, for 30 to 35 days.

(2) See note 10.1

(3) See note 17.1.

5.3. Equity instruments

	December 31, 2023	December 31, 2022
BYMA - Bolsas y Mercados Argentinos S.A.	2,169,288	1,741,880
Banco de Valores de Buenos Aires S.A.	1,056,648	991,886
Mutual Funds	741,812	12,227,984
TOTAL	**3,967,748**	**14,961,750**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

6. Financial assets at amortized cost

6.1. Loans and advances to financial institutions

	December 31, 2023	December 31, 2022
Loans and advances to financial institutions	16,432,085	13,903,746
Allowances for ECL	(980,641)	(725,747)
TOTAL	**15,451,444**	**13,177,999**

6.2. Loans and advances to customers

	December 31, 2023	December 31, 2022
Credit Cards	702,657,639	854,924,949
Notes	318,069,103	181,250,348
Overdrafts	176,515,811	196,021,914
Loans for the prefinancing and financing of exports	153,200,806	78,079,366
Consumer loans	151,819,857	222,107,654
Commercial papers	145,212,037	182,199,444
Real estate mortgage	79,404,563	119,922,367
Pledge loans	44,335,196	76,942,252
Receivables from financial leases	12,719,733	19,892,649
Loans to employees	10,268,564	15,016,004
Other financing	210,138,365	337,838,753
Allowances for ECL	(44,440,936)	(64,326,062)
TOTAL	**1,959,900,738**	**2,219,869,638**

Loans by Economic Activity

The tables below analyze our loan portfolio (broken down by performing and non-performing) according to the borrowers' main economic activity as of December 31, 2023 and 2022. Where appropriate, loans to individuals are allocated to the economic activity of the borrower. Loans are stated before deduction of the allowance for loan losses and include loans and advances to all clients.

	December 31, 2023				
	Loan portfolio (1)				
	Performing	%	Non-performing	%	Total
	(in thousands of pesos, except percentages)				
Consumer	925,263,748	46.59%	28,993,504	82.36%	954,257,252
Other manufacturing	231,659,985	11.67%	3,093,299	8.79%	234,753,284
Wholesale and retail trade	164,990,452	8.31%	263,069	0.75%	165,253,521
Mining products	148,237,570	7.47%	89,202	0.25%	148,326,772
Agricultural and livestock	98,606,896	4.97%	601,678	1.71%	99,208,574
Services	37,210,971	1.87%	129,876	0.37%	37,340,847
Transport	33,317,055	1.68%	193,015	0.55%	33,510,070
Financial sector	16,432,085	0.83%	—	—	16,432,085
Construction	12,735,536	0.64%	269,843	0.77%	13,005,379
Electricity, oil,water and sanitary services	10,863,098	0.55%	2,707	0.01%	10,865,805
Government services	145,208	0.01%	—	—	145,208
Others	306,249,181	15.41%	1,570,989	4.44%	307,820,170
	1,985,711,785	**100.00%**	**35,207,182**	**100.00%**	**2,020,918,967**

	December 31, 2022				
	Loan portfolio (1)				
	Performing	%	Non-performing	%	Total
	(in thousands of pesos, except percentages)				
Consumer	1,185,453,460	52.48%	30,139,056	76.93%	1,215,592,516
Other manufacturing	240,886,440	10.66%	518,422	1.32%	241,404,862
Wholesale and retail trade	159,930,827	7.08%	243,174	0.62%	160,174,001
Agricultural and livestock	104,841,665	4.64%	612,996	1.56%	105,454,661
Mining products	77,640,679	3.44%	3,149,898	8.04%	80,790,577
Transport	36,846,913	1.63%	157,381	0.40%	37,004,294
Services	23,685,189	1.05%	90,585	0.23%	23,775,774
Construction	15,660,271	0.69%	611,243	1.56%	16,271,514
Financial sector	13,903,746	0.62%	—	0.00%	13,903,746
Electricity, oil, water and sanitary services	3,314,762	0.15%	3,095	0.01%	3,317,857
Central Bank	28,132	0.00%	—	0.00%	28,132
Government services	4,356	0.00%	—	0.00%	4,356
Others	396,758,173	17.56%	3,651,471	9.33%	400,409,644
	2,258,954,613	**100.00%**	**39,177,321**	**100.00%**	**2,298,131,934**

(1) Performing: Stage 1 y Stage 2; Non Performing: Stage 3

The Group holds loans and other financing within a business model whose objective is collecting contractual cash flows.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Receivables from financial leases

The Group as lessor entered into finance lease agreements related to vehicles and machinery and equipment.

The following table shows the total gross investment of the finance leases (leasing) and the present value of the minimum collections to be received thereunder:

	December 31, 2023		December 31, 2022	
	Total investment	Present value of minimum lease collections	Total investment	Present value of minimum lease collections
Term				
Up to 1 year	8,990,725	2,599,587	10,222,440	4,322,410
From 1 to 2 years	9,274,940	3,653,345	10,002,205	5,118,434
From 2 to 3 years	6,786,874	3,081,354	7,917,097	4,797,536
From 3 to 4 years	3,661,321	2,194,714	4,666,061	3,306,834
From 4 to 5 years	1,307,994	1,190,733	2,433,073	2,347,435
TOTAL	**30,021,854**	**12,719,733**	**35,240,876**	**19,892,649**
Principal		12,073,883		19,343,628
Interest accrued		645,850		549,021
TOTAL		**12,719,733**		**19,892,649**

6.3. Reverse repurchase agreements

	December 31, 2023	December 31, 2022
BCRA repos	1,202,421,795	163,689,844
Allowances for ECL	(1,272,651)	(285,229)
TOTAL	**1,201,149,144**	**163,404,615**

The fair value of financial assets accepted as collateral that the Group was permitted to sell or repledge in the absence of default was 1,325,617,978 as of December 31, 2023 and 182,461,131 as of December 31, 2022. As of December 31, 2023 and 2022, BCRA repos had an expiration date of January 2, 2024 and January 2, 2023, respectively.

6.4. Debt securities

	December 31, 2023	December 31, 2022
Argentine Treasury Bond in pesos. Maturity 08-23-2025	49,502,692	—
Argentine Treasury Bond in pesos. Maturity 05-23-2027	32,406,871	100,997,240
Argentine Treasury Bond in pesos at 0.7% Badlar Private Rate. Maturity 11-23-2027	14,771,877	37,662,724
Allowances for ECL	(12,858,226)	(20,893,248)
TOTAL	**83,823,214**	**117,766,716**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

6.5. Other financial assets

	December 31, 2023	December 31, 2022
Financial assets pledged as collateral (1)	80,840,899	91,851,261
Sundry debtors	49,392,813	42,857,988
Receivables from sale of ownership interest in Prisma Medios de Pago S.A. (2)	40,474,563	33,628,764
Receivable from financial institution for spot transactions pending settlement	921,900	14,228,177
Receivable from non-financial institution for spot transactions pending settlement	874,585	273,352
Others	127,093	186,183
Allowances for ECL	(1,418,944)	(1,438,804)
TOTAL	**171,212,909**	**181,586,921**

(1) Special guarantee current accounts opened at the BCRA for transactions related to the automated clearing houses and other similar entities; deposits pledged as collateral for activities related to credit card transactions in the country and abroad and; leases and trust is composed of dollars in cash as collateral for activities related to the transactions on Mercados Argentinos SA (BYMA) and Mercado Abierto Electrónico S.A (MAE).

(2) On October 1, 2021, the Bank, together with the other Class B Shareholders, gave notice of the exercise of the put option and therefore initiated the procedure to sell 49% of the capital stock in the company Prisma Medios de Pago S.A. On March 18, 2022, the transfer of all the remaining shareholding of the Bank in Prisma Medios de Pago S.A. was consummated for a price of US$ 40,038,122. Such amount will be paid as follows: (i) 30% in Pesos adjustable by CER (UVA) at an annual nominal rate of 15% and (ii) 70% in US Dollars at an annual nominal rate of 10% within a term of six years.

7. Measurement of Expected Credit Losses (ECL)

The ECL of a financial instrument must reflect an unbiased estimate, the time value of money and a forward looking perspective (including the economic forecast).

Therefore the recognition and measurement of ECL is highly complex and involves the use of significant analysis and estimation including formulation and incorporation of forward-looking economic conditions into ECL.

Risk Parameters Adjusted by Macroeconomic Scenarios

ECL must include forward-looking macroeconomic information. The Group uses the credit risk parameters PD, LGD and EAD in order to calculate the ECL for the credit portfolios.

The Group's methodological approach in order to incorporate the forward looking information aims to determine the relation between macroeconomic variables and risk parameters following three main steps:

- Step 1: Analysis and transformation of time series data.
- Step 2: For each dependent variable find conditional forecasting models that are economically consistent.
- Step 3: Select the best conditional forecasting model from the set of candidates defined in Step 2, based on their out of sample forecasting performance.

How economic scenarios are reflected in calculation of ECL

Based on economic theory and analysis, the macroeconomic variables most directly relevant for explaining and forecasting the selected risk parameters are:

- The net income of families, corporates or public administrations.
- The payment amounts on the principal and interest on the outstanding loans.

The Group approximates these variables by using a proxy indicator from the set included of the macroeconomic scenarios provided by the economic research department.

Only a single specific indicator can be used for each of the two variables and only key macroeconomic indicators should be chosen as the first option: a) the use of GDP Growth can be perceived as the only sufficient "factor" necessary to capture the influence of the entire macroeconomic scenario possibly relevant to internal PD; or b) the use of the most representative short-term interest rate or the exchange rate expressed in real terms.

GDP growth is preferred over any other indicator, not only because it is the most comprehensive indicator of income and economic activity, but also because it is the central variable in macroeconomic scenario generation.

Multiple scenario approach under IFRS 9

IFRS 9 requires calculating an unbiased probability weighted measurement of ECL by evaluating a range of possible outcomes, including forecasts of future economic conditions.

The BBVA Research team produces forecasts of the macroeconomic variables under the baseline scenario, which are used in the rest of the related processes of the Group, such as budgeting, the internal capital adequacy assessment process (ICAAP) and risk appetite framework, stress testing, etc.

Additionally, the BBVA Research team produces alternative scenarios to the baseline scenario so as to meet the requirements under the IFRS 9 standard.

Alternative macroeconomic scenarios

For each of the macro-financial variables (GDP or interest rate or exchange rate), BBVA Research produces three scenarios.

Each of these scenarios corresponds to the expected value of a different area of the probabilistic distribution of the possible projections of the economic variables.

The approach of the Group consists of using the scenario that is the most likely scenario, which is the baseline scenario, consistent with the rest of internal processes (ICAAP, Budgeting) and then applying upside and downside scenarios by taking into account the weighted average of the ECL determined by each of the scenarios.

It is important to note that in general, the effect of the adjustment for the application of multiple scenarios is expected to increase the ECL. It is possible to obtain an adjustment that does not have that effect whenever the correlation between macroeconomic scenarios and losses is linear; however, it is not expected that it will reduce the ECL.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

8. Credit risk exposure and allowances

The table below sets forth the changes during 2023 and 2022 in the credit risk exposure and the impairment allowances booked under IFRS 9 in the consolidated statement of financial position or reversal of estimated impairment of financial assets at amortized cost, financial assets at fair value through other comprehensive income, loan commitments and financial guarantees:

December 31, 2023

	Performing			Non performing		
	Stage 1	Stage 2		Stage 3		Total
CREDIT RISK EXPOSURE - FINANCIAL ASSETS (1)	Credit risk exposure	Credit risk exposure (collectively assessed)	Credit risk exposure (individually assessed)	Credit risk exposure (collectively assessed)	Credit risk exposure (individually assessed)	Credit risk exposure
Opening balance as of December 31, 2022	**4,436,410,208**	**773,271,337**	**13,788,074**	**34,346,881**	**4,830,437**	**5,262,646,937**
Transfers of financial assets:						
Transfers from Stage 1 to Stage 2	(454,204,088)	447,788,918	26	—	—	(6,415,144)
Transfers from Stage 2 to Stage 1	305,242,199	(270,243,612)	(1,559,295)	—	—	33,439,292
Transfers from Stage 1 or 2 to Stage 3	(9,150,601)	(72,992,270)	(2,257,871)	83,451,814	2,311,926	1,362,998
Transfers from Stage 3 to Stage 1 or 2	2,058,465	4,563,970	1,686,371	(8,423,833)	(1,879,057)	(1,994,084)
Changes without transfers between Stages	920,180,536	756,570,636	2,658,213	(4,809,597)	1,478,056	1,676,077,844
New financial assets originated	23,235,024,656	725,572,740	33,723,952	7,464,804	1,889,891	24,003,676,043
Repayments	(20,494,552,392)	(564,338,184)	(33,979,799)	(12,268,821)	(2,638,344)	(21,107,777,540)
Write-offs	—	—	—	(26,936,284)	(1,019,114)	(27,955,398)
Foreign exchange	365,210,713	9,591,079	4,766,932	73,637	3,104,957	382,747,318
Inflation adjustment	(4,543,752,879)	(864,173,295)	(11,894,610)	(41,512,146)	(4,258,025)	(5,465,590,955)
Closing balance as of December 31, 2023	**3,762,466,817**	**945,611,319**	**6,931,993**	**31,386,455**	**3,820,727**	**4,750,217,311**

(1) Refer to Note 35 for credit risk exposure of financial assets with stage allocation by asset classification.

December 31, 2022

	Performing			Non performing		
	Stage 1	Stage 2		Stage 3		Total
CREDIT RISK EXPOSURE - FINANCIAL ASSETS (1)	Credit risk exposure	Credit risk exposure (collectively assessed)	Credit risk exposure (individually assessed)	Credit risk exposure (collectively assessed)	Credit risk exposure (individually assessed)	Credit risk exposure
Opening balance as of December 31, 2021	**4,533,794,214**	**729,570,690**	**30,795,224**	**39,966,621**	**18,392,458**	**5,352,519,207**
Transfers of financial assets:						
Transfers from Stage 1 to Stage 2	(471,166,432)	482,206,643	2,641	—	—	11,042,852
Transfers from Stage 2 to Stage 1	361,905,499	(345,584,207)	(418,187)	—	—	15,903,105
Transfers from Stage 1 or 2 to Stage 3	(9,346,581)	(52,958,334)	(1,816,134)	61,994,325	1,858,953	(267,771)
Transfers from Stage 3 to Stage 1 or 2	2,091,028	4,823,237	947,303	(9,432,544)	(1,011,910)	(2,582,886)
Changes without transfers between Stages	610,964,641	205,049,476	(13,498,252)	(5,956,847)	658,916	797,217,934
New financial assets originated	20,085,871,315	771,087,718	48,311,708	8,081,227	518,217	20,913,870,185
Repayments	(17,909,463,599)	(547,140,224)	(39,866,053)	(11,013,592)	(893,878)	(18,508,377,346)
Write-offs	—	—	—	(27,850,077)	(11,462,315)	(39,312,392)
Foreign exchange	61,283,018	12,029,566	4,570,375	10,304	1,527,573	79,420,836
Inflation adjustment	(2,829,522,895)	(485,813,228)	(15,240,551)	(21,452,536)	(4,757,577)	(3,356,786,787)
Closing balance as of December 31, 2022	**4,436,410,208**	**773,271,337**	**13,788,074**	**34,346,881**	**4,830,437**	**5,262,646,937**

(1) Refer to Note 35 for credit risk exposure of financial assets with stage allocation by asset classification.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

December 31, 2023

	Performing			Non performing		
	Stage 1	Stage 2		Stage 3		Total
CREDIT RISK EXPOSURE - LOAN COMMITMENTS AND FINANCIAL GUARANTEES	Credit risk exposure	Credit risk exposure (collectively assessed)	Credit risk exposure (individually assessed)	Credit risk exposure (collectively assessed)	Credit risk exposure (individually assessed)	Credit risk exposure
Opening balance as of December 31, 2022	**606,937,314**	**57,134,423**	**191,832**	**208,471**	**489**	**664,472,529**
Transfers of loan commitments and financial guarantees:						
Transfers from Stage 1 to Stage 2	(117,033,092)	108,928,359	7,649	—	—	(8,097,084)
Transfers from Stage 2 to Stage 1	100,495,003	(81,359,833)	(30,835)	—	—	19,104,335
Transfers from Stage 1 or 2 to Stage 3	(709,683)	(517,389)	(113)	671,579	148	(555,458)
Transfers from Stage 3 to Stage 1 or 2	209,870	248,687	123	(483,870)	(9,876)	(35,066)
Changes without transfers between Stages	271,584,299	30,512,053	93,387	174,924	12,261	302,376,924
New loan commitments and financial guarantees originated	451,904,589	16,367,782	148,707	152,073	—	468,573,151
Expirations and repayments	(193,390,262)	(24,122,220)	(64,414)	(250,417)	(653)	(217,827,966)
Write-offs	—	—	—	(530)	—	(530)
Foreign exchange	108,579,161	9,420,482	44,942	—	—	118,044,585
Inflation adjustment	(643,162,381)	(55,389,364)	(211,226)	(265,082)	(2,023)	(699,030,076)
Closing balance as of December 31, 2023	**585,414,818**	**61,222,980**	**180,052**	**207,148**	**346**	**647,025,344**

December 31, 2022

	Performing			Non performing		
	Stage 1	Stage 2		Stage 3		Total
CREDIT RISK EXPOSURE - LOAN COMMITMENTS AND FINANCIAL GUARANTEES	Credit risk exposure	Credit risk exposure (collectively assessed)	Credit risk exposure (individually assessed)	Credit risk exposure (collectively assessed)	Credit risk exposure (individually assessed)	Credit risk exposure
Opening balance as of December 31, 2021	**500,543,138**	**38,639,453**	**590,752**	**234,797**	**237**	**540,008,377**
Transfers of loan commitments and financial guarantees:						
Transfers from Stage 1 to Stage 2	(125,190,524)	118,328,083	—	—	—	(6,862,441)
Transfers from Stage 2 to Stage 1	95,214,959	(81,010,762)	(978)	—	—	14,203,219
Transfers from Stage 1 or 2 to Stage 3	(727,737)	(494,257)	(4,970)	588,186	9,517	(629,261)
Transfers from Stage 3 to Stage 1 or 2	204,740	156,388	738	(409,953)	(22,132)	(70,219)
Changes without transfers between Stages	278,863,704	12,288,151	(84,145)	32,112	18,793	291,118,615
New loan commitments and financial guarantees originated	346,732,348	14,643,257	38,228	75,242	—	361,489,075
Expirations and repayments	(183,168,283)	(17,189,849)	(150,829)	(176,439)	—	(200,685,400)
Write-offs	—	—	—	(374)	—	(374)
Foreign exchange	29,179,755	1,502,331	—	—	—	30,682,086
Inflation adjustment	(334,714,786)	(29,728,372)	(196,964)	(135,100)	(5,926)	(364,781,148)
Closing balance as of December 31, 2022	**606,937,314**	**57,134,423**	**191,832**	**208,471**	**489**	**664,472,529**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

December 31, 2023

ALLOWANCES - FINANCIAL ASSETS	Performing - Stage 1: Loss allowances	Performing - Stage 2: Loss allowances (collectively assessed)	Performing - Stage 2: Loss allowances (individually assessed)	Non performing - Stage 3: Loss allowances (collectively assessed)	Non performing - Stage 3: Loss allowances (individually assessed)	Total: Loss allowances
Opening balance as of December 31, 2022	**21,278,168**	**74,967,298**	**374,372**	**28,175,951**	**3,481,601**	**128,277,390**
Transfers of financial assets:						
Transfers from Stage 1 to Stage 2	(10,458,182)	40,839,390	7	—	—	30,381,215
Transfers from Stage 2 to Stage 1	4,601,607	(18,707,615)	(20,635)	—	—	(14,126,643)
Transfers from Stage 1 or 2 to Stage 3	(560,500)	(21,638,516)	(75,783)	50,014,912	1,480,010	29,220,123
Transfers from Stage 3 to Stage 1 or 2	172,982	426,288	(16,775)	(6,848,617)	(1,267,677)	(7,533,799)
Changes without transfers between Stages	6,570,570	26,472,508	(19,127)	15,023,374	1,880,271	49,927,596
New financial assets originated	80,902,829	50,520,565	903,554	4,751,953	1,287,423	138,366,324
Repayments	(70,188,532)	(22,558,214)	(884,843)	(8,959,143)	(1,973,698)	(104,564,430)
Write-offs	—	(1)	—	(25,812,981)	(981,656)	(26,794,638)
Foreign exchange	8,448,228	331,451	176,145	9,308	2,106,455	11,071,587
Inflation adjustment	(22,238,279)	(77,594,326)	(330,896)	(33,708,572)	(3,266,468)	(137,138,541)
Closing balance as of December 31, 2023 (1)	**18,528,891**	**53,058,828**	**106,019**	**22,646,185**	**2,746,261**	**97,086,184**

(1) Impairment of financial assets detailed in the table above includes allowances on financial assets at FVOCI for 35,844,283.

December 31, 2022

ALLOWANCES - FINANCIAL ASSETS	Performing - Stage 1: Loss allowances	Performing - Stage 2: Loss allowances (collectively assessed)	Performing - Stage 2: Loss allowances (individually assessed)	Non performing - Stage 3: Loss allowances (collectively assessed)	Non performing - Stage 3: Loss allowances (individually assessed)	Total: Loss allowances
Opening balance as of December 31, 2021	**19,922,314**	**73,349,548**	**3,645,643**	**31,582,428**	**16,876,102**	**145,376,035**
Transfers of financial assets:						
Transfers from Stage 1 to Stage 2	(9,918,677)	39,428,960	286	—	—	29,510,569
Transfers from Stage 2 to Stage 1	4,559,146	(19,757,792)	(31,218)	—	—	(15,229,864)
Transfers from Stage 1 or 2 to Stage 3	(560,627)	(14,944,361)	(499,358)	33,819,212	525,877	18,340,743
Transfers from Stage 3 to Stage 1 or 2	109,384	506,059	410,240	(6,613,450)	(410,483)	(5,998,250)
Changes without transfers between Stages	4,487,109	(7,577,618)	(2,698,241)	13,834,564	772,856	8,818,670
New financial assets originated	77,321,080	54,396,095	2,729,687	4,713,037	329,941	139,489,840
Repayments	(60,138,181)	(8,736,857)	(2,410,057)	(7,624,830)	(456,536)	(79,366,461)
Write-offs	—	(252)	—	(24,857,498)	(11,347,185)	(36,204,935)
Foreign exchange	630,201	384,091	178,769	5,898	1,102,037	2,300,996
Inflation adjustment	(15,133,581)	(42,080,575)	(951,379)	(16,683,410)	(3,911,008)	(78,759,953)
Closing balance as of December 31, 2022 (1)	**21,278,168**	**74,967,298**	**374,372**	**28,175,951**	**3,481,601**	**128,277,390**

(1) Impairment of financial assets detailed in the table above includes allowances on financial assets at FVOCI for 40,311,459.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

December 31, 2023

ALLOWANCES - LOAN COMMITMENTS AND FINANCIAL GUARANTEES	Performing			Non performing		Total
	Stage 1	Stage 2		Stage 3		
	Loan allowances	Loss allowances (collectively assessed)	Loss allowances (individually assessed)	Loss allowances (collectively assessed)	Loss allowances (individually assessed)	Loss allowances
Opening balance as of December 31, 2022	**5,472,974**	**2,748,134**	**13,397**	**155,061**	**324**	**8,389,890**
Transfers of loan commitments and financial guarantees:						
Transfers from Stage 1 to Stage 2	(1,653,181)	5,741,923	249	—	—	4,088,991
Transfers from Stage 2 to Stage 1	1,246,120	(4,322,909)	(9,305)	—	—	(3,086,094)
Transfers from Stage 1 or 2 to Stage 3	(15,467)	(90,550)	(28)	393,937	55	287,947
Transfers from Stage 3 to Stage 1 or 2	34,782	27,099	2,009	(387,328)	(26,185)	(349,623)
Changes without transfers between Stages	(2,053,989)	(1,037,861)	6,780	212,782	30,593	(2,841,695)
New loan commitments and financial guarantees originated	7,677,107	342,423	5,942	104,689	—	8,130,161
Repayments	(1,715,510)	(471,833)	(4,724)	(155,151)	(2,782)	(2,350,000)
Write-offs	—	—	—	(407)	—	(407)
Foreign exchange	918,539	50,832	1,130	—	—	970,501
Inflation adjustment	(5,219,426)	(1,840,096)	(12,533)	(193,495)	(1,751)	(7,267,301)
Closing balance as of December 31, 2023	**4,691,949**	**1,147,162**	**2,917**	**130,088**	**254**	**5,972,370**

December 31, 2022

ALLOWANCES - LOAN COMMITMENTS AND FINANCIAL GUARANTEES	Performing			Non performing		Total
	Stage 1	Stage 2		Stage 3		
	Loss allowances	Loss allowances (collectively assessed)	Loss allowances (individually assessed)	Loss allowances (collectively assessed)	Loss allowances (individually assessed)	Loss allowances
Opening balance as of December 31, 2021	**3,210,578**	**1,627,195**	**192,807**	**147,653**	**—**	**5,178,233**
Transfers of loan commitments and financial guarantees:						
Transfers from Stage 1 to Stage 2	(1,221,399)	5,294,905	—	—	—	4,073,506
Transfers from Stage 2 to Stage 1	859,978	(3,416,695)	(835)	—	—	(2,557,552)
Transfers from Stage 1 or 2 to Stage 3	(33,728)	(82,105)	(7,589)	320,676	22,736	219,990
Transfers from Stage 3 to Stage 1 or 2	41,380	20,148	2,329	(296,191)	(55,589)	(287,923)
Changes without transfers between Stages	984,086	454,802	(100,181)	131,292	39,277	1,509,276
New loan commitments and financial guarantees originated	4,606,953	303,431	7,704	45,166	—	4,963,254
Repayments	(1,208,080)	(445,142)	(50,722)	(102,568)	—	(1,806,512)
Write-offs	—	—	—	(324)	—	(324)
Foreign exchange	246,982	6,969	—	—	—	253,951
Inflation adjustment	(2,013,776)	(1,015,374)	(30,116)	(90,643)	(6,100)	(3,156,009)
Closing balance as of December 31, 2022	**5,472,974**	**2,748,134**	**13,397**	**155,061**	**324**	**8,389,890**

9. Refinancing and restructuring operations

Policies and principles with respect to refinancing and restructuring operations

Refinancing and restructuring transactions are carried out with customers who have requested such an operation in order to meet their current loan payments if they are expected, or may be expected, to experience financial difficulty in making payments in the future.

