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HIGHLIGHTS OF 2021

GOVERNANCE /BUSINESS



years of history



+2 million loans granted for housing



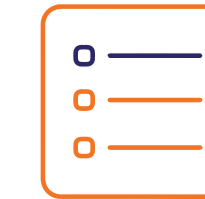
8 Green, Social and Sustainability, Bond placements



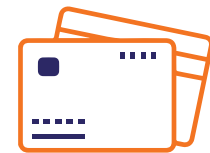
62 branches



Participation in the S&P Global Corporate **Sustainability Assessment (CSA)**



Included for the third time in BYMA's Sustainability Index



+401 thousand credit card accounts and **+934 thousand** debit card accounts



964 openings of Universal Free Accounts (CUG)



+12% NPS vs. 2020 customer service in branch network

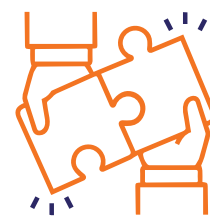
COMMUNITY



Interaction with **283 social organizations** from all over the country



38 organizations sponsored by employees participated in the program to strengthen solidarity initiatives



142 volunteer employees



+86 million invested in the community



277.783 people supported through Bank-defined programs

HUMAN CAPITAL



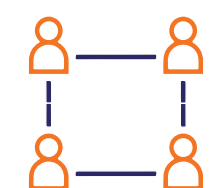
49.3% are women



1,654 employees



88% of our staff covered by Collective Bargaining Agreements



Launch of BH CONECTA, an open channel to strengthen internal communication (+1,600 users)



+15,500 hours of training



BH Satisfaction Survey. 1,001 people participated, with a satisfaction rate of 51%

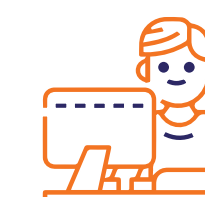
ENVIRONMENT



20% reduction in energy consumption compared to pre-pandemic values



1,184 kg of paper and 5 kg of plastic donated to the Garrahan Foundation



712 pieces of furniture and IT equipment were delivered to 18 NGOs, under the “Equipados para Dar” (“Equipped to Give”) program

1 CHAIRMAN'S LETTER

GRI Disclosure: 102-14



It is with enthusiasm that I present Banco Hipotecario's Sustainability Report 2021, which reports on the highlights in terms of environmental, social and governance (ESG) aspects. This report was prepared in accordance with the GRI Standards and, for the first time, incorporates a market perspective through the SASB (Sustainability Accounting Standard Board) standards.

The economic context of high inflation and the COVID-19 pandemic experienced in 2021 resulted in extremely demanding challenges for management. Even so, 135 years of experience in the local market endorsed our strategic business approach as an efficient and digital provider of financial services to Argentine households, families and companies, recognized for excellence in customer service. The economic scope of our business was nurtured by the social and environmental results of its operations, including the entire value chain.

Since the signing of the Sustainable Finance Protocol in 2019, we have been incorporating initiatives and actions that demonstrate our commitment to sustainable development, as a vehicle for positive social and environmental impact. In this regard, it is worth mentioning that, in 2021, we made 8 placements of Green, Social and Sustainability Bonds. At the same time, we managed to remain in the BYMA Sustainability Index and voluntarily participated in the S&P Global Corporate Sustainability Assessment.

In line with our philosophy of promoting a culture focused on the more than 1,600 people who make up the Bank, in 2021 we reinforced collaborative work, through new and modern spaces in our offices, we promoted a more agi-

le communication channel and we detected opportunities for the construction of the common good.

We also worked hard to streamline, digitalize and improve processes, with the premise of achieving high standards of quality and satisfaction for our customer portfolio, and keeping Banco Hipotecario at the service of the community.

It is worth mentioning that the management of 2021 was also true to the mission of generating a positive social footprint, with a strong commitment to the community and aligned with the pillars of the sustainability strategy: pillars of inclusion, assistance, citizenship and education. Through an investment of more than 85 million pesos during the year, we reached almost 280 thousand people and 283 organizations, positively impacting the community.

All these results encourage us to continue working to be the household bank for all Argentine families.

On behalf of the Board of Directors and myself, I thank and emphasize the commitment of all the people who are part of this organization.

Until the next report.

A stylized, handwritten signature in black ink, belonging to Eduardo S. Elsztain.

Eduardo S. Elsztain,
Chairman.

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WE ARE BANCO HIPOTECARIO



GRI Disclosures: 102-1, 102-3, 102-4102-5, 102-6

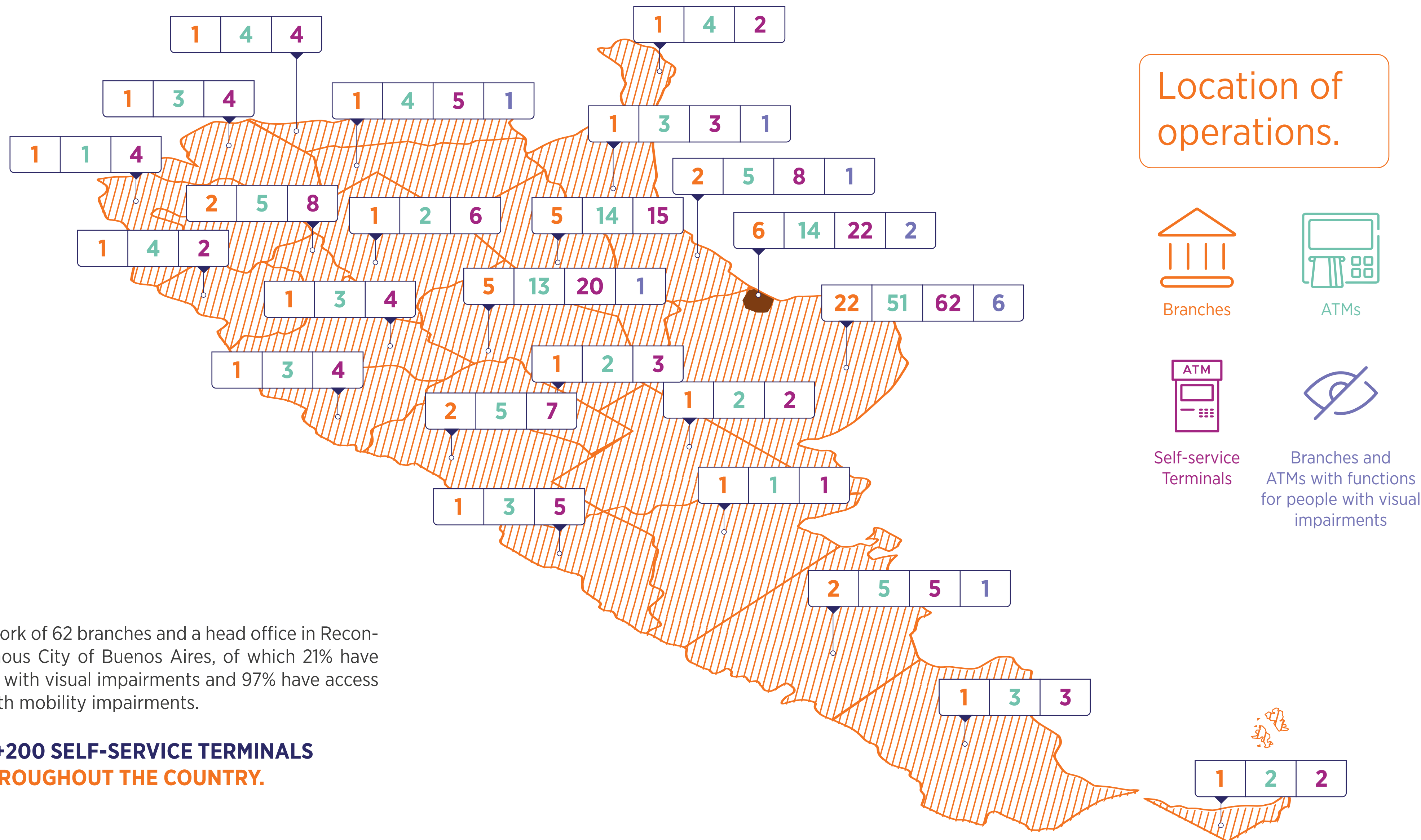
Banco Hipotecario SA is one of the longest-established institutions in the Argentine financial system. For 135 years, it has been dedicated to providing credit, savings and investment solutions for individuals, families, companies and public sector organizations.

IRSA Inversiones y Representaciones SA is the main private shareholder, a leading real estate development company in Argentina.

Retail Banking offers consumer financing for individuals, comprehensive housing solutions and transactional services, such as electronic means of payment, the payroll accreditation in account and placement of funds, among others. **Wholesale Banking** focuses on large companies and entrepreneurs, who are offered financing and access to capital markets.

• • • • •
THE BANK IS CHARACTERIZED BY BEING A MIXED-CAPITAL BANK, WITH A PRESENCE THROUGHOUT THE COUNTRY AND A FOCUS ON HOUSEHOLDS.
+2 MILLION HOUSING LOANS GRANTED TO FAMILIES THROUGHOUT THE COUNTRY.
• • • • •





The Bank has a network of 62 branches and a head office in Reconquista 101, Autonomous City of Buenos Aires, of which 21% have functions for people with visual impairments and 97% have access ramps for people with mobility impairments.

**+150 ATMS AND +200 SELF-SERVICE TERMINALS
DISTRIBUTED THROUGHOUT THE COUNTRY.**

2.1 PRODUCTS AND SERVICES

Material Aspects: Access to housing, Microcredits
GRI Disclosures: 102-2, 102-6, 102-48

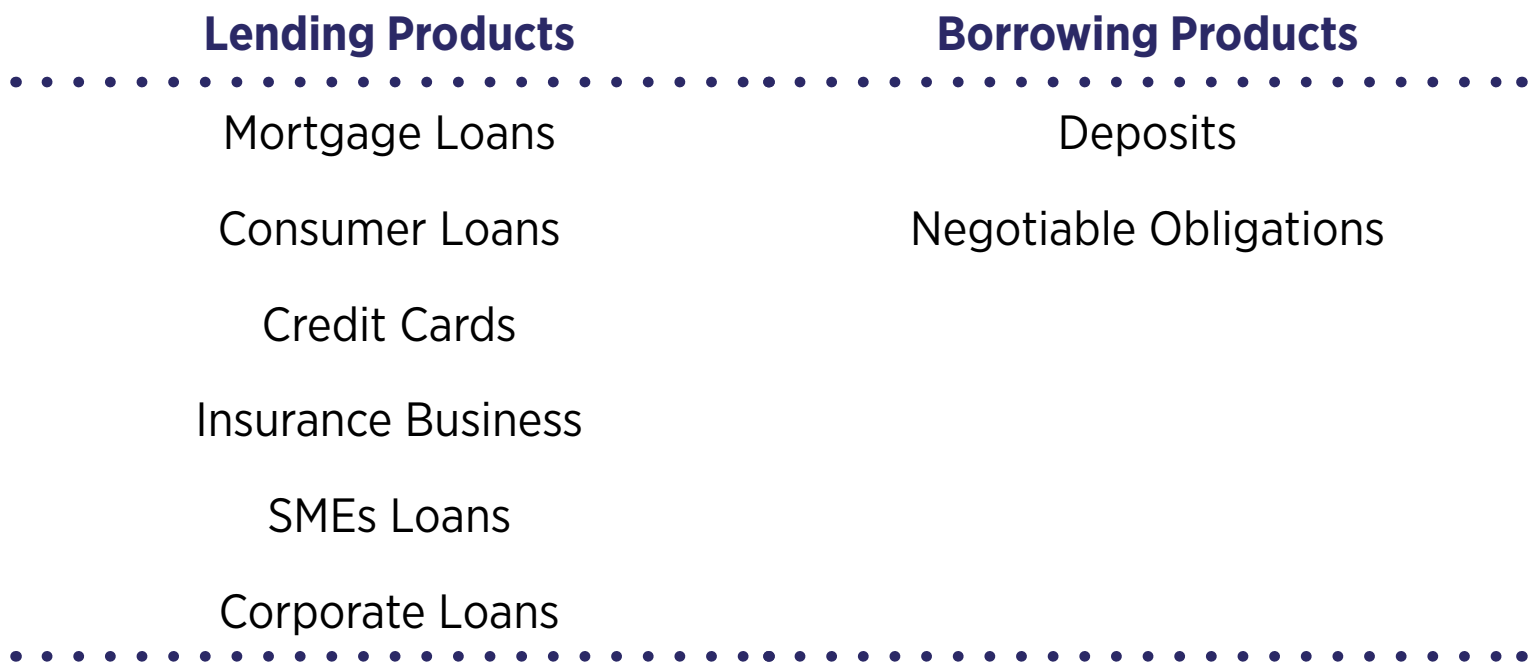
The products and services offered are in line with the Bank’s strategic vision of being the leading financial services provider for households, families and businesses in Argentina.

In 2021, even in the context of a pandemic, agile and responsible responses were provided to diverse needs, and on-site service was maintained with protocols and measures for compliance with social distancing.

THE BANK OFFERS FINANCIAL AND HOUSING SOLUTIONS THAT CREATE VALUE FOR ITS CUSTOMER PORTFOLIO AND STRENGTHEN ITS SOCIAL ROLE AS AN AGENT OF CHANGE.

In terms of the structure and balance between lending and borrowing products, 2021 was characterized by a positive variation of 68.9% in lending compared to 2020.

In relation to the fundamental sources of funding, a balance of \$289,292 million was observed for deposits, registering an increase of 115.8% and an amount of negotiable obligations of \$20,333 million, registering a decrease of 30.8% (12/31/2020 vs. 12/31/2021).