The basic aim of a refinancing and restructuring operation is to provide the customer with a situation of financial viability over time by adapting the repayment of the loan entered into with the Group to the customer's new situation of fund generation. The use of refinancing and restructuring for other purposes, such as to delay loss recognition, is contrary to the Group's policies.

The Group's refinancing and restructuring policies are based on the following general principles:

- Refinancing and restructuring is authorized according to the capacity of customers to pay the new installments. This is done by first identifying the origin of the payment difficulties and then carrying out an analysis of the customers' viability, including an updated analysis of their economic and financial situation and capacity to pay and generate funds. If the customer is a company, the analysis also covers the situation of the industry in which it operates.

  With the aim of increasing the solvency of the operation, new guarantees and/or guarantors of demonstrable solvency are obtained where possible. An essential part of this process is an analysis of the effectiveness of both the new and original guarantees.

  This analysis is carried out from the overall customer or group perspective.

  Refinancing and restructuring operations do not in general increase the amount of the customer's loan, except for the expenses inherent to the operation itself.

- The capacity to refinance and restructure loans is not delegated to the branches, but decided by the risk units.

  The decisions made are reviewed from time to time with the aim of evaluating full compliance with refinancing and restructuring policies.

In the case of retail customers (private individuals), the main aim of the Group's policy on refinancing and restructuring loans is to avoid default arising from a customer's temporary liquidity problems by implementing structural solutions that do not increase the balance of the customer's loan. The solution required is adapted to each case and the loan repayment is easened, in accordance with the following principles:

- Analysis of the viability of the operations based on the customer's willingness and ability to pay, which may be reduced, but should nevertheless be present. The customer must therefore repay at least the interest on the operation in all cases. No arrangements may be concluded that involve a grace period for both principal and interest.

- Refinancing and restructuring of operations is only allowed on those loans in which the Group originally entered into.

- Customers subject to refinancing and restructuring operations are excluded from marketing campaigns of any kind.

Under restructuring or refinancing, the cure period is defined as one year from the latter of:

- The moment of extending the restructuring measures.

- The moment when the exposure has been classified as defaulted.

- The end of the grace period included in the restructuring agreements.

Additionally, this period should not be shorter than the period during which material payment has been made by the customer.

During the cure period, facilities have a PD of 100% assigned and are classified as Stage 3.

Once the cure period for Stage 3 is finished, the contract refinancing and restructuring is transferred to Stage 2 for two additional years.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

The following table provides information about the Bank's refinanced assets:

	December 31, 2023	December 31, 2022
Refinanced assets	9,878,773	21,544,682
Allowances for ECL	(5,863,219)	(8,926,391)

The table below includes Stage 2 and Stage 3 assets that were refinanced during the period, with the related modification loss suffered by the Bank:

	December 31, 2023	December 31, 2022
Amortised cost of financial assets modified during the period	8,231,896	8,207,585
Net modification loss	(439,460)	(457,672)

The table below shows the gross carrying amount of modified financial assets for which loss allowance has changed to 12-month ECL measurement during the period:

	Post modification	
December 31, 2023	Gross carrying amount	Corresponding ECL
Facilities that have cured since modification and are now measured using 12-month ECL (Stage 1)	135,130	920
Facilities that reverted to (Stage 2/3) lifetime ECL having once cured	621,683	15,843

	Post modification	
December 31, 2022	Gross carrying amount	Corresponding ECL
Facilities that have cured since modification and are now measured using 12-month ECL (Stage 1)	199,857	1,031
Facilities that reverted to (Stage 2/3) lifetime ECL having once cured	1,143,062	53,892

10. Financial assets at fair value through other comprehensive income

The Group designated certain investments shown in the following table as equity securities at FVOCI. The FVOCI designation was made because the investments are expected to be held in the long term for strategic purposes.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

10.1. Debt securities

	December 31, 2023	December 31, 2022
Government securities (1)	521,874,441	391,849,627
Financial assets pledged as collateral (2)	174,670,473	52,003,019
BCRA Internal Bills - USD	69,772,109	6,619,055
BCRA Liquidity Bills	60,484,996	1,460,167,050
Private securities - Corporate bonds	8,959,190	11,593,436
Financial assets pledged as collateral – USD (3)	6,123,370	—
TOTAL	**841,884,579**	**1,922,232,187**

(1) In march 2023, the Bank participated in a voluntary debt exchange under section 11, Decree No. 331/2022 issued by the Ministry of Economy. The securities delivered or received under such swap were as follows:

Securities Delivered

Description	Nominal values
Argentine Treasury Bill in pesos at discount. Maturity april 28, 2023 **(LEDES S28A3)**	**19,027,714,460**
Argentine Treasury Bill in pesos adjusted by cer at discount. Maturity may 19, 2023 **(LECER X19Y3)**	**7,000,000,000**
Argentine Treasury Bill in pesos at discount. Maturity may 31, 2023 **(LEDES S31Y3)**	**6,840,800,244**
Argentine Treasury Bill in pesos at discount. Maturity june 30, 2023 **(LEDES S30J3)**	**5,532,343,136**

Received Securities

Description	Nominal values
Argentine Treasury Bond in pesos adjusted by cer 3.75%. Maturity april 14, 2024 **(T3X4P)**	**13,237,176,685**
Argentine Treasury Bond in pesos adjusted by cer 4%. Maturity october 14, 2024 **(T4X4P)**	**17,649,568,913**
Argentine Treasury Bond in pesos adjusted by cer 4.25%. Maturity february 14, 2025 **(T2X5P)**	**13,237,176,685**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

In june 2023, the Bank participated in a voluntary debt swap under section 11, Presidential Decree No. 331/2022 issued by the Ministry of Economy. The securities delivered or received under such swap were as follows:

Securities Delivered

Description	Nominal values
Argentine Treasury Bill in pesos adjusted by cer at discount. Maturity june 16, 2023 **(LECER X16J3)**	**2,159,998,000**
Argentine Treasury Bill in pesos adjusted by cer at discount. Maturity july 18, 2023 **(LECER X18L3)**	**35,863,500,000**
Argentine Treasury Bonds in pesos adjusted by cer 1.45%. Maturity august 13, 2023 **(T2X3)**	**3,622,490,577**

Received Securities

Description	Nominal values
Argentine Treasury Bond in pesos adjusted by cer 4.25%. Maturity december 13, 2024 **(T5X4P)**	**71,442,000,014**

In addition, the Bank purchased put options from the BCRA. These options grant the Bank an opportunity to sell (put option) the underlying asset at a price determined by the BCRA applicable regulations. In these transactions, options may be exercised up to the day prior to the maturity date of the underlying asset. As of December 31, 2023, their notional value stood at 142,183,107,297.

(2) Set up as collateral to operate with Rosario Futures Exchange (ROFEX), Bolsas y Mercados Argentinos SA (BYMA) and Mercado Abierto Electrónico S.A (MAE) on foreign currency forward transactions and futures contracts. The trust fund consists of government securities in pesos adjusted by CER with maturity 2024, 2025 and 2026 (T2X4, T2X5 and TX26). As of December 31, 2022, it was composed of TX23, T2X4, TX24, X19Y3 and X16J3.

(3) Financial assets pledged as collateral are composed of dollars in cash, Treasury Bonds (TV24D) and Private securities - Corporate bonds (LUC4O, PQCOO y PQCHO) as collateral for activities related to the transactions on MAE and BYMA.

10.2. Equity instruments

	December 31, 2023	December 31, 2022
Compensadora Electrónica S.A.	891,784	181
Mercado Abierto Electrónico S.A.	511,816	59
Banco Latinoamericano de Exportaciones S.A.	404,468	180,694
Seguro de Dépositos S.A.	144,254	268
Others	32,672	7,099
TOTAL	**1,984,994**	**188,301**

11. Income Tax

Income Tax should be booked using the liability method, recognizing (as credit or debt) the tax effect of temporary differences between the accounting valuation and the tax valuation of assets and liabilities, and its subsequent charge to profit or loss for the year in which its reversion occurs, also considering the possibility of taking advantage of tax losses in the future.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

11.1. Current income tax assets

Below is a breakdown of the current income tax assets disclosed in the statement of financial position:

	December 31, 2023	December 31, 2022
Advances (subsidiaries)	160,343	120,536
TOTAL	**160,343**	**120,536**

11.2. Current income tax liabilities

Below is a breakdown of the current income tax liabilities disclosed in the statement of financial position:

	December 31, 2023	December 31, 2022
Income tax provision	195,906,305	25,250,024
Advances	(3,394,693)	(2,375,376)
Collections and withholdings	(344,774)	(303,709)
TOTAL	**192,166,838**	**22,570,939**

11.3. Deferred income tax

The deferred tax assets and liabilities disclosed in the statement of financial position are as follows:

		Changes recognized in		As of December 31, 2023	
Account	As of December 31, 2022	Consolidated statement of profit or loss	Other comprehensive income	Deferred tax asset	Deferred tax liabilities
Allowance for loan losses	37,261,464	(6,884,814)	—	30,376,650	—
Provisions	39,282,173	(3,676,895)	—	35,605,278	—
Loan Commissions	3,802,371	742,644	—	4,545,015	—
Expenses capitalized for tax purpose	(15,067,625)	(1,880,788)	—	—	(16,948,413)
Property and equipment	(40,519,489)	(1,228,645)		—	(41,748,134)
Investments in debt securities and equity instruments	(43,724,517)	98,753,254	(84,922,739)	—	(29,894,002)
Inflation adjustment (see Note 11.4)	7,738,678	(6,463,673)	—	1,275,005	—
Tax loss	2,746,793	(1,488,126)	—	1,258,667	—
Others	(107,557)	107,609	—	—	52
Balance	**(8,587,709)**	**77,980,566**	**(84,922,739)**	**73,060,615**	**(88,590,497)**
Offsetting				**(70,214,802)**	**70,214,802**
Net				**2,845,813**	**(18,375,695)**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Account	As of December 31, 2021	Changes recognized in: Consolidated statement of profit or loss	Changes recognized in: Other comprehensive income	As of December 31, 2022: Deferred tax asset	As of December 31, 2022: Deferred tax liabilities
Allowance for loan losses	38,937,416	(1,675,952)	—	37,261,464	—
Provisions	24,996,082	14,286,091	—	39,282,173	—
Loan Commissions	3,080,653	721,718	—	3,802,371	—
Expenses capitalized for tax purpose	(13,266,124)	(1,801,501)	—	—	(15,067,625)
Property and equipment	(85,554,395)	45,034,906	—	—	(40,519,489)
Investments in debt securities and equity instruments	(34,759,493)	(6,742,478)	(2,222,546)	—	(43,724,517)
Derivatives	79,271	(79,271)	—	—	—
Inflation adjustment (see Note 11.4)	22,402,235	(14,663,557)	—	7,738,678	—
Tax loss	925,268	1,821,525	—	2,746,793	—
Others	4,693	(112,250)	—	—	(107,557)
Balance	**(43,154,394)**	**36,789,231**	**(2,222,546)**	**90,831,479**	**(99,419,188)**
Offsetting				**(86,097,600)**	**86,097,600**
Net				**4,733,879**	**(13,321,588)**

In the consolidated financial statements, the (current and deferred) income tax assets of a Group entity will not be offset with the (current and deferred) income tax liabilities of another Group entity because they are related to income tax amounts borne by different taxpayers and also because they do not have legal rights before tax authorities to pay or receive any amounts to settle the net position.

11.4. Income tax expense

Below are the main components of the income tax benefit in the consolidated statement of comprehensive income:

	December 31, 2023	December 31, 2022	December 31, 2021
Current Tax	(234,050,896)	(28,930,128)	(1,099,384)
Deferred Tax	77,980,566	36,789,231	(33,010,768)
Over/under income tax from prior year (see Note 11.5) (1)	—	—	6,075,593
Income tax recognized in the consolidated statement of profit or loss	**(156,070,330)**	**7,859,103**	**(28,034,559)**

The income tax benefit for the year ended December 31, 2022 includes the effect of the claim filed before AFIP, as stated under "Inflation adjustment for tax purposes. Fiscal years 2021" of Note 11.6.

The income tax expense for the year ended December 31, 2023 includes receivables for judgments for fiscal years 2013 and 2014, as stated under "Requests for refunds. Fiscal years 2013, 2014 and 2015" of Note 11.6.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Below is a reconciliation between the tax that would result from applying the current tax rate to the result before income tax and the income tax charge recorded in results as of December 31, 2023, 2022 and 2021:

	December 31, 2023	December 31, 2022	December 31, 2021
Profit before income tax	**313,326,162**	**172,633,812**	**84,786,272**
Income tax rate	35.00%	35.00%	35.00%
Income tax using the Bank's income tax rate	**109,664,157**	**60,421,834**	**29,675,195**
Tax-exempt income	(1,852,963)	(462,590)	(1,724,562)
Non-deductible expenses	2,544,273	475,794	885,305
Change in tax rate (see Note 11.5)	—	—	8,956,828
Other	(38,678)	(676,528)	390,030
Net monetary inflation adjustment	418,462,439	189,143,633	120,083,431
Subtotal	**528,779,228**	**248,902,143**	**158,266,227**
Inflation adjustment for tax purposes (see Note 11.6)	(372,708,898)	(256,481,087)	(124,156,075)
Over/under income tax from prior year (see Note 11.6) (1)	—	(280,159)	(6,075,593)
Income tax expense	**156,070,330**	**(7,859,103)**	**28,034,559**
Effective tax rate	**50%**	**(5%)**	**33%**

(1) It includes an income tax charge of 5,908,256 corresponding to the tax inflation mechanism applied for fiscal year 2020 – see note 11.6 "Income tax – inflation adjustment for fiscal year 2020".

The income tax benefit for the year ended December 31, 2022 was calculated considering the position presented by the Entity before AFIP, as stated under "Inflation adjustment for tax purposes. Fiscal year 2021" to this Note.

The income tax charge for the year ended December 31, 2023 includes the recovery for sentences from the years 2013 and 2014, as indicated in the item "Requests for refunds. Fiscal years 2013, 2014 and 2015".

11.5. Income Tax Corporate Rate

Law 27,630, enacted on June 16, 2021 through Decree 387/2021, set forth for fiscal years starting on or after January 1, 2021, a tax rate scale scheme of 25%, 30% and 35% to be progressively applied according to the level of taxable net income accumulated as of each fiscal year end. In these consolidated financial statements, the Entity and its subsidiaries have determined the current income tax using the progressive tax rate that is expected to be applicable to the total expected income for the year, while deferred income tax balances were measured using the progressive tax rate that is expected to be in effect when the temporary differences are reversed.

11.6. Inflation adjustment for tax purposes

Law 27,430 of Tax Reform, as amended by Laws 27,468 and 27,541, sets forth the following as regards the inflation adjustment for tax purposes, effective for fiscal years started on or after January 1, 2018:

i. Such adjustment will be applicable in the tax year in which the percentage variation of the general consumer price index at national level (CPI) exceeds 100% in the thirty-six months prior to the end of the reporting fiscal year;

ii. Regarding the first, second and third fiscal years as from January 1, 2018, the procedure will be applicable in the event that the variation of such index, calculated from the beginning and until the closing of each of those fiscal years, exceeds 55%, 30% and 15% for the first, second and third years of application, respectively;

iii. The effect of the positive or negative inflation adjustment for tax purposes, as the case may be, corresponding to the first, second and third fiscal years started on or after January 1, 2018, is charged one third in that tax period and the remaining two thirds, in equal parts, in the two immediately following tax periods;

iv. The effect of the positive or negative inflation adjustment corresponding to the first and second tax years starting on or after January 1, 2019, is charged one-sixth in the tax year in which the adjustment is determined and the remaining five-sixths in the immediately following tax periods; and

v. For tax years beginning on or after January 1, 2021, 100% of the adjustment may be deducted in the year in which it is determined.

As of December 31, 2023, the parameters established by the income tax law to apply the inflation adjustment for tax purposes were met and the effects arising from the application of such adjustment as provided by law have been included when booking current and deferred income tax.

- Inflation adjustment for tax purposes. Fiscal years 2016, 2017 and 2018

On May 10, 2017, May 10, 2018 and May 13, 2019, and based on related case law, the Entity's Board of Directors approved the filing of actions for declaratory judgment of unconstitutionality of section 39 of Law 24073, section 4 of Law 25,561, section 5 of Decree 214/02 issued by the Argentine Executive, Law 27,468 and any other regulation whereby the inflation adjustment mechanism provided for under Law 20,628, as amended, is considered not applicable due to the confiscatory effect in the specific case, for fiscal years 2016, 2017 and 2018. Consequently, the Entity filed its income tax returns for those fiscal years taking into consideration the effect of those restatement mechanisms.

The net impact of this measure on nominal values was an adjustment to the income tax assessed for the fiscal year ended December 31, 2016 in the amount of 1,185,800 (in nominal values), for fiscal year ended December 31, 2017, in the amount of 1,021,519 (in nominal values), and for fiscal year ended December 31, 2018, in the amount of 3,239,760 (in nominal values).

On June 8, 2020, the Federal Court on Administrative Matters (JCAF 12-23) ruled upon the action for declaratory judgment filed on May 12, 2017, upholding the complaint and thus declaring that the prohibition to apply the inflation adjustment mechanism for the purposes of the income tax return filed by the Bank for fiscal period 2016 is not applicable to the case.

The appeals filed against the judgment were granted on August 6, 2020, and the case was submitted to the Appellate Court for consideration. On December 9, 2020, the Federal Appellate Court on Administrative Matters (Courtroom II) dismissed the appeals, thus confirming the judgment rendered by the court of original jurisdiction. The tax authority Administración Federal de Ingresos Públicos ("AFIP" or the "Tax Authority" or the "National Tax Authority") filed an extraordinary appeal against the judgment, but then withdrew it through a motion filed on February 1, 2021. Accordingly, the judgment rendered by the Appellate Court in favor of the Bank's interests became final.

On June 14, 2021, the Court of First Instance rendered judgment in respect of the action for declaratory judgment of unconstitutionality for fiscal year 2017 in favor of the Bank's position. After appealing the judgment to the Appellate Court, the Bank filed the basis for the appeal but on September 3, 2021 the tax authority filed a brief withdrawing the appeal filed. The Appellate Court did not accept the withdrawal because the documentation submitted did not fulfill the necessary conditions.

On September 30, 2021, the Court determined that the proceedings were set for the agreement to be entered. On November 2, 2021, AFIP filed a motion ratifying the withdrawal of the appeal filed with respect to the merits of the case. On November 3, 2021 the Court ordered to proceed with the case for an agreement to be entered. Finally, on May 10, 2022, the Appellate Court considered that AFIP had withdrawn its appeal with respect to the judgment on the merits.

On October 5, 2022, the Court of First Instance rendered judgment in respect of the action for declaratory judgment of unconstitutionality for fiscal year 2018 in favor of the Bank's position. On October 6, 2022, the tax authorities appealed the sentence. On July 11, 2023, the Bank obtained a favorable judgement from the Contentious Court Administrative and on August 8, 2023, the tax authorities filed an extraordinary appeal. On September 19, 2023, the Federal Court granted partial relief to the extraordinary appeal and submitted it to the Supreme Court. Currently, we are waiting for the Supreme Court to resolve the appeals filed by the tax authority.

Based on the foregoing, as of December 31, 2023, the Entity had no liabilities for the items referred to above.

- Inflation adjustment for tax purposes. Fiscal year 2019

As concerns fiscal year 2019, the Entity assessed its income tax liability applying the inflation adjustment for tax purposes according to the terms of the Public Emergency Law, which maintains the inflation adjustment mechanism set out under Title VI of the Income Tax Law. Nevertheless, one sixth of the resulting inflation adjustment amount should be recognized during that fiscal year, with the remaining five sixths being computed, in equal parts, over the five immediately following fiscal years. Such deferral has been recognized as a deferred tax asset.

On August 21, 2020, the Bank filed a request for refund at the administrative stage pursuant to the provisions of the first paragraph of section 81 of Law 11,683 (as compiled in 1998 and as amended) to recover the amount of 4,528,453 (in nominal values).

Upon no response from the tax authorities, on June 17, 2021 the Entity filed a motion for expedited proceedings and on November 18, 2021 a legal action was filed before the National Court on Federal Administrative Matters No. 10 (Court Clerk's Office No. 24).

The Entity does not record assets in relation to contingent assets derived from the action filed.

- Inflation adjustment for tax purposes. Fiscal year 2020

In relation to fiscal year 2020, the Entity determined the income tax as of December 31, 2020 by applying the inflation adjustment for tax purposes in accordance with the provisions of the Public Emergency Law.

On May 26, 2021, and based on related case law, the Entity's Board of Directors approved the filing of an action against the federal tax authorities (AFIP-DGI) for declaratory judgment of unconstitutionality of section 194 of the Income Tax Law (as compiled in 2019) and/or of such rules that prohibit the full application of the inflation adjustment for tax purposes, on the grounds that they would lead to the assessment of a confiscatory income tax liability for fiscal year 2020; therefore allowing the full application of the mechanism set forth in section 106, paragraphs a) through e), Title VI of the Income Tax Law in that fiscal year.

Consequently, as of December 31, 2021, the Entity accounted for an adjustment in nominal values to the income tax liability assessed for the fiscal year ended December 31, 2020 in the amount of 5,817,000 (51,991,114 in restated values), with the ensuing impact on deferred tax assets by 5,033,000 (decrease) (46,082,862 in restated values) and on the income tax expense of 784,000 (5,908,256 in restated values).

On August 15, 2023, the Court of First Instance rendered judgment in respect of the action for declaratory judgment of unconstitutionality for fiscal year 2020 in favor of the Bank's position. On August 22, 2023, we appealed the imposition of costs, requesting that they be imposed on the losing party. On August 23, 2023, the tax authority appealed the merits of the case, requesting that the sentence be revoked.

- Inflation adjustment for tax purposes. Fiscal year 2021

On June 30, 2022, the Bank filed an administrative claim before the AFIP in order to obtain the recognition of the corrective tax return filed on June 30, 2022 with respect to the Income Tax for the 2021 tax period for 309,000 (in nominal values), on the grounds that the partial application of the correction mechanisms of the inflation adjustment under the provisions of Section 93 of the Income Tax Law is unconstitutional, since it affects the principle of reasonableness, equality, contributive capacity and confiscatory nature.

On June 6, 2023, upon no response from the tax authorities, on September 20, 2023 the Entity filed a legal action before the National Federal Administrative Litigation Court No. 1 Secretariat No. 1.

- Inflation adjustment for tax purposes. Fiscal year 2022

On June 2, 2023, the Bank filed a declaratory action of unconstitutionality before the Federal Administration of Public Revenue - General Tax Directorate (AFIP-DGI), in order to obtain a ruling declaring the unconstitutionality of art. 93 of the Income Tax Law (T.O. 2019) and/or the regulations that prevent the comprehensive application of the tax inflation adjustment mechanism because it entails the determination of a confiscatory income tax in the fiscal period 2022 and, consequently, it allows the comprehensive application of the mechanism for updating costs and amortization of assets provided for in articles 62 to 66, 71, 87 and 88 of the tax law.

On June 6, 2023, Court No. 9 transferred the proceedings to the prosecutor’s office to issue a ruling on jurisdiction. Once the tax report was presented on June 8, the Court declared its jurisdiction.

- Requests for refunds. Fiscal years 2013, 2014 and 2015

Regarding fiscal years 2013, 2014 and 2015, the Entity assessed income tax without applying the inflation adjustment for tax purposes, consequently a higher tax was paid in the amounts of 264,257, 647,945 and 555,002 for those periods in nominal values.

Based on the grounds stated in the first paragraph "Inflation Adjustment for Tax Purposes. Fiscal Years 2016, 2017 and 2018,” on November 19, 2015, an administrative action requesting a refund for periods 2013 and 2014 was filed, and the related judicial action was filed on September 23, 2016 for both periods, given that no answer was received from AFIP.

In turn, on April 4, 2017, a request for refund was filed in relation to the higher amount of tax paid for fiscal year 2015. Likewise, on December 29, 2017, the related judicial action was filed for this fiscal year.

On October 21, 2020, the Entity was notified that the Court of First Instance on Administrative Matters No. 1 rendered judgment upholding the request for refund for fiscal year 2014. AFIP filed an appeal against such judgment before the Appellate Court.

On November 10, 2020, the Court of First Instance rendered judgment sustaining BBVA Argentina’s complaint, thereby ordering the tax authorities to refund the amount of 264,257 (nominal values) paid in excess of the income tax liability for fiscal year 2013, plus accrued interest. The National Tax Authority filed an appeal against the judgment. Finally, on May 6, 2021, the Federal Appellate Court on Administrative Matters (Courtroom I) confirmed the appealed judgment on the merits, therefore dismissing the appeal brought by the national tax authorities.

On April 27, 2021, the Appellate Court rendered judgment in favor of the Bank concerning the refund of income tax for fiscal year 2014. In its judgment, the Appellate Court substantially confirmed the judgment rendered by the Court of First Instance on the merits, upholding the confiscatory nature of the tax.

The National Tax Authority brought extraordinary appeals against both judgments, and the Appellate Court has rejected such appeal with respect to the claims of arbitrariness and serious institutional implications. The proceedings are being handled by the Supreme Court.

On June 28, 2022, the Federal Appellate Court on Administrative Matters (Courtroom VII) rendered judgment in favor of the Bank as regards the recovery of the income tax for tax period 2015 and AFIP appealed such judgment.

On July 12, 2023, the Bank obtanined a favorable court ruling from the Supreme Court of Justice for fiscal year 2014, rejecting the extraordinary appeal and the complaint presented by the Treasury. In this way, the favorable rulings of the previous instances that recognized the Bank’s claim of 647,946 (in nominal values) plus interest calculated according to the average monthly deposit rate published by the BCRA remain firm.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

On August 7, 2023, the Entity was notified of the ruling handed down by the Supreme Court of Justice regarding the fiscal year 2013, rejecting the extraordinary appeal and the complaint presented by the Treasury, leaving the favorable rulings of the previous instances that recognized the Bank's claim of 264,257 (in nominal values) for said period plus interest, the monthly passive rate of the BCRA must be applied until July 31, 2019, and as of August 1, 2019, the monthly effective rate published by the AFIP, in compliance of Resolution MH 598/19; all this until the cash payment. The settlement was presented in the file.

With respect to the 2013 fiscal period, on December 27, 2023, the tax authority deposited in a bank account of the Entity 1,037,484 corresponding to 264,257 in capital and 773,227 as a capital update and interests.

As a consequence of the favorable rulings of the Supreme Court of Justice, and the collection of one of these cases, the Entity has recorded a credit of 8,083,923 as of December 31, 2023.

On October 25, 2023, the Bank obtained a favorable judgement from the Appellate Contentious Court regarding the refund of the income tax due to the application of the tax inflation adjustment in 2015, confirming the first instance ruling.

Both the tax authority and the Entity filed extraordinary appeals. Currently, the file is being processed to resolve the appeals presented.

12. Investment in joint ventures and associates

	BBVA Argentina Ownership and Voting Power (in percentages)	December 31, 2023	December 31, 2022
BBVA Consolidar Seguros S.A. (1)	12.22%	4,710,065	3,728,002
Rombo Cía. Financiera S.A. (2)	40.00%	3,077,455	2,317,504
Interbanking S.A. (3)	11.11%	2,110,363	2,565,912
Play Digital S.A. (4) (5)	11.06%	1,953,029	1,515,211
Openpay Argentina S.A. (6) (7)	12.51%	515,320	671,083
TOTAL		**12,366,232**	**10,797,712**

(1) Main Business Activity: Insurance
(2) Main Business Activity: Financial institution
(3) Main Business Activity: Information services for financial markets
(4) Main Business Activity: Development, offer and implementation of a digital payment solution
(5) To establish the value of this investment, accounting information from Play Digital S.A. has been used. as of September 30, 2023. Additionally, significant transactions carried out or events that occurred between October 1, 2023 and December 31, 2023 have been considered.
(6) Main Business Activity: Development, offer and implementation of a digital payment solution
(7) On April 19, 2023, 29,205 (in nominal values) shares were subscribed for and paid in cash.

The following table summarises the information related to the Bank's material joint venture:

	Rombo Compañía Financiera S.A.	
	December 31, 2023	December 31, 2022
Total assets	34,550,738	71,742,946
Total liabilities	26,857,100	65,949,187
Equity	7,693,638	5,793,759
Gain/Losses	1,899,836	(5,977,708)

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

13. Tangible assets

13.1. Property and equipment

	December 31, 2023	December 31, 2022
Real estate	222,508,262	220,508,196
Furniture and facilities	38,340,588	39,763,849
Right of use – Real Estate	24,340,475	18,235,014
Machinery and equipment	7,886,204	9,712,120
Works in progress	4,079,775	10,183,431
Automobiles	1,062,464	872,053
TOTAL	**298,217,768**	**299,274,663**

Changes in the item for years 2023 and 2022 are included below:

				Impairmennt		Depreciation				
	Cost as of December 31, 2022	Additions	Disposals (1)	loss	Reversals	Accumulated as of December 31, 2022	Disposals (1)	For the period	Accumulated as of December 31, 2023	Carrying amount as of December 31, 2023
Real estate	250,457,251	7,237,139	4,047,487	797,137	1,115,683	29,949,055	3,921,995	5,430,127	31,457,187	222,508,262
Furniture and facilities	79,875,253	6,823,323	3,845,808	—	—	40,111,404	3,839,926	8,240,702	44,512,180	38,340,588
Rights of use – Real estate	43,134,100	9,549,439	3,572,015	—	—	24,899,086	2,530,022	2,401,985	24,771,049	24,340,475
Machinery and equipment	21,564,142	4,856,805	10,355,720	—	—	11,852,022	10,355,720	6,682,721	8,179,023	7,886,204
Work in progress	10,183,431	4,339,376	10,443,032	—	—	—	—	—	—	4,079,775
Automobiles	2,128,239	538,173	155,402	—	—	1,256,186	127,053	319,413	1,448,546	1,062,464
Total	**407,342,416**	**33,344,255**	**32,419,464**	**797,137**	**1,115,683**	**108,067,753**	**20,774,716**	**23,074,948**	**110,367,985**	**298,217,768**

					Impairment	Depreciation					
	Cost as of December 31, 2021	Transfer to investment properties	Additions	Disposals (1)	loss	Accumulated as of December 31, 2021	Transfer to investment properties	Disposals (1)	For the period	Accumulated as of December 31, 2022	Carrying amount as of December 31, 2022
Real estate	251,274,349	(11,218,254)	13,274,105	681,396	2,191,553	25,787,639	(852,230)	681,400	5,695,046	29,949,055	220,508,196
Furniture and facilities	76,868,344	—	5,285,188	2,278,279	—	34,387,046	—	2,278,279	8,002,637	40,111,404	39,763,849
Rights of use – Real estate	40,221,233	—	5,481,451	2,568,584	—	19,361,921	—	749,122	6,286,287	24,899,086	18,235,014
Machinery and equipment	31,632,714	—	5,800,014	15,868,586	—	18,953,524	—	15,868,594	8,767,092	11,852,022	9,712,120
Work in progress	6,805,011	—	3,378,420	—	—	—	—	—	—	—	10,183,431
Automobiles	1,651,357	—	513,018	36,136	—	1,075,490	—	49,424	230,120	1,256,186	872,053
Total	**408,453,008**	**(11,218,254)**	**33,732,196**	**21,432,981**	**2,191,553**	**99,565,620**	**(852,230)**	**19,626,819**	**28,981,182**	**108,067,753**	**299,274,663**

(1) Includes write-off of fully depreciated items and finalized constructions.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Based on the reports prepared by the independent appraiser relied upon by the Bank to assess the impairment of its property, it was determined that the carrying amount of some properties mentioned below exceeded their recoverable value, and, as a result, the carrying amount were written down to the recoverable value. The impairment loss is disclosed in Note 34 – Depreciation and amortization, Loss from sale or impairment of property and equipment.

The impairment for assets recorded under the item "Property and equipment" is disclosed below:

	Impairment	
Properties	**December 31, 2023**	**December 31, 2022**
Real Estate - Balvanera	(715,099)	—
Real Estate - Libertador	(581,844)	(1,091,829)
Real Estate - Local 1 Puerto Madero	(299,904)	(412,880)
Real Estate - Local 5 Puerto Madero	(220,169)	(257,704)
Real Estate - Cerro Las Rosas	(72,545)	(155,386)
Real Estate - Mar del Plata	(70,756)	(30,231)
Real Estate - Lavallol	(45,851)	(66,958)
Real Estate – La Plata	(41,511)	—
Real Estate – Monte Grande	(39,227)	(298,230)
Real Estate - Bahía Blanca	(14,750)	(32,511)
Real Estate - Caleta Olivia, Santa Cruz	—	(74,473)
TOTAL	**(2,101,656)**	**(2,420,202)**

13.2. Investment properties

Investment properties include pieces of real estate leased to third parties. The average term of lease agreements is 6 years. Subsequent renewals are negotiated with the lessee. The Group has classified these leases as operating leases, since these arrangements do not substantially transfer all risks and benefits inherent to the ownership of the assets. The rental income is recognized under "Other operating income" on a straight-line basis during the term of the lease.

Below are the changes in investment properties:

		Impairment	Depreciation			
	Cost as of December 31, 2022	**Loss**	**Accumulated as of December 31, 2022**	**For the period**	**Accumulated as of December 31, 2023**	**Carrying amount as of December 31, 2023**
Real estate	64,773,716	238,314	3,309,546	1,072,992	4,382,538	60,152,864
Total	**64,773,716**	**238,314**	**3,309,546**	**1,072,992**	**4,382,538**	**60,152,864**

				Depreciation				
	Cost as of December 31, 2021	**Transfer from property and equipment**	**Additions**	**Accumulated as of December 31, 2021**	**Transfer from property and equipment**	**For the period**	**Accumulated as of December 31, 2022**	**Carrying amount as of December 31, 2022**
Real estate	18,498,773	11,218,254	35,056,689	1,514,331	852,230	942,985	3,309,546	61,464,170
Total	**18,498,773**	**11,218,254**	**35,056,689**	**1,514,331**	**852,230**	**942,985**	**3,309,546**	**61,464,170**

Based on the reports prepared by the independent appraiser relied upon by the Bank to assess the impairment of its property, it was determined that the carrying amount of some properties mentioned below exceeds their recoverable value, and, as a result, the carrying amount needs to be written down to the recoverable value. The impairment loss is disclosed in Note 31 – Other operating expenses, Loss from sale or impairment of investment properties and other non-financial assets.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

The impairment for assets recorded under the item "Investment properties" is disclosed below:

	Impairment	
	December 31, 2023	December 31, 2022
Real Estate - Viamonte	(238,314)	—
Total	**(238,314)**	—

14. Intangible assets

Below are the changes in the items:

	Cost as of December 31, 2022	Additions	Disposals (1)	Amortization: Accumulated as of December 31, 2022	Amortization: Disposals (1)	Amortization: For the period	Amortization: Accumulated as of December 31, 2023	Carrying amount as of December 31, 2023
Software	36,890,044	8,804,083	3,919,986	6,940,402	2,031,095	3,727,340	8,636,647	33,137,494
Total	**36,890,044**	**8,804,083**	**3,919,986**	**6,940,402**	**2,031,095**	**3,727,340**	**8,636,647**	**33,137,494**

	Cost as of December 31, 2021	Additions	Disposals (1)	Amortization: Accumulated as of December 31, 2021	Amortization: Disposals (1)	Amortization: For the period	Amortization: Accumulated as of December 31, 2022	Carrying amount as of December 31, 2022
Software	28,495,777	17,369,505	8,975,238	6,199,731	1,308,367	2,049,038	6,940,402	29,949,642
Total	**28,495,777**	**17,369,505**	**8,975,238**	**6,199,731**	**1,308,367**	**2,049,038**	**6,940,402**	**29,949,642**

(1) Includes write-off of fully depreciated items.

15. Other assets

	December 31, 2023	December 31, 2022
Prepayments	12,331,086	11,108,553
Advances to personnel	8,507,271	4,974,194
Tax advances	7,549,348	7,929,208
Advances to suppliers of goods	6,602,413	2,805,346
Other miscellaneous assets	1,148,750	1,552,687
Foreclosed assets	79,042	82,024
Others	7,873,767	833,964
TOTAL	**44,091,677**	**29,285,976**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

16. Non-current assets held for sale

Includes certain real property assets located in Argentina that the Board of Directors are committed to sale in the short-term.

	December 31, 2023	December 31, 2022
Real Estate held for sale - Fisherton	478,476	453,724
Real Estate held for sale - Mendoza	155,915	154,682
Real Estate held for sale - Villa Lynch	125,301	—
Real Estate held for sale - Bernal	92,503	92,503
TOTAL	**852,195**	**700,909**

Based on the reports prepared by the independent appraiser relied upon by the Bank to assess the impairment of its property, it was determined that the carrying amount of the properties mentioned below exceeds its recoverable value, and, as a result, their carrying amount needs to be written down to the recoverable value. The impairment loss is disclosed in Note 30 – Other operating income, Other operating income.

The impairment for non-current assets held for sale is reported below:

	December 31, 2023	December 31, 2022
Real Estate held for sale - Fisherton	(247,694)	(272,440)
Real Estate held for sale - Mendoza	—	(1,233)
TOTAL	**(247,694)**	**(273,673)**

17. Financial liabilities at fair value through profit or loss

17.1. Derivatives

	December 31, 2023	December 31, 2022
Foreign Currency Forwards (1)	2,145,218	1,041,154
TOTAL	**2,145,218**	**1,041,154**

(1) The notional amounts are disclosed in note 5.2.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

17.2. Trading liabilities

	December 31, 2023	December 31, 2022
Short sold positions	10,330,335	—
TOTAL	**10,330,335**	—

18. Financial liabilities at amortized cost

18.1. Banks loans

	December 31, 2023	December 31, 2022
Local financial institutions	25,408,573	59,869,301
Foreign financial institutions	2,672,067	1,742,790
BCRA	109,327	274,027
TOTAL	**28,189,967**	**61,886,118**

18.2. Deposits from customers

	December 31, 2023	December 31, 2022
Savings Accounts	1,720,155,659	1,554,031,357
Time deposits	759,922,833	1,291,627,672
Currents accounts	913,661,955	789,303,857
Investment accounts	182,126,911	392,200,392
Other	26,832,638	32,945,855
TOTAL	**3,602,699,996**	**4,060,109,133**

18.3. Other financial liabilities

	December 31, 2023	December 31, 2022
Obligations for financing of purchases (1)	281,206,479	257,172,322
Funds collected under AFIP´s instructions	73,877,385	14,575,775
Collections and other transactions on behalf of third parties	40,802,915	26,246,841
Lease liabilities (See Notes 2.3.8 and 39)	23,508,830	12,850,898
Creditors for spot transactions pending settlement	1,108,960	20,427,763
Accrued commissions payable	12,852	127,187
Other	27,741,029	37,404,644
TOTAL	**448,258,450**	**368,805,430**

(1) Includes payables to merchants acquirers as a result of purchases made by the holders of the Bank's credit cards.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

19. Debt securities issued

Detail	Issuance date	Nominal Value	Maturity date	Annual Nominal Rate (1)	Carrying amount as of December 31, 2023	Carrying amount as of December 31, 2022
Class 8 Volkswagen Financial Services	September 30, 2020	—	March 30, 2023	Tasa UVA (class 8)	—	186,843
Class 10 Volkswagen Financial Services	October 12, 2023	10,000,000	October 12, 2024	BADLAR + 4.5% (class 10)	10,000,000	—
				Total Principal	**10,000,000**	**186,843**
				Interest / principal adjustments accrued	**2,816,710**	**408,511**
				Total	**12,816,710**	**595,354**

(1) Definitions:

UVA: It is a unit of measure that is updated daily according to the Reference Stabilization Coefficient (CER), based on the consumer price index.

BADLAR (Buenos Aires Deposits of Large Amount Rate), is the interest rate for time deposits over 1 (one) million pesos, for 30 to 35 days.

20. Provisions

The Group, as a result of the ordinary course of its business, may be a party to legal lawsuits of a labor, commercial, tax and regulatory nature. A provision is recognized whenever the loss is classified as probable.

- Financial guarantees and loan commitments: reflects the ECL arising from financial guarantees issued, unused balances of checking account overdrafts, credit cards and other loan commitments.
- Other provisions: reflects the estimated amounts to pay class actions, labour, tax and commercial claims as well as other miscellaneous complaints.

	December 31, 2023	December 31, 2022
Financial guarantees and loan commitments	5,972,370	8,389,890
Other provisions	14,751,393	18,607,266
Provisions commercial claims	9,050,746	10,887,030
Provisions tax claims	1,930,268	1,852,273
Provisions labor-related	912,890	1,914,601
Others	2,857,489	3,953,362
TOTAL	**20,723,763**	**26,997,156**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Changes in fiscal year 2023 and 2022 are included below:

Accounts	Balances as of December 31, 2022	Increases	Provision reversals	Provisions used	Inflation adjustment	Balances as of December 31, 2023
Financial guarantees and loan commitments	8,389,890	4,849,781	—	—	(7,267,301)	5,972,370
Other provisions	18,607,266	16,490,255	(104,110)	(4,908,103)	(15,333,915)	14,751,393
Provisions commercial claims	10,887,030	10,922,759	—	(3,631,466)	(9,127,577)	9,050,746
Provisions labor-related	1,914,601	1,625,231	—	(1,086,102)	(1,540,840)	912,890
Provisions tax claims	1,852,273	1,287,530	—	(35,933)	(1,173,602)	1,930,268
Others	3,953,362	2,654,735	(104,110)	(154,602)	(3,491,896)	2,857,489
TOTAL PROVISIONS	**26,997,156**	**21,340,036**	**(104,110)**	**(4,908,103)**	**(22,601,216)**	**20,723,763**

Accounts	Balances as of December 31, 2021	Increases	Provision reversals	Provisions used	Inflation adjustment	Balances as of December 31, 2022
Financial guarantees and loan commitments	5,178,233	6,367,666	—	—	(3,156,009)	8,389,890
Provisions for reorganization	8,149,225	7,391,880	(709,547)	(11,531,927)	(3,299,631)	—
Other provisions	20,721,559	12,807,843	(5,444)	(2,641,073)	(12,275,619)	18,607,266
Provisions commercial claims	14,746,706	6,047,174	—	(1,272,083)	(8,634,767)	10,887,030
Provisions labor-related	1,721,074	2,074,034	—	(931,876)	(948,631)	1,914,601
Provisions tax claims	1,955,093	1,274,322	—	(411,392)	(965,750)	1,852,273
Others	2,298,686	3,412,313	(5,444)	(25,722)	(1,726,471)	3,953,362
TOTAL PROVISIONS	**34,049,017**	**26,567,389**	**(714,991)**	**(14,173,000)**	**(18,731,259)**	**26,997,156**

The expected terms to settle these obligations are as follows:

December 31, 2023

Provisions	Within 12 months	After 12 months
Financial guarantees and loan commitments	5,972,370	—
Other provisions	10,525,110	4,226,283
Provisions commercial claims	8,220,748	829,998
Provisions labor-related	183,691	729,199
Provisions tax claims	834,422	1,095,846
Others	1,286,249	1,571,240

December 31, 2022

Provisions	Within 12 months	After 12 months
Financial guarantees and loan commitments	8,389,890	—
Other provisions	6,142,604	12,464,662
Provisions comercial claims	2,537,537	8,349,493
Provisions labor-related	363,065	1,551,536
Provisions tax claims	1,852,273	—
Others	1,389,729	2,563,633

The Group's management and legal advisors consider no further significant accounting effects could arise from the final outcome of the abovementioned proceedings other than those disclosed in these consolidated Financial Statements.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Possible contingencies

Contingent liabilities have not been recognized in these financial statements and correspond to 137 claims received (in court or administrative proceedings), that have arisen in the Bank's ordinary course of business. The estimated amount of said claims amounts to 168,338 of which an outflow of funds is estimated for approximately 142,601 in the next 12 months. These claims are primarily related to leasing claims, petitions to secure evidence, and labor claims. The Group's management and legal advisors consider that the probability of these cases resulting in an outflow of resources is possible, but not probable, and that the potential cash disbursements should not be material.

21. Other liabilities

	December 31, 2023	December 31, 2022
Miscellaneous creditors	128,061,537	118,403,107
Short term personnel benefits	61,020,467	54,447,943
Advance collections	49,301,721	61,133,593
Other collections and withholdings	41,984,520	54,506,264
Other taxes payable	34,105,197	22,043,383
Long term personnel benefits	3,194,628	2,853,328
Contract liabilities	1,703,110	1,400,224
Termination benefits payable	1,161,537	2,794,954
Social security payable	370,937	955,007
Dividends payable (see Note 41)	—	46,196,400
Other	2,114,519	1,767,238
TOTAL	**323,018,173**	**366,501,441**

22. Capital and Reserves

- Share capital

	Quantity of shares at December 31, 2023			Share capital December 31, 2023	
Class	Quantity	Nominal value per share	Votes per share	Shares outstanding	Paid-in (1)
Ordinary	612,710,079	1	1	612,710	612,710

(1) Registered with the Public Registry of Commerce.

Banco BBVA Argentina S.A. is a corporation (*"sociedad anónima"*) incorporated under the laws of Argentina. The shareholders limit their liability to the shares subscribed and paid in, pursuant to the Argentine Companies Law (Law 19,550). Therefore, and pursuant to Law 25,738, it is reported that neither foreign capital majority shareholders nor local or foreign shareholders shall be liable in excess of the above-mentioned capital contribution for obligations arising from transactions carried out by the financial institution.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

- Share premium

  The share premium account represents the difference between the par value of the shares issued and the subscription price.

- Inflation adjustment to share capital and premium

  It comprises the cumulative monetary inflation adjustment on the share capital and share premium based on the IAS 29 restatement process described in note 2.1.5. and BCRA requirements.

- Other comprehensive income (OCI)

  - Fair value reserve: the fair value reserve comprises the cumulative net change in the fair value of financial assets measured at FVOCI, net of the related income tax.
  - Share of OCI from associates and joint ventures: corresponds to the Bank's participation in the OCI of its associates and joint ventures.

- Legal reserve

  BCRA regulations establish that 20% of net income as determined in accordance with BCRA Generally Accepted Accounting Principles (BCRA GAAP), should be allocated to the legal reserve (See Note 41.a)).

- Other reserves

  Set up to fulfil the requirement of the Argentine National Securities Commission (CNV, as per its Spanish acronym) where by the entire balance of retained earnings determined in accordance with BCRA GAAP needs to be allocated by the shareholders' meeting to cash dividends, dividends in shares, set up reserves other than the legal reserve, or a combination there of.

  - Optional Reserve: includes all other reserves that are established by express will social.
  - Reserve for first-time a Application of IFRS: originated in the differences in valuation of assets and liabilities in accordance with international financial reporting standards at the time of initial adoption.

23. Analysis of changes in financing activities during the year

The following chart provides a reconciliation between the opening and closing balances for the main liabilities arising from financing activities:

	2023	2022
Debt securities issued and lease liabilities		
Opening balance	**13,446,252**	**20,774,542**
New borrowings	23,703,308	5,481,451
Debt payments	(565,420)	(2,327,802)
Payment of lease liabilities	(6,227,606)	(6,673,616)
Non-cash changes		
Interests and adjustments accrued	24,125,317	16,029,079
Inflation effect on debt securities issued and lease liabilities	(18,156,311)	(19,837,402)
Closing balance	**36,325,540**	**13,446,252**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

24. Net interest income

24.1. Interest income

	2023	2022	2021
Interest from government securities	1,148,563,753	798,761,165	324,244,033
Premium for reverse repurchase agreements	388,218,226	99,209,289	228,093,675
CER clause adjustment (1)	378,917,667	255,612,556	111,126,397
Interest from commercial papers	332,571,766	123,306,207	89,199,264
Interest from credit card loans	280,546,581	194,999,904	155,021,093
Interest from overdrafts	175,982,067	89,584,141	51,366,573
Interest from other loans	169,865,129	138,280,663	103,005,923
Interest from consumer loans	130,268,098	99,886,476	88,207,800
UVA clause adjustment (2)	111,676,303	97,727,166	84,583,069
Interest from pleage loans	36,795,436	33,043,342	33,786,748
Interest from financial leases	9,455,935	6,140,145	5,805,600
Interest from mortgage loans	6,461,673	9,474,404	10,442,566
Interest on loans to the financial institutions	6,405,275	7,770,983	5,732,491
Interest from private securities	3,463,339	2,064,035	950,574
Interest from loans for the prefinancing and financing of exports	2,404,576	2,260,264	5,936,147
Interest from cash and bank deposits	4,560	—	—
Other financial interest income	2,346,272	1,710,489	5,247,570
TOTAL	**3,183,946,656**	**1,959,831,229**	**1,302,749,523**

(1) CER (Reference stabilitation coefficient) adjustment clause based on the variation of the consumer price index.
(2) UVA (Purchasing Value Unit): It is a unit of measure that is updated daily according to the CER.

24.2. Interest expenses

	2023	2022	2021
Interest from time deposits	1,163,622,989	666,796,740	414,778,905
Interest from current and savings accounts deposits	318,699,068	128,512,077	86,892,920
UVA clause adjustment (1)	42,734,378	78,198,789	28,655,063
Interest from bank loans	25,305,718	27,087,785	16,185,121
Interest from other financial liabilities	4,614,829	2,097,053	5,120,469
Interest on the lease liability	1,699,151	1,935,792	2,812,644
Premium for reverse repurchase agreements	24,987	83,678	17,173
Other financial interest expense	13,162	19,379	25,908
TOTAL	**1,556,714,282**	**904,731,293**	**554,488,203**

(1) UVA (Purchasing Value Unit): It is a unit of measure that is updated daily according to the CER.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

25. Fee and commission income

	2023	2022	2021
Linked to credit cards	116,614,858	96,446,245	96,349,100
Linked to deposits and other	84,330,593	105,117,264	102,177,447
Linked to loans and other	25,720,503	20,710,903	16,740,732
From foreign currency transactions	10,834,946	10,966,990	12,482,747
Insurance agent fees	9,635,209	10,964,732	11,961,149
Linked to securities	6,693,634	2,826,789	3,514,269
Fees linked to loan commitments	407,453	—	—
From guarantees granted	105,462	11,067	57,020
TOTAL	**254,342,658**	**247,043,990**	**243,282,464**

26. Fee and commission expense

	2023	2022	2021
For credit and debit cards	67,777,600	71,874,724	72,598,091
For foreign trade transactions	18,507,530	3,068,814	3,093,282
For promotions and other	11,650,892	8,136,693	9,553,506
Linked to transactions with securities	67,420	48,894	72,604
Other commission expenses	17,383,867	18,354,987	14,397,779
TOTAL	**115,387,309**	**101,484,112**	**99,715,262**

27. (Losses)/Gains on financial assets and liabilities at fair value through profit or loss, net

	2023	2022	2021
Gain from foreign currency forward transactions	23,533,993	4,646,318	19,649,692
Gain from the sale of financial assets	—	1,557,976	—
Interest rate swaps	(177,777)	314,816	294,256
Loss from put options	(522,183)	(107,924)	(7,170,021)
(Loss) Income from debt and equity instruments	(43,527,016)	39,994,694	11,629,556
TOTAL	**(20,692,983)**	**46,405,880**	**24,403,483**

28. Gains/(Losses) on derecognition of financial assets not measured at fair value through profit or loss, net

	2023	2022	2021
Income/(Loss) from sale of government securities	33,186,455	676,393	(738,604)
Income/(Loss) from sale of private securities	7,404,167	226,523	(3,251)
TOTAL	**40,590,622**	**902,916**	**(741,855)**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

29. Exchange differences, net

	2023	2022	2021
Conversion of foreign currency assets and liabilities into pesos	170,534,409	(13,756,414)	(6,629,645)
Income from trading in foreign currency	39,575,648	38,908,589	40,232,740
TOTAL	**210,110,057**	**25,152,175**	**33,603,095**

30. Other operating income

	2023	2022	2021
Adjustments and interest on miscellaneous receivables	27,530,770	21,267,898	15,317,617
Rental of safe deposit boxes	8,069,353	9,109,074	9,707,584
Fees expenses recovered	2,339,878	2,569,661	2,344,644
Proceeds from electronic transactions	1,098,672	1,141,101	1,280,231
Income related to foreign trade	901,679	1,084,258	1,511,289
Gain from the sale of non-current assets held for sale	—	1,420,141	—
Result for initial recognition of Argentine Government Securities	—	—	92,780
Other operating income	27,307,565	29,308,178	19,462,414
TOTAL	**67,247,917**	**65,900,311**	**49,716,559**

31. Other operating expenses

	2023	2022	2021
Turnover tax	203,493,961	127,248,778	103,330,661
Provisions for legal and administrative proceedings	15,905,318	12,102,734	1,476,764
Loss on initial recognition of loans bearing below market interest rate	11,671,162	13,100,574	11,940,628
Contributions to the Deposits Guarantee Fund (Note 43)	5,728,161	6,330,105	6,830,968
Expected credit losses on financial guarantee and loan commitments	4,849,781	6,367,666	4,305,070
Damage claims	2,544,611	4,604,462	1,900,080
Loss from sale or impairment of investment properties and other non-financial assets	238,314	37,562	236,113
Provisions for reorganization	—	7,391,880	13,737,124
Other operating expenses	18,173,651	15,017,822	20,616,759
TOTAL	**262,604,959**	**192,201,583**	**164,374,167**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

32. Personnel benefits

	2023	2022	2021
Salaries	124,626,413	116,592,289	113,477,115
Other short term personnel benefits	66,174,342	43,038,362	32,806,821
Social security charges	40,872,783	36,578,358	33,654,333
Personnel compensations and rewards	7,669,538	8,881,142	4,525,387
Personnel services	5,137,521	4,709,035	3,562,198
Termination benefits	477,840	698,306	786,555
Fees to Bank Directors and Supervisory Committee	329,204	357,466	397,882
Other long term benefits	3,142,882	1,188,228	1,125,742
TOTAL	**248,430,523**	**212,043,186**	**190,336,033**

33. Other administrative expenses

	2023	2022	2021
Taxes	52,718,652	45,028,114	41,596,363
Rent	33,994,508	32,689,896	24,809,117
Administrative services hired	30,476,143	19,300,322	19,402,898
Maintenance costs	21,248,132	20,605,053	21,636,474
Armored transportation services	20,868,537	22,656,053	24,967,609
Advertising	13,742,372	10,927,305	9,569,072
Electricity and communications	8,381,378	7,721,326	8,636,952
Other fees	7,298,122	7,097,728	8,377,297
Security services	5,838,983	5,602,508	6,472,158
Insurance	1,933,567	2,010,411	2,311,562
Representation, travel and mobility	1,595,378	2,004,805	987,006
Stationery and supplies	376,081	266,751	390,584
Other administrative expenses	50,663,803	35,929,542	27,179,836
TOTAL	**249,135,656**	**211,839,814**	**196,336,928**

34. Depreciation and amortization

	2023	2022	2021
Depreciation of property and equipment (See Note 13.1)	20,672,963	22,694,895	25,609,369
Amortization of intangible assets (See Note 14)	3,727,340	2,049,038	1,311,756
Amortization of rights to use leased real estate (See Note 13.1)	2,401,985	6,286,287	6,331,675
Depreciation of investment properties (See note 13.2)	1,072,992	942,985	322,980
Loss from sale or impairment of property and equipment (See Note 13.1)	797,137	2,191,553	228,652
Depreciation of other assets	4,903	6,499	54,562
TOTAL	**28,677,320**	**34,171,257**	**33,858,994**

35. Financial instruments risks

Presentation of Risk Management and Risk-Weighted Assets (RWA)

Strategies and processes

The purpose of the organization is based on assuming a prudential level of risks in order to generate yields and keep acceptable levels of capital and funding, and generate benefits on a recurring basis. Therefore, it is vital that the teams assigned to risk management are highly trained professionals.