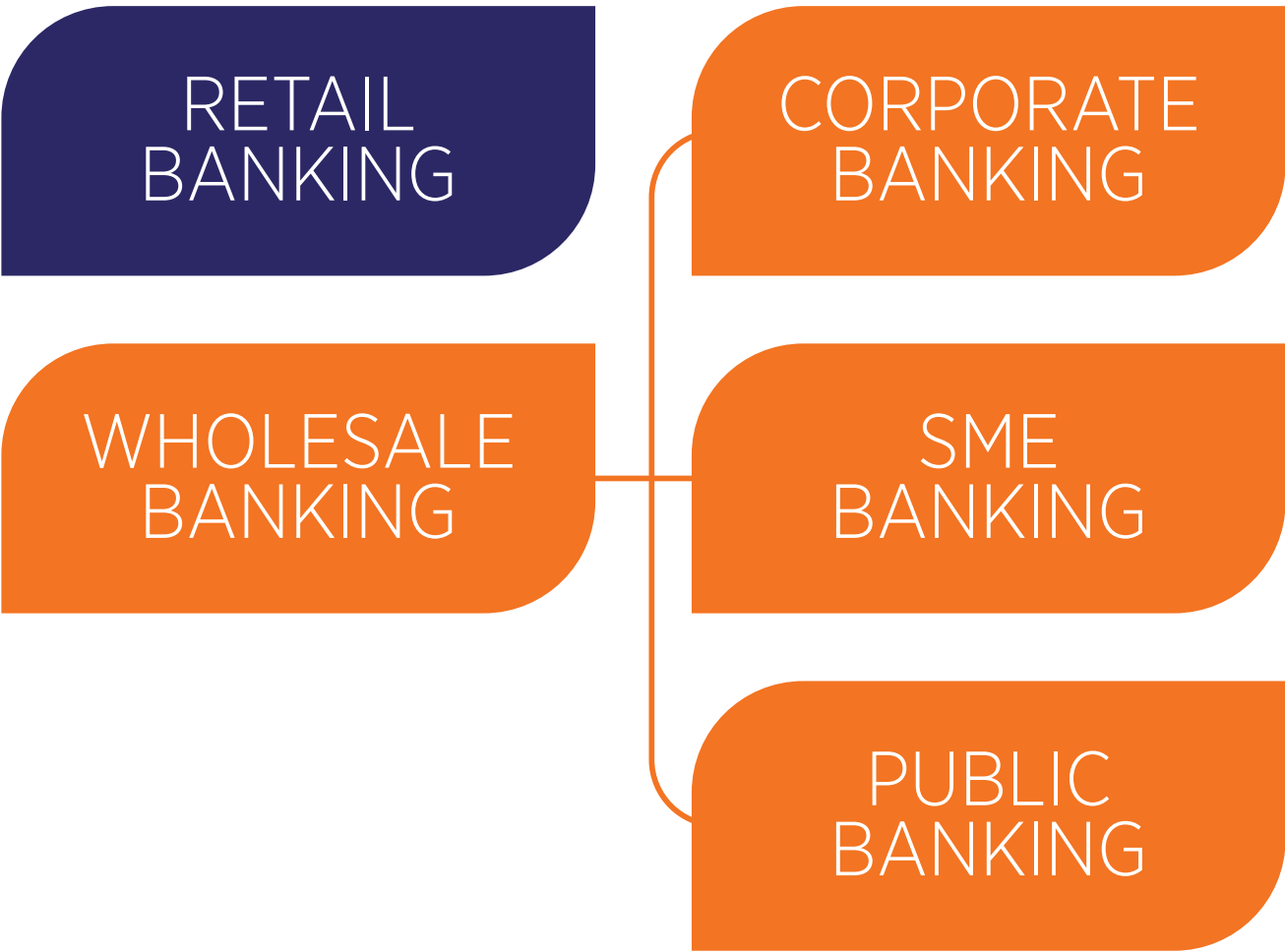


Volume of Lending and Borrowing Products (millions of pesos).

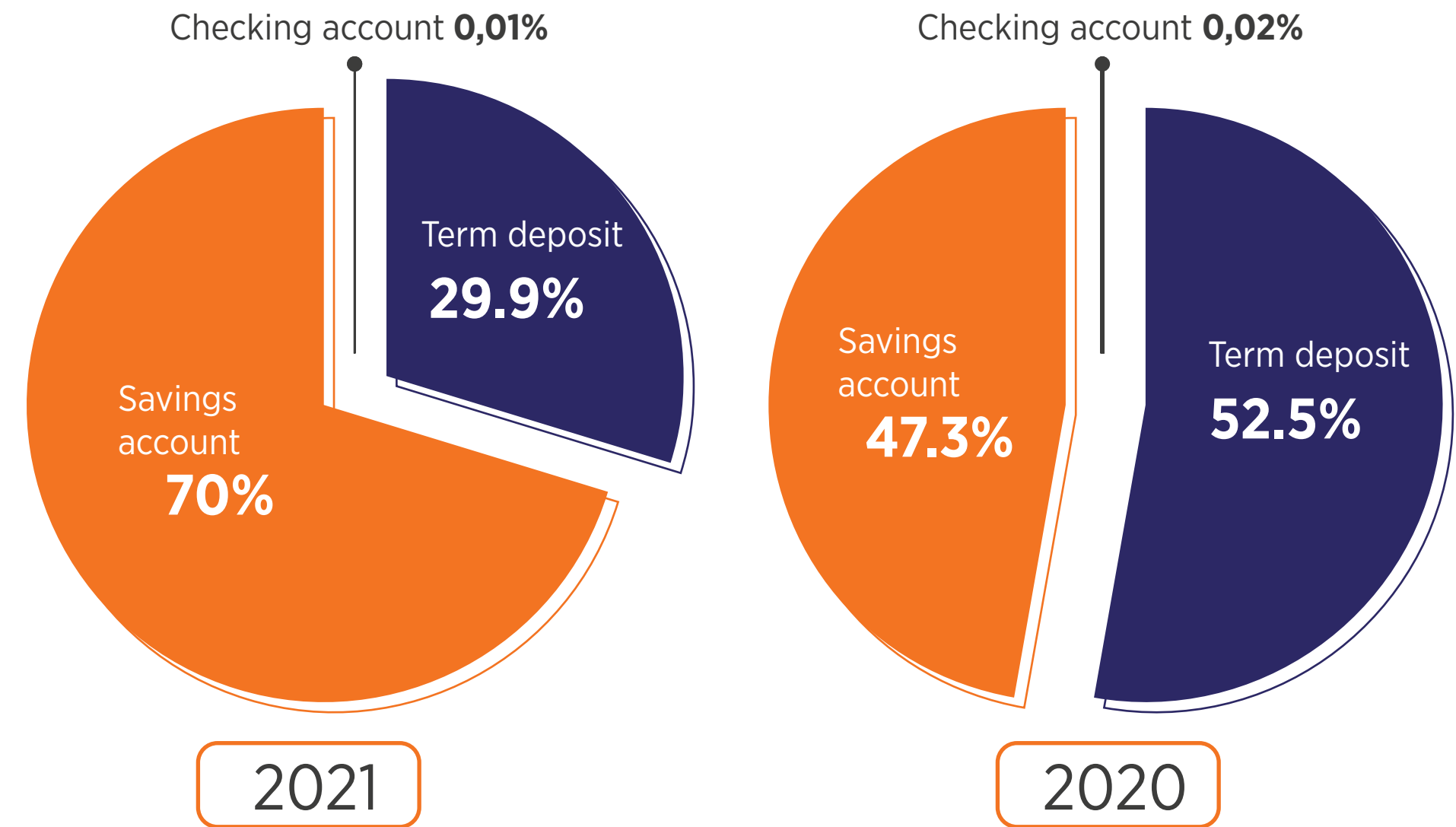
	2021
Lending Products	\$350,667
Borrowing Products	\$327,847
Deposits	\$289,292
Negotiable Obligations	\$20,333

Figures stated in millions of pesos. Values according to the financial statements separated as of 12/31/21, with rounding applied.

DISTRIBUTION OF THE PRODUCT PORTFOLIO

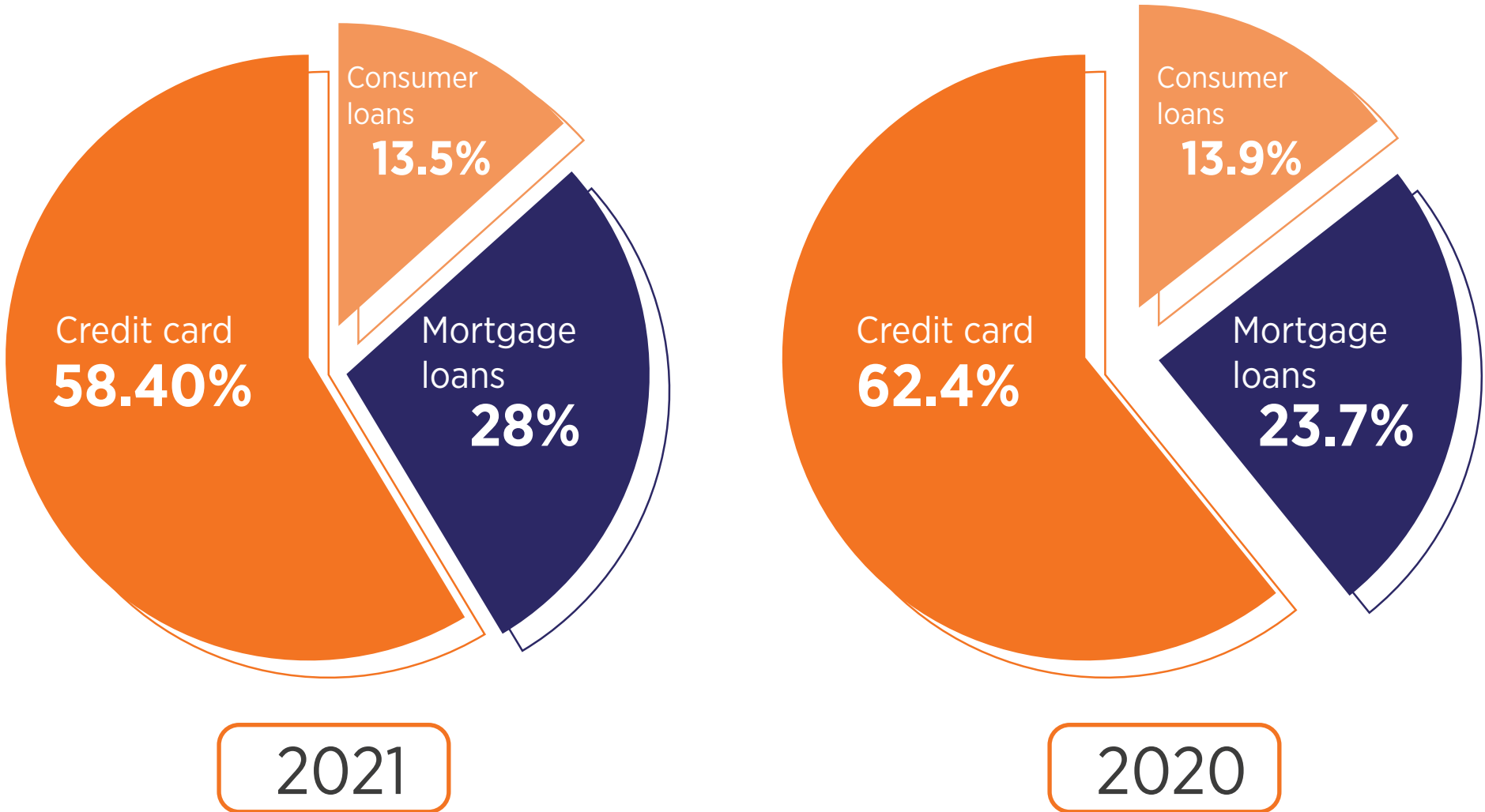


Distribution of the portfolio
– Retail Banking.