The General Risks Policy of BBVA Argentina expresses the levels and types of risk the Entity is willing to take to carry out its strategic plan, with no relevant deviations, even under stress conditions. Along this line, the process for risks management is comprehensive and proportional to the economic size and importance of the financial institution.

To achieve its goals, BBVA Argentina uses a management model with two guiding principles for the decision-making process:

- Prudential analysis: related to the management of the various risks acknowledged by the Entity.
- Anticipation: it refers to the capacity to make decisions foreseeing relevant changes in the environment, the competition and customers that may have an impact in the mid-term.

This process is adequate, sufficiently proven, duly documented and periodically reviewed based on the changes to the Entity's risk profile and the market.

In this regard, the Board of Directors and the Senior Management are highly committed to the identification, evaluation, follow-up, control and mitigation of significant risks. These bodies periodically review credit, financial and operational risks, which may potentially affect the success of BBVA Argentina's activities, and place special emphasis on strategic, reputation and concentration risks.

Structure and organization

The Group has a formal organizational structure, with a set of roles and responsibilities, organized in a pyramidal structure that generates control instances from lower to higher levels, up to the highest decision-making bodies. The following are the areas that conform the structure and a list of their functions:

- Risks Management Unit.
- Committees.
- Reporting Units.
- Cross-Control Areas.

Risks Management Unit:

This is an area that is independent from the Bank's business units, in charge of implementing the criteria, policies and procedures defined by the organization within the scope of credit (retail and wholesale), operational and market risk management, with a follow-up and control of proper application and proposing the actions necessary to the keep quality of risks within the defined goals. One of its main functions is to ensure proper information for the decision-making process at all levels, including relevant risk factors, such as:

- Active management throughout the life of the risk.
- Clear processes and procedures.
- Integrated management of all risks through identification and quantification.
- Generation, implementation and dissemination of advanced decision-making support tools.

Committees

Committees are the governance bodies through which risks are treated.

Reporting Units

The Reporting Units are in charge of control procedures for risk in compliance with Central Bank regulations, determining the risk quota for each segment of economic activity and type of financing, preparing fundamental metrics setting forth the principles and general risk profile in the statement of Appetite for Risk. In addition, it is in charge of generating reports for the Risks Management Unit for decision-making process in accordance with internal credit policies and control organizations' policies, reviewing processes and proposing alternatives.

Cross-Control Areas

Internal Control and Compliance Department - has the following main functions: to ensure that there is a sufficient internal regulatory framework; a process and measures defined for each type of risk; to control its application and operation; and to ensure that an assessment is made of the existence of a control environment and its adequate implementation and operation.

Model Validation - Internal Control and Compliance Department - who ensures that BBVA Argentina's internal statistical risk models are adequate for their use, and must issue a well-founded and updated opinion on their adequate use.

The control and monitoring areas are in charge of giving cohesion to credit risk management and ensuring that the management of the rest of the critical risks for the Bank is carried out in accordance with the established standards.

Finally, Internal Audit, transversal to the business and support units.

Risk Appetite Framework

Risk appetite is a key element which provides the Group with a comprehensive framework to determine the risks and level of risks, expressed in terms of capital, liquidity, profitability, income recurrence, risk costs or other metrics.

Risk appetite is expressed through a statement containing the general principles for the Group's strategy and quantitative metrics.

Stress Testing

In compliance with the provisions on "guidelines for risk management in Financial Institutions" set forth by the Argentine Central Bank, the Entity has developed a stress test program, within the Entity's comprehensive risk management.

Stress test means the evaluation of the Entity's financial position under an adverse but plausible scenario, which requires the simulation of scenarios to estimate the potential impact on the value of portfolios, profitability, solvency and liquidity for the purposes of identifying latent risks or detecting vulnerabilities.

Credit risk

The Bank defines credit risk as the possibility to sustain losses as a result of a debtor's or counterparty's noncompliance with the contractual obligations assumed.

Credit risk is present in on and off-balance sheet transactions, as well as settlement risk , that is to say, when a financial transaction cannot be completed or settled as agreed. Credit risk losses arise from a debtor's or counterparty's noncompliance with its obligations. Also, it takes into consideration several types of risks, such as country risk, and counterparty credit risk.

BBVA Argentina defines country risk as the risk of sustaining losses generated in investments and loans to individuals, companies, and governments due to the incidence of economic, political, and social events occurring in a foreign country.

Strategy and processes

BBVA Argentina develops its credit risk strategy defining the goals that will guide its granting activities, the policies to be adopted and the necessary practices and procedures to carry out those activities.

Additionally, the Risks Management Department, together with the rest of the Bank's Management Departments, annually develops a budget process, which includes the main variables of credit risk:

- Expected growth per portfolio and product.
- Evolution of default ratio.
- Evolution of write-off portfolios.

This way, the expected standard credit risk values are set for a term of one year. Afterwards, the real values obtained are compared with that budget, to assess the growth of the portfolio and its quality.

Also, maximum limits or exposures per economic activity are formalized, pursuant to the Group's placement strategy, which are used to follow up credit portfolios. In case of deviations from the set limits, these are analyzed by the Risks Follow-Up Committees to take the necessary measures.

Origination

BBVA Argentina has credit risk origination policies in place, to define the criteria to obtain quality assets, establish risk tolerance levels and alignment of the credit activities with the strategy of BBVA Argentina and in accordance with the Group. The policy of accepting risks is therefore organized into three different levels within the Group:

- Analysis of the financial risk of the transaction, based on the debtor's capacity for repayment or funds generation.
- The constitution of guarantees that are adequate, or at any rate generally accepted, for the risk assumed, in any of the generally accepted forms: monetary, secured, personal or hedge guarantees.
- Assessment of the repayment risk (asset liquidity) of the guarantees received.

Monitoring

The main monitoring procedures carried out by the various Banking areas are:

- Monitoring of the limit granted: Since customer profiles vary over time, the limits of products contracted are periodically reviewed for the purpose of broadening, reducing or suspending the limit assigned, based on the risk situation.
- Maintenance of pre-approved limits: Customers' characteristics, vary over time. Therefore, there is periodical maintenance of the pre-approved limits, taking into consideration changes in a customer's situation (position of asset and liability and relationship). Likewise, there is a periodic follow-up of the evolution of the pre-approved limit amount for the purpose of controlling and ensuring the risk assigned in accordance with the desired risk levels.
- Monitoring of rating tools: Rating tools are a reflection of the internal inputs and show the characteristics and biases of such inputs. Therefore, they need a long period to reduce or eliminate those biases through the inclusion of new information, correction of existing information and periodic reviews optimizing the results of back-tests.
- Portfolio analysis: The portfolio analysis consists of a monitoring process and study of the complete cycle of portfolio risk for the purpose of analyzing the status of the portfolio, identifying potential paths towards improvements in management and forecasting future behavior.

Additionally, the following functions are carried out:

- Monitoring of specific customers.
- Monitoring of products.
- Monitoring of units (branches, areas).
- Other monitoring actions (samples, control of admission process and risk management, campaigns).

The priority in credit risk monitoring processes is focused mainly on problematic or potentially problematic customers for preventive purposes. The remaining aspects, the monitoring of products, units and other monitoring actions, are supplementary to the specific monitoring of customers.

Recovery

BBVA Argentina also has a Recoveries Area within Risk Management to mitigate the severity of credit portfolios, both regarding the Bank and its subsidiaries, as well as to provide the results directly through collections of write-off portfolios and indirectly through collections of active portfolios, which imply a reduction of allowances.

Scope and nature of information and/or risk measurement systems

BBVA Argentina has several tools to be used in credit risk management for effective risk control and to facilitate the entire process. The periodic reports are:

- Progress of Risks.
- Payment Schedules.
- Ratings.
- Dashboard.
- Early Alerts System.
- Quarterly tools follow-up sheet.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Exposure to credit risk

The Group's credit risk exposure of financial assets, loan commitments and financial guarantees under IFRS 9 with stage allocation by asset classification as of December 31, 2023 and 2022 is provided below:

Credit risk exposure	December 31, 2023	Stage 1	Stage 2	Stage 3
Cash and cash equivalents	**415,678,677**	**415,678,677**	**—**	**—**
Financial assets at amortized cost	**3,492,654,055**	**3,154,006,364**	**303,440,509**	**35,207,182**
Debt securities	**96,681,440**	**—**	**96,681,440**	**—**
Wholesale	**1,221,331,138**	**1,129,949,339**	**85,843,115**	**5,538,684**
- Business	528,849,835	504,743,775	19,918,423	4,187,637
- Corporate and Investment Banking	362,392,695	311,601,170	50,791,308	217
- Institutional and international	10,319	3,685	1,537	5,097
- MSMEs	159,206,280	142,728,700	15,131,847	1,345,733
- Others	170,872,009	170,872,009	—	—
Retail	**972,219,682**	**821,635,230**	**120,915,954**	**29,668,498**
- Advances	1,909,410	1,166,156	377,016	366,238
- Credit cards	674,523,874	582,116,623	78,202,893	14,204,358
- Personal loans	153,475,842	131,013,331	11,302,243	11,160,268
- Pledge loans	47,968,181	46,532,007	653,277	782,897
- Mortgages	90,404,966	58,129,217	29,121,012	3,154,737
- Receivables from financial leases	2,177,565	2,163,236	14,329	—
- Others	1,759,844	514,660	1,245,184	—
Reverse repurchase agreements	**1,202,421,795**	**1,202,421,795**	**—**	**—**
- BCRA repos	1,202,421,795	1,202,421,795	—	—
Financial assets at fair value through other comprehensive income	**841,884,579**	**192,781,776**	**649,102,803**	**—**
Debt securities	**841,884,579**	**192,781,776**	**649,102,803**	**—**
Total financial assets risk	**4,750,217,311**	**3,762,466,817**	**952,543,312**	**35,207,182**
Loan commitments and financial guarantees	**647,025,344**	**585,414,818**	**61,403,032**	**207,494**
Wholesale	**241,347,117**	**217,735,177**	**23,589,353**	**22,587**
- Business	96,632,508	83,741,932	12,885,097	5,479
- Corporate and Investment Banking	95,868,758	92,737,597	3,131,153	8
- Institutional and international	35,404,046	31,588,932	3,815,114	—
- MSMEs	13,441,805	9,666,716	3,757,989	17,100

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Credit risk exposure	December 31, 2023	Stage 1	Stage 2	Stage 3
Retail	**405,678,227**	**367,679,641**	**37,813,679**	**184,907**
- Advances	13,284,965	12,787,853	494,004	3,108
- Credit cards	390,703,870	353,899,032	36,679,554	125,284
- Mortgages	1,598,766	913,866	628,385	56,515
- Others	90,626	78,890	11,736	—
Total loan commitments and financial guarantees	**647,025,344**	**585,414,818**	**61,403,032**	**207,494**
Total credit risk exposure	**5,397,242,655**	**4,347,881,635**	**1,013,946,344**	**35,414,676**

Credit risk exposure	December 31, 2022	Stage 1	Stage 2	Stage 3
Cash and cash equivalents	**556,906,904**	**556,906,904**	—	—
Financial assets at amortized cost	**2,783,507,847**	**2,401,123,764**	**343,206,765**	**39,177,318**
Debt securities	**138,659,964**	—	**138,659,964**	—
Wholesale	**1,214,785,498**	**1,155,211,671**	**53,184,583**	**6,389,244**
- Business	524,857,823	489,222,837	30,582,887	5,052,099
- Corporate and Investment Banking	352,986,681	334,163,826	18,822,815	40
- Institutional and international	188,578	8,729	178,046	1,803
- MSMEs	153,825,763	148,889,626	3,600,835	1,335,302
- Others	182,926,653	182,926,653	—	—
Retail	**1,266,372,541**	**1,082,222,249**	**151,362,218**	**32,788,074**
- Advances	3,354,887	1,837,008	987,944	529,935
- Credit cards	822,762,185	707,207,058	102,601,449	12,953,678
- Personal loans	220,915,565	194,713,429	13,703,503	12,498,633
- Pledge loans	84,573,077	79,746,567	2,299,056	2,527,454
- Mortgages	131,979,055	95,975,191	31,729,028	4,274,836
- Receivables from financial leases	2,688,360	2,643,692	41,130	3,538
- Others	99,412	99,304	108	—
Reverse repurchase agreements	**163,689,844**	**163,689,844**	—	—
- BCRA repos	163,689,844	163,689,844	—	—
Financial assets at fair value through other comprehensive income	**1,922,232,186**	**1,478,379,540**	**443,852,646**	—
Debt securities	**1,922,232,186**	**1,478,379,540**	**443,852,646**	—
Total financial assets risk	**5,262,646,937**	**4,436,410,208**	**787,059,411**	**39,177,318**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Credit risk exposure	December 31, 2022	Stage 1	Stage 2	Stage 3
Loan commitments and financial guarantees	**664,472,529**	**606,937,314**	**57,326,255**	**208,960**
Wholesale	**124,191,534**	**109,972,663**	**14,184,466**	**34,405**
- Business	46,597,993	38,071,627	8,513,906	12,460
- Corporate and Investment Banking	54,373,985	51,837,248	2,536,737	—
- Institutional and international	11,467,755	9,147,894	2,319,861	—
- MSMEs	11,751,801	10,915,894	813,962	21,945
Retail	**540,280,995**	**496,964,651**	**43,141,789**	**174,555**
- Advances	30,487,566	29,181,844	1,301,474	4,248
- Credit cards	507,464,932	466,048,328	41,291,086	125,518
- Mortgages	2,108,796	1,528,230	535,777	44,789
- Others	219,701	206,249	13,452	—
Total loan commitments and financial guarantees	**664,472,529**	**606,937,314**	**57,326,255**	**208,960**
Total credit risk exposure	**5,927,119,466**	**5,043,347,522**	**844,385,666**	**39,386,278**

Information on the credit quality of assets

The Group's credit quality analysis of financial assets under IFRS 9 with risk allocation as of December 31, 2023 and 2022 is provided below:

Credit quality analysis	December 31, 2023	December 31, 2022
Cash and cash equivalents		
- Low risk (PD < 2.3%)	415,678,677	556,906,904
Total cash and cash equivalents	**415,678,677**	**556,906,904**
Wholesale		
- Low risk (PD < 4%)	1,254,676,711	1,167,991,905
- Medium risk (PD ≥ 4% to < 24%)	166,178,544	112,799,574
- High risk (PD ≥ 24% to < 100% or Individually Stage 2)	36,261,729	51,761,904
- Non performing (PD = 100% or Individually Stage 3)	5,561,271	6,423,649
Total wholesale	**1,462,678,255**	**1,338,977,032**
Retail		
- Low risk (PD < 2.3%)	1,075,897,337	1,379,787,080
- Medium risk (PD ≥ 2.3% to < 29%)	266,128,432	375,330,757
- High risk (PD ≥ 29% to < 100% or Individually Stage 2)	6,018,735	18,573,070
- Non performing (PD = 100% or Individually Stage 3)	29,853,405	32,962,629
Total retail	**1,377,897,909**	**1,806,653,536**
Reverse repurchase agreement		
- BCRA repos (CCC+)	1,202,421,795	163,689,844
Total reverse repurchase agreement	**1,202,421,795**	**163,689,844**
Debt securities		
- BCRA Liquidity Bills (CCC+)	174,330,520	1,466,786,104
- Government securities (CCC-)	752,062,939	582,512,610
- Corporate bonds (B)	12,085,356	11,593,436
- Corporate bonds (B-)	87,204	—
Total debt securities	**938,566,019**	**2,060,892,150**
Total credit risk exposure	**5,397,242,655**	**5,927,119,466**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

The amounts included in the table above represent the Entity's maximum exposure to credit risk as of December 31, 2023 and 2022, without taking account of any collateral held or other credit enhancements. In order to mitigate credit risk, the following table shows the net credit risk exposure as of December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Maximum exposure to credit risk	5,397,242,655	5,927,119,466
Collateral held or other credit enhancements	(2,164,506,418)	(1,089,537,232)
Total net credit risk exposure	**3,232,736,237**	**4,837,582,234**

Mitigation of credit risk, collateralized credit risk and other credit enhancements

In most cases, maximum credit risk exposure is reduced by collateral, credit enhancements and other actions which mitigate the Group's exposure. The Group applies a credit risk hedging and mitigation policy deriving from a banking approach focused on relationship banking. The existence of guarantees could be a necessary but not sufficient instrument for accepting risks, as the assumption of risks by the Group requires prior evaluation of the debtor's capacity for repayment, or that the debtor can generate sufficient resources to allow the amortization of the risk incurred under the agreed terms.

The procedures for the management and valuation of collateral following the Corporate Policies (retail and wholesale), which establish the basic principles for credit risk management, including the management of collaterals assigned in transactions with customers.

The methods used to value the collateral are in line with the best market practices and imply the use of appraisal of real-estate collateral, the market price in market securities, the trading price of shares in investment funds, etc. All the collaterals received must be correctly assigned and entered in the corresponding register.

The following are the principal types of collateral managed by BBVA Argentina:

- Guarantees: It includes sureties or unsecured instruments.
- Joint and several guarantee: upon default on payment, the creditor may collect the unpaid amount from either the debtor or the surety.
- Joint guarantee: in this case the guarantors and debt-holders are liable in proportion to their interest in the company / transaction and restricted to such amount or percentage.
- Security interest: it includes guarantees based on tangible assets, which are classified as follows:
    - Mortgages: a mortgage does not change the debtor's unlimited liability, who is fully liable. They are documented pursuant to the Group's internal regulations for such purposes and are duly registered. Also, there is an independent appraisal, at market value, which enables a prompt sale.
    - Pledges: this includes chattel mortgages of motor vehicles or machinery, as well as liens on time deposits and investment funds. To be accepted, they shall be effective upon realization accordingly, be properly documented and approved by the Legal Services area.

Loan commitments

To meet the specific financial needs of customers, the Group's credit policy also includes, among others, the granting of financial guarantees, letters of credit and lines of credit through checking account overdrafts and credit cards. Although these transactions are not recognized in the Consolidated Statement of Financial Position, because they imply a potential liability for the Group, they expose the Group to credit risks in addition to those recognized in the Consolidated Statement of Financial Position and are, therefore, an integral part of the Group's total risk.

Hedging based on netting of on and off-balance sheet transactions

The Entity, within the limits defined by regulations regarding netting, negotiates with its customers the execution of master agreements (for instance, ISDA or CMOF) for the derivatives business, including the netting of off-balance sheet transactions.

The wording of each agreement determines in each case the transaction subject to netting. The reduction in the exposure of counterparty risk arising from the use of mitigation techniques (netting plus use of collateral agreements) implies a decrease in total exposure (current market value plus potential risk).

Main types of guarantors

The Group defines that the collateral shall be direct, explicit, irrevocable and unconditional in order to be accepted as risk mitigation. Furthermore, regarding admissible guarantors, BBVA Argentina accepts financial institutions (local or foreign), public entities, stock exchange companies, resident and non-resident companies, including insurance companies.

Credit quality of financial assets that are neither past due nor impaired

The Group has tools ("scoring” and "rating”) that enable it to rank the credit quality of its transactions and customers based on an assessment and its correspondence with the PD scales. To analyze the performance of PD, the Group has a series of tracking tools and historical databases that collect the relevant internally generated information. These tools can be grouped together into scoring and rating models, being the main difference between ratings and scorings is that the latter are used to assess retail products, while ratings use a wholesale banking customer approach.

These different levels and their PD were calculated by using as a reference the rating scales and default rates. These calculations establish the PD levels for the Bank’s Master Rating Scale. Although this scale is common to the entire Group, the calibrations (mapping scores to PD sections/Master Rating Scale levels) are carried out at the country level.

Financial risks

The Financial Risks Management of the Risks Management area applies the criteria, policies and procedures defined by the Board of Directors to manage, with a follow-up and control of its proper application, and proposing the necessary actions to maintain the quality of risk within the defined appetite for risk.

The financial risks management model of BBVA Argentina consists of the Market Risks and Structural Risks and Economic Capital Areas, which are coordinated for the control and follow-up of risks.

The management of these risks is in line with the basic principles of the Basel Committee on Banking Supervision, with a comprehensive process to identify, measure, monitor and control risks.

The organization of financial risks is completed with a scheme of committees in which it participates, for the purpose of having an agile management process integrated into the treatment of the various risks.

Among others:

- Assets and liabilities Committee (ALCO).
- Risk Management Committee (RMC).
- Financial Risks Committee (FRC).

BBVA Argentina has many tools and systems to manage and follow-up market risk, to achieve effective risk control and treatment.

Market risk

BBVA Argentina considers market risk as the likelihood of losses of value of the trading portfolio as a consequence of adverse changes in market variables affecting the valuation of financial products and instruments.

The main market risk factors the Group is exposed to are as follows:

- Interest rate risk: From exposure to changes in the various interest rate curves.

- Foreign exchange risk: From changes in the various foreign exchange rates. All positions in a currency other than the currency of the consolidated statements of financial position create foreign exchange risk.

The main market risk metric is Value at Risk ("VaR"), a parameter to estimate the maximum loss expected for the trading portfolio positions with a 99% confidence level and a time horizon of 1 day.

Current management structure and procedures in force include the follow-up of a limits and alerts scheme in terms of VaR, economic capital, stress and stop loss.

The market risk measurement model is periodically validated through Back-Testing to determine the quality and precision of the VaR estimate.

The Market Risk management model contemplates procedures for communication in the event the risks levels defined are exceeded, establishing specific communication and acting circuits based on the exceeded threshold.

The market risk measurement perimeter is the trading portfolio (trading book) managed by the Global Markets unit. This portfolio mainly consists of:

- Argentine Government Securities.
- BCRA Liquidity Bills
- Corporate Bonds.
- Foreign exchange spot.
- Derivatives (Exchange rate Futures and Forwards and Interest rate swaps).

The following tables show the trading portfolio total VaR and VaR per risk factors based on daily VaR information:

VaR (in millions of pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Average	303.54	141.13
Minimum	24.49	48.71
Maximum	1,586.80	263.07
Closing	296.22	112.22

VaR per risk factors – (in millions of pesos)

VaR interest rate	Year ended December 31, 2023	Year ended December 31, 2022
Average	336.97	157.79
Minimum	29.58	49.32
Maximum	2,163.96	298.07
Closing	298.78	121.29

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

VaR foreign exchange rate	Year ended December 31, 2023	Year ended December 31, 2022
Average	7.24	1.05
Minimum	0.29	-0.47
Maximum	190.63	65.11
Closing	12.28	0.15

Currency risk

The position in foreign currency is shown below:

	Total as of December 31, 2023	As of December 31, 2023 (per currency)				Total as of December 31, 2022
		US Dollar	Euro	Real	Other	
ASSETS						
Cash and cash equivalents	1,076,719,793	1,041,165,789	32,597,593	494,680	2,461,731	773,572,820
Financial assets at fair value through profit or loss - Debt securities	225,199,948	225,199,948	—	—	—	10,961,484
Other financial assets	80,696,615	80,681,827	14,788	—	—	59,884,911
Loans and advances	196,957,836	196,589,749	368,087	—	—	119,996,346
Financial assets at fair value through other comprehensive income - Debt securities	74,070,243	74,070,243	—	—	—	17,022,612
Financial assets at fair value through other comprehensive income - Equity instruments	432,216	404,468	27,748	—	—	187,625
TOTAL ASSETS	**1,654,076,651**	**1,618,112,024**	**33,008,216**	**494,680**	**2,461,731**	**981,625,798**
LIABILITIES						
Deposits	1,281,848,662	1,263,551,944	18,296,718	—	—	890,641,779
Other financial liabilities	79,930,161	73,958,024	5,400,352	—	571,785	68,186,188
Bank loans	3,119,096	2,800,253	318,843	—	—	3,455,761
Other liabilities	61,891,994	38,792,328	23,099,666	—	—	36,704,866
TOTAL LIABILITIES	**1,426,789,913**	**1,379,102,549**	**47,115,579**	**—**	**571,785**	**998,988,594**
NET ASSETS / (LIABILITIES)	**227,286,738**	**239,009,475**	**(14,107,363)**	**494,680**	**1,889,946**	**(17,362,796)**

The notional values of forward transactions, foreign currency forwards and interest rate swaps are detailed in Note 5.2.