BORROWING
PRODUCTS

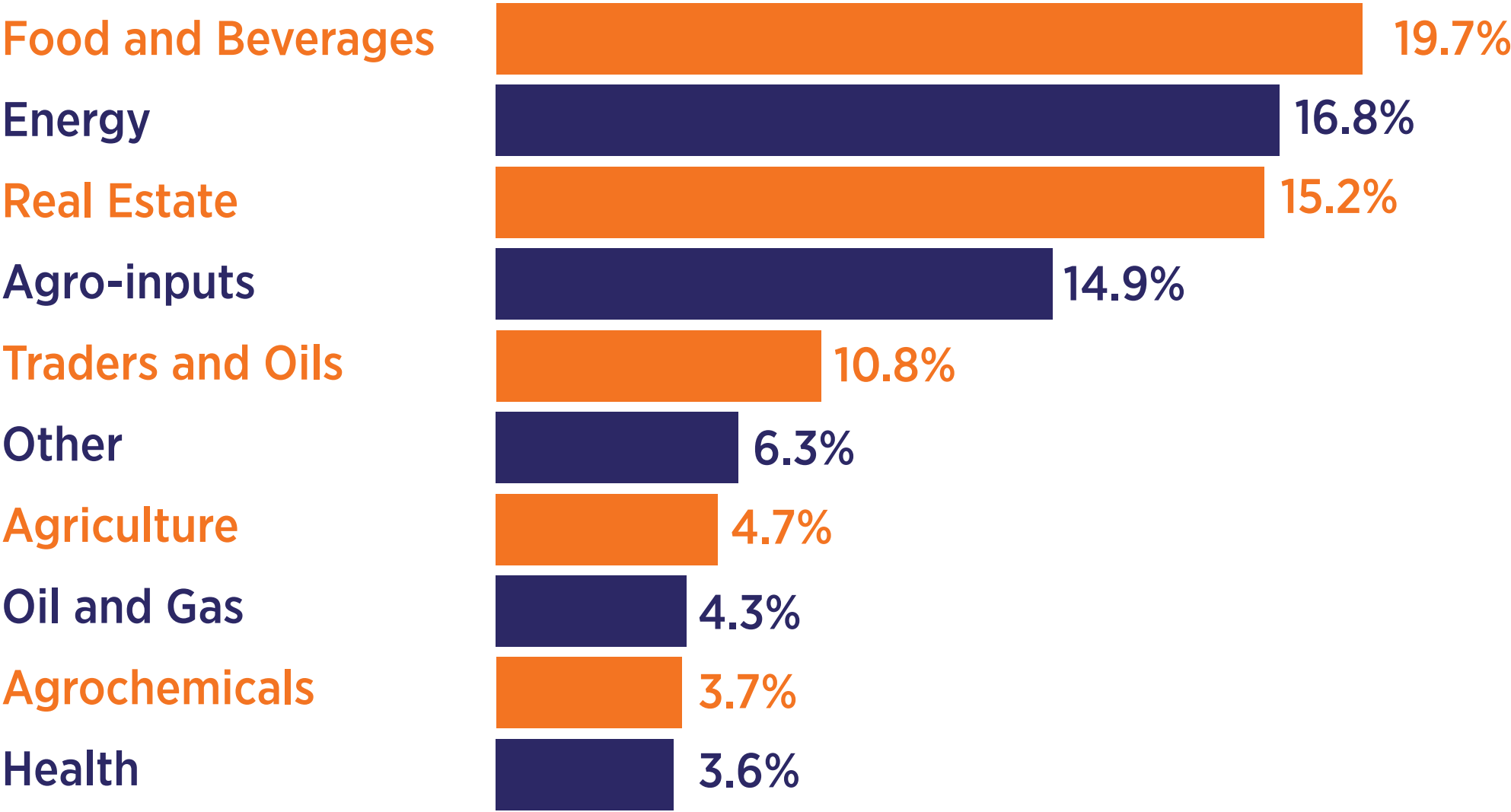
LENDING
PRODUCTS



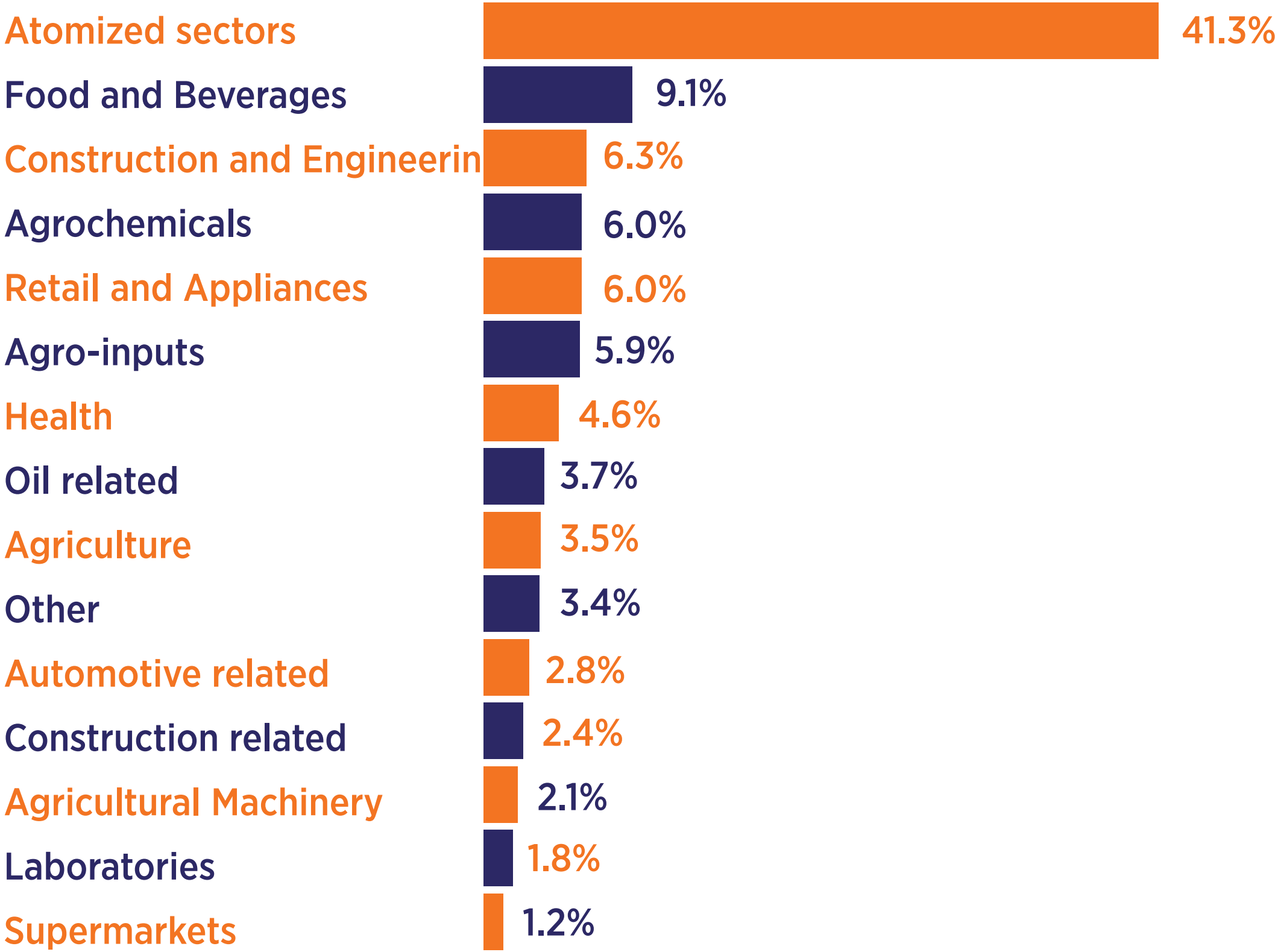
In 2021, there was an increase in the incidence of Savings Accounts over total borrowing products, to the detriment of the share of Term Deposits, which decreased from 52.5% in 2020 to 29.9% in the reported year.

Distribution of the portfolio by sectors - Wholesale Banking

Wholesale Banking - Corporate

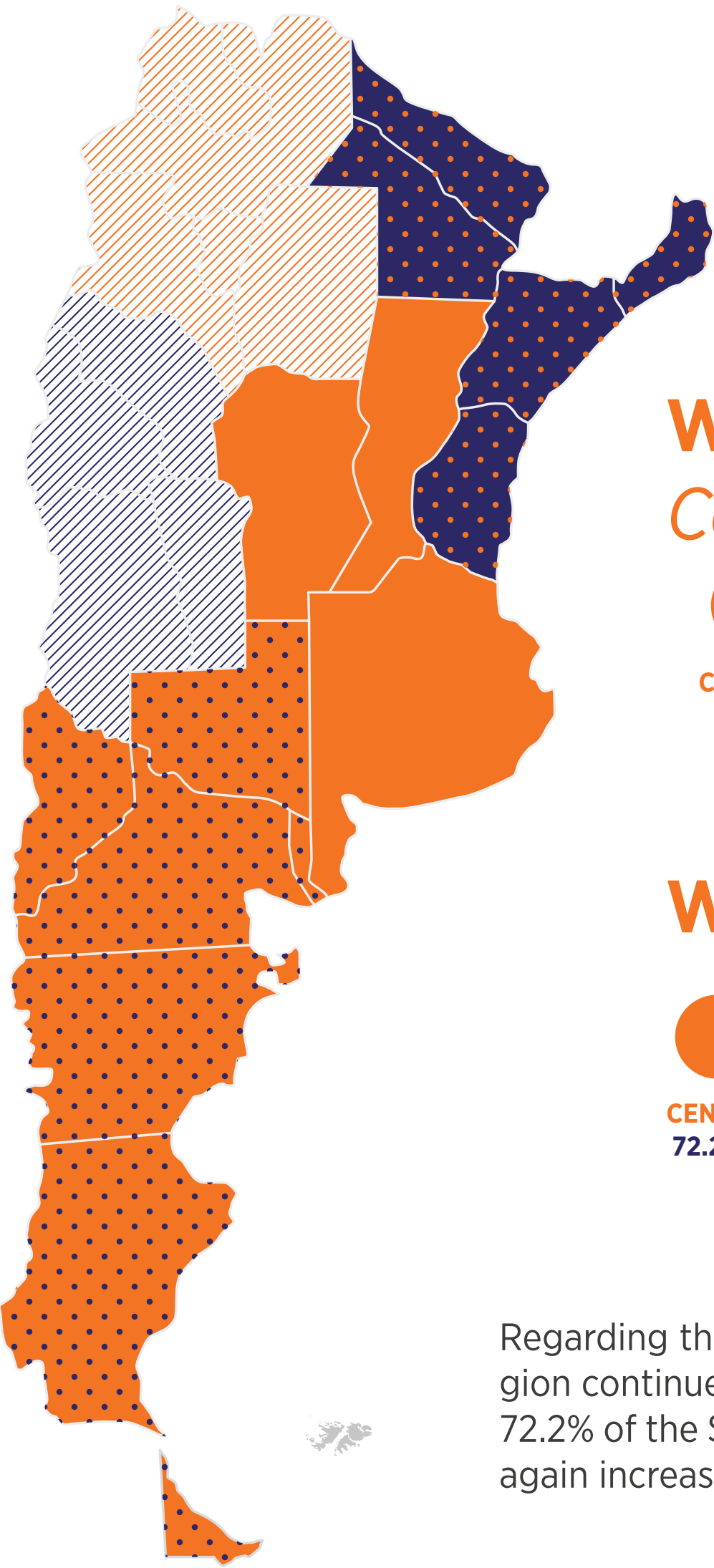


Wholesale Banking - SME



En cuanto a la distribución por sectores de la cartera mayorista (*Corporate*), en 2021 el sector de Alimentos y Bebidas fue el de mayor participación, seguido por los sectores de Energía, Real Estate y Agroinsumos. La cartera Pyme, si bien se encuentra mucho más atomizada, en 2021 el sector líder también fue Alimentos y Bebidas, con una participación del 9,1%.

Geographical distribution of our products.



Wholesale Banking - Corporate



Wholesale Banking - SME



Regarding the geographic distribution of products, the Central region continued to account for 100% of the Corporate portfolio and 72.2% of the SME segment. The NOA (Argentine Northwest) region again increased its participation, reaching 14.4%.

PRODUCTOS ACTIVOS

PRÉSTAMOS HIPOTECARIOS

Los créditos hipotecarios, otorgados con recursos propios y de terceros, constituyen el producto insignia del Banco, que apuntala las relaciones a largo plazo con clientes.

EL BANCO ADMINISTRÓ MÁS DE 1,9 MILLONES DE PRÉSTAMOS HIPOTECARIOS EN SUS 135 AÑOS DE HISTORIA.

Durante su existencia, el Banco ha asistido a diferentes organismos públicos, como, por ejemplo, institutos provinciales de vivienda y el fondo nacional de la vivienda, en la gestión de decenas de miles de operaciones crediticias, con la finalidad de brindar soluciones habitacionales.

En 2021 se ofrecieron créditos hipotecarios a través de la modalidad UVA, apuntando, principalmente, a financiar la construcción, adquisición, terminación y ampliación de viviendas.

A su vez, se continuó con el desarrollo del programa PRO.CRE.AR, del cual el banco es el Fiduciario del fideicomiso desde 2012. Durante 2021, el Banco se focalizó en mejorar la experiencia de personas beneficiarias del programa y clientes en general, y también en otorgar el crédito en un menor plazo de originación. Para ello, se trabajó en:

- Realizar las mejoras necesarias para alcanzar el trámite del crédito 100% en forma digital.
- Estabilizar las nuevas funcionalidades en el *dashboard* de seguimiento de operaciones, que le permiten al cliente hacer el seguimiento de su solicitud de crédito y la carga completa de la solicitud y de la documentación respaldatoria.

Para el programa PRO.CRE.AR, se desarrolló una nueva línea de crédito, incorporando el coeficiente “Casa Propia” para el ajuste de capital. Este coeficiente de actualización sigue la evolución del salario, brindándole, a la persona beneficiaria del programa, una mayor previsibilidad y oportunidad para hacer frente a los compromisos mensuales.

COMO “BANCO DEL HOGAR”, LOS PRÉSTAMOS HIPOTECARIOS SON LA COLUMNA VERTEBRAL DE LAS SOLUCIONES DE VIVIENDA PARA CLIENTES.

PRO.CRE.AR. BICENTENNIAL

Since 2012, Banco Hipotecario has served as trustee of the Public Trust Fund, called the Argentine Bicentennial Credit Program for Single Family Housing, which led to the most important Credit Program in recent decades to access housing.

In this role, the Bank applies its experience in the housing loan market, and is responsible for the granting and collection of the loans offered.

BANCO HIPOTECARIO DELIVERED +482 THOUSAND HOUSING SOLUTIONS IN ITS 9-YEAR HISTORY AS ADMINISTRATOR OF THE PRO.CRE.AR TRUST.

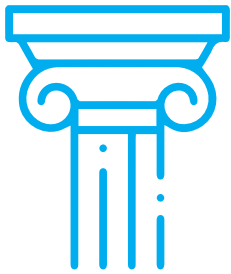
The PRO.CRE.AR Program contemplates individual credit lines, which vary according to the needs of the beneficiaries: construction, extension, completion and refurbishment of houses. It also has a line of Urban Developments, which is the main credit line available in the country for the acquisition of brand new homes.

Under the Urban Developments line, Argentine families may participate in raffles for houses - turnkey - or lots with utilities, according to the proposal available in their area.

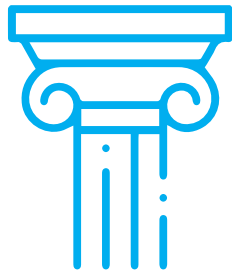
This line is characterized by its power of social inclusion and integration, while stimulating economic growth through housing construction.

PRO.CRE.AR

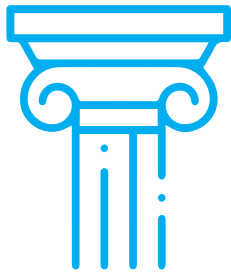
PILLARS



Urban Agenda Updating:
A wide range of recipients, with the commitment to include people with disabilities, respect and protection of local identities, and the gender perspective. Likewise, criteria of connectivity, accessibility, environmental sustainability and community hygiene were incorporated.



Projects Integrity:
Integration of these with the urban fabric, generating quality public spaces and new infrastructures that allow commercial, cultural and community uses, establishing the concept of the federal spirit of the Program.



Economic Dynamization
Reactivation of local economies taking into account the critical context, generating employment and recognizing the strategic role of construction.

ATTRIBUTES

Multiplier Federal Transparent Inclusive

Loans granted in 2021

Line	Number of Credits	Amount lent (millions of pesos)	Equity
Home construction	28,128	110.9	PRO.CRE.AR
Home acquisition	3,738	20.6	
PRO.CRE.AR Young Savings "Ahorro Joven"	24	64.5	
Better Home Microcredits "Mejor Hogar"	2,970	125.1	

2021 ACHIEVEMENTS

Launch of procrear II



83 civil works and 52 tenders awarded
(considering infrastructure, construction management and executive project).



32 lots of land awarded and under construction (this includes the construction of 83 sectors, which are comprised of 7,676 functional units).

.....

PRO.CRE.AR II WAS SUCCESSFULLY LAUNCHED IN 2021.

.....

CONSUMER LOANS

By 2021, 12,568 loans were placed, representing \$2,328 million in volume. This not only exceeded the proposed target, but represented a 613% increase over 2020. At year-end, the stock of loans was \$4,536 million.

As for the channels through which this product is offered and acquired by customers, they are mainly the branch network (69%), telemarketing sales to prospects (2%) and home banking (29%) to pre-existing customers of the Bank.

Consumer loans

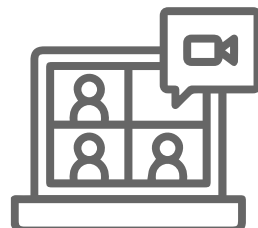
	2021	2020
Consumer loans granted	12,568	2,808
Volume (millions of pesos)	2,328	327



In addition to the delivery of **3,738 PROCREAR I functional units**, 3,228 lots with utilities were delivered.



“Priority” for mothers with dependent children: they were assigned higher priority in the raffles for urban developments.



Co-management with municipalities: based on the municipalities' knowledge of the housing needs of their communities, they were given the role of coordinators of the Program (during 2021, 23 municipalities participated with 401 assigned beneficiaries).



Virtual meetings with beneficiaries: orientation meetings on credits and processes were held, with a participation of 86% of the beneficiaries mentioned.

CREDIT CARDS

At the end of the reporting period, the credit card customer portfolio consisted of 401,743 accounts with account statement, which represented a 30% decrease compared to the previous year. In 2021, the VISA product range (Domestic, International, Gold, Platinum, Signature) and the Libertad cobranding credit card (Domestic and International) registered an annual volume of \$21,304 million.

WE HAVE +401 THOUSAND CREDIT CARD ACCOUNTS AND +934 THOUSAND DEBIT CARD ACCOUNTS.

The commercial strategy in 2021 continued to focus on the growth and care of the target segments, both in terms of acquisition (mainly credit card registrations for the Payroll Account) and loyalty/retention (taking care of the delinquency indicators of such customers, improvements in customer service levels, exclusive benefits and promotions in the product, etc.). At the same time, the Bank worked on the efficiency of spending with suppliers and reduction of financing days to stores according to their invoicing, among others.

In 2021, the Bank worked on several implementations to continue with the improvements in the customer experience, mainly in digital channels, with a view to continue them in 2022.

Customers - Credit and debit cards

	2021	2020
Number of credit cards	401,743	571,748 ¹
Number of debit cards	934,495	788,551

1 - Restated value. In the Sustainability Report 2020, emissions were reported instead of closing stock.