Interest rate risk

Structural interest risk (SIR) gathers the potential impact of market interest rate variations on the margin of interest and the equity value of BBVA Argentina.

The process to manage this risk has a limits structure to keep the exposure to this risk within levels that are consistent with the appetite for risk and the business strategy defined and approved by the Board of Directors.

Within the core metrics used for measurement, follow-up and control, the following stand out:

- Margin at Risk (MaR): quantifies the maximum loss which may be recorded in the financial margin projected for 12 months under the worst case scenario of rate curves for a certain level of confidence.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

- Economic Capital (EC): quantifies the maximum loss which may be recorded in the economic value of the Group under the worst case scenario of rate curves for a certain level of confidence.

The Group additionally carries out an analysis of sensitivity of the economic value and the financial margin for parallel variations by +/- 100 basis points over interest rates.

The following table shows the sensitivity of the economic value (SEV), to +100 basis points variation presented as a proportion of Core Capital:

SEV +100 bps

	December 31, 2023	December 31, 2022
Closing	1.09%	0.62%
Minimum	0.67%	0.62%
Maximum	1.09%	1.42%
Average	0.79%	1.00%

The following table shows the sensitivity of the financial margin (SFM), to -100 basis points variation presented as a percentage of 12-month forecast net interest income:

SFM -100 bps

	December 31, 2023	December 31, 2022
Closing	0.30%	0.47%
Minimum	0.11%	0.43%
Maximum	0.35%	1.01%
Average	0.24%	0.75%

Liquidity and financing risk

Liquidity risk is defined as the possibility of the Group not efficiently meeting its payment obligations without incurring significant losses which may affect its daily operations or its financial standing.

The short-term purpose of the liquidity and financing risk management process at BBVA Argentina is to timely and duly address payment commitments agreed, without resorting to additional funding deteriorating the Group's reputation or significantly affecting its financial position, keeping the exposure to this risk within levels that are consistent with the appetite for risk and the business strategy defined and approved by the Board of Directors. In the medium and long term, to watch for the suitability of the financial structure of the Bank and its evolution, according to the economic situation, the markets and regulatory changes.

Within the core metrics used for measurement, follow-up and control of this risk, management considers the following to be most relevant:

LtSCD: (Loan to Stable Customers Deposits), measures the relationship between the net credit investment and the customers' stable resources, and is set forth as the key metric of appetite for risk. The goal is to preserve a stable financing structure in the medium and long term.

Below are the Bank's LtSCD ratios as of the dates indicated:

	December 31, 2023	December 31, 2022
LtSCD Closing	59.7%	58.0%
Max	80.3%	62.8%
Min	58.2%	54.6%
Avg	62.7%	58.6%

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

LCR: (Liquidity Coverage Ratio), BBVA Argentina calculates the liquidity coverage coefficient daily by measuring the relation between high quality liquid assets and total net cash outflows during a 30-day period.

Below are the Bank's LCR ratios as of the dates indicated:

	December, 2023	December, 2022
LCR Closing	271%	348%
Max	433%	348%
Min	151%	223%
Avg	246%	278%

The following chart shows the concentration of deposits as of December 31, 2023 and 2022:

	December 31, 2023		December 31, 2022	
Number of customers	Debt balance	% over total portfolio	Debt balance	% over total portfolio
10 largest customers	550,858,950	15.14%	304,614,921	7.45%
50 following largest customers	392,517,039	10.79%	439,358,749	10.74%
100 following largest customers	186,621,640	5.13%	166,445,085	4.07%
Rest of customers	2,509,309,031	68.94%	3,180,893,681	77.74%
TOTAL	**3,639,306,660**	**100.00%**	**4,091,312,436**	**100.00%**

The following chart shows the breakdown by contractual maturity of loans and advances, other financing and financial liabilities considering the total amounts to their due date, as of December 31, 2023 and 2022:

	Assets (1)		Liabilities (1)	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Up to 1 month (2)	948,027,726	1,156,925,565	3,870,639,601	3,924,202,723
From more than 1 month to 3 month	372,964,126	378,153,999	288,142,094	333,552,210
From more than 3 month to 6 month	351,924,061	284,396,797	100,401,517	342,760,271
From more than 6 month to 12 month	311,728,457	236,503,073	33,725,396	13,392,406
From more than 12 month to 24 month	210,364,472	250,085,084	11,714,874	10,388,584
More than 24 months	349,270,361	433,127,189	18,691,790	15,713,621
TOTAL	**2,544,279,203**	**2,739,191,707**	**4,323,315,272**	**4,640,009,815**

(1) These figures includes expected interest amounts. For floating rate instruments such interest amounts were calculated using interest rate prevailing at the end of each period.

(2) The Bank has liquid assets such as cash and cash equivalents (Note 4), reverse repurchase agreements (Note 6.3) and BCRA liquidity bills (Note 10.1), among others, to settle its liabilities.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Additionally, the Bank has issued financial guarantees and loan commitments which may require outflows on demand.

Financial guarantees and loan commitments	December 31, 2023	December 31, 2022
Up to 1 month	1,889,829,494	2,607,674,595
From more than 1 month to 3 month	22,031,136	20,057,032
From more than 3 month to 6 month	13,917,028	14,712,799
From more than 6 month to 12 month	23,063,990	7,609,973
From more than 12 month to 24 month	22,742,910	1,576,585
More than 24 months	5,176,587	2,847,496
TOTAL	**1,976,761,145**	**2,654,478,480**

The amounts of the Bank's financial assets and liabilities, which were expected to be collected or paid twelve months after the closing date as of December 31, 2023 and 2022 are set forth below:

	December 31, 2023	December 31, 2022
Financial assets		
Loans and advances	559,634,833	683,212,273
Debt securities	134,719,555	5,242,340,911
Other financial assets	34,420,575	23,594,306
Total	**728,774,963**	**5,949,147,490**
Financial liabilities		
Other financial liabilities	22,099,882	18,421,874
Bank loans	8,017,438	7,438,454
Deposits	289,344	241,877
Total	**30,406,664**	**26,102,205**

36. Fair values of financial instruments

a) Assets and liabilities measured at fair value

The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 2023 is detailed below:

	Book value	Total fair value	Level 1 Fair value	Level 2 Fair value	Level 3 Fair value
Financial assets at fair value through profit or loss					
- Debt securities	226,082,874	226,082,874	223,932,573	1,651,592	498,709
- Derivatives	10,001,900	10,001,900	—	10,001,900	—
- Equity instruments	3,967,748	3,967,748	3,967,748	—	—
Financial assets at fair value through other comprehensive income					
- Debt securities	841,884,579	841,884,579	655,381,499	181,812,303	4,690,777
- Equity instruments	1,984,994	1,984,994	—	432,216	1,552,778
Total	**1,083,922,095**	**1,083,922,095**	**883,281,820**	**193,898,011**	**6,742,264**
Financial liabilities at fair value through profit or loss					
- Trading liabilities	10,330,335	10,330,335	10,325,192	5,143	—
- Derivatives	2,145,218	2,145,218	—	2,145,218	—
Total	**12,475,553**	**12,475,553**	**10,325,192**	**2,150,361**	**—**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 2022 is detailed below:

	Book value	Total fair value	Level 1 Fair value	Level 2 Fair value	Level 3 Fair value
Financial assets at fair value through profit or loss					
- Debt securities	79,470,642	79,470,642	12,198,634	67,272,008	—
- Derivatives	7,063,310	7,063,310	—	7,063,310	—
- Equity instruments	14,961,750	14,961,750	14,961,750	—	—
Financial assets at fair value through other comprehensive income					
- Debt securities	1,922,232,187	1,922,232,187	214,213,701	1,705,993,417	2,025,069
- Equity instruments	188,301	188,301	—	188,301	—
Total	**2,023,916,190**	**2,023,916,190**	**241,374,085**	**1,780,517,036**	**2,025,069**
Financial liabilities at fair value through profit or loss					
- Derivatives	1,041,154	1,041,154	—	1,041,154	—
Total	**1,041,154**	**1,041,154**	**—**	**1,041,154**	**—**

Financial assets at fair value mainly consist of BCRA Liquidity Bills and Argentine Government Bonds, together with a minor share in Argentine Treasury Bills, Corporate Bonds and Equity Instruments. Likewise, financial derivatives are classified at fair value, which include futures that are valued at the price of the market where they are traded and foreign currency NDF (non-delivery forwards), put options, and interest rate swaps.

b) Transfers between hierarchy levels

The Entity monitors the availability of market information in order to assess the category of financial instruments in the different hierarchies at fair value, as well as the resulting determination of inter-level transfers at each closing, considering the comparison of hierarchy levels of the current year versus previous year levels.

b.1) Transfers from Level 1 to Level 2

There were no transfers from Level 1 to Level 2 for instruments measured at fair value through profit or loss or through OCI as of period-end.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

b.2) Transfers from Level 2 to Level 1

The following instruments measured at fair value were transferred from Level 2 to Level 1 of the fair value hierarchy as of December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Treasury Bonds adjusted by 1.55% CER in pesos maturing 07-26-2024	51,382,569	—
Treasury Bonds adjusted by 2.00% CER in pesos maturing 11-09-2026	33,984	—

The transfer is due to the fact that the bonds were listed on the market the number of days necessary to be considered Level 1. As of December 31, 2022, there were no transfers from Level 2 to Level 1.

b.3) Valuation techniques for Levels 2 and 3

The valuation techniques for Level 2 and 3 are described in the paragraphs below.

Fixed Income

The determination of fair value prices set forth by the Bank for fixed income consists of considering reference market prices from Mercado Abierto Electrónico ("MAE"), the main market where bonds are traded.

For Argentine Treasury Bonds (medium- and long-term debt instruments) prices are captured from MAE. If bonds have not traded for the last 10 business days, fair value is determined by discounting cash flows using the pertinent discount curve.

Except for BCRA internal bills in US dollars to be settled in Argentine pesos at the benchmark exchange rate (LEDIV), which cannot be transferred and do not accrue any interest, they are valued at their latest subscription price plus current interest.

Liquidity bills issued by the BCRA without quoted prices in MAE on the last day of the month were assigned a theoretical value, discounting cash flows using the monetary policy rate.

In the case of Corporate Bonds in Dollars, the Entity value them by bringing the future flow of funds to present value with an interest rate curve with comparable Corporate Bonds.

Swaps

For swaps, the theoretical valuation consists in discounting future cash flows using the interest rate, according to the curve estimated on the basis of fixed-rate peso-denominated bonds and bills issued by the Argentine Government and/or alternatively in case there are no bonds in pesos of some comparable issuer with a market price (Province of Buenos Aires or City of Buenos Aires Bonds).

Non-Deliverable Forwards ("NDFs")

The fair value of NDFs consists of discounting the future cash flows to be exchanged pursuant to the contract, using a discount curve that will depend on the currency of each cash flow. The result is then calculated by subtracting the present values in pesos, estimating the value in pesos based on the applicable spot exchange rate, depending on whether the contract is local or offshore.

For local peso-dollar swap contracts, cash flows in pesos are discounted using the yield curve in pesos resulting from the prices of ROFEX futures and the U.S. dollar spot selling exchange rate published by Banco de la Nación Argentina ("BNA"). Cash flows in U.S. dollars are discounted using the Overnight Index Swap (OIS) international dollar yield curve. Then, the present value of cash flows in dollars is netted by converting such cash flows into pesos using the U.S. dollar spot selling exchange rate published by BNA.

For local peso-euro swap contracts, cash flows in pesos are discounted using the yield curve in pesos resulting from the prices of ROFEX futures and the U.S. dollar spot selling exchange rate published by BNA. Cash flows in euros are discounted using the yield curve in euros. Then, the present value of cash flows in euros is netted by converting such cash flows into pesos using the euro spot selling exchange rate published by Banco de la Nacion Argentina (BNA).

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

For offshore peso-dollar swap contracts, cash flows in pesos are discounted using the yield curve in pesos resulting from market quoted forward prices sourced from ICAP Broker. Cash flows in dollars are discounted using the OIS yield curve. Then, the present value of cash flows in dollars is netted by converting such cash flows into pesos using the Emerging Markets Traders Association (EMTA) U.S. dollar spot exchange rate.

The valuation techniques used for Level 3 financial assets require the use of variables that are not based on observable market inputs. Below is a detail of the valuation techniques used for each financial asset:

Investments in Equity Instruments

Investments in equity instruments for which the Group has no control, joint control or a significant influence are measured at fair value through profit or loss and at fair value through other comprehensive income based on the latest information available of these companies.

Corporate Bonds

The fair value of the following corporate bonds held in portfolio:

- ON Arcor (ON ARCOR17)
- Refi Pampa (ON REF2B)
- ON Banco de Servicios Financieros (ON BSCNO)
- ON Petroquímica Comodoro Rivadavia S.A. (ON PQCLO)
- Toyota Cia Financiera (ON TYCYO)
- ON Newsan (ON WNCFO)
- Newsan S.A (ON WNCGO)
- Newsan S.A (ON WNCJO)
- Newsan S.A (ON WNCKO)

The valuation of corporate bonds classified as Level 3 has been determined by the Entity's Management on the basis of the latest available market price (or subscription price, if the security had not been listed in a market since the date of issuance) plus interest accrued to date. If the security has paid coupon, then the "clean" price is calculated. If principal was repaid, then repayment amount is deducted and the "dirty" price is recalculated, with interest being accrued until period end.

The most relevant non-observable inputs include:

- Latest market price
- Projected UVA
- Projected Badlar private rate

The tables below show a sensitivity analysis for each of the above-mentioned securities:

Latest market price scenarios	Changes in final price								
	ON ARCOR17	ON REF2B	ON BSCNO	ON PQCLO	ON TYCYO	ON WNCFO	ON WNCGO	ON WNCJO	ON WNCKO
+2%	2.000%	2.000%	1.910%	2.190%	1.740%	2.100%	1.950%	1.900%	0.070%
+5%	5.000%	5.000%	4.810%	5.480%	4.360%	5.250%	4.880%	4.740%	3.120%
+10%	10.000%	10.000%	5.710%	10.960%	8.720%	10.510%	9.750%	9.480%	8.190%

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

UVA Scenarios	Changes in final price ON ARCOR17	ON REF2B
+5%	5.000%	5.000%
+10%	10.000%	10.000%
+15%	15.000%	15.000%

Badlar Privated rate	Changes in final price ON BSCNO	ON PQCLO	ON TYCYO	ON WNCFO	ON WNCGO	ON WNCJO	ON WNCKO
5%	0.0811%	-0.2928%	0.4139%	-0.3570%	-0.1110%	0.3244%	0.5667%
10%	0.2416%	0.0634%	0.8278%	0.1940%	0.2014%	0.4777%	0.7295%
15%	0.4022%	0.4197%	1.2418%	0.3958%	0.5137%	0.6310%	0.8923%

Sell Options

The sensitivity analysis (based on the price of the underlying asset) for the put options in the Bank’s portfolio is presented below.

The put options in the Bank’s portfolio with their corresponding underlying asset are detailed below:

Asset	Underlying
2X5N2D001	BONO T2X5
3X4N4C001	BONO T3X4
4X4N9P001	BONO T4X4
4X4NDD001	BONO T4X4
4X4NOB001	BONO T4X4
4X4NOE001	BONO T4X4
PRBNOB001	BONO T4X4
T5XNDD001	BONO T5X4
T5XNDD002	BONO T5X4
TDJD6U001	BONO TDJ24
TDJN6U001	BONO TDJ24
TDJN6U002	BONO TDJ24
TDJNOV001	BONO TDJ24

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Put- Underlying

Scenarios Changes % Price Sub	Changes in final price						
	2X5N2D001	3X4N4C001	4X4N9P001	4X4NDD001	4X4NOB001	4X4NOE001	PRBNOB001
-6.000%	2.69%	3.86%	3.33%	3.33%	3.33%	3.33%	3.33%
-4.000%	0.55%	1.70%	1.18%	1.18%	1.18%	1.18%	1.18%
-2.000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-0.010%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.010%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2.000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4.000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6.000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Scenarios Changes % Price Sub	Changes in final price					
	T5XNDD001	T5XNDD002	TDJD6U001	TDJN6U001	TDJN6U002	TDJNOV001
-6.000%	3.31%	3.31%	5.36%	5.36%	5.36%	5.36%
-4.000%	1.15%	1.15%	3.17%	3.17%	3.17%	3.17%
-2.000%	0.00%	0.00%	1.06%	1.06%	1.06%	1.06%
-0.010%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.010%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2.000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4.000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6.000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

b.4) Reconciliation of opening and ending balances of Level 3 assets and liabilities at fair value

The following table shows a reconciliation between opening balances and final balances of Level 3 fair values as of December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Balance at the beginning of the fiscal year	**2,025,069**	**31,270,903**
Private securities - Corporate bonds	4,040,478	(1,217,351)
Debt securities at fair value through profit or loss - Private securities - Corporate bonds	498,709	—
Other financial assets - Receivable from Prisma Medios de Pago S.A.	—	(13,739,311)
Gain from the sale of financial assets - Prima Medios de Pago S.A.	—	1,557,976
Net monetary inflation adjustment	(1,374,770)	(15,847,148)
Equity instruments	1,552,778	—
Balance at year-end	**6,742,264**	**2,025,069**

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

c) 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

For financial assets and financial liabilities maturing in less than three months, it is considered that the accounting balance is similar to fair value.

- Fixed rate financial instruments

The fair value of financial assets was assessed by discounting future cash flows from market rates at each measurement date for financial instruments with similar characteristics, adding a liquidity premium (non-observable input) that expresses the added value or additional cost necessary to dispose of the asset.

- Variable rate financial instruments

For financial assets and financial liabilities accruing a variable rate, it is considered that the accounting balance is similar to the fair value.

The fair value hierarchy of assets and liabilities not measured at fair value as of December 31, 2023 is detailed below:

	Book value	Total fair value	Level 2 Fair value	Level 3 Fair value
Financial assets				
Cash and cash equivalents	1,142,679,367	(a)	—	—
Other financial assets	171,212,909	(a)	—	—
Debt securities	83,823,214	97,167,314	97,167,314	—
Loans and advances	1,975,497,390	1,873,436,751(b)	—	1,873,436,751
Reverse repurchase agreements	1,201,149,144	(a)	—	—
Financial liabilities				
Deposits	3,639,306,660	3,598,681,184	3,598,681,184	—
Other financial liabilities	448,258,450	(a)	—	—
Bank loans	28,189,967	27,621,005	27,621,005	—
Debt securities issued	12,816,710	13,043,560	13,043,560	—

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

The fair value hierarchy of assets and liabilities not measured at fair value as of December 31, 2022 is detailed below:

	Book value	Total fair value	Level 2 Fair value	Level 3 Fair value
Financial assets				
Cash and cash equivalents	922,374,620	(a)	—	—
Other financial assets	181,586,921	(a)	—	—
Debt securities	117,766,716	138,663,334	138,663,334	—
Loans and advances	2,233,080,125	2,090,403,908	—	2,090,403,908
Reverse repurchase agreements	163,404,615	(a)	—	—
Financial liabilities				
Deposits	4,091,312,436	4,011,915,404	4,011,915,404	—
Other financial liabilities	368,805,430	(a)	—	—
Bank loans	61,886,118	59,687,835	59,687,835	—
Debt securities issued	595,354	591,578	591,578	—

a) The Group does not report the fair value as the accounting values are a reasonable approximation of the fair values.
b) The Bank's Management has not identified additional impairment indicators of its financial assets as a result of the differences in the fair value thereof.

37. Segment reporting

Basis for segmentation

The Bank identified the operating segments based on the management information reviewed by the chief operating decision maker. As of December 31, 2023, and 2022, the Group has determined that it has only one reportable segment related to banking activities.

Most of the Group's operations, property and customers are located in Argentina. No customer has generated 10% or more of the Group's total income.

The following is relevant information on loans and deposits by business line as of December 31, 2023 and 2022:

Group (banking activity) (1)	December 31, 2023	December 31, 2022
Financial assets at amortized cost - Loans and advances	1,975,497,390	2,233,080,125
Corporate banking (2)	137,874,430	209,874,068
Small and medium companies (3)	881,881,010	815,544,667
Retail	955,741,950	1,207,661,390
Other assets	4,134,611,115	3,845,376,549
TOTAL ASSETS	**6,110,108,505**	**6,078,456,674**
Financial liabilities at amortized cost – Deposits	3,639,306,660	4,091,312,436
Corporate banking (2) (3)	988,616,579	884,612,690
Small and medium companies (2) (3)	622,225,377	758,005,276
Retail	2,028,464,704	2,448,694,470
Other liabilities	1,056,025,149	861,719,180
TOTAL LIABILITIES	**4,695,331,809**	**4,953,031,616**

(1) It includes BBVA Asset Management Argentina S.A.U. Sociedad Gerente de Fondos Comunes de Inversión, Consolidar A.F.J.P. (undergoing liquidation proceedings), PSA Finance Argentina Cía. Financiera S.A. and Volkswagen Financial Services Compañía Financiera S.A.
(2) It includes the Financial Sector.
(3) It includes Government Sector.

The information in relation to the operating segment (Group banking activity) is the same as that set out in the Consolidated Statement of Profit or Loss, considering that it is the measure used by the Entity's highest authority in making decisions about the allocation of resources and performance evaluation.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

38. Related parties

a) Parent

The Bank's direct controlling entity is Banco Bilbao Vizcaya Argentaria, S.A.

b) Key Management personnel

Key management personnel are those having the authority and responsibility for planning, managing and controlling the Bank's activities, whether directly or indirectly.

Based on that definition, the Bank considers the members of the Board of Directors as key management personnel.

b.1) Remuneration of key management personnel

The key personnel of the Board of Directors received the following compensations for the years ended December 31, 2023, 2022 and 2021:

	December 31, 2023	December 31, 2022	December 31, 2021
Fees	260,104	281,622	329,596
Total	**260,104**	**281,622**	**329,596**

b.2) Balances and results arising from transactions with key management personnel

	Balances as of		Results		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2021
Loans					
Credit cards	37,505	65,429	20,541	13,939	6,552
Overdrafts	—	6	15	50	—
Mortgage loans	1,430	3,288	68,729	51,447	1,426
Deposits	88,640	119,835	26,352	1,149	2,146

Loans are granted on an arm's length basis. All loans to key management personnel were classified as performing.

b.3) Balances and results arising from transactions with related parties (except key management personnel)

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Parent	Balances as of December 31, 2023	Balances as of December 31, 2022	Results December 31, 2023	Results December 31, 2022	Results December 31, 2021
Cash and other demand deposits	10,922,469	2,136,505	—	—	—
Financial assets pledged as collateral(2)	—	176,508	—	—	—
Other financial assets(2)	113,600	1,640,794	—	—	—
Other liabilities	45,299,560	81,819,668	51,066,746	41,067,033	24,408,155
Derivatives (Liabilities)(1)	—	34,501	189,783	69,054	3,627,971
Off-balance sheet transaction					
Securities in custody (3)	861,464,724	574,069,135	—	—	—
Derivative instruments (Notional amount)	—	6,019,082	—	—	—
Guarantees granted (4)	15,741,245	7,187,249	34,032	30,368	47,246
Guarantees received	19,902,455	8,484,843	—	—	—

(1) The result of the Derivative Instruments (Asset) is disclosed in the Derivative Instruments (Liability) line.
(2) These operations do not generate results.
(3) These balances represent the shares in custody of Banco BBVA Argentina SA held by BBVA and BBV América.
(4) These balances represent commercial guarantees granted.

Subsidiaries(1) / Associates / Joint Ventures	Balances as of December 31, 2023	Balances as of December 31, 2022	Results December 31, 2023	Results December 31, 2022	Results December 31, 2021
Cash and other demand deposits	—	1,853	—	—	—
Loans and advances	27,549,523	45,444,864	35,920,259	27,958,586	24,270,775
Debt securities at fair value through profit or loss	—	—	—	—	10,547
Derivatives (Assets)	—	92,737	151,227	318,833	—
Other financial assets	438,171	1,331,883	—	—	—
Deposits	14,301,546	5,155,041	4,454,404	932,872	860,510
Other liabilities	1,324,162	72	3,922,886	149	24,912
Financing received	—	499,887	249,280	208,427	—
Fee and commission income	—	—	712,997	825	—
Other operating income (2)	—	—	1,127,598	867,315	429,026
Other administrative expenses	—	—	49,303	—	—
Off-balance sheet transaction					
Interest rate swaps (notional amount)	—	4,671,087	—	—	—
Securities in custody	21,277,312	25,117,042	—	—	—
Guarantees received	—	2,245,950	—	—	—
Guarantees granted (3)	280,500	426,046	—	—	—

(1) The transactions between BBVA and its subsidiaries detailed in the preceding table were eliminated for the purposes of consolidation in the Consolidated Financial Statements as of December 31, 2023.
(2) Operating leases.
(3) These balances represent commercial guarantees granted.

Transactions have been agreed upon on an arm's length basis. All loans to related parties were classified as performing.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

39. Leases

The Group as lessee

The Group leases branches under lease contracts. Leases are typically for a term of 5 years, with the option to renew after that date. Payments for leases are increased annually to reflect the market conditions.