INSURANCE BUSINESS

The Bank offers its customer portfolio the protection they need most through a wide range of insurance products:



HOME

It's more than a house, it's your home



LIFE

Enjoy life without worries



PERSONAL ACCIDENT

There's only one life, don't miss out on anything



MOBILE ASSETS

Things are there to be used



ATM ROBBERY

You no longer have to hide when you leave the ATM



PROTECTED PURCHASE

Because more important than having them, is to live them



HEALTH

Make sure you and your family have a carefree life today

+464 THOUSAND CUSTOMERS WITH INSURANCE. +45 THOUSAND NEW POLICIES IN 2021.

Insurance

	2021	2020
Current policies	464,000	555,000
Accrued premiums (millions of pesos)	2,055	1,706

Values according to reports at the end of each year.

Insurance activity values in 2021 were below those of the previous year. A total of 45,853 new policies were registered, 80% of which were originated through the telemarketing channel and 20% through branch offices. In terms of policies, the year closed with 464,000 in force and a level of accrued premiums of \$2,055 million.

CORPORATE AND SMES LOANS

As in previous years and in line with the Bank's global strategy, Corporate Banking was focused on increasing transactional volumes and the credit offering was primarily targeted at working capital and customers with reciprocal transactional business.

SME Banking has more than 4,000 customers from a broad variety of segments. At the end of 2021, the credit exposure to SMEs was around AR\$ 7,000 million, with secured loans accounting for 69% of that total, supporting the lines of credit for SMEs countrywide mandated by the Central Bank of the Argentine Republic (BCRA).

SMEs Loans

	2021	2020
Credit exposure - SMEs (millions of pesos)	5,307	2,605
Secured loans	69%	82%



LOAN PORTFOLIO

The private sector loan portfolio reached a volume of almost \$60 million, equivalent to a decrease of 19.2%. In line with the previous year, in 2021 the loan portfolio consisted of 61.8% consumer and mortgage loans and 38.2% commercial loans.

Loans to the Private Sector

	2021	2020
Type		
Consumer	43.2%	49.3%
Commercial	38.2%	33.7%
Mortgage	18.5%	17.0%

Values according to reports at the end of each year.

BORROWING PRODUCTS

SIGHT DEPOSITS

During 2021, 140,000 new accounts denominated in pesos were opened, reaching an activation. In terms of origination channels, 13% of new accounts were opened through branches and 87% through electronic channels, mainly home banking. This distribution was mainly explained by a decrease in branch traffic, as a consequence of the COVID-19 pandemic. In turn, 27,324 savings accounts denominated in U.S. dollars were originated, with an average total balance of US\$ 49.4 million.

The inventory of accounts remained stable in terms of checking accounts and social security savings accounts, and experienced a considerable increase in savings accounts, which exceeded 918 thousand at the end of the period.

In terms of the experience of using bank accounts, contactless technology was incorporated into debit cards in 2021, improving the customer experience.

Account Opening

	2021	2020
Checking Accounts	3,906	6,369
Savings Accounts in pesos	140,158	98,035
Savings Accounts in USD	27,325	35,541

Inventory of Accounts

	2021	2020
Number of Checking Accounts	35,900	38,884
Number of Savings Accounts	918,249	815,228
Number of Social Assistance Savings Accounts	39,000	38,229

TERM DEPOSITS

During 2021, the Bank applied a term deposit attracting strategy, aimed at consolidating the criteria of sustainability, quality and optimization of the profitability of the portfolios.

To this end, the Bank worked with differential rates by segment and optimizing the cost of funding. Throughout 2021, the rate scheme for individuals remained within the framework of the rates regulated by the BCRA. As regards the management of institutional customers, the Bank continued to strengthen its leadership in branches in the interior of the country, through personalized management and segmented product offerings according to the type of customer.

As a result of the strategy applied, in 2021 the volume of term deposit balances of individuals was increased to \$6,320 million, and more than 35,500 customers were reached. At the end of the period, the total volume in Retail Banking, for the products of Term Deposits in Pesos, Term Deposits in UVA (expressed in Pesos) and Term Deposits in Dollars, reached \$20,296 million, \$1,475 million and U\$S 19.3 million, respectively.

Inventory of Deposits

	2021	2020 *
Term Deposit in pesos (millions of pesos)	118,018	33,244
UVA Term Deposit (millions of pesos)	1,539.9	356.8
Term Deposit in USD (millions of U.S. dollars)	31	41

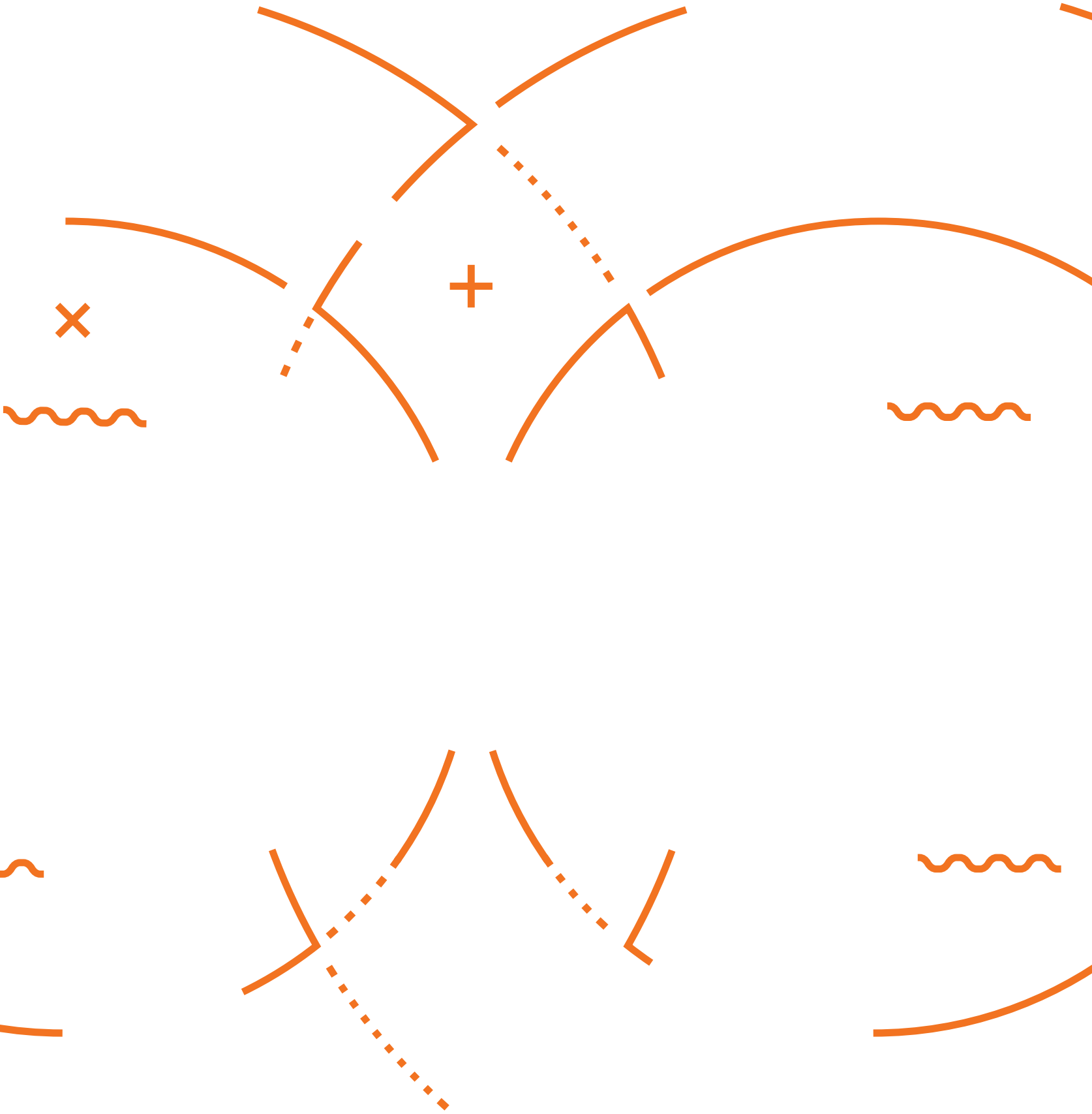
* Values as of 12/31/2020.

OTHER FUNDING SOURCES

In line with previous years, the Bank continued pursuing its funding source diversification strategy, based on sight and term deposits and debt borrowed from capital markets (DCM). A Class 5, dollar-linked, negotiable obligation was placed in the local market for an aggregate principal amount of US\$ 10 million at 18 months.

Funding Sources

	2021
Local Indebtedness	3%
International Indebtedness	3%
Total Deposits	93%



3

OUR BUSINESS STRATEGY



Material Aspects: Economic Performance, Procurement Practices, Customer Experience

The reporting period was characterized by a challenging economic context, marked by the coexistence of a high inflation rate with the COVID-19 pandemic.

The spiraling inflationary process in Argentina and the high financing rates generated difficulties for SMEs and consumers, which prompted the enactment of laws and regulations, such as: freezing the value of rents and mortgage loan installments; prohibition of evictions and layoffs; compulsory refinancing of loans; subsidies to companies and individuals and regulation of interest rates for financial institutions; among others.

EL BANCO ACTUALIZÓ LA VISIÓN ESTRATÉGICA, CON FOCO A 2023, FORTALECIENDO SU ROL COMO PRESTADOR DE SERVICIOS FINANCIEROS DEL HOGAR, LAS FAMILIAS Y LAS EMPRESAS ARGENTINAS.



In this context, the Bank updated its strategic vision, with a focus on 2022, strengthening its role as a provider of financial services to households, families and companies in Argentina. At the same time, the Bank's positioning as an efficient and digital bank, with agile responses, and recognized for its excellence in customer service, was strengthened during this period. True to its historical social mission, the Bank continued to promote a people-centered culture, data-driven decision making and a strong positive social footprint.

As regards **Retail Banking**, as in 2020, we continued to strengthen and improve the customer experience through agile workcells. The tasks of the "Buy your home" workcell focused on granting mortgage loans and consumer microcredit loans for construction, corresponding to the PRO.CRE.AR Program. The main objective of Everyday Banking's agile workcells was to ensure a good customer experience in the face of the digitalization of operations. To this end, new functionalities were incorporated, such as biometrics and the development of the MODO Wallet, launched during the last quarter of 2020.

In 2021, digital media were consolidated as the main channels of communication with customers. To this end, we used personalized push notifications to customers who use mobile banking and social networks, among others. The Bank's traditional channels, such as branches and the contact center, continued to work in compliance with sanitation protocols and very focused on the maintenance and growth of their businesses. It turned out to be a record year in the acquisition of payroll account customers, and sales productivity more than doubled.

As regards **Corporate Banking**, the strategy focused on incorporating new customers and consolidating the commercial relationship with current customers, with a value proposition leveraged on the new transactional products launched during the year. The credit offering was primarily targeted at working capital financing and customers with reciprocal transactional business, always maintaining a balanced portfolio in terms of term and currency, with an adequate exposure to credit risk.

In turn, the Bank continued to offer its corporate customer portfolio several funding alternatives, through primary placements in the capital markets; investment alternatives, through primary and secondary subscriptions of different capital market instruments, mutual funds, term deposits and interest-bearing accounts, and foreign exchange hedging products (NDF).

As in 2020, the development of **SMEs Banking** continued by adding new customers, consolidating the relationship with the existing ones and developing and hiring human capital with expertise in the segment.

This strategy included the offering of competitive and comprehensive product proposals, encompassing Payroll Account services, Collection Systems, Payments to Suppliers, Tax payments to the Argentine tax authorities (AFIP), Link ATM Network Payments and Echeq, among the main ones. In turn, the Bank continued to participate in the Reciprocal Guarantee Company (SGR) market, a key tool in the financing of SMEs and the origination of new customers through its guaranteed SMEs. Regarding the Line for Productive Investment, the Bank worked hard on the development of new customers and transactional business, as well as on the retention of the current ones.

As regards **Public Banking**, the main efforts were aimed at consolidating a customer-centric service model and strengthening our regional presence through an increased synergy with the Branch Network and the Investment Center.

Some business highlights in 2021 include an 80% increase in the peso-denominated liability portfolio and a tripling of transactional volumes. Efforts related to financial assistance were directed towards municipalities and state-owned companies, through financial leasing operations for the acquisition of machinery, as well as loans for the execution of public works.

3.1 ACCELERATION IN DIGITAL TRANSFORMATION

In 2021, the Bank continued to scale agile practices in the different teams, which formed the "Value Flows", incorporating performance metrics that allowed monitoring progress in speed and productivity. With this information and the information gathered through surveys with the different roles of the digital transformation and the observation of teams, periodic diagnoses were made to understand the different states of situation, roles, processes and the governance model in place, which were presented to the Digital Transformation Committee.

This work logic was framed within the dimensions that make up the digital transformation: holistic strategy with articulated business goals; agile mentality at leadership levels; monitoring of progress and results; total commitment of the organization's leaders and flexible data platform; among others.

In turn, and in line with the commitment to develop the roles required by the Digital Transformation, an internal Product Owners school was implemented, which allowed us to certify 17 employees during the period.

At the same time, in order to support the scaling process, Scrum Masters and Product Owners communities were implemented as a space for exchange, to align, standardize, build and challenge processes and initiatives. These spaces generated action plans to improve identified pain points.



In pursuit of continuing with the strategic plan and supporting the Bank's vision of *Being the efficient and digital financial services provider for Argentine households, families and businesses, renowned for its outstanding customer service, promoting a people-centric culture, data-based decision making and characterized by a positive social footprint*, nine value streams were developed in 2021, within the framework of agile methodologies, which achieved the following milestones:

Help me open an account: we sought to improve customer registration and the cross-subscription of existing customers with account products and bundles that generate demand deposits, as well as, to achieve their mainstreaming, we worked on bundle upgrades and downgrades and implementations to serve the segment of retirees..

Transactions and saving for the future: we worked on improving the experience and value proposition of our digital channels, focusing on the target segments and, thus, consolidating their main focus based on the transactional cells, investments and MODO wallet, developing, among others, login and validation with biometrics, mutual funds and securities in Mobile and Home banking, and sending and receiving money and QR payments in MODO integrated in the Bank's app.

Buying my dream home: aimed at providing housing solutions through self-management, guaranteeing speed in execution, visibility of the process, remote advice and post-sale support; all this, in order to minimize the number of visits to branches, highlighting the development of the digital end-to-end of loans, avoiding the need to go to the branch, printing papers and collaborating with the pandemic context, and the automation of processes to reduce the time of access to housing for customers.

Origination and wholesale financing: its objective was to develop and complete an integral offer for banking customers, generating value for them and their ecosystem, highlighting the development of Echeq and remote check deposit and solutions for consortiums, among others.

Wholesale digital channel: work was carried out in order to develop a new Office Banking, a channel that responds to the needs of customers, improving security, the way of logging in and viewing accounts and transactions, etc.

Efficient operations: we worked on improving operating capacity and efficiency by providing information in due time and form for sales and post-sale flows and processes. Among the milestones achieved are: automation of the document self-management process, automation through RPA (Robotic Process Automation) of PROCREAR loan appraisal and disbursement processes, the first advances on a Chatbot for PROCREAR customer service and the automation of tasks through no-code tools.

Commercial platform: focused on the continuity of after-sales CRM development.

IT platforms: work continued on data masking to improve the quality of development tests and environment unavailability times, and on the implementation of the data warehouse.

Social footprint: work focused on financial inclusion and the development of sustainable finance for individuals and companies.

3.2 ECONOMIC PERFORMANCE

MACROECONOMIC CONTEXT

In Argentina, the COVID-19 pandemic implied a combination of unprecedented external and internal shocks, on an economy that had already been in recession for almost two years, with high inflation and public debt at unsustainable levels. However, the financial system continued to show an adequate degree of resilience and the local context began to show signs of recovery.

This was complemented by a series of policy measures (monetary, financial, tax and income), aimed at preventing these transitory shocks from leaving permanent after-effects on the economy, and a gradual progress in the easing of health policies. From the middle of the year, there were signs of a more dynamic domestic demand and an incipient economic recovery, which gained strength in the second half of the year (although with disparity among sectors).

The aggregate financial system continued to perform its functions without experiencing stress situations, maintaining high coverage against the intrinsic risks assumed. The operating context, through which the financial system went through, showed a process of recovery of the economic activity, largely favored by the stimulus measures of the Argentine Government together with the BCRA, as well as the progress in the process of vaccination of the population against COVID-19.

According to the indicators developed, the group of financial institutions preserved high liquidity, solvency and provisioning margins. The sector continues to develop traditional financial intermediation operations (not very complex), with a predominantly transactional bias, maintaining a low direct interconnection between entities and a reduced depth of total credit in the economy. The equity mismatches (of currencies and terms), assumed by the financial system as a whole, remained at limited values, as did the equity exposure to the public sector, in line with the prudential regulations in force. It

should be recalled that the sector’s activity was carried out within a regulatory and supervisory scheme that is in line with the best recommended practices according to international standards.

In 2021, the following were identified as the main topics of exogenous risk factors that the financial system could eventually face: i. Possible deterioration of the external context, given the existence of several uncertainty fronts and vulnerabilities at a global level. ii. Possibility of a less dynamic recovery than expected or greater volatility in local financial markets. iii. Operational risks, increased by the greater dependence on technological resources as a result of the pandemic.

PLANNING AND MANAGEMENT CONTROL

GRI Disclosure: 102-7

The Planning and Management Control Area, together with the corresponding business areas, define the business objectives and projections, all based on the vision, mission and strategic axes defined by the Senior Management, and in consideration of an expected macroeconomic context.

The goals set out within the strategy are subject to a periodic analysis and measurement of the degree of compliance with the different objectives by the Planning and Management Control Area.

The results of the monitoring of objectives and goals are published in monthly and quarterly reports, with key indicators and data for follow-up, in monthly and quarterly executive reports on expense follow-up, among others.

In turn, the Monthly Control Scorecard is issued as a management analysis tool, which includes the follow-up of commercial indicators and targets, such as loan origination, deposit taking, balance evolution, asset portfolio quality, among others.

Main aspects of Banco Hipotecario

	2021	2020 ²
Number of employees	1,621	1,704
Number of suppliers	1,129	3,106
Assets (millions of pesos)	350,667	128,855
Liabilities (millions of pesos)	327,847	111,353
Shareholders' equity (millions of pesos)	22,820	17,502
Number of Checking Accounts	35,900	38,884
Number of Savings Accounts	918,249	815,228
Number of Social Assistance Savings Accounts	39,000	38,229
Number of Credit Cards (accounts with account statement)	401,743	571,748 ³
Number of Debit Cards	934,495	788,551

2 - Data corresponding to Banco Hipotecario SA (not including subsidiaries), according to data published in the Sustainability Report 2020, subject to rounding, not adjusted for inflation.

3 - Restated value. In the Sustainability Report 2020, emissions were reported instead of closing stock.

Likewise, the Quarterly Management Control Report is prepared, where an analysis of the Bank’s management is carried out throughout the quarter. This Report, and in addition to what is specified in the Monthly Control Scorecard, states the diversification of the funding structure, workforce, commission income, billing of the insurance activity, sources of income generation for services, analysis of budgetary deviations, degree of progress of the different projects and investments consigned for the current year, follow-up of the businesses of the subsidiaries and follow-up of the stated goals.

In turn, the Budget and Expenditure Control area is in charge of ensuring an adequate control environment of budget management, from the preparation of the budget, to the final execution of expenses and investments. The reasonableness, timeliness and measurement of the requests for funds that are generated are permanently analyzed.

In addition, the Bank has a quarterly Expenditure Monitoring Commission, whose objective is to share, with the first line of General Management, the evolution of the expenditure components in accordance with the annual execution plan.

Although the improvement exercises on the monitoring and management of Economic Performance are continuous, it is always sought to improve the analysis together and in consideration of the business areas, in order to improve the information based on which the Senior Management will make decisions. An example of this are the profitability analysis exercises of the different customer segments, both in individual banking and in wholesale banking, seeking to detect business opportunities based on the observed data.

Finally, economic performance is rigorously assessed to ensure the correct execution of the Business Plan as well as the early detection of deviations and opportunities for improvement, in order to meet the long-term strategic objectives and, consequently, the vision defined by Senior Management.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI Disclosures: 102-48, 103-1, 103-2, 103-3, 201-1.

The different lines of business showed a net income adjusted for the effect of inflation of more than 4 billion loss and, without the effect of inflation (historical), it was positive for \$3,026 million.

In terms of economic performance, the milestones of the period were as follows:

- Profitability analysis exercises of the several customer segments, both for individual and wholesale banking, seeking to detect business opportunities based on the data observed.
- Initiatives to maintain a leading role in the housing and construction market, providing the Bank’s structure and knowledge to assist the Argentine Government in the continuity of the PRO-CREAR program in all its variants.
- To balance the business among the Bankings by readjusting the asset mix; to this end, several actions were carried out, such as: launching of Sueldo Dúho, SME bundle, Cash Management, closing of Tarshop SA and portfolio sale in 2021.

The following table of “DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED” follows the structure specified in Disclosure 201-1 of the Global Reporting Initiative Standards and reflects the flow of capital between the different stakeholders.

The figures are presented in millions of pesos and arise from the [Separate Financial Statements of Banco Hipotecario SA](#) as of December 31, 2021, audited by Price Waterhouse & Co. S.R.L. It should be noted that, for the calculation of the Direct Economic Value Generated and Distributed, concepts that make up the Statement of Income are not considered and, therefore, the Net Income for the Year is not equal to the Retained Economic Value.

Banco Hipotecario SA is a financial entity included within Law 21,526 of Financial Entities and, as such, must also comply with the provisions of the Central Bank of the Argentine Republic (BCRA) as the Regulatory Body of Financial Entities and with the provisions of the Argentine Securities Commission (CNV), in accordance with Law 26,831.

Direct Economic Value Generated and Distributed
(in millions of pesos)

Component	Stakeholder	Amount	
		2021	2020 ⁴
Direct Economic Value Generated (EVG)		63,864	35,863
Income	Customers	63,864	35,863
Economic value distributed (EVD)		59,770	28,899
Operating expenses	Suppliers	5,085	3,966
Salaries and benefits for employees	Employees	9,526	5,981
Payments to capital providers	Shareholders and Credit Providers	41,977	17,299
Payments to governments	Government	3,096	1,584
Investments in the community	Community	86	69
Economic value retained (EVR) = EVG - EVD		4,094	6,964

4 - According to values published in the Sustainability Report 2020, subject to rounding, not adjusted for inflation.

3.3 SUSTAINABLE FINANCE

In line with the systemic promotion of sustainable financing worldwide, the Argentine Securities Commission (CNV) and Bolsas y Mercados Argentinos (BYMA) developed a series of tools to regulate, provide confidence and connect issuers, investors and different stakeholders, who share their interest in participating in a more responsible stock market aligned with current social and environmental challenges.

In 2021, sustainable finance acquired a remarkable relevance in the local market of Argentina. Organizations with a strong track record in sustainable business management decided to issue negotiable instruments to seek funds to support their social and environmental projects. This was welcomed by different groups of institutional investors, who showed great interest in the promotion and financing of projects with impact.

SOCIAL, GREEN AND SUSTAINABILITY BONDS (SGS)

SOCIAL BONDS: Finance or refinance projects that aim to help address or mitigate a specific social problem and/or achieve positive social outcomes.

GREEN BONDS: Finance projects with environmental impact.

SUSTAINABILITY BONDS: Finance projects that combine social and environmental impact.

SUSTAINABILITY-LINKED BONDS (SL)

Bonds whose financial and structural characteristics may vary depending on whether the issuer achieves certain sustainability objectives within a predefined timeline.

Unlike SGS bonds, the benefits of the issue are not linked to eligible social and/or green projects, but to the general purposes of the issuer.

In view of this scenario, Banco Hipotecario also decided to be part of the global commitment to direct investments towards social and environmental objectives, in line with the 2030 Agenda, the goals set forth by the Sustainable Development Goals and the Paris Agreement to mitigate global warming. To this end, and building on the basis of SDG 17, in 2021 we worked hard to position ourselves as underwriter of the main issues of green, social and sustainability-linked bonds that took place in Argentina.

IN 2021, BANCO HIPOTECARIO ACHIEVED 8 PLACEMENTS IN GREEN, SOCIAL AND SUSTAINABILITY BONDS.

Issuer	Bond	Type of bond	Currency	Amount placed	SDG	Destination
Plaza Logística SRL	CNO Class 6	Sustainable	UVA	26,576,111 UVAS	7,12,13 5,8,10	Construction of two logistics warehouses
Genneia	Class XXXII	Local Green bond	USD linked	US\$ 48,971,674	7,13	Renewable energy projects
	Class XXXIV	Local Green bond	USD linked	US\$ 15,605,522		
	Class XXXV	Local Green bond	USD linked	US\$ 7,300,000		
		Local Green bond	USD linked	US\$ 50,000,000		
Techo	Class 1	Social bond	Pesos	18,000,000	1, 10, 11	Construction of a social factory
San Miguel	NO Simple Series VI Classes A and B	Sustainability-linked bonds	USD linked	US\$ 15,000,000 US\$ 45,000,000	7	Supplying the production complex with renewable energy



Argentina’s leading renewable energy generation company, operating approximately 20% of the country’s installed renewable energy capacity. It has a Green Bond Framework (GBF), which establishes the criteria for issuing green bonds and/or refinancing eligible green projects. In both cases, eligible projects are purely renewable energy projects, aimed at the construction, development, expansion, production, acquisition, maintenance and operation of renewable energy (solar, wind, among others). Genneia led the issuance of corporate green bonds in 2021.

Argentine company dedicated to the development and management of logistics parks. In 2021, it issued the CNO6, which was labeled as a Sustainable Bond, making Plaza Logística the first private company in Argentina to issue a Sustainable Bond. The funds of this bond are destined to the construction of two logistics warehouses of Triple A quality (EDGE certification). As regards the social nature of the issue, the project foresees the generation of positive social impact through the creation of jobs, mainly in the segment of young people up to 25 years of age and women, within the logistics sector.



: Latin American NGO present in 19 countries, which seeks to overcome the situation of poverty experienced by millions of people in popular settlements, through the joint action of its inhabitants and young volunteers. Techo was the first Civil Association to issue an NO in line with ICMA’s 2020 Social Bond Principles (SBP). The objective of this instrument is to build a new Social Factory (SF). The funds obtained from the placement will be used to cover the construction costs of a social factory, which seeks to provide housing solutions that mitigate the current habitat conditions of the target population.



a global company, of Argentine origin; its main activities are the production, processing, industrialization and marketing of fresh fruit and industrial by-products. Historically, the company has sold close to 90% of its production to the foreign market, reaching more than 50 countries. San Miguel issued the first Negotiable Obligation (NO) linked to sustainability in Argentina. Through this instrument, the company committed to reach 66% of renewable energy over the total electricity consumption demanded in the Famaillá Industrial Complex (Tucumán).

In turn, Banco Hipotecario, as part of its investment portfolio, has a participation in **Pellegrini Fondo Común de Inversión Cerrado (FCIC)**. This Closed-end Mutual Fund was labeled as “social” and incorporated in BYMA within its Panel of Social, Green and Sustainability Bonds (SGS).

This fund is primarily intended for the construction of housing for middle and low-income sectors, which will increase the supply of housing units for these sectors and boost construction, creating new jobs.

BYMA SUSTAINABILITY INDEX

BYMA has a non-commercial [Sustainability Index](#) which seeks to identify and recognize those companies that are leaders in the market for their sustainability practices, allowing them to have greater visibility at the regional and international level.

The BYMA Sustainability Index, made up of 15 companies, assesses the performance of issuers in four pillars:

- Environment
- Social
- Corporate Governance
- Development (contribution to the SDGs)

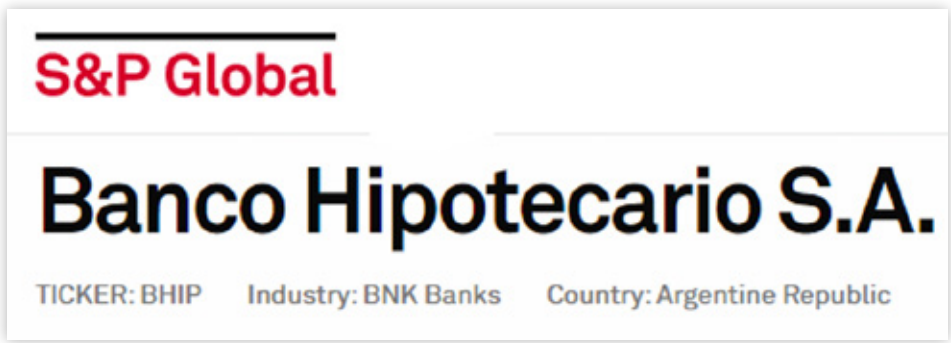
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BANCO HIPOTECARIO WAS INCLUDED IN BYMA’S SUSTAINABILITY INDEX IN ITS THIRD REBALANCING.

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ESG RATINGS

In 2021, Banco Hipotecario was invited to participate in S&P Global’s Corporate Sustainability Assessment (CSA) (Sector: Banks). This assessment not only allows access to comparative data (benchmarking), but also becomes a management tool to identify ESG gaps and challenges.