Below are the minimum future payments of leases under lease contracts not subject to cancellation as of December 31, 2023 and 2022:

	Leases in U.S. dollars	Leases in local currency	Total December 31, 2023	Total December 31, 2022
Up to 1 year	1,132,081	90,698	1,222,779	962,674
From 1 to 5 years	16,889,173	689,136	17,578,309	9,830,237
More than 5 years	4,495,220	212,522	4,707,742	2,057,987
TOTAL			**23,508,830**	**12,850,898**

The interest on liabilities from finance lease as of December 31, 2023 and 2022, amounts to 1,699,151 and 1,935,792, respectively. The exchange rate loss difference recognized in profit or loss as of December 31, 2023 and 2022, amounts to 25,883,804 and 12,895,722, respectively.

40. Investment Portfolio - Government and Corporate Securities

The Group owns, manages and trades a portfolio of securities issued by the Argentine and other governments and corporate issuers. The following table sets out the Group's investments in Argentine and other governments and corporate securities as of December 31, 2023 and 2022 by type and currency of denomination.

Account	Fair value level	Book Value 12.31.23	Book Value 12.31.22
DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
Local:			
Government Securities - In pesos			
Treasury Bills adjusted by Cer Maturity 01-18-2024	1	205,177	—
Treasury Bonds adjusted by 4% CER in pesos. Maturity 10-14-2024	1	179,040	—
Argentine Treasury Bond in pesos 16% Maturity 10-17-2023	2	—	21,758,711
Treasury Bills adjusted by Cer Maturity 02-17-2023	1	—	1,237,150
Subtotal Government Securities - In pesos		384,217	22,995,861
Government Securities - In foreign currency			
Argentine Treasury Bond in dual currency. Maturity 06-30-2024	1	216,222,852	—
Argentine Treasury Bond in dual currency. Maturity 02-28-2024	1	7,269,735	—
GD30 Bond Foreign Law USD Step Up. Maturity 07-09-2030	1	28,433	—
AL30 Bond Local Law USD Step Up. Maturity 07-09-2030	1	27,336	—
Argentine Treasury Bond in dual currency. Maturity 07-31-2023	1	—	10,961,484
Subtotal Government Securities - In foreign currency		223,548,356	10,961,484
BCRA Bills - In pesos			
BCRA Liquidity Bills in pesos. Maturity 01-12-2023	2	—	45,513,297
Subtotal BCRA Liquidity Bills - In pesos		—	45,513,297

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Private Securities - In pesos			
Corporate bond New San S.A. Series 18 in Pesos BADLAR Privated + 300 pbs. Maturity 10-17-2024	3	263,784	—
Corporate bond New San S.A. Series 19 in Pesos Monetary Policy Rate. Maturity 10-17-2024	3	234,746	—
Corporate bond Toyota Cia Financiera Series 32 in Pesos. Maturity 02-09-2025	3	179	—
Subtotal Private Securities - In Pesos		498,709	—
Private Securities - In foreign currency			
Corporate bond Central Puerto Series A in US$. Maturity 03-14-2026	2	1,651,592	—
Subtotal Private Securities - In foreign currency		1,651,592	—
TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		**226,082,874**	**79,470,642**
EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Local:			
Private Securities - In pesos			
Mutual Funds	1	741,812	12,227,984
Share - BYMA - Bolsas y Mercados Argentina	1	2,169,288	1,741,880
Share - Banco de Valores de Bs. As.	1	1,056,648	991,886
Subtotal Private Securities - In pesos		3,967,748	14,961,750
TOTAL EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS		**3,967,748**	**14,961,750**
DEBT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME			
Local:			
Government Securities - In pesos			
Treasury Bonds adjusted by 4.25% CER in pesos. Maturity 12-13-2024	1	218,925,057	—
Treasury Bonds adjusted by 4% CER in pesos. Maturity 10-14-2024	1	194,471,116	—
Treasury Bonds adjusted by 4.25% CER in pesos. Maturity 02-14-2025	1	56,074,420	—
Treasury Bonds adjusted by 1.55% CER in pesos. Maturity 07-26-2024	1	51,382,569	79,834,269
Treasury Bonds adjusted by 3.75% CER in pesos. Maturity 04-14-2025	1	791,192	—
Treasury Bonds adjusted by 1.50% CER in pesos. Maturity 03-25-2024	1	166,382	77,406,739
Treasury Bonds Bond adjusted by 2% CER in pesos Tx26 (Boncer). Maturity 11-9-2026	1	33,984	25,733,504
Treasury Bonds adjusted by 1.45% CER in pesos. Maturity 08-13-2023	2	—	64,755,218
Treasury Bills adjusted by CER. Maturity 05-19-2023	1	—	41,147,674
Treasury Bills at discount ARS Maturity 03-31-2023	2	—	28,272,875
Treasury Bonds adjusted by 1.40% CER in pesos. Maturity 03-25-2023	1	—	27,186,318
Treasury Bills at discount ARS Maturity 04-28-2023	2	—	24,896,271
Treasury Bills adjusted by CER. Maturity 06-16-2023	1	—	15,154,084
Treasury Bills at discount ARS Maturity 05-31-2023	2	—	4,552,030
Treasury Bills adjusted by CER. Maturity. 04-21-2023	1	—	2,075,455
Subtotal Government Securities - In pesos		521,844,720	391,014,437
Government Securities - In foreign currency			
Dollar-linked 0,40% Argentine Treasury Bonds. Maturity 04-30-2024	1	29,721	—
Dollar-linked Argentine Treasury Bonds. Maturity 04-28-2023	1	—	835,190
Subtotal Government Securities - In foreign currency		29,721	835,190
BCRA Bills - In pesos			
BCRA Liquidity Bills in pesos. Maturity 01-11-2024	2	55,990,918	—
BCRA Liquidity Bills in pesos. Maturity 01-09-2024	2	4,444,215	—
BCRA Liquidity Bills in pesos. Maturity 01-02-2024	2	49,863	—
BCRA Liquidity Bills in pesos. Maturity 01-26-2023	2	—	516,342,664
BCRA Liquidity Bills in pesos. Maturity 01-03-2023	2	—	185,356,395
BCRA Liquidity Bills in pesos. Maturity 01-05-2023	2	—	184,805,499
BCRA Liquidity Bills in pesos. Maturity 01-10-2023	2	—	152,318,435
BCRA Liquidity Bills in pesos. Maturity 01-17-2023	2	—	150,203,008
BCRA Liquidity Bills in pesos. Maturity 01-12-2023	2	—	136,539,892
BCRA Liquidity Bills in pesos. Maturity 01-19-2023	2	—	134,601,157
Subtotal BCRA Bills - In pesos		60,484,996	1,460,167,050
BCRA Bills - In foreign currency			
Local BCRA Bills in USD. Maturity 11-16-2024	2	44,709,127	—
Local BCRA Bills in USD. Maturity 11-20-2024	2	16,978,149	—
Local BCRA Bills in USD. Maturity 11-23-2024	2	6,467,866	—
Local BCRA Bills in USD. Maturity 11-27-2024	2	1,616,967	—
Local BCRA Bills in USD. Maturity 09-29-2023	2	—	1,654,764
Local BCRA Bills in USD. Maturity 10-03-2023	2	—	1,654,764
Local BCRA Bills in USD. Maturity 10-04-2023	2	—	1,654,764
Local BCRA Bills in USD. Maturity 10-05-2023	2	—	1,103,176
Local BCRA Bills in USD. Maturity 09-23-2023	2	—	551,587
Subtotal BCRA Bills - In foreign currency		69,772,109	6,619,055

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Private Securities - In pesos			
Corporate Bond Arcor Class 17 adjusted by UVA. Maturity 10-20-2025	3	3,836,170	1,919,543
Corporate bond New San S.A. in Pesos BADLAR Privated + 440 pbs. Maturity 02-14-2024	3	225,822	—
Corporate Bond Bco. de Serv. Financieros Class 22 in Pesos at Floating rate. Maturity 03-03-2024	3	216,530	—
Corporate Bond Petroquímica Com. Rivadavia S.A. in Pesos at Floating Rate. Maturity 08-15-2024	3	172,734	—
Corporate bond New San S.A. in Pesos BADLAR Privated + 55 pbs. Maturity 05-19-2024	3	152,317	—
Corporate Bond Refi Pampa Class 2 adjusted by UVA.Maturity 05-06-2025	3	87,204	105,526
Subtotal Private Securities - In pesos		4,690,777	2,025,069
Private Securities - In foreign currency			
Corporate Bond Pampa Energia S.A. Class 18 in USD. Maturity 09-08-2025	2	1,602,518	—
Corporate Bond Empresa de Gas del Sur (EMGASUD) S.A. Series 39 in USD. Maturity 07-14-2028	2	1,338,658	—
Corporate Bond Vista Energy Class 20 USD. Maturity 07-20-2025	2	1,326,772	—
Corporate Bond Luz De Tres Picos Class 4 in USD. Maturity 09-29-2026	2	347	1,731,557
Corporate bond Petroquimica Comodoro Rivadavia Class O in USD. Maturity 09-22-2027	2	118	—
Corporate Bond Vista Energy Class 13 in USD. Maturity 08-08-2024	2	—	4,213,672
Corporate Bond Vista Energy Class 15 in USD. Maturity 01-21-2024	2	—	2,755,540
Corporate Bond Pcr Class H in USD. Maturity 12-17-2024	2	—	589,815
Dollar-linked Corporate Bond Molinos Agro. Maturity 05-18-2023	2	—	277,783
Subtotal Private Securities - In foreign currency		4,268,413	9,568,367
Financial assets pledged as collateral - In pesos			
Argentine Treasury Bonds adjusted by 1.55% CER in pesos. Maturity 07-26-2024	1	88,825,583	1,594,778
BCRA Liquidity Bills in pesos. Maturity 01-09-2024	2	44,073,415	—
Argentine Bond adjusted by 2% CER in pesos Tx26 (Boncer). Maturity 11-9-2026	1	36,754,500	—
Treasury Bonds in pesos adjusted by 4.25% CER. Maturity 02-14-2025	1	5,016,975	—
Treasury Bills adjusted by CER. Maturity 05-19-2023	1	—	18,202,642
Treasury Bills adjusted by CER. Maturity 06-16-2023	1	—	1,962,965
Treasury Bonds adjusted by 1.40% CER in pesos. Maturity 03-25-2023	1	—	19,067,599
Treasury Bonds adjusted by 1.50% CER in pesos. Maturity 03-25-2024	1	—	11,175,035
Subtotal Financial assets pledged as collateral - In pesos		174,670,473	52,003,019
Financial assets pledged as collateral - In foreign currency			
Dollar-linked Argentine Treasury Bond. 0.40%. Maturity 04-30-2024	1	2,910,000	—
Corporate Bond Luz De Tres Picos Class 4 in USD. Maturity 09-29-2026	2	2,134,139	—
Corporate bond Petroquimica Comodoro Rivadavia Class O in USD. Maturity 09-22-2027	2	731,830	—
Corporate Bond Pcr Class H in USD	2	347,401	—
Subtotal Financial assets pledged as collateral - In foreign currency		6,123,370	—
TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		**841,884,579**	**1,922,232,187**
EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME			
Local:			
Private Securities - In pesos			
Other	3	1,552,778	676
Subtotal Private Securities - In pesos		1,552,778	676
Foreign:			
Private Securities - In foreign currency			
Other	2	432,216	187,625
Subtotal Private Securities - In foreign currency		432,216	187,625
TOTAL EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		**1,984,994**	**188,301**
DEBT SECURITIES AT AMORTIZED COST			
Government Securities - In pesos			
Argentine Treasury Bonds in pesos. Maturity 08-23-2025		49,502,692	—
Argentine Treasury Bonds in pesos. Maturity 05-23-2027		32,406,871	100,997,240
Argentine Treasury Bonds in pesos, 0.7% Baldar Private rate. Maturity 11-23-2027		14,771,877	37,662,724
Subtotal Government Securities - In pesos		96,681,440	138,659,964
Allowances for credit losses		(12,858,226)	(20,893,248)
TOTAL DEBT SECURITIES AT AMORTIZED COST		**83,823,214**	**117,766,716**

41. Restrictions to the distribution of earnings

a) In accordance with the regulations of the BCRA, 20% of the income for the year plus/less adjustments of prior years' results, transfers from other comprehensive income to unappropriated retained earnings and less the accumulated loss at the end of the previous year, if any, must be allocated to the legal reserve. Consequently, the next Shareholders' Meeting must apply 32,908,380 of Retained Earnings to increase the balance of such reserve.

b) The mechanism to be followed by financial institutions to assess distributable balances is defined by the BCRA by means of the regulations in force on "Distribution of earnings" provided that certain situations are not verified, namely: to receive financial assistance from such entity due to illiquidity, shortfalls as regards minimum capital requirements or minimum cash requirements, to fall under the scope of the provisions of Sections 34 and 35 bis of the Financial Institutions Law (sections referred to regularization and correction plans and restructuring of the Entity), among other conditions detailed in the referred communication to be complied with. Furthermore, distribution of earnings as approved by the Entity's Shareholders' Meeting shall not be effective unless approved by the Superintendency of Financial and Foreign Exchange Institutions of the BCRA.

In addition, no distributions of earnings shall be made with the profits resulting from the first time application of IFRS, which shall be included as a special reserve, and the balance of which as of December 31, 2023 amounted to 73,946,842 in accordance with BCRA GAAP.

Besides, the Entity shall verify that, once the proposed distribution of earnings is made, a capital conservation margin equivalent to 2.5% of the risk-weighted assets is kept, which is additional to the minimum capital requirement set forth by law, and shall be paid in with level 1 ordinary capital (COn1), net of deductible concepts (CDC0n1).

In accordance with the provisions of Communication "A" 7719 of the BCRA, effective from April 1 to December 31, 2023, financial institutions may distribute earnings for up to 40% of the amount that would have corresponded to them. As from April 1, 2023, those financial institutions that have obtained the authorization of the BCRA must distribute earnings in 6 equal, monthly and consecutive installments.

On March 21, 2024 the BCRA issued Communication "A" 7984, effective until December 31, 2024, which established that financial institutions may distribute earnings for up to 60% of the amount that would have corresponded to them in 6 equal, monthly and consecutive installments once authorization is obtained by the BCRA.

c) Pursuant to the provisions of General Resolution 622 of the CNV, the Shareholders' Meeting that considers the annual financial statements shall resolve upon the specific use of accumulated earnings of the Entity.

In compliance with the above, on May 15, 2020, the Ordinary and Extraordinary Shareholders' Meeting was held approved the partial reversal of the other reserve for future distribution of earnings in the amount of 2,500,000 (28,049,337 in restated amounts) to the payment of a cash dividend subject to the prior authorization of the BCRA.

On November 20, 2020, the General Extraordinary Shareholders' Meeting was held approving the partial reversal of the other reserve for future distribution of earnings in the amount of 12,000,000 (114,274,644 in restated amounts) and considering a supplementary dividend for the same amount, in order to increase the amount of the cash dividend approved by the General Ordinary and Extraordinary Shareholders' Meeting held on May 15, 2020, all subject to the prior authorization of the BCRA.

On April 20, 2021, the General Ordinary and Extraordinary Shareholders' Meeting was held and the following was approved:

- To absorb the amount of 29,431,352 (269,477,346 in restated values) of the other reserve for future distribution of earnings to apply it to the negative balance of Unappropriated Retained Earnings as of December 31, 2020.
- To approve the partial reversal of the other reserve for future distribution of earnings in order to allocate the amount of 7,000,000 (54,517,622 in restated values) to the payment of a cash dividend subject to the prior authorization of the BCRA.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

On November 3, 2021, the General Extraordinary Shareholders' Meeting was held approving the partial reversal of the other reserve for future distribution of earnings in the amount of 6,500,000 (40,942,629 in restated amounts) and considering a supplementary dividend for the same amount, in order to increase the amount of the cash dividend approved by the General Ordinary and Extraordinary Shareholders' Meeting held on April 20, 2021, all subject to the prior authorization of the BCRA.

On April 29, 2022, the General Ordinary and Extraordinary Shareholders' Meeting was held and the following was approved:

- To allocate 3,934,134 (23,864,219 in restated values) out of unappropriated retained earnings for fiscal year 2021 to the legal reserve.
- To allocate 15,736,535 (95,456,876 in restated values) out of unappropriated retained earnings for fiscal year 2021 to the other reserve for future distribution of earnings.
- Also, in relation to the dividends approved by the Shareholders' Meetings of May 15, 2020, November 20, 2020, April 20, 2021 and November 3, 2021, authorization was applied for to the BCRA for the distribution of 13,165,209 (in nominal amounts).

On June 7, 2022, the BCRA approved the distribution of 13,165,209 (in nominal amounts) as dividends, which have been made available to shareholders.

On April 28, 2023, the General Ordinary and Extraordinary Shareholders' Meeting was held and the following was approved:

- To allocate 11,765,158 (36,637,383 in restated amounts) out of Unappropriated retained earnings for fiscal year 2022 to the Legal Reserve.
- To allocate 47,060,630 (146,549,534 in restated amounts) to Unappropriated retained earnings for fiscal year 2022 to the Optional Reserve for future distribution of earnings.
- To allocate 35,566,224 (77,877,236 in restated amounts) to the payment of dividends by partially reversing the Optional Reserve for future distribution of earnings.
- To request the BCRA for authorization to pay dividends for 50,401,015 (in nominal amounts).

On May 31, 2023, the BCRA approved the distribution of 50,401,015 as dividends which will be paid in kind through the delivery of 49,524,433,015 Argentine discount government bills in Argentine pesos (in nominal values), adjusted by CER and maturing on November 23, 2023 (ISIN ARARGE520DT9) Ticker X23N3 (Caja de Valores code 9197), and decided that dividends should be paid based on the following schedule:

2023

No. Installment	Cut off Date	Payment Date	National Treasury Bill in Pesos adjusted by Cer. at discount. Maturity 11-23-23 Nominal value
1	June 22	June 27	8,254,072,169
2	July 17	July 20	8,254,072,169
3	August 3	August 8	8,254,072,169
4	September 5	September 8	8,254,072,169
5	October 2	October 5	8,254,072,169
6	October 27	November 1	8,254,072,169

As of December 31, 2023, the payment of dividends approved by the shareholders' meetings for the fiscal years 2020, 2021 and 2022 was completed.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

42. Restricted assets

As of December 31, 2023 and 2022, the Group had the following restricted assets:

a) The Entity used as security for loans agreed under the Global Credit Program for MSMEs granted by the Inter-American Development Bank (IDB):

	December 31, 2023	December 31, 2022
Argentine Treasury Bonds adjusted by CER in pesos maturing in 2024	12,799	128,642
	12,799	128,642

b) Also, the Entity has accounts, deposits, repo transactions and trusts applied as guarantee for activities related to credit card transactions, with automated clearing houses, transactions settled at maturity, foreign currency futures, court proceedings and leases in the amount of 261,634,742 and 143,854,280 as of December 31, 2023 and 2022, respectively (see Note 6.5 and 10.1.).

43. Banking deposits guarantee insurance system

Law 24,485 and Decree 540/95 provided for the creation of the Deposit Guarantee Insurance System, with the purpose of covering the risks of bank deposits, in a subsidiary and complementary manner to the system of privileges and protection of deposits established by the Financial Institutions Law.

That law provided for the incorporation of the company "Seguros de Depósitos Sociedad Anónima" (SEDESA) for the exclusive purpose of managing the Deposits Guarantee Fund, the shareholders of which, pursuant to the changes introduced by Decree 1292/96, are the BCRA with at least one share and the trustees of the trust with financial institutions in the proportion determined by the BCRA for each such financial institution, based on their respective contributions to the Deposit Guarantee Fund.

Deposits in pesos and foreign currency made with the participating entities under the form of checking accounts, savings accounts, time deposits or otherwise as determined by the BCRA up to the amount of 6,000 and which meet the requirements of Decree 540/95 and those to be set forth by the enforcement authority shall fall within the scope of said decree. Through Communication "A" 7985, the BCRA updated the amount mentioned to 25,000 as of April 1, 2024.

In August 1995, SEDESA was incorporated, and the Entity has an 8.6374% share of its capital stock as of December 31, 2023 (BCRA Communication "B" 12,503). Through Communication "B" 12,755 of March 4, 2024, the BCRA update the participation to 8,3672%.

As of December 31, 2023 and 2022, the contributions to the Deposit Guarantee Fund were recorded in the item "Other operating expenses — Contributions to the deposits guarantee fund" in the amounts of 5,728,161 and 6,330,105, respectively.

44. Minimum cash and minimum capital

a) Minimum cash

The BCRA establishes different regulations to be observed by financial institutions, mainly regarding solvency levels, liquidity and credit assistance levels.

Minimum cash regulations set forth an obligation to keep liquid assets in relation to deposits and other obligations recorded for each period on an individual basis. The items included for the purpose of meeting that requirement are detailed below:

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Accounts	December 31, 2023	December 31, 2022
Balances at the BCRA		
BCRA – current account - not restricted	358,900,596	502,282,567
BCRA – special guarantee accounts – restricted	96,926,260	43,180,603
SUBTOTAL	**455,826,856**	**545,463,170**
Argentine Treasury Bonds in pesos, 0.7% Baldar Private rate. Maturity 11-23-2027	14,771,877	37,662,724
Argentine Treasury Bonds in pesos. Maturity 05-23-2027	32,406,871	100,997,240
Argentine Treasury Bonds in pesos. Maturity 08-23-2025	49,502,692	—
Treasury Bonds adjusted by 4.25% CER in pesos. Maturity 12-13-2024	218,925,057	—
Treasury Bonds adjusted by 4% CER in pesos. Maturity 10-14-2024	189,705,541	—
Treasury Bonds adjusted by 4.25% CER in pesos. Maturity 02-14-2025	56,074,420	—
Argentine Treasury Bond in dual currency. Maturity 06-30-2024	216,222,852	—
Others	791,192	57,721,176
Liquidity Bills – BCRA	60,435,133	1,505,491,903
SUBTOTAL	**838,835,635**	**1,701,873,043**
TOTAL	**1,294,662,491**	**2,247,336,213**

b) Minimum capital

Minimum capital requirements are determined on the basis of the implicit risks to which the Group is exposed (credit risk, market risk and operational risk). The minimum capital will be the higher of the minimum capital fixed by the BCRA and the capital requirements for credit risk, market risk (requirement for daily positions in eligible instruments) and operational risk. These requirements must be complied with on both an individual and a consolidated basis.

For the purposes of calculating capital requirements, there is recognition of certain risk mitigation techniques such as collateralization, personal guarantees and credit derivatives. Provided that certain criteria are met financial institutions may opt for either the simple approach (or risk weighting substitution) or for the comprehensive approach, which allows reducing the exposure amount up to the value ascribed to the collateral. Off-balance sheet transactions (including loan commitments) must be converted into credit exposure equivalents through the use of credit conversion factors (CCF). The higher the chance of financing an off-balance sheet transaction, the higher the conversion factor will be. Then, the credit exposure equivalent is weighted based on counterparty risk.

Minimum capital must be, at least, the greater of:

- Minimum basic capital, and
- The sum of minimum capital required for credit risk, market risk and operational risk.

(in thousands of Argentine pesos in constant currency – Note 2.1.5) (cont.)

Minimum capital requirement for credit risk will be determined as the sum of:

a) 8% of the sum of credit-risk-weighted asset transactions without delivery against payment;

b) failed delivery-against-payment transactions; and

c) requirement for counterpart credit risk in transactions with over-the-counter derivatives.

The sum of (a), (b) and (c) is multiplied by a coefficient which varies from 1 to 1.19 based on the rating the Bank is granted by BCRA.

Minimum Capital Requirement for Market Risk: BCRA imposes additional minimum capital requirements in relation to market risk associated with positions held by financial institutions in "local assets", "foreign assets", "foreign currency" and "gold", including derivatives bought or sold on such positions.

The positions under consideration must be separated according to the currency of issue of each instrument, regardless of the issuer's residence. In the cases of assets expressed in foreign currency, the Group must consider the risk for two positions: that which corresponds to the assets and the position in foreign currency, the relevant capital requirement being determined on the basis of the latter. The value of all positions will be expressed in pesos by using the reference exchange rate published by the BCRA for the U.S. dollar, after application of the swap rate corresponding to the other currencies.

Minimum Capital Requirement for Operational Risk: Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The definition includes legal risk but excludes strategic and reputational risk. Financial institutions must establish a system for the management of operational risk that includes policies, processes, procedures and the structure for their adequate management.

Any defects of application derived from the requirement of additional capital will not make the financial institution fall into noncompliance with the Minimum Capital Regulations, even if they are not allowed to distribute cash dividends and pay fees, ownership interest or bonuses originated in the bank's distribution of results.

The breakdown of minimum capital at consolidated level is detailed below:

Minimum capital requirements	**December 31, 2023**	**December 31, 2022**
Credit risk	222,092,365	219,153,734
Operational risk	90,508,105	88,131,816
Market risk	6,537,813	4,611,870
Incremental requirement (1)	17,505,613	—
Total capital	1,140,647,877	958,835,096
Excess capital	**804,003,981**	**646,937,676**

(1) The increase observed in the minimum capital requirement for credit risk originates from the failure to comply with the maximum limit established by the BCRA for financing the non-financial public sector for 15 days in the month of December 2023, As established by the regulations, this non-compliance causes the increase in the minimum capital requirement for credit risk for an amount equivalent to 100% of the excess the relationship, starting from the month in which the breaches are recorded and as long as they remain, In the case of credit relationships, the calculation of the set aside will be carried out on the basis of the monthly average of the daily excesses, As of the date of issuance of these Consolidated Financial Statements, the aforementioned situation was regularized.

45. Subsequent events

No events or transactions have occurred between year-end and the date of these Consolidated Financial Statements which may significantly affect the Entity's financial position or results of operations as of December 31, 2023.

Description of Registrant's Securities Registered under Section 12 of the Exchange Act

DESCRIPTION OF REGISTERED SECURITIES OF BANCO BBVA ARGENTINA S.A.

This exhibit describes each class of securities of Banco BBVA Argentina S.A. that was registered under Section 12 of the Exchange Act as of December 31, 2023. For purposes of this exhibit, except as otherwise expressly provided or unless the context requires otherwise, all terms used but not defined in this exhibit which are defined in BBVA Argentina's annual report on Form 20-F for the year ended December 31, 2023 (the "Annual Report"), shall have the meanings assigned to them in the Annual Report.

DESCRIPTION OF ORDINARY SHARES

Set forth below is a brief description of certain provisions of BBVA Argentina's by-laws and Argentine law and regulations with regard to BBVA Argentina's capital stock. This description does not purport to be complete and is qualified in its entirety by reference to BBVA Argentina's by-laws, Argentine law and the rules of the BYMA as well as the CNV and the Central Bank. A copy of BBVA Argentina's by-laws is incorporated by reference to BBVA Argentina's annual report on Form 20-F for the year ended December 31, 2021, filed with the SEC on April 12, 2022, in the Annual Report.