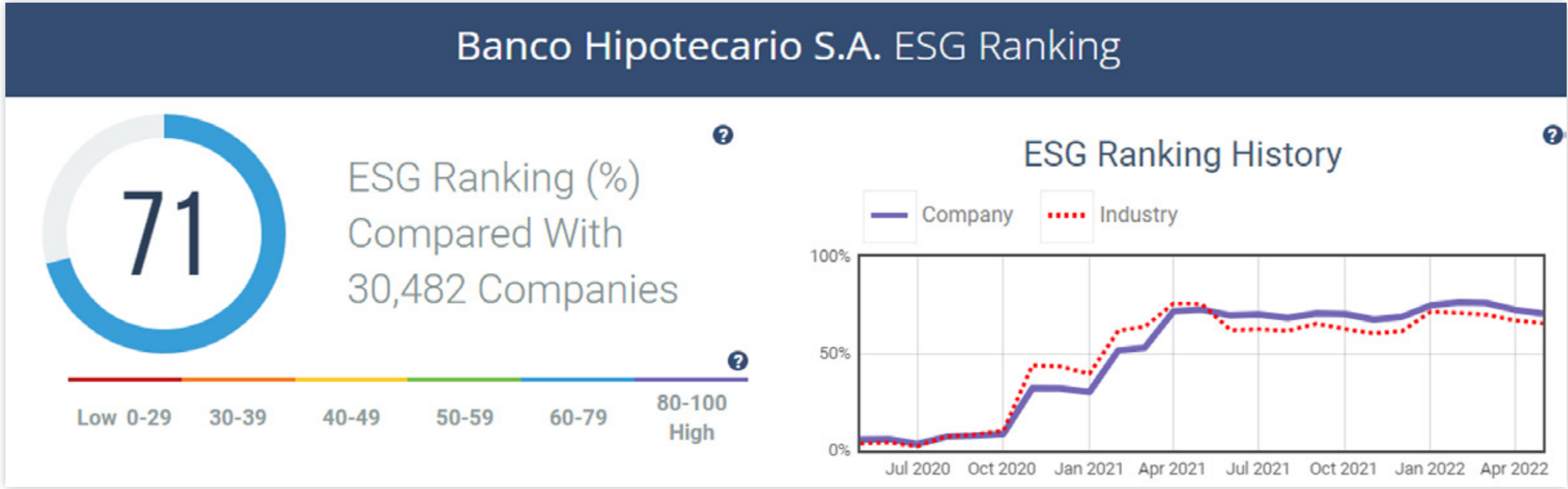
Annually, S&P sends a comprehensive questionnaire (CSA) to companies that are willing to report and be evaluated on several dimensions of sustainability through public and confidential data submitted by those who participate.

The scores resulting from this assessment feed into the Dow Jones Sustainability Index (DJSI) family of indices, and in recent years, the CSA has also become one of the most highly rated ESG scoring methodologies in the world.

In this opportunity, as a result of the CSA, Banco Hipotecario obtained an overall score aligned with the sector average and received its best scores in ethics, human capital development, corporate citizenship and philanthropy.

CSR HUB

CSR Hub provides consensus ratings of ESG performance as a lever for improving corporate sustainability. Their assessments are called “consensus” because they analyze and aggregate more than 800 ESG data sources. This rating agency has rated more than 30,000 entities, including more than 99% of the companies listed on the world’s most important stock exchanges.



3.4 VALUE CHAIN

SUPPLIERS

GRI Disclosures: 102-9, 103-1, 103-2, 103-3, 204-1

The Bank has a Purchasing and Contracting Policy and different procedure manuals, which frame the supplier selection and hiring process and ensure its transparency.

Among the aspects that are analyzed and required by the Bank to initiate a commercial relationship are compliance with labor and social security legislation and regulations prohibiting child labor.

In turn, suppliers are required to have an Anti-corruption Policy and, in case they do not have their own, they are required to adhere to the Bank's Anti-corruption Policy and are requested to declare whether they have an integrity program (Articles 22 and 23 of Law 27,401, Criminal Liability Law applicable to Private Legal Entities).

Once the commercial relationship has started, an outsourced company verifies that the suppliers, who provide services at the Bank's facilities, comply with their tax and social security obligations. Upon detection of deficiencies or lack of documentation, the supplier is notified in order to rectify the situation. Repeated non-compliance with these guidelines may result in financial penalties and, in case of serious irregularities (non-payment of retirement contributions, gross income tax, etc.), in the supplier's contract termination.

At the same time, in line with the provisions of the Sustainable Finance Protocol, the Bank requests its suppliers, whether they are part of the active portfolio or new suppliers, a sworn statement with information on socio-environmental issues inherent to their activities, governance and respective industry. This affidavit, which was implemented in 2020, aims to have a more comprehensive view of the value chain and detect potential indirect ESG impacts of the Bank's operations.

Regarding the volume of purchases, in 2021 there was an increase of 142% in purchases from foreign suppliers. In turn, purchases from local suppliers had a nominal increase of 78%, which is partly explained by the inflation of the period.

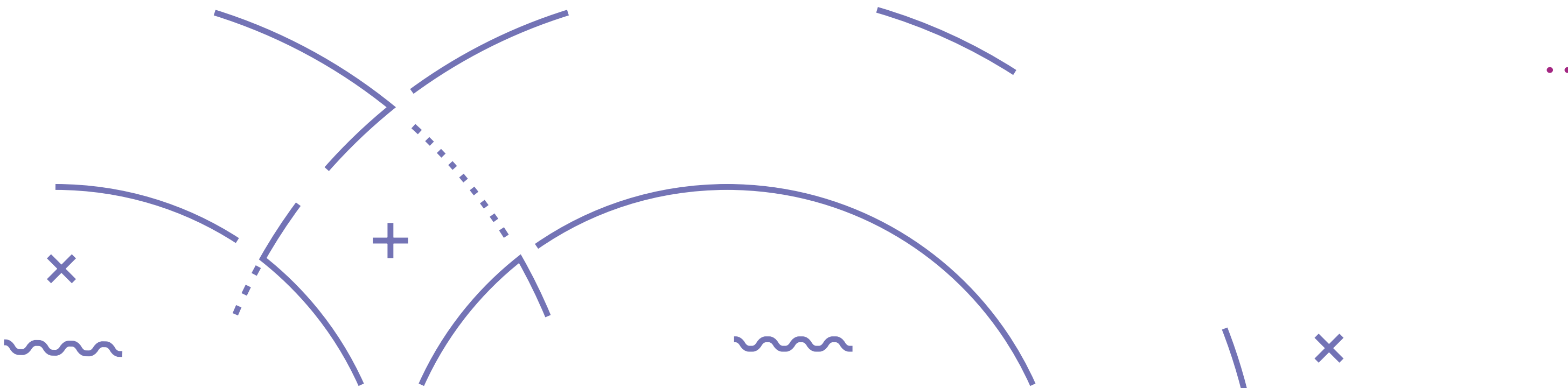
98% OF THE BANK'S PURCHASES FOR THE PERIOD, WERE SOURCED FROM LOCAL SUPPLIERS.

Purchase volume

	2021	2020
Local suppliers (millions of pesos)	10,350	5,789
Foreign suppliers (thousands of U.S. dollars)	5,118	2,110

Number of suppliers

	2021		2020	
	Q	%	Q	%
Local suppliers	1,089	98%	1,043	98%
Foreign suppliers	23	2%	19	1%



CUSTOMERS

During 2021, the Bank continued working on strengthening its relationship with customers, with a strategy focused on the continuous offering of transactional and credit products, and a deepening of communication through digital channels.

At the same time, in 2021 the development of the system for the administration of the Payment of Retirement Benefits and ANSES Social Programs was completed and, during the second half of the year, together with the arrival of new beneficiaries of the PRO-CREAR – Own Home program, the development of the value proposition for this customer segment was initiated.

SEGMENT	ACTIONS HIGHLIGHTED IN 2021	2020
<i>Búho Sueldo</i>	<p>This development allows customers who have their wages deposited in other banks to transfer them automatically to Banco Hipotecario on a monthly basis, thus enjoying the benefits of the <i>Búho Sueldo</i> segment.</p> <ul style="list-style-type: none">• The growth of the <i>Sueldo Dúho</i> stock was consolidated, allowing the bank to increase its market share in the acquisition of Plan Sueldo in the one-to-one relationship with the customer.• Other market leaders have emulated the <i>Sueldo Dúho</i> solution as a competitive strategy, giving even more value to the innovation and creativity of this service.• New campaigns were implemented to attract Payroll Account customers, and offers for agreements and 1-to-1 customer conversion were readjusted.• Significant improvements were made in the development of payroll mass uploading in Office Banking.	<ul style="list-style-type: none">• 2021 NPS: 37.2% (29% in December 2020)• 33,811 new accounts• Stock of 95,993 active accounts (+27% vs. December 2020)• 48% retail banking demand deposits
<i>Búho One</i>	<p>In order to boost loyalty and profitability among high-income customers, credit offering and special benefits were improved, according to the requirements of this segment.</p>	<ul style="list-style-type: none">• 2020 NPS: 37.4% (32% in December 2020)• 18,087 new <i>Búho One</i> Pack accounts• 27,083 customers (+124% vs. 2020)• 27% retail banking demand deposits
<i>Búho Emprendedor</i>	<p>In order to offer a comprehensive proposal to individuals engaged in business activities (VAT registered taxpayers or small-taxpayers under the simplified tax scheme known as <i>Monotributistas</i>), the development of the “<i>Búho Emprendedor</i>” offering continued. At present, this portfolio of customers already has an assigned <i>Búho Emprendedor</i> Officer and better options for the development of their activity.</p>	<ul style="list-style-type: none">• 22,345 <i>Búho Emprendedor</i> customers (+49% in the number of customers)• 19% retail banking demand deposits

CUSTOMER EXPERIENCE

In 2021, actions continued in order to improve the customer experience in the use of digital channels, both in obtaining new products and services and also in terms of transactions.

Always with the objective of developing simple, agile and flexible business processes, in search of the best experience, in 2021 the work of the agile cells of Home Banking, Mobile Banking, Investments, MODO and Office Banking (Corporate Banking) was reinforced.

In 2022, work will continue with the “customer-centric” approach, to achieve improvements in customer loyalty ratios, so that they become promoters of the brand, and in satisfaction rates in the use of the digital channels provided. A new customer service channel, the Banco Hipotecario **Chatbot**, will also be developed. Through this, customers will be able to make all kinds of queries about their products and it will be used as a direct communication channel. In addition, customer archetypes will be created, which will be very useful at the time of service.

IN 2021, THE WORK OF DIFFERENT AGILE CELLS CONTINUED, WITH A “CUSTOMER-CENTRIC” APPROACH AND SEEKING TO IMPROVE THE CUSTOMER EXPERIENCE.

OUR CUSTOMERS’ VOICE

In 2021, the voice of more than 170,000 customers was heard through surveys, Focus Groups, Mystery Shopping, App Store and Play Store comments, among others. This allows the Bank to have more resources and information on the expectations and needs of the customer portfolio, and to plan actions to enhance their loyalty.

The Net Promoter Score (NPS) is the main metric used to determine the level of loyalty of the portfolio, and allows us to understand its perception of value and benchmark it against the industry. In 2021, there was a considerable improvement in the NPS values of face-to-face channels.

The NPS is a relevant indicator for management and therefore is considered in the calculation of the Annual Bonus. The formula takes into account the average result of two variables: Banco Hipotecario and NPS net income. For the Branch Network, a similar scheme is applied in variable remuneration.

Customers’ perception

	2021	2020
In person		
Branch Network NPS	46%	34%
Bank General NPS	28,7%	16,4%
Remote		
Home Banking	37%	23%
TASI	34%	30%
Mobile Banking	45%	41%
Búho Bank	49%	65%
Contact Center	4%	-5%

Due to the pandemic context, in 2021, 2 Focus Groups were conducted with customers who use Home Banking and Mobile Banking, in order to know their needs and expectations regarding digital channels.

Regarding “Mystery Shopping”, 124 visits were made to the Branch Network in 2021. Through this practice, the experience and quality of service perceived by the customer portfolio in the branch network is assessed, and the building condition and image of each branch is surveyed (in a comprehensive manner).



CUSTOMER SERVICE

As regards customer service, during 2021, the contact center handled 1.27 million telephone calls, 197,000 e-mails and 335,000 social media interactions (Facebook and Twitter).

+1.27 MILLION CALLS HANDLED IN 2021.

Contact Center

	2021	2020
Calls handled	1,270,000	1,500,000
E-mails	197,000	222,000
Social Media interactions	335,000	310,000

In 2021, the IVR (Interactive Voice Response) survey underwent a slight modification. Likewise, a query on general satisfaction with the Bank was replaced by a specific one on the NPS of the channel. As a result, the NPS of this service channel was 22% in 2021.

As regards the Wholesale Digital Channel (Office Banking), in order to provide a comprehensive solution that allows companies to carry out all their operations in a self-managed and digital manner, improvements were implemented to optimize the user experience and new functionalities were developed.

98% WERE SATISFIED OR VERY SATISFIED WITH THE TREATMENT PROVIDED BY THE REPRESENTATIVE. 84% STATED THAT THEY RECEIVED A SOLUTION TO THEIR CONCERN IN THAT CALL.

Results of the satisfaction surveys

	2021	2020
Satisfied or very satisfied with the treatment received by the representative	98%	94%
Satisfied or very satisfied regarding the waiting time	82%	72%
Received a solution to the concern in the call	84%	86%

4

SUSTAINABILITY IN BANCO HIPOTECARIO



Material Aspects: Quality Employment, Inclusion, Diversity and Gender Equality, Occupational Health and Safety
GRI Disclosures: 102-29, 103-1, 103-2, 103-3

The Bank leaves a positive footprint in the community, committing itself, on a sustained basis over time, with NGOs and seeking the federal scope of the projects it supports. This approach enables a local impact throughout the national territory, promoting social development and strengthening citizenship.

The Bank's sustainability management is defined by the Sustainability Strategic Plan, which is approved and monitored annually by the Committee of Social and Institutional Affairs. This Committee tracks the allocation of social investment and approves the solidarity initiatives presented by the Bank's employees, and also validates the consistency of the sustainability pillars.

• • • • •
THE BANK TOOK ON THE CHALLENGE OF BEING A TRUE AGENT OF CHANGE, COMMITTED TO THE HOUSING NEEDS OF ARGENTINE FAMILIES.
• • • • •



Accordingly, donations are administered in a transparent manner, focusing on the business strategy and in accordance with the guidelines set out in the “Social Responsibility Policy”, approved by the Bank’s Board of Directors. With a view to continuous improvement, the Bank plans to update this document during 2022.

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MANAGEMENT TO GENERATE SHARED VALUE AND LEAVE A POSITIVE SOCIAL FOOTPRINT.

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Following the implementation of the Positive Social Footprint Index at the end of 2020, during 2021 different initiatives were implemented, anchored in financial inclusion and sustainable financing. Thus, three trainings on comprehensive financial education were given to people from Asociación Conciencia and Puerta 18. In this way, 196 young people and entrepreneurs were provided with financial knowledge and tools, promoting their access to banking services. Looking ahead to 2022, in terms of financial inclusion, the Bank intends to train 500 people and provide banking services to 5% of that universe.

The Bank maintains a close relationship with NGOs throughout the country, which allows strengthening the solidarity culture that defines Banco Hipotecario as a social actor of national relevance. This network is made up of more than 280 NGOs, with which different initiatives are coordinated in order to generate a positive social synergy.

We continue implementing those programs characterized by their federal scope, dedicated to professional training, to provide employability tools, to the development of educational scholarships and to comprehensive citizen empowerment that contributes to pass on values to future generations. In addition, we will continue collaborating with NGOs focused on guaranteeing decent food, health and housing conditions and offering assistance in the event of any

type of emergency. At the same time, we are moving forward with the objective of influencing the development and implementation of improvements related to the generation of formal and accessible urban land.

Our emblematic “*Unidos para Dar*” (“Together to give”) program continues bringing essential materials to NGOs throughout the country, strengthening employee volunteers in their relationship with them.

Undoubtedly, remote work, promoted by the pandemic, prompted the development of new communication strategies for sustainable management and diverse and inclusive culture. The coordination with the Organizational Development area was key to implement initiatives that address issues such as diversity, inclusion, gender and environment, bringing human capital closer to the Banco Hipotecario culture of which it is a part.

SUSTAINABLE FINANCE PROTOCOL

Following the subscription of the Sustainable Finance Protocol , in November 2019, the Bank managed to develop several initiatives, which enhance the sustainability strategy and generate an anchor in the positioning as a financial services company promoting a positive social footprint.

During 2021, a sworn statement was incorporated for renewals or new commercial alliances, in which the establishments provide the Bank with information regarding the commercialization of sustainable products and the existence of a sustainability policy, or processes to measure the socio-environmental impact of their business. Thus, during 2021, the proposed goal was exceeded, through the signing of 5 sustainable commercial agreements.

This action complements the initiative carried out in 2020, which made it possible to collect data from suppliers and the wholesale portfolio, gain a more comprehensive understanding of the value chain and mitigate possible indirect socio-environmental risks.

In December 2021, an analysis was conducted on a segment of wholesale accounts with approved lines of credit, which showed that 42% of the accounts analyzed and 41% of the debt of this segment corresponded to economic sectors considered to have a low socio-environmental risk.

By 2022, we intend to generate 8 new sustainable commercial agreements and ensure an increase of at least 10% of the wholesale portfolio, in terms of granting lines of credit linked to economic sectors with low socio-environmental risk.

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THE BANK CONTINUALLY WORKS TO MANAGE THE BUSINESS RESPONSIBLY, PROTECT AND DEVELOP ITS HUMAN CAPITAL, SUPPORT THE COMMUNITIES WHERE IT OPERATES AND PRESERVE NATURAL RESOURCES.

.....

In line with the fulfillment of such goals, it should be mentioned the active contribution of the Bank in the placement of the NO of TECHO NGO at the end of October 2021. This was considered a Social Bond according to BYMA’s Guidelines on Social, Green and Sustainability Bonds, with a “BS2” rating, issued by University of Tres de Febrero (UNTREF). As a result of the issuance, a total of more than \$40 million pesos was offered and TECHO was able to access this financing instrument to increase its impact on communities throughout the country.

5 - The [Sustainable Finance Protocol](#) is endorsed by ABA, ABAPPPRA, IDB Invest and Vida Silvestre; it aims to build a sustainable finance strategy in the banking industry.

In this way, the Bank reinforces its commitment to society and sustainable development, implementing improvements in its processes and offering products and services that promote financial inclusion.

The Environmental and Social Commission of the Sustainable Finance Protocol Board is a space to promote the development of socio-environmental policies, in accordance with sustainability standards, within the signatory financial institutions. Within the framework of the Bank's participation in this Commission, a guide to develop Sustainability Policies has been drafted (together with other financial entities). Accordingly, in 2022 the Bank intends to start the migration process of the Social Responsibility Policy towards a Sustainability Policy with greater scope and comprehensiveness, and its future approval by the Bank's Board of Directors.

4.1 OUR IMPACT ON THE SDGS

In line with the 2030 Agenda, proposed at the global level, the Bank took an active role in promoting sustainable development at the local level. In this regard, it used the SDG Compass tool to analyze the 17 Sustainable Development Goals (SDGs) defined by the UN and their 169 targets, to then identify those in which it has the greatest possibility of contributing from its management.

SDGS RELEVANT TO BANCO HIPOTECARIO

4

QUALITY
EDUCATION

5

GENDER
EQUALITY

8

DECENT WORK AND
ECONOMIC GROWTH

9

INDUSTRY, INNOVATION
AND INFRASTRUCTURE

11

SUSTAINABLE CITIES
AND COMMUNITIES

12

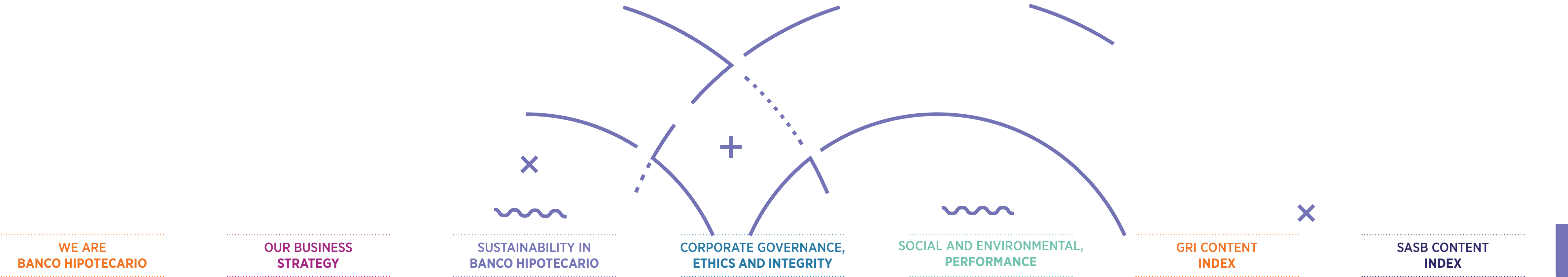
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

16

PEACE, JUSTICE
AND STRONG
INSTITUTIONS

17

PARTNERSHIPS
FOR THE GOALS



4.2 STAKEHOLDER SURVEY

GRI Disclosures: 102-40, 102-42, 102-43

Banco Hipotecario’s stakeholder map (internal and external) was drawn up based on an analysis framed in the AA1000SES Accountability guide. This exercise implied considering and reflecting on the responsibility, influence, dependence, and other issues related to the Bank’s relationship with each actor with whom it interacts in its operations and activities, which make up the business.

MAINTAINING FLUID AND AGILE COMMUNICATION CHANNELS WITH THE DIFFERENT STAKEHOLDERS IS ESSENTIAL FOR BUILDING VIRTUOUS LINKS AND DEVELOPING SUSTAINABLE MANAGEMENT.

STAKEHOLDERS

COMMUNICATION CHANNELS

	EMPLOYEES	Intranet, mailing, WhatsApp, Transparency Line, landline and cell phone, meetings, videoconferences.
	CUSTOMERS	Mailing, social media, Banco Hipotecario website, SMS, phone calls, correspondence, surveys, focus group, Mystery Shopping, App Mobile.
	SUPPLIERS AND CONTRACTORS	Mail, telephone, meetings.
	GOVERNMENT	Mass media, emails, notes, letters, communications, memorandums, provisions.
	LOCAL COMMUNITY	Mail, telephone, meetings, surveys.
	SHAREHOLDERS AND GROUP COMPANIES	Communications through CNV, BYMA, emails, meetings, calls, Banco Hipotecario website.
	ACADEMY AND MEDIA	Mails, WhatsApp messages, meetings, phone calls, Banco Hipotecario website.
	TRADE UNIONS	Mail, meetings.
	BUSINESS AND SECTOR CHAMBERS	Mail, telephone, meetings.



4.3 MATERIALITY ASSESSMENT

GRI Disclosures: 102-20, 102-21, 102-44, 102-46, 102,47

The materiality analysis is a particularly relevant process, both for decision-making in relation to sustainability management and for defining the contents of the Sustainability Report.

In 2021, the Bank internally validated the materiality analysis carried out the previous year and affirmed the results of this analysis.

The analysis, carried out in 2020, included an online materiality survey, aimed at the main stakeholders (internal and external), in order to incorporate their appraisals and opinions into the process.

Through the survey, we sought to identify and prioritize relevant issues for Banco Hipotecario. That is, those issues in which the organization generates economic, social and environmental impacts, as well as the risks and opportunities regarding them.

In turn, this process included an exercise to link the material issues with the GRI and SDG Standards, and also the sections where they are addressed.

Material Topics link

Material Topic	Reference Chapter	Link to GRI Standard	SDG
Anti-corruption and regulatory compliance	Corporate Governance, Ethics and Integrity	Anti-corruption	ODS 16
Governance, ethics and transparency	Corporate Governance, Ethics and Integrity	Governance Ethics and Integrity	ODS 12 -17
Quality employment	Social and Environmental Performance	Employment	ODS 8
Access to housing	We are Banco Hipotecario	Own indicators	ODS 9 - 11
Economic performance of the Company	Our Business Strategy	Economic Performance	ODS 9 - 11 -17
Occupational Health and Safety	Social and Environmental Performance	Occupational Health and Safety	ODS 8
Education	Social and Environmental Performance	Local Communities	ODS 4
Customer experience (relationship and satisfaction)	Our Business Strategy	Own indicators	ODS 9
Employee training and development	Social and Environmental Performance	Training and Education	ODS 8
Social investment in the community	Social and Environmental Performance	Local Communities	ODS 4
Information Security/Cybersecurity	Corporate Governance, Ethics and Integrity	Customer Privacy	ODS 16
Human Rights	Social and Environmental Performance	Non-discrimination Human Rights Assessments	ODS 5 - 8
Financial Inclusion	Social and Environmental Performance	Local Communities	ODS 4
Inclusion, diversity and gender equality	Social and Environmental Performance	Diversity and Equal Opportunity	ODS 5 - 8
Supplier management and Procurement Practices	Our Business Strategy	Procurement Practices	ODS 8
Waste management	Social and Environmental Performance	Waste	ODS 11 -12
Microcredits	We are Banco Hipotecario	Own Indicators	ODS 9 - 11



4.4 ALLIANCES, AWARDS AND ENDORSEMENTS

GRI Disclosures: 102-12, 102-13.

In line with SDG 17, regarding the building of virtuous partnerships in pursuit of common goals, Banco Hipotecario participates, on a voluntary basis, in different sustainability initiatives and spaces for dialogue in the sector:

- ADEBA – Association of Argentine Banks (participation in the Gender Equality Committee)
- Network of Companies for Diversity (R.E.D.)
- AMCHAM - American Chamber of Commerce in Argentina

In addition, it works every day to provide quality service and strives to meet the expectations of its customers. It also has several certifications, which verify compliance with rigorous international standards.

- Corporate Audit Area Management: ISO 9001: 2015 and Referential N° 13, in all its processes.
- Cash Management Sector: in the collection and payroll account: ISO 9001:2015.
- ISO 27001:2015 Certification for Information Asset Risk Management.

Likewise, during 2021, the ISO 27001 Internal Auditor Course was held, and the Cybersecurity Governance, IT Regulatory Management and Internal Audit teams passed the exam and achieved certification.

ECUMENICAL SOCIAL FORUM AWARD

On December 2, 2021, for the second time, the Bank was awarded by the Social Ecumenical Forum, following the publication of its Sustainability Report 2020. This recognition contributes to strengthen the work that all areas of the Bank carry out so that sustainable management leaves a positive social footprint in Argentine households, families and companies.



4.5 REPORT PARAMETERS

GRI Disclosures: 102-45 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

This Sustainability Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards, core option, and covers the annual period from January 1, 2021 to December 31, 2021. It also incorporates a financial perspective with a focus on ESG and responds to the Sustainability Accounting Standard (Financial Sector - Commercial Banks), published by the Sustainability Accounting Standards Board (SASB).

The writing of this Report seeks to incorporate the gender perspective and takes as a reference the “Guidelines on gender-inclusive language” published by UN WOMEN . With this premise, we sought to prioritize the use of generic nouns whenever possible and when it did not affect reading fluency.

The 2020 Report was the last published. This document contemplates the operations of Banco Hipotecario SA and was not submitted to external verification.

The consolidated Financial Statements include other entities not included in this Report: BACS Banco de Crédito y Securitización SA, BHN Sociedad de Inversión SA and Fid. Fcieros. CHA, series IX to XIV.

Some numerical figures (included in this Report) were subject to rounding adjustments. Consequently, the numerical figures shown as totals in some tables may not be arithmetic aggregations of the figures preceding them.

No significant modifications have been identified in the scope or coverage with respect to Sustainability Report 2020, or in the reformulation of the information with respect to previous years. The Social Affairs Area is the point of contact to resolve any doubts that may arise in relation to the content of the Sustainability Report: KMGUTIERREZ@hipotecario.com.ar.

6 - <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/gender-inclusive%20language/guidelines-on-gender-inclusive-language-es.pdf?la=es&vs=2633>

CORPORATE GOVERNANCE, ETHICS AND INTEGRITY



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



Material Aspects: Corporate Governance, Ethics and Transparency, Anti-corruption and Regulatory Compliance, Information Security.

5.1 CORPORATE GOVERNANCE

GRI Disclosures: 102-18, 102-19.

The Bank's good corporate governance regulates relations between stakeholders and provides economic and legal security for the sustainable development of the organization.

The Bank's Corporate Governance System includes the [Corporate Governance Code](#), the Bylaws and the applicable regulations in force, which regulate matters related to the operation of the Company, the Shareholders' Meetings, the Board of Directors, the General Management, the Senior Management and the different Committees, as well as the members of the Company. In turn, this system has internal rules of conduct included in the Code of Ethics, which enshrine the ethical principles and principles that should govern the actions of managers, administrators and employees.

.....
**BANCO HIPOTECARIO'S GOOD
CORPORATE GOVERNANCE
PRACTICES PROVIDE
CREDIBILITY, STABILITY
AND TRANSPARENCY FOR
THE GENERATION OF SHARED
VALUE.**
.....



BOARD OF DIRECTORS

GRI Disclosures: 102-23, 102-24, 102-25, 102-26, 102-27, 102-28, 102-35, 102-36, 102-37

The Board of Directors is comprised by 13 regular members, who are appointed for a two-year term by the share class meetings and may be reelected indefinitely and in a staggered manner. It also has 9 alternate members, who are appointed by the different classes of shares.

The Board of Directors has 3 independent members, 14% female (2 members) and 92% over 50 years old (regular members).

Control over compliance is the responsibility of a Supervisory Committee made up by five members.

Indicators of the structure of the Board of Directors⁷

	2021	2020
Gender		
Women	14%	14%
Men	86%	86%
Age		
<30 years old	-	-
Between 30 and 50 years old	8%	8%
>50 years old	92%	92%

Structure of the 2021 Board of Directors⁸

Surname	Name	Position	Term of office ⁹
Elsztain	Eduardo Sergio	Chariman	05/06/2020 - 12/31/2021(*)
Zang	Saúl	1º Vice-chairman	05/06/2020 - 12/31/2021(*)
Pérez	Alberto Ramón Rafael	Regular Director	03/30/2021 - 12/31/2022
Ruete	Rodrigo María	Regular Director	03/30/2021 - 12/31/2022
Viotti	Rogelio Pedro	Regular Director	05/06/2020 - 12/31/2021(*)
Itúrrrez	Ada Rosa del Valle	Regular Director	05/06/2020 - 12/31/2021(*)
Wior	Mauricio Elías	Regular Director	05/06/2020 - 12/31/2021(*)
Viñes	Ernesto Manuel	Regular Director	03/30/2021 - 12/31/2022
Reznik	Gabriel Adolfo Gregorio	Regular Director	03/30/2021 - 12/31/2022
Dreizzen	Jacobo Julio	Regular Director	03/30/2021 - 12/31/2022
Vergara del Carril	Pablo Daniel	Regular Director	05/06/2020 - 12/31/2021 (*)
Pisula ¹⁰	Carlos Bernardo	Regular Director	05/06/2020 - 12/31/2021
Zylberlicht	Nora Edith	Regular Director	03/30/2021 - 12/31/2022

THE BOARD OF DIRECTORS IS COMPRISED BY 13 REGULAR MEMBERS: 2 WOMEN AND 11 MEN.