Corporate Purpose

BBVA Argentina is registered with the *Inspección General de Justicia* of the Argentine government under company number 11.156, Book 103, of Local Corporate By-laws. Section 3 of our by-laws provides that the corporate purpose of BBVA Argentina is to engage in the commercial banking business, including financial brokerage, whether in Argentina or abroad. Under our by-laws, BBVA Argentina is authorized to perform the following activities:

- accept term and demand deposits;
- grant short-term bullet and other amortizable loans;
- discount, purchase and sell bills of exchange, promissory notes, pledges, checks, drafts and other negotiable instruments;
- grant guarantees, bonds or other forms of collateral;
- accept bills of exchange, drafts and other orders of payment, transfer funds and issue and accept letters of credit;
- grant advances on credits from property sales, acquire the same and undertake the risks resulting therefrom, take steps to collect them and offer technical and administrative assistance;
- invest in government securities;
- make temporary investments in liquid assets;
- invest in new stock or securities issues, in pursuance of such regulations as may be set forth to that purpose;
- accept securities in custody and provide other services related to the banking business;
- manage, on account of third parties, the purchase and sale of securities, and act as paying agents in relation to dividends, redemption and interest;
- engage in brokerage activities in the over-the-counter securities market;
- perform foreign exchange transactions;
- comply with agencies related to its operations;
- receive deposits of participation in mortgage loans and in special accounts;

- issue mortgage obligations;
- grant loans for the acquisition, construction, enlargement, repair, improvement and maintenance of urban or rural real estate, and for the substitution of mortgages taken out for that same purpose;
- receive loans from abroad and act as intermediary in local or foreign currency-denominated loans;
- issue private bonds;
- carry out such lending, borrowing and service-related operations as are not forbidden under the Argentine Financial Institutions Law; and
- serve and register before the CNV as management agent for collective investment products, custodian for collective investment products, trading agent, settlement and clearing agent, broker, capital market advisor agent, securities broker and/or custody, registration and paying agent, taking into account the compatibilities established by the Argentine Securities Commission and upon compliance with the requirements established by that entity.

Outstanding Capital Stock

The total authorized and issued share capital of BBVA Argentina at February 28, 2023 amounted to Ps.612,710,079, represented by ordinary shares, par value Ps.1.00. At February 28, 2023, there were 612,710,079 ordinary shares issued and fully paid, each of which carries one vote. The ordinary shares have been listed on the MERVAL (currently in BYMA as successor of MERVAL) since 1888 and in the MAE since 2018.

Registration and Transfer

The ordinary shares may only be held in book-entry form. Stockholders of BBVA Argentina will be required to hold their shares through book entries with brokers, banks and other entities that have accounts with Caja de Valores S.A. ("Caja de Valores" and the "Caja de Valores Participants", respectively) or may have a direct holding through Caja de Valores. Caja de Valores maintains a stock registry for BBVA Argentina based upon information received from the Caja de Valores Participants or direct shareholders and only those persons listed in such registry will be recognized as stockholders of BBVA Argentina.

The ordinary shares are transferable on the books of Caja de Valores. Caja de Valores records all transfers in BBVA Argentina's registry. Within one business day of such transfer, Caja de Valores is required to confirm the registration of transfer with the transferor.

Limited Liability of Stockholders

Stockholders' liability for losses is limited to their stockholdings in BBVA Argentina. Under Argentine law, however, stockholders who voted in favor of a resolution that is subsequently declared void by a court as contrary to Argentine law or a company's by-laws (or regulations, if any) may be held jointly and severally liable for damages to such company or third parties resulting from such resolution. In connection with recommending any action for approval by stockholders, the Board of Directors of the Bank intends to obtain an opinion of counsel concerning the compliance of the action with Argentine law and the by-laws (or regulations, if any). A court in Argentina should hold that a non-controlling stockholder voting in good faith in favor of such a resolution on the advice of counsel to the effect that such resolution is not contrary to Argentine law or a company's by-laws or regulations, is not liable under the above-mentioned provision.

Meetings and Voting Rights

Stockholders' meetings may be ordinary meetings or extraordinary meetings. BBVA Argentina is required to hold an annual ordinary meeting of stockholders within four months of the close of each fiscal year to consider the matters outlined in Article 234 of the Argentine General Corporations Law, including: (i) the approval of BBVA Argentina's financial statements and general performance of the Board of Directors for the preceding fiscal year, (ii) the election, removal and remuneration of directors and the members of the Supervisory Committee, and (iii) the allocation of profits or losses. Matters which may be considered at these or other ordinary meetings include the consideration of the responsibility of directors and members of the Supervisory Committee, as well as capital increases and the issuance of negotiable obligations. Extraordinary stockholders' meetings may be called at any time to consider matters beyond the competence of the ordinary meeting, including amendments to the by-laws, anticipated dissolution, merger, transformation from one type of company to another and limitations on stockholders' preemptive rights. Stockholders' meetings may be convened by the Board of Directors to discuss the matters set forth by the Board of Directors and no other matters in addition to those set forth by the Board of Directors may be discussed. A stockholder or group of stockholders holding at least 2% in the aggregate of BBVA Argentina's capital stock may submit proposals or comments as to the performance of the Company, with such proposals to be made available to the other shareholders by the Company at least five days prior to the ordinary stockholders' meeting approving the financial statements of BBVA

Argentina. The Board of Directors or the members of the Supervisory Committee are required to call stockholders' meetings upon the request of one or more stockholders holding at least 5% of the capital stock of BBVA Argentina. If the Board of Directors fails to call the meeting, the CNV or a court of law may call the meeting.

Ordinary shares represented by ADSs will be voted or caused to be voted by the ADR depositary in accordance with instructions of the holders of such ADSs.

Notice of shareholders' meetings is governed by the provisions of our by-laws, the Argentine General Corporations Law and Law No. 26,831 (the "Argentine Capital Markets Act"). According to the Argentine Capital Markets Act, notice of the shareholders' meeting must be published for five days in the Official Gazette of the Republic of Argentina and in a widely circulated newspaper in Argentina at least twenty but not more than forty-five days prior to the meeting.

In case of adjournment of a regular shareholders meeting, the meeting on second call may be held on the same date, at least one hour after the time set for the meeting on first call, in compliance with Section 237 of the Argentine General Corporations Law. In case of adjournment of a special shareholders' meeting, the meeting on second call must be held within the following thirty days, and the publication must appear for three days at least eight days before the date set for that meeting.

In order to attend a meeting and be listed on the meeting registry, stockholders must submit evidence or their book-entry share account held at Caja de Valores three days prior to the scheduled meeting date. If so entitled to attend the meeting, a stockholder may be represented by proxy granted to another person, provided that proxies may not be granted to directors, members of the Supervisory Committee, or officers of BBVA Argentina.

Quorum for ordinary meetings consists of a majority of stock entitled to vote and resolutions may be adopted by the affirmative vote of 50% plus one vote (an "absolute majority") of the votes present. If no quorum is present at the first meeting, a second meeting may be called at which the stockholders present, whatever their number, constitutes a quorum and resolutions may be adopted by an absolute majority of the votes present. The quorum for extraordinary meetings is 60% of the stock entitled to vote. However, if such quorum is not present at the first meeting, a second meeting may be called which may be held. The required quorum for the second meeting is 30% of the stock entitled to vote. In both cases, decisions are adopted by an absolute majority of shares voting except for certain fundamental matters (such as mergers and spin-offs (when BBVA Argentina is not the surviving entity and the surviving entity is not listed on any stock exchange), anticipated liquidation, change of BBVA Argentina's domicile to outside Argentina, total or partial repayment of capital or a substantial change in the corporate purpose) which require a favorable vote of the majority of all the stock entitled to vote. In accordance with the by-laws, each ordinary share entitles the holder thereof to one vote at meetings of shareholders of BBVA Argentina.

Neither the Argentine General Corporations Law nor the by-laws of BBVA Argentina currently restricts the right of non-resident or foreign owners to hold or vote the ordinary shares.

Directors

Directors and alternate directors remain in office for three years and both may be reelected. Alternate directors replace directors who have resigned or been removed until the following general stockholders' meeting is held, and, if it may be the case, during the length of their absence if it ends before the general stockholders' meeting. The Board of Directors meets at least once every month and each time that any one of the directors should request.

The Argentine General Corporations Law allows cumulative voting to enable minority stockholders to appoint representatives on the Board of Directors and members of the Supervisory Committee. Upon the completion of certain requirements, stockholders are entitled to appoint up to one third of the vacancies to be filled in the Board of Directors by cumulative voting. Each stockholder voting cumulatively has the number of votes resulting from multiplying those votes which such stockholder would normally have been entitled to by the number of vacancies to be filled. Such stockholder may apportion his votes or cast all such votes for one or a number of candidates not exceeding one third of the vacancies to be filled.

Under Argentine law, directors have the obligation to perform their duties with loyalty and the diligence of a prudent business person. Directors are jointly and severally liable to the Bank, the stockholders and third parties for the improper performance of their duties, for violating the law, the Bank's by-laws or regulations and for any damage caused by fraud, abuse of authority or gross negligence. Under Argentine law, specific duties may be assigned to a director by the by-laws or regulations or by resolution of the stockholders' meeting. In such cases, a director's liability will be determined with reference to the performance of such duties, provided that certain recording requirements are met. Under Argentine law, directors are prohibited from engaging in activities in competition with the Bank without express authorization of a stockholders' meeting. Certain transactions between directors and the Bank are subject to ratification procedures established by Argentine law.

A director will not be liable if, notwithstanding his presence at the meeting at which a resolution was adopted or his knowledge of such resolution, a written record exists of his opposition thereto and he reports his opposition to the Supervisory Committee before any complaint against him is brought before the Board of Directors, the Supervisory Committee, the stockholders' meeting, the competent governmental agency or the courts. Any liability of a director vis-a-vis the Bank terminates upon approval of the directors' performance by the stockholders' meeting, provided that stockholders representing at least 5% of the Bank's capital stock do not object and provided further that such liability does not result from a violation of the law or the by-laws or regulations.

The by-laws of BBVA Argentina state that the Bank's management is led by a Board of Directors consisting of a minimum of three and a maximum of nine directors, who are elected by the shareholders to hold such office for a period of three years and who may be re-elected. The by-laws also provide for the appointment of alternate directors. According to the by-laws, the Board of Directors meets at least once per month.

For further information regarding our current directors, see "*Item 6. Directors, Senior Management and Employees*" in the Annual Report.

Supervisory Committee

Argentine law provides for one or more auditors to oversee the accounting records of a corporation and to ensure compliance with law in the interest of all of the stockholders. Larger corporations such as the Bank are required to have at least three auditors, who form the "Supervisory Committee". The Supervisory Committee is an independent body that, in the Bank's case, is composed of three regular members and three alternate members appointed annually by the stockholders to attend Board of Directors meetings, view the Bank's financial statements and fulfill other functions as provided in Article 294 of the Argentine General Corporations Law to ensure compliance with the law. The Supervisory Committee ordinarily meets at least once every three months or more often if required by one of its members. Regular members of the Supervisory Committee may be reelected and alternate members replace regular members in case of absence. Fees for members of the Supervisory Committee are established by the stockholders at the annual ordinary stockholders' meeting. Members of the Supervisory Committee's liabilities are joint and several and unlimited for the nonfulfillment of their duties. Unlike directors, members of the Supervisory Committee have no management functions.

For further information regarding our Supervisory Committee, see "*Item 6. Directors, Senior Management and Employees*" in the Annual Report.

Dividends

The Bank has in place an earnings distribution policy in line with the Bank's vocation for sustained stockholder value, striving for business growth and the maintenance of consistently high liquidity and solvency standards in compliance with currently applicable rules and regulations.

In Argentina, financial institutions may distribute dividends provided that (i) they are not covered by the terms of sections 34 "Regularization and recovery" and 35 bis "Institution restructuring to safeguard lending and bank deposits" of the Law on Financial Institutions (Law No. 21,526); (ii) they are not receiving financial assistance from the BCRA; (iii) they are not in arrears or not in compliance with the information regime established by the BCRA; (iv) they meet minimum capital requirements and cash requirements; and (v) they have complied with the additional capital margins applicable to them as provided for in Section 4 (Additional Capital Margins) of the BCRA's Structured Income Distribution text.

Financial institutions that may distribute dividends pursuant to the above paragraph may distribute earnings up to an amount equal to retained earnings of legal reserves less the following items:

1. 100% of the debit balance of each of the items recorded under other comprehensive income (loss);
2. income (loss) arising from the revaluation of property, plant and equipment, intangible assets and investment properties;
3. net positive amount arising from the difference between the measurement at amortized cost and the fair market value recorded by the financial institution with respect to public debt instruments and/or monetary regulation instruments of the BCRA valued at amortized cost, less adjustments to asset valuations: (i) notified by the Superintendence of Financial and Exchange Entities (SEFyC)—whether or not accepted by the institution—and/or (ii) required by external auditing and, in both cases, pending accounting registration; and
4. preferential asset valuation exemptions granted by the SEFyC on a case-by-case basis, including adjustments for failure to implement agreed adequacy plans.

Amounts available for distribution as dividends are determined pursuant to Argentine law and IFRS-BCRA. As a result, dividends may be paid when the Bank has no income as determined under IFRS-IASB and, conversely, dividends may not be payable even if the Bank has income as determined under IFRS-IASB.

According to Communication “A” 6768, financial institutions must have the prior authorization of the Central Bank of the Argentine Republic for the distribution of their results. In said authorization process, the Superintendence of Financial and Exchange Entities will take into account, among other elements, the potential effects of the application of International Accounting Standards according to Communication “A” 6430 (point 5.5. of IFRS 9) and the restatement of financial statements provided by Communication “A” 6651.

Pursuant to Communication “A” 7984 dated March 21, 2024, the Central Bank enabled financial entities, with its prior authorization to distribute dividends for up to 60 % of their “distributable profit” in six equal, monthly and consecutive installments until December 31, 2024. The installments had to be paid in homogenous currency.

Pursuant to the Argentine General Corporations Law, dividends can be lawfully paid and declared only out of BBVA Argentina’s retained earnings representing the profit on BBVA Argentina’s operations and investments. In addition, no profits may be distributed until prior losses are covered.

The Board of Directors submits to the stockholders for approval at an ordinary meeting of stockholders BBVA Argentina’s financial statements for the previous fiscal year. The stockholders, upon approving the financial statements, determine the allocation of BBVA Argentina’s net income. By law, the stockholders are required to allocate 20 percent of such net income to the legal reserve. If the legal reserve is subsequently impaired, dividends may not be paid until the legal reserve has been fully re-established. The legal reserve is not available for distribution. Under the Bank’s by-laws, after the allocation to the legal reserve has been made, an amount will be segregated to pay the fees of the members of the Board of Directors and of the Supervisory Committee, and an amount will be segregated to pay dividends on preferred stock, if any. Under Central Bank regulations, this fee is required to be accrued on the income statement. The remainder of net income may be distributed as dividends on common stock or retained as a voluntary reserve, contingency reserve or other account or any combination thereof, all as determined by the stockholders’ meeting. Dividends may not be paid if the legal reserve has been impaired.

For a description of the declared dividends that we have paid on our ordinary shares and ADSs for the years 2020 to 2023, see *“Item 5. Operating and Financial Review and Prospects—A. Operating Results”* in the Annual Report.

Capital Increases and Reductions

BBVA Argentina may increase its capital upon authorization of the stockholders at an ordinary meeting. All capital increases must be registered with the CNV and published in the Official Gazette. Capital reductions may be voluntary or involuntary. Voluntary reductions of capital must be approved by an extraordinary meeting of the stockholders. Reduction is mandatory when losses have exceeded reserves and more than 50% of capital.

Preemptive Rights

Under Argentine law, in the event of an increase in capital, holders of ordinary shares have a preemptive right to purchase any issue of ordinary shares in an amount sufficient to maintain the proportion of capital then held by them. Except for specific situations, a company is prohibited from issuing stock with multiple voting rights after such company becomes public. Stockholders exercising preemptive rights are also entitled to subscribe for shares not otherwise subscribed for by other stockholders through the exercise of such other stockholders’ preemptive rights on a pro rata basis, based on the number of shares purchased by the exercising stockholder when exercising its preemptive rights, also known as accretion rights.

Under the Argentine General Corporations Law, preemptive rights must be exercised within thirty days following the time after which notice to the stockholders of their opportunity to preempt the capital increase has been published for three days in the Official Gazette of Argentina and in a widely circulated newspaper in Argentina, with the possibility for publicly listed companies (such as BBVA Argentina) to reduce such period to a minimum of ten days.

Conflicts of Interest

Under the Argentine General Corporations Law, a stockholder is required to abstain from voting on a business transaction in which its interests conflict with those of BBVA Argentina. In the event such stockholder votes on such business transaction and such business transaction would not have been approved without such shareholder’s vote, such stockholder may be liable to BBVA Argentina for damages.

Redemption or Repurchase

Under the Argentine General Corporations Law, BBVA Argentina may acquire ordinary shares issued by it only under the following circumstances: (i) to cancel such shares and only after a decision to reduce its capital stock (which requires approval of an extraordinary stockholders' meeting); (ii) to avoid a significant damage under exceptional circumstances, using retained earnings or free reserves which have been fully paid, which action must be ratified at the following ordinary stockholders' meeting; and (iii) in the case of an acquisition of a corporation whose assets include shares of BBVA Argentina, BBVA Argentina may repurchase or redeem its shares pro rata or by lot. In both cases, the repurchase or redemption will be made at a fair price. BBVA Argentina may resell such shares within one year and must give stockholders a preemptive right to purchase such shares. The repurchased shares will not be calculated in the determination of a quorum or a majority.

Appraisal Rights

Whenever certain extraordinary resolutions are adopted at stockholders' meetings such as the merger of BBVA Argentina into another entity, a substantial change of corporate purposes, transformation from one type of corporate to another, or BBVA Argentina's shares cease to be traded publicly or listed on BYMA, any stockholder dissenting or absent from the adoption of any such resolution may withdraw from BBVA Argentina and receive the book value per share determined on the basis of BBVA Argentina's annual financial statements (as approved by the annual ordinary stockholders' meeting), provided that the shareholder exercises its appraisal rights within five days following the meeting at which the resolution was adopted in the case of a dissenting stockholder or within 15 days following the meeting if the stockholder was absent and can prove that he was a stockholder on the day of the meeting. In the case of a merger of another entity into BBVA Argentina or spin-off of BBVA Argentina, no appraisal rights may be exercised if the shares to be allocated are admitted to a public offering or listed for quotation on a stock exchange.

Appraisal rights are extinguished if the resolution is subsequently overturned at another stockholders' meeting held within seventy-five days of the previous meeting at which the resolution was adopted.

Payment on the appraisal rights must be made within one year of the date of the stockholders' meeting at which the resolution was adopted, except where the resolution was to cease to publicly offer BBVA Argentina's stock or to cease maintaining the corporate existence of BBVA Argentina after the CNV or BYMA has canceled its authorization to publicly offer or list its stock, as the case may be, in which case the payment period is reduced to sixty days from the resolution date.

Liquidation

Upon liquidation of BBVA Argentina, one or more liquidators may be appointed to wind up its affairs. All outstanding ordinary shares of common stock will be entitled to participate equally in any distribution upon liquidation.

In the event of liquidation, the assets of BBVA Argentina shall be applied to satisfy its debts and liabilities.

Mandatory Acquisition Public Offer

Tender offers in Argentina are governed by the Securities Law No. 26,831 (the "LMC" after its Spanish acronym) as amended by the Productive Financing Law No. 27,440 (the "LFP" after its Spanish acronym), and the resolutions of the Argentine Securities and Exchange Commission (the "CNV" after its Spanish acronym).

General Resolution No. 779/2018 of the CNV published in the Official Gazette on December 28, 2018 (the "Resolution") confirmed the new regulations for tender offers in Argentina ("OPAs" after their Spanish acronym "Ofertas Públicas de Adquisición").

An OPA is defined as a market transaction by which an individual or other legal person, acting individually or in concert with other person or persons, irrevocably offers to acquire all the voting shares of a listed company at an equitable price, for a pre-fixed term, and subject to a special procedure governing the terms and conditions of such offer. The offer must be extended to holders of such shares and holders of subscription rights or options to acquire those shares, as well as holders of convertible debt securities or other similar securities that may directly or indirectly give the holder a right to acquire voting shares.

Mandatory OPA

The Resolution provides that a mandatory tender offer is required to be made by a person who has effectively reached the control of a listed company (i) through the acquisition of shares or securities that grant, directly or indirectly, voting rights in said company; (ii) through agreements with other holders of securities that, together, provide a sufficient number of votes to (a) take decisions in ordinary meetings, (b) elect or remove the majority of the board members or members of the supervisory committee or (c) establish a common policy with regard to management or whose purpose is to significantly influence the same, as well as any other agreement that, with the same purpose, regulates the exercise of the right to vote in the administrative body or in whom it delegates management; or (iii) indirectly or as a result of a corporate reorganization process.

Pursuant to the LMC, a person will have, individually or together with other persons, a controlling interest when: (i) they directly or indirectly reach a percentage of voting rights equal to or greater than 50% of the company, excluding from the calculation those shares that belong, directly or indirectly, to the affected company; or (ii) have obtained less than 50% of the voting rights of a company but act as a controlling shareholder (it being understood that a controlling shareholder is any person which directly or indirectly owns, individually or jointly, a participation that grants the necessary votes to take decisions in ordinary shareholders' meetings or to appoint or remove the majority of the members of the board of directors or supervisory committee).

The LMC provides that the OPA procedure must be conducted after the acquisition of control. The deadline for submitting the offer is one month as from the date when the controlling interest is obtained.

Voluntary OPA

Voluntary OPAs may be addressed to any number of securities of a company, provided that the offeror does not reach, directly or indirectly, individually or in concert with others, a controlling interest. A voluntary OPA may be conditioned upon (i) the approval of amendments to the by-laws or other agreements subject to shareholders' approval; (ii) acceptance of the offer by a minimum number of securities of the target company; (iii) approval by the shareholders of the offeror; and/or (iv) authorization of the operation by government agencies.

Offered Price in OPAs

For mandatory tender offers due to an acquisition of a controlling interest, the Resolution establishes that the price offered must be the higher of: (i) the highest price that the offeror would have paid or agreed to pay for the securities subject to the tender offer during the 12 months prior to the beginning of the period during which the tender offer is required to be made; and (ii) the average price of the securities subject to the tender offer during the six months immediately prior to the date of the announcement of the transaction by which the change in the controlling interest is agreed upon. The requirement in (ii) in the prior sentence does not apply when the percentage of shares listed on a market authorized by the CNV represents at least 25% of the capital stock of the issuer and the liquidity conditions provided by the Resolution are met.

In the case of mandatory OPAs due to a squeeze-out or delisting, the LMC establishes that the following price criteria must be considered: (i) the highest price that the offeror would have paid or agreed for the securities subject to the offer during the 12 months prior to the request of the minority shareholder or unilateral declaration of acquisition in squeeze-out cases (Article 91 LMC) or from delisting resolution (Article 98 LMC); (ii) the average price of the securities subject to the offer during the six months immediately prior to the request of the minority shareholder or unilateral declaration of acquisition in squeeze-out cases (Article 91 LMC) or as of the delisting resolution (Article 98 LMC); (iii) the equity value of the shares, considering a delisting special balance, if applicable; (iv) the value of the company calculated according to criteria of discounted cash flows and/or indicators applicable to comparable companies or businesses; and (v) the liquidation value of the company. In these cases, the price must never be lower than the higher of (i) and (ii) in the previous sentence.

The consideration offered in a mandatory OPA must be in cash, expressed per share, in pesos or another currency. In addition, the offeror may offer shares or other listed securities in exchange, at the option of the investor, provided that there is also a cash option.

Additionally, the CNV has a period of 15 business days to object to the offered price, counted as of the time all the documentation is collected and no new observations and requests are made. After this period, the offeror may request an expedited procedure (*pronto despacho*) and the CNV will have 10 business days to object. Minority shareholders may also object to the price from the date of announcement of the offer or presentation of the delisting request and up to the expiration of the CNV's objection period.

A price objection by the CNV is appealable, at the option of the offeror: (i) by appeal filed with the CNV within five business days of notification, which will be submitted by the CNV to the Ministry of Finance; or (ii) in proceedings before the Federal Court of Appeals with jurisdiction in commercial matters within 10 business days of notification, without suspending the effects of the CNV resolution.

In the case of a voluntary OPA, the offeror may set the price at its own discretion but must provide the investor with a comparison with the criterions set forth in the LMC and the Resolution, as applicable.

Common Provisions Applicable to OPAs

The Resolution provides general provisions applicable to all OPAs.

Launch Notice and Prospectus: In order to promote uniform criteria, the CNV incorporates a launch notice template and changes are made to the prospectus template.

Appraisers: The Resolution specifies the specific independence requirements that appraisers must meet and the minimum contents of the reports they issue to determine the offered price.

Guarantees: The Resolution allows tender offers to be guaranteed: (i) by a foreign financial entity, with a branch or permanent representation in Argentina; or (ii) by local insurance companies under the jurisdiction of the Superintendence of Insurance, in the latter case with the prior agreement of the CNV.

Obligations of the corporate bodies of the target company: The members of the board of the target company must issue a report with an opinion on the fairness of the offered price within 15 calendar days of receiving the offeror's notice and may not resign until the issuance of said report. The supervisory committee and the audit committee must issue an opinion on the fairness of the offered price by publishing the corresponding minutes within 15 calendar days of receiving the offeror's notification.

Sanctions: In the event of a breach of the obligation to make a mandatory OPA, the CNV, with prior notice, will order an auction sale of the acquired shares, and may suspend the political rights of the person obliged to launch the tender offer, who will also be subject to the penalties provided by the LMC.

Other Provisions

The ownership of any kind of BBVA Argentina's shares represents submission to the ordinary courts of Buenos Aires for any judicial complaint arising with respect thereto.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

BBVA Argentina has listed on the New York Stock Exchange ADSs representing BBVA Argentina's ordinary shares. The depositary, The Bank of New York Mellon, also referred to as the "Depositary," registers and delivers the ADSs. Each ADS represents an ownership interest in three ordinary shares. The ordinary shares are deposited with Banco Santander Rio S.A., the Depositary's custodian in Argentina. Each ADS may also represent securities, cash or other property deposited with the Depositary but not distributed to ADS holders. The deposited shares, together with those other securities, cash or property are referred to collectively as the "Deposited Securities". The Depositary's corporate trust office is located at 101 Barclay Street, New York, NY 10286 and its principal executive office is located at 225 Liberty Street, New York, NY 10286.

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as an "ADR", which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having ADSs registered in your name in the Direct Registration System ("DRS"), or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are an ADS registered holder. The information provided in this section assumes you are an ADS registered holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS registered holders described herein. You should consult with your broker or financial institution to find out what those procedures are.

The DRS is a system administered by The Depository Trust Company ("DTC") pursuant to which the Depositary may register the ownership of uncertificated ADSs, which ownership will be evidenced by periodic statements sent by the Depositary to the registered holders of uncertificated ADSs.

ADS holders are not BBVA Argentina shareholders and do not have shareholder rights. Because the Depositary will actually hold the underlying ordinary shares, you must rely on the Depositary to exercise the rights of a shareholder. The obligations of the Depositary are set out in a deposit agreement (the "Deposit Agreement") dated as of December 1, 1993, as amended as of August 12, 1997, and as further amended and restated as of May 28, 2013; and as amended on March 30, 2022, effective as of June 1, 2022 among BBVA Argentina and The Bank of New York Mellon, as depositary, and ADS holders. The Deposit Agreement and the ADSs are governed by New York law.

The following is a summary of the material provisions of the Deposit Agreement. Because it is a summary, it does not contain all the information that may be important to you. For more complete information, you should read the entire Deposit Agreement and the form of ADR. Copies of the deposit agreement and the form of ADR are available for inspection at the corporate trust office of the Depositary at the address set forth above.

American Depositary Receipts

ADSs are issuable pursuant to the Deposit Agreement. Each ADS represents three ordinary shares deposited with Banco Santander Rio S.A. as custodian (the "Custodian") and registered in the name of the Custodian in an account maintained at the Custodian by the Depositary. An ADR may represent any number of ADSs. Only persons in whose names ADSs are registered on the books of the Depositary will be treated by BBVA Argentina and the Depositary as owners and holders of ADSs.

Deposit and Withdrawal of Securities

The ordinary shares that are represented by the ADSs sold in any offering will be deposited in accounts maintained by the Custodian and registered in the name of the Custodian, who will be the holder of record of all such shares. Subject to the terms and conditions of the Deposit Agreement, upon transfer of such ordinary shares to the account of the Custodian or upon receipt of ordinary shares by the Depositary, the Depositary will execute and deliver ADSs to or upon the written order of the person or persons that made the deposit.

Upon surrender of ADSs to the Depositary, and upon payment of the fees, taxes and governmental charges contemplated by the Deposit Agreement, ADS holders are entitled to delivery, to them or upon their order, of the amount of deposited securities represented by those ADSs. Such delivery will be made to the ADS holder or upon the ADS holder's order without unreasonable delay. The forwarding of ordinary shares and other documents of title for such delivery to an ADS holder, or as ordered by such ADS holder, will be at its risk and expense or the risk and expense of the person submitting such written instruction for delivery.

The Depositary may deliver ADSs prior to the receipt of ordinary shares, subject to the conditions specified in the Deposit Agreement, which require persons to whom ordinary shares or ADSs are so delivered or issued to, among other things, furnish certain written representations and provide collateral to the Depositary. The Depositary is entitled to retain any compensation received by it in connection with such transactions including, without limitation, earnings on the collateral.

Dividends, Other Distributions and Rights

The Depositary is required to convert into dollars, to the extent that in its judgment it can do so on a reasonable basis and can transfer the resulting dollars to the United States, all cash dividends and other cash distributions denominated in Argentine pesos (or any other currency other than dollars) that it receives in respect of the deposited securities, and to distribute the amount received to the ADS holders in proportion to the number of ADSs without regard to any distinctions among holders on account of exchange restrictions or the date of delivery of any ADS or ADSs or otherwise. The amount distributed will be reduced by any amounts to be withheld by BBVA Argentina, the Depositary or the Custodian, including amounts on account of any applicable taxes and certain other expenses. If the Depositary determines that in its judgment any currency other than dollars received by it cannot be so converted on a reasonable basis and transferred, the Depositary may distribute such foreign currency received by it or in its discretion hold such foreign currency (without liability for interest) for the respective accounts of the ADS holders entitled to receive the same.

If BBVA Argentina declares a dividend in, or free distribution of, additional ordinary shares, upon receipt by or on behalf of the Depositary of such additional ordinary shares, the Depositary may, and shall if BBVA Argentina so requests, distribute to the applicable holders of outstanding ADSs, additional ADSs that represents the number of shares received as such dividend or free distribution after deduction or upon payment of applicable fees of the Depositary and any taxes or other governmental charges. In lieu of delivering fractional ADSs in the event or any such distribution, the Depositary will sell the amount of ordinary shares represented by the aggregate of such fractions and will distribute the net proceeds in dollars to applicable ADS holders in accordance with the Deposit Agreement. If additional ADSs (other than ADSs for fractional ADSs) are not so distributed, each ADS shall thereafter also represent the additional ordinary shares distributed in respect of the deposited securities represented by ADS prior to such dividend or free distribution.

If BBVA Argentina offers or causes to be offered to the holders of ordinary shares any rights to subscribe for additional ordinary shares or any rights of any other nature, the Depositary shall have discretion as to the procedure to be followed in making such rights available to ADS holders. The Depositary will either (i) make such rights available to such ADS holders by means or warrants or otherwise, if lawful and feasible, or (ii) if making such rights available is not lawful or feasible, try to sell such rights, warrants or other instruments, if practicable, and, after deduction or upon payment of fees and expenses of the Depositary, allocate the net proceeds of such sales for the accounts of such ADS holders otherwise entitled thereto upon an averaged or other practicable basis without regard to any distinctions among such ADS holders and beneficial owners because of exchange restrictions or the date or delivery of any ADS or ADSs, or otherwise, and distribute the net proceeds so allocated to the extent practicable. If, by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to any holders or dispose of such rights and make the net proceeds available to such holders, then the Depositary shall allow the rights to lapse.

If registration under the Securities Act of the rights or the securities to which any rights relate is required in order for BBVA Argentina to offer such rights to ADS holders or beneficial owners and sell the securities upon the exercise of such rights to ADS holders or beneficial owners, the Depositary will not offer such rights to the ADS holders or beneficial owners unless and until such a registration statement is in effect, or unless, based on an opinion from recognized counsel in the United States for the Company, the offering and sale of such securities to such ADS holders or beneficial owners are exempt from registration under the provisions of such Securities Act.

If the Depositary determines that any distribution of property (including securities or rights to subscribe therefor) is subject to any taxes or governmental charges that the Depositary is obligated to withhold, the Depositary may dispose of all or a portion of such property in such amounts and in such manner, including by public or private sale, as the Depositary deems necessary and practicable to pay such taxes or governmental charges, and thereafter will distribute the net proceeds of any such sale or the balance of any such property after deduction or such taxes or governmental charges to the ADS holders entitled thereto.

Changes Affecting Deposited Ordinary Shares

Upon any change in nominal or par value, any split-up, consolidation or other reclassification of deposited securities, or upon any recapitalization, reorganization, merger or consolidation or sale of assets affecting BBVA Argentina or to which it is a party, any securities which shall be received by the Depositary or the Custodian in exchange for, in conversion of or in respect of deposited securities shall be treated as newly deposited securities under the Deposit Agreement, and ADSs shall henceforth represent the new deposited securities so received in exchange or conversion, unless additional ADSs are delivered, as in the case of a stock dividend, or unless the Depositary calls for the surrender of outstanding ADSs to be exchanged for new ADSs.

In the event that any security so received may not be lawfully distributed to some or all owners, the Depositary may sell such securities at public or private sale, upon such terms as it may deem proper, and may allocate the net proceeds of such sales for the account of the owners otherwise entitled. This allocation shall be made upon an averaged or other practicable basis without regard to any distinctions among such owners.

Record Dates

Whenever any cash dividend or other cash distribution shall become payable, or whenever any distribution other than cash shall be made or rights shall be issued with respect to the ordinary shares, or whenever for any reason the Depositary causes a change in the number of ordinary shares that are represented by each ADS, or whenever the Depositary shall receive notice of any meeting of holders of ordinary shares or other deposited securities, the Depositary will fix a record date for the determination of the ADS holders who are entitled to receive such dividend, distribution or rights, or net proceeds of the sale thereof, to exercise the rights of ADS holders with respect to such changed number of securities, or to give instructions for the exercise of voting rights at any such meeting, subject to the provisions of the Deposit Agreement.

Voting of the Underlying Ordinary Shares

As soon as practicable after receipt by the Depositary of notice of any meeting of holders of ordinary shares, the Depositary, if requested in writing by the Bank, will mail the information contained in such notice of meeting to ADS holders. ADS holders at the close of business on the record date specified by the Depositary are entitled under the Deposit Agreement, subject to any applicable provisions of Argentine law, and of the corporate charter of BBVA Argentina, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the ordinary shares or other deposited securities represented by their respective ADSs. The Depositary will endeavor insofar as is practicable to vote or cause to be voted the ordinary shares represented by the ADSs in accordance with such instructions. The Depositary has agreed that it will not vote the ordinary shares so represented other than in accordance with such instructions from the record ADS holders or as described in the following sentence. If BBVA Argentina requested the Depositary to solicit voting instructions but the Depositary does not receive voting instructions from a holder of ADSs by the date the Depositary specified, the Depositary will vote the amount of ordinary shares represented by those ADSs in favor of any matter proposed or recommended by BBVA Argentina's board of directors. Notwithstanding the foregoing, the Depositary will not send a meeting notice to ADS holders or vote any deposited shares unless it has received an opinion from BBVA Argentina's Argentine counsel to the effect that the matters to be voted on are not contrary to Argentine law or BBVA Argentina's by-laws. In addition, the Depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. *This means that you may not be able to exercise voting rights and there may be nothing you can do if your ordinary shares are not voted as you requested.*

Reports and Notices

On or before the first date on which BBVA Argentina gives notice, by publication or otherwise, of any meeting of holders of ordinary shares or other deposited securities, or of any adjourned meeting of such holders, or of the taking of any action in respect of any cash or other distributions or the offering of any rights in respect of deposited ordinary shares, BBVA Argentina will be required to transmit to the Depositary and the Custodian a copy of the notice thereof in the form given or to be given to holders of ordinary shares or other deposited securities.

BBVA Argentina will arrange, to the extent, if any, required by any regulations of the SEC, for the translation into English, if not already in English, and the prompt transmittal by BBVA Argentina to the Depositary and the Custodian of such notices and any other reports and communications which are made generally available by BBVA Argentina to holders of its ordinary shares. If requested in writing by Banco Argentina, the Depositary will arrange for the mailing, at BBVA Argentina's expense, of copies of such notices, reports, and communications to all ADR holders. BBVA Argentina will timely provide the Depositary with the quantity of such notices, reports, and communications, as requested by the Depositary from time to time in order for the Depositary to effect such mailings.

Amendment and Termination of the Deposit Agreement

The form of the ADSs and the Deposit Agreement may at any time be amended by agreement between BBVA Argentina and the Depositary. Any amendment that imposes or increases any fees or charges (other than taxes and governmental charges and certain expenses), or that otherwise prejudices any substantial existing right of ADS holders, will not take effect as to the outstanding ADSs until the expiration of 30 days after notice of such amendment has been given to the holders of outstanding ADSs. Every holder of an ADS at the time such amendment becomes effective will be deemed, by continuing to hold such ADS, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. Except in order to comply with mandatory provisions of applicable law, in no event shall any amendment impair the right of any ADS holder to surrender his ADSs and receive therefor the deposited securities represented thereby.

The Depositary at any time at the direction of BBVA Argentina shall terminate the Deposit Agreement by mailing notice of such termination to the holders of all ADSs then outstanding at least 90 days prior to the date fixed in such notice for such termination. The Depositary may likewise terminate the Deposit Agreement if at any time 90 days after the Depositary shall have delivered to BBVA Argentina a notice of its election to resign, a successor depositary shall not have been appointed and accepted its appointment as provided in the Deposit Agreement. If any ADSs remain outstanding after the date of termination, the Depositary thereafter will discontinue the registration of transfers of ADSs, will suspend the distribution of dividends to the holders thereof and will not give any further notices or perform any further acts under the Deposit Agreement, except (1) the collection of dividends and other distributions pertaining to the securities and any other property represented by such ADSs, (2) the sale of rights as provided in the Deposit Agreement and (3) the delivery of ordinary shares, together with any dividends or other distributions and the net proceeds of the sale of any rights or other property received with respect thereto, in exchange for surrendered ADSs subject to the applicable terms of the Deposit Agreement, including the payment of the fees and other charges of the Depositary. At any time after the expiration of one year from the date of termination, the Depositary may sell the deposited securities and hold the net proceeds, together with any other cash then held, unsegregated and without liability for interest, for the pro rata benefit of the holders of ADSs that have not theretofore been surrendered. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement, except for certain indemnification and accounting obligations. Upon the termination of the Deposit Agreement, BBVA Argentina will also be discharged of all obligations thereunder, except for its obligations to the Depositary with respect to indemnification, charges and expenses.

Fees and Expenses

Persons depositing or withdrawing shares must pay:	**For:**
US$5.00 (or less) per 100 ADRs (or portion of 100 ADRs)	• Issuance of ADRs, including issuances resulting from a distribution, sale or exercise of shares or rights or other property • Cancellation of ADRs for the purpose of withdrawal including if the deposit agreement terminates
US$5.00 (or less) per 100 ADRs (or portion thereof)	• Any cash distribution made pursuant to the deposit agreement
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADRs	• Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADR registered holders
US$0.05 (or less) per ADRs per calendar year	• Depositary services
Registration or transfer fees	• Transfer and registration of shares on the Company's share register on behalf of the depositary or its agent when shares are deposited or withdrawn
Expenses of the depositary	• Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement) • Converting foreign currency to U.S. dollars
Taxes and other governmental charges the depositary or the custodian have to pay on any ADR or share underlying an ADR, for example, stock transfer taxes, stamp duty or withholding taxes	• As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	• As necessary

The Depositary collects its fees for delivery and surrender of ADSs directly from investors depositing ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary also collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The Depositary generally refuses to provide fee-attracting services until its fees for those services are paid.

From time to time, the Depositary may make payments to BBVA Argentina to reimburse it for costs and expenses generally arising out of the establishment and maintenance of the ADS program, waive fees and expenses for services provided to it by the Depositary or share revenue from the fees collected from ADS holders. In performing its duties under the Deposit Agreement, the Depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the Depositary and that may earn or share fees, spreads or commissions.

The Depositary may convert currency itself or through any of its affiliates and, in those cases, act as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earn revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the Depositary or its affiliate receives when buying or selling foreign currency for its own account. The Depositary makes no representation that the exchange rate used or obtained in any currency conversion under the Deposit Agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligations under the Deposit Agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

Liability of ADS Holders for Taxes or Other Charges

Any tax or other governmental charge or expense payable by the Custodian, the Depositary or its nominee as the registered holder of any deposited securities represented by ADSs shall be payable by the holder of such ADS to the Depositary. The Depositary may, and at the written request of BBVA Argentina shall, refuse to effect any registration of transfer or withdrawal of the securities underlying such ADS until such payment is made, may withhold or deduct any dividends or other distributions or may sell for the account of the holder thereof any or all of the deposited securities underlying such ADS and may, and at the written request of BBVA Argentina shall, apply such dividends or distributions or the proceeds of any such sale in payment of any such tax or other governmental charge or expense and the holder of such ADS shall remain liable for any deficiency.

Execution, Transfer and Surrender of American Depositary Receipts

The ADSs are transferable on the books of the Depositary, provided that the Depositary may close the transfer books, at any time and from time to time, when deemed expedient by it in connection with the performance of its duties. As a condition precedent to the delivery, registration of transfer, split-up, combination or surrender of any ADSs, or withdrawal of ordinary shares, the Depositary, the registrar or the Custodian may require payment from the person presenting the ADS or the depositor of such ordinary shares of a sum sufficient to reimburse it for any tax or other governmental charge, and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to the ordinary shares being deposited or withdrawn) and payment of any applicable fees payable to the Depositary. The Depositary may refuse to deliver ADSs, register the transfer of any ADS or make any distribution of, or related to, the underlying ordinary shares until it has received such proof of citizenship, residence, exchange control approval or other information as it may reasonably deem necessary or proper or as BBVA Argentina may require by written request to the Depositary. The execution and delivery or transfer of ADSs generally may be suspended during any period when the transfer books of the Depositary are closed or if any such action is deemed necessary or advisable by the Depositary or BBVA Argentina at any time or from time to time. The surrender of outstanding ADSs and withdrawal of the underlying ordinary shares may not be suspended, except as required in connection with (i) temporary delays caused by closing the transfer books of the Depositary or BBVA Argentina or the deposit of the underlying ordinary shares in connection with voting at a meeting of security holders, or payment of dividends, (ii) the payment of fees, taxes and charges, and (iii) compliance with any US or foreign laws or governmental regulations relating to the ADSs or to the withdrawal of the underlying ordinary shares. ADS holders may inspect the transfer books of the Depositary at any reasonable time, provided that such inspection shall not be for the purpose of communicating with holders of ADSs in the interest of a business or object other than the business of BBVA Argentina or a matter related to the Deposit Agreement or the ADSs.

General

Neither the Depositary nor BBVA Argentina will be liable to owners or holders of ADSs if prevented or forbidden from performing their obligations under the Deposit Agreement by the law of any country, by any governmental authority or stock exchange or by any circumstances beyond their control or, any provision of BBVA Argentina's corporate charter. The obligations of BBVA Argentina and the Depositary to holders of ADSs under the Deposit Agreement are expressly limited to performing their respective duties specified therein without negligence or bad faith.

Neither the Depositary nor BBVA Argentina shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any ordinary share or ADS that in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense and liability shall be furnished as often as may be required, and the Custodian shall not be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depositary.

So long as any ADSs are listed on one or more stock exchanges (including the New York Stock Exchange), the Depositary will act as registrar or appoint a registrar or one or more co-registrars, for registration of such ADSs in accordance with any requirements of such exchanges.

Direct Registration System

In the Deposit Agreement, all parties to the Deposit Agreement acknowledge that the Direct Registration System, also referred to as DRS, and Profile Modification System, also referred to as Profile, will apply to the ADSs. DRS is a system administered by DTC that facilitates interchange between registered holding of uncertificated ADSs and holding of security entitlements in ADSs through DTC and a DTC participant. Profile is a feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the Depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the Depositary of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the Deposit Agreement understand that the Depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery as described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the Deposit Agreement, the parties agree that the Depositary's reliance on and compliance with instructions received by the Depositary through the DRS/Profile system and in accordance with the Deposit Agreement will not constitute negligence or bad faith on the part of the Depositary.

Exhibit 8.1

Subsidiaries of the Company

Subsidiary	Jurisdiction of Incorporation	Principal Activity
PSA Finance Argentina Cía. Fiananciera S.A.	Republic of Argentina	Financial institution
BBVA Asset Management Argentina S.A.U.	Republic of Argentina	Investment fund manager
Consolidar AFJP S.A. (undergoing liquidation proceedings)	Republic of Argentina	Pension fund manager
Volkswagen Financial Services S.A.	Republic of Argentina	Financial institution

Exhibit 12.1

Certification of Chief Executive Officer

I, Martín Ezequiel Zarich, certify that:

1. I have reviewed this annual report on Form 20-F of Banco BBVA Argentina S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 17, 2024

/s/ Martín Ezequiel Zarich

Name: Martín Ezequiel Zarich
Title: Chief Executive Officer

Exhibit 12.2

Certification of Chief Financial Officer

I, Carmen Morillo Arroyo, certify that:

1. I have reviewed this annual report on Form 20-F of Banco BBVA Argentina S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 17, 2024

/s/ Carmen Morillo Arroyo
Name: Carmen Morillo Arroyo
Title: Chief Financial Officer

Exhibit 13.1

Certification by CEO and CFO pursuant to Section 1350, as adopted pursuant to Section 906 of the Sarbanes – Oxley Act of 2002

The certification set forth below is being submitted in connection with Banco BBVA Argentina S.A.'s annual report on Form 20-F for the year ended December 31, 2023 (the "Annual Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code as adopted pursuant to Section 906 of the Sarbanes – Oxley Act of 2002.

Martín Ezequiel Zarich, the Chief Executive Officer and Carmen Morillo Arroyo, the Chief Financial Officer of Banco BBVA Argentina S.A., each certifies that, to the best of his or her knowledge:

1. the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Banco BBVA Argentina S.A.

Date: April 17, 2024

/s/ Martín Ezequiel Zarich
Name: Martín Ezequiel Zarich
Title: Chief Executive Officer

/s/ Carmen Morillo Arroyo
Name: Carmen Morillo Arroyo
Title: Chief Financial Officer

Remuneration Recoupment Policy
(Effective October 2, 2023)

This Remuneration Recoupment Policy (the "Policy") has been adopted by the Board of Directors (the "Board") of Banco BBVA Argentina, S.A. (the "Company"). This Policy provides for the recoupment of certain executive remuneration in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under U.S. federal securities laws in accordance with the terms and conditions set forth herein. This Policy is intended to comply with the requirements of Section 10D of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 303A.14 of the New York Stock Exchange Listed Company Manual (the "Listing Rule") and shall be construed and interpreted in accordance with such intent.

1. Definitions. For the purposes of this Policy, the following terms shall have the meanings set forth below.

   (a) **"Covered Executive"** means any individual who is required to be covered by this Policy pursuant to the Listing Rule, including (i) each Executive Director of the Company and (ii) each of those members of the Senior Management of the Company that the Board determines from time to time.

   (b) **"Effective Date"** means October 2, 2023.

   (c) **"Covered Remuneration"** means any Incentive-based Remuneration "received" by any current or former Covered Executive during the three fiscal years completed immediately preceding the date of any applicable Recoupment Trigger Date (and any additional transition period in connection with any change in the Company's fiscal year, as provided in the Listing Rule) to the extent that (i) the Incentive-based Remuneration is received after the Effective Date and after the recipient of the amount became a Covered Executive and (ii) the Covered Executive served in their executive role at any time during the performance period applicable to the Incentive-based Remuneration. For purposes of this Policy, Incentive-based Remuneration is "received" by a Covered Executive during the fiscal period in which the Financial Reporting Measure applicable to such Incentive-based Remuneration (or portion thereof) is attained, even if the payment or grant of such Incentive-based Remuneration is made thereafter.

   (d) **"Financial Reporting Measure"** means any (i) measure that is determined and presented in accordance with the International Financial Reporting Standards used in preparing the Company's financial statements, (ii) stock price measure, or (iii) total shareholder return measure (and any measures that are derived wholly or in part from any Financial Reporting Measure referenced herein).

   (e) **"Financial Restatement"** means a restatement of the Company's financial statements due to the Company's material noncompliance with any financial reporting requirement under U.S. federal securities laws, including any restatement that is required in order to correct an error in previously issued financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

   (f) **"Incentive-based Remuneration"** means any remuneration (including, for the avoidance of doubt, any cash or equity or equity-based remuneration, whether deferred or current) that is based wholly or in part upon the achievement of a Financial Reporting Measure.

   (g) **"Recoupment Trigger Date"** means the earlier of (i) the date that the Board (or a committee thereof or the officer(s) of the Company authorized to take such action if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement, and (ii) the date on which a court, regulator or other legally authorized body directs the Company to prepare a Financial Restatement.

2. Recoupment of Erroneously Awarded Remuneration.

   (a) In the event of a Financial Restatement, if the amount of any Covered Remuneration exceeds the amount of the Incentive-based Remuneration that would have otherwise been received by the relevant Covered Executive if calculated based on the Financial Restatement (the "Adjusted Remuneration"), the Company shall reasonably promptly recover from such Covered Executive an amount equal to the excess of the Covered Remuneration over the Adjusted Remuneration, each calculated on a pre-tax basis (such excess amount, the "Erroneously Awarded Remuneration").

(b) Subject to applicable law, the Company shall determine, in its sole discretion, the manner and timing in which any Erroneously Awarded Remuneration shall be recovered from a Covered Executive.

(c) Notwithstanding anything to the contrary herein, the Company shall not be required to recover any Erroneously Awarded Remuneration if a majority of the independent directors serving on the Audit Committee has determined that recovery of the Erroneously Awarded Remuneration would be impracticable in accordance with Section 303A.14(c)(1)(iv)(A), (B), or (C) of the Listing Rule.

(d) The Company shall not indemnify or insure any Covered Executive, directly or indirectly, for any losses that such Covered Executive may incur in connection with the recovery of Erroneously Awarded Remuneration pursuant to this Policy.

3. Administration. This Policy will be administered by the Board, or any committee or subcommittee of the Board designated to administer this Policy (the "Administrator"). All decisions of the Administrator shall be final, conclusive and binding upon the Company and the Covered Executives, their beneficiaries, executors, administrators and any other legal representative. The Administrator shall have full power and authority to (i) administer and interpret this Policy; (ii) correct any defect, supply any omission and reconcile any inconsistency in this Policy; and (iii) make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of this Policy and to comply with applicable law (including Section 10D of the Exchange Act) and applicable stock market or exchange rules and regulations.

4. Interpretation. Notwithstanding anything to the contrary herein, this Policy is intended to comply with the requirements of Section 10D of the Exchange Act and the Listing Rule (and any applicable regulations, administrative interpretations or stock market or exchange rules and regulations adopted in connection therewith). The provisions of this Policy shall be interpreted in a manner that satisfies such requirements and this Policy shall be operated accordingly. If any provision of this Policy would otherwise frustrate or conflict with this intent, the provision shall be interpreted and deemed amended so as to avoid such conflict.

5. Amendment/Termination. Subject to Section 10D of the Exchange Act and the Listing Rule, this Policy may be amended or terminated by the Administrator at any time. To the extent that any applicable law, or stock market or exchange rules or regulations require recovery of Erroneously Awarded Remuneration in circumstances in addition to those specified herein, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Company to recover Erroneously Awarded Remuneration to the fullest extent required by such applicable law, stock market or exchange rules and regulations. Unless otherwise required by applicable law, this Policy shall no longer be effective from and after the date that the Company no longer has a class of securities publicly listed on a United States national securities exchange.