The current structure of the Board of Directors is available at [HERE](#).

7- According to integration as of 12/31/2021.
8 - According to integration as of 12/31/2021.
9 - Once the respective terms of office have ended, the Directors remain in their positions until the Meeting designates their replacements.
10 - Mr. Carlos B. Pisula passed away in February 2022 and was replaced by Daniel Ricardo Elsztain (term of office 03/31/2022 - 12/31/2023).
(*)Terms of office renewed by meeting (From 03/30/2022 to 12/31/2023).

The Executive Committee, made up by Class “D” Directors, is in charge of managing ordinary business and all the issues delegated by the Board of Directors. These issues include: developing the business, lending and financial policy, defining organizational restructuring, making management designations, proposing to the Board of Directors decisions about the company, branches, among others.

Annually, the Bank’s Board of Directors defines and approves a “Business Plan and Projections”, which is submitted to the Central Bank on a confidential basis. This Plan is delivered against its strategic plan, which is used for the permanent control and supervision of the Company’s management.

The execution of the Business Plan and Projections is the responsibility of the respective management lines, while the monitoring of its compliance is carried out through metrics which are monthly reported in the scorecard.

DESIGNATIONS

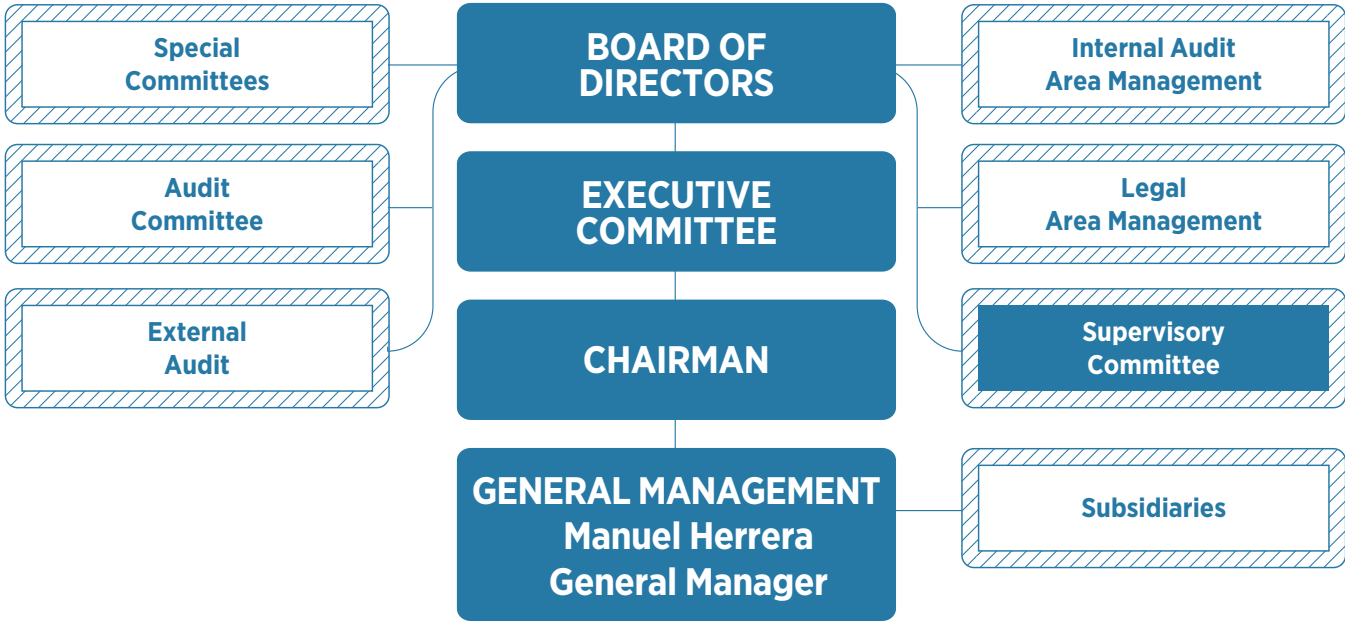
According to the BHN Privatization Law (Law 24,855) and the By-laws, the election of the members of the Board of Directors is made by special share class meetings. Although in this framework the Bank may not create a Nominating Committee, through the designations (formally made by the shareholders in the meetings of Classes of Shares A, B, C and D in their Individual Meetings), it seeks to comply with the levels of adequate independence and diversity to make succession decisions in the best interests of the Company within the framework of succession.

The designation of the Board of Directors is structured according to the different classes of shareholders, as follows: 2 designated by Class “A”, 1 designated by Class “B”, 1 designated by Class “C”, 9 designated by Class “D”.

The Chairman and Vice-chairman of the Company are designated from among the Directors appointed by Class “D”. The Directors de-

signed by Classes “A” and “C” are presently named by the Argentine Government. The Directors designated by Class “D” are appointed by private sector shareholders at Special Shareholder’s Meeting, while the Directors designated by Class “B” are appointed by the holders of shares under the Employee Stock Ownership Program.

The regulations of the Central Bank of the Argentine Republic (BCRA) require that at least two thirds of all Directors should have experience related to the financial activity and recommend gender diversity in its composition, as expressed in the definitions of the Code of Ethics with respect to its members.



ASSESSMENT

The Board of Directors’ chairman, with the assistance of the Regulatory Compliance Department, carries on the Board of Directors assessment process. Such a process is carried out on an annual basis, has a self-assessment format and has two levels, one global and the other individual. The global assessment is carried out by the Management through answers to questions made to members about the Board of Directors operation. At the individual level, each director expresses his/her points of view and rates the several topics related to the operation of the Board.

TRAINING

Every year, the Chairman, along with the Legal Area department arranges for Directors’ attendance to lectures and speeches from economists and banking experts, by developing internal and external training programs, in order to keep them updated on industry issues, and based on such training activities equip them with the knowledge required to discharge their duties. Besides, all rules and regulations governing the Committees comprised by Directors set forth that they should receive training on issues related to the duties of each Committee and in order to get familiar with the Bank and its businesses.

REMUNERATION

- As regards remuneration, the by-laws sets forth as follows:
- Non-executive members: their remuneration is established annually by the Ordinary Shareholder’s Meeting on a global basis. Then, it is equally distributed among these members and among their alternate members pro rata of the time during which they were effectively substituting for regular members.
 - Executive members: the Chairman and the Company Directors who perform managerial, technical and administrative duties or who are members of special committees shall be paid for such functions or involvement in committees in line with the fees currently paid in the market for similar tasks in an amount to be fixed by the Board of Directors with the abstention of the parties mentioned and shall be subject to the approval of the Shareholders’ Meeting.
 - Executive Committee members: the Directors who make up the Executive Committee shall be paid a bonus component equivalent to a sum that contemplates certain maximum amounts and the remuneration provided in the previous items.

The Employees' Incentive Committee pursues the principle of controlling and/or monitoring the design of the personnel economic incentive system, which takes into account future risks as well as those already assumed and adjusts incentives for all risks, including those that are difficult to measure, such as liquidity and reputational risks, and the cost of capital.

Through this Committee, the Board of Directors sets out senior management's assessment policy (including the CEO's). Such assessment is formally carried out on an annual basis, together with a rating process encompassing all Bank's employees, concurrently with an ongoing feedback policy.

CONFLICTS OF INTEREST

The Corporate Governance Code and the code of Ethics set forth the policy on any conflict of interest that may arise between the Bank's employees and Banco Hipotecario and its subsidiaries. In such cases where a conflict of interest may arise, the Ethics Committee is the body in charge of addressing the issue.

In order to determine the existence of a conflict of interest, in cases of suspected non-compliance with the established rules by a Director or member of Management, the Board of Directors shall require the opinion of the Audit Committee, prior to the handling and resolution of the matter.

BOARD OF DIRECTORS' COMMITTEES

GRI Disclosures: 102-20, 102-22, 102-23, 102-31, 102-32, 102-33

At the Bank, there are different Board of Directors' special Committees, whose purpose is to address and make decisions on specific issues and to build an adequate internal control environment.

The Corporate Governance Code defines the composition and responsibilities of each Committee. In turn, each Committee has its own rules of procedure approved by the Board of Directors.

In these Committees, the managers and subject-matter experts in charge submit the several topics for consideration by the designated directors. Based on their respective backgrounds and along with their discussions, directors pass resolutions by majority of votes of present members. It should be noted that the managers and subject-matter experts convened to participate in such Committees have voice but no vote.

Special Committees

Committee	Role
Executive Committee	It manages the Bank's ordinary business.
Audit Committee	It oversees the reasonable operation of the Company's internal control environment and the Bank's risk management systems.
Control and Prevention of Money Laundering and Terrorist Financing Committee	It is in charge of contributing to the compliance of the obligations arising from the applicable regulations for the prevention of said crimes.
Information Technology Committee	It is in charge of overseeing the observance of global policies on information technology, information systems and logical security.
Credit Committee	It is in charge of establishing the Bank's credit exposure limit with its customers.
Personnel Incentives Committee	It is in charge of ensuring that the system of economic incentives for personnel is consistent with the culture, goals, long-term business, strategy and control environment of the Company.
Risk Management Committee	It oversees the risks to which the Bank is exposed, assists the Board of Directors in establishing risk policies and strategies, among others.
Corporate Governance Committee	It oversees the implementation of the Corporate Governance Code, monitors compliance with internal regulations and assesses the management of the Board of Directors, among others.
Board of Directors and Staff Ethics Committee	It ensures that the Bank has the appropriate means to promote appropriate decision-making within its ethical considerations.
Finance Committee	It is responsible for monitoring compliance with the Bank's solvency and liquidity policies, through the management of financial risks.
Committee of Social and Institutional Affairs	Its mission is related to the image and insertion of the Bank in society as a whole, within the framework of corporate social responsibility.
Committee for the Protection of Financial Service Users (PUSF)	Its mission is related to the relationship that the Bank has through its products with users of financial services.



The **Committee of Social and Institutional Affairs** is made up by the Bank’s Chairman and at least one Director representing the Argentine Government. Among the tasks of this Committee are the approval and annual monitoring of the Strategic Sustainability Plan. In turn, it oversees the integral management in sustainability matters, tracks the allocation of social investment and approves the solidarity initiatives involving the Bank’s employees, as well as the Sustainability Pillars. This ensures that social investment is administered in a transparent manner and in line with the business strategy, in accordance with the management guidelines set out in the “Social Responsibility Policy”, approved by the Bank’s Board of Directors.

5.2 REGULATORY FRAMEWORK

GRI Disclosures: 102-16, 103-1, 103-2, 103-3, 419-1.

The Bank’s operations comply with the provisions of the Central Bank of the Argentine Republic (BCRA), the Argentine Securities Commission (CNV) and Bolsas y Mercados Argentinos (BYMA), in strict compliance with the rules and regulations in force applicable to financial institutions¹¹.

This is in addition to compliance with the Bank’s Corporate Governance Code, which includes the Code of Ethics, the Code of Banking Practices and the Code of Conduct for the Comprehensive Compensation and Settlement Agent.

For the drafting of the Corporate Governance Code, the legislation applicable to the Company was taken into account, in particular the provisions of Laws 21,526; 26,831; 19,550; 25,877; 24,855 and 24,240, the regulatory and complementary decrees, the rules of the BCRA, the CNV, the Buenos Aires Stock Exchange (BCBA), the Mercado Abierto Electrónico (MAE) and the by-laws.

11 - For more information, refer to the document “Legal Framework of the Argentine Financial System 2021”, published by the BCRA, in the following link: <https://www.bcra.gob.ar/Pdfs/SistemasFinancierosYdePagos/MarcoLegalCompleto.pdf>

The Bank also adheres to the Code of Banking Practices, prepared with the participation of all the Associations of Banks and Financial Institutions of the Argentine Republic. This is a self-regulation initiative that fosters the best banking practices in the country and adheres to the Code of Protection for the Electronic Open Market Investor.

During 2021, in terms of Users of the Financial System or the Code of Banking Practices, there were no claims for non-compliance by customers or supervisory bodies.

5.3 SHAREHOLDING STRUCTURE

GRI Disclosures: 102-5, 201-4.

The Bank has a mixed shareholding structure, with public and private equity participation. IRSA Inversiones y Representaciones SA, a leading real estate development company, is the main private sector shareholder, with a direct and indirect interest of 29.91%. In turn, the Argentine Government holds 53.09% of the capital and 27.39% of the votes, through different types of shares.

The Company’s capital stock is made by four classes of shares:

- **Class “A” shares:** pheld by the Argentine Government, or its designated trustees, whose voting rights are exercised by the Argentine Government, held by the Argentine Government with special rights and those corresponding to the FFFIR Trust¹², subject to privatization through a public offering.
- **Class “B” shares:** aimed at the employees under the Employee Stock Ownership Program, who -currently - represent 3.8% of the

12 - Federal Trust Fund for Regional Infrastructure (FFFIR, for its acronym in Spanish).

capital stock and whose voting rights (until they are awarded to them) are exercised by the Argentine Government.

- **Class “C” shares:** reserved for primary sale in public offering to companies engaged in housing construction or in the real estate business. Currently held by the Argentine government through the FFFIR. This share class accounts for 5% of capital stock.
- **Class “D” shares:** pheld by the private sector.

Any Class “A” shares sold by the FFFIR, as well as the shares that will be subsequently sold by the future purchasers of Class “B” and Class “C” shares shall be converted into Class “D” shares. Class “D” shares shall not change class because they are eventually subscribed or acquired by the Argentine Government, another public legal entity or by employees under in the Employee Stock Ownership Program.

During the 2021 period, Banco Hipotecario SA has not received any financial assistance from the Government, either through tax benefits or financial aid/subsidies.

Shareholding distribution as of 12/31/2021

SHAREHOLDERS	CLASS OF SHARES	% OF CAPITAL ^(*)
ARGENTINE GOVERNMENT/BANCO DE LA NACIÓN ARGENTINA as Trustee of the Federal Trust Fund for Regional Infrastructure	A	44.29%
BANCO DE LA NACIÓN ARGENTINA in its capacity as Trustee of the Employee Stock Ownership Program	B	3.80%
BANCO DE LA NACIÓN ARGENTINA in its capacity as Trustee of the Federal Trust Fund for Regional Infrastructure	C	5.00%
ANSES (Argentine Social Security Office)	D	4.94%
PRIVATE SHAREHOLDERS	D	41.97%

STRUCTURE OF THE BANK AND ITS SUBSIDIARIES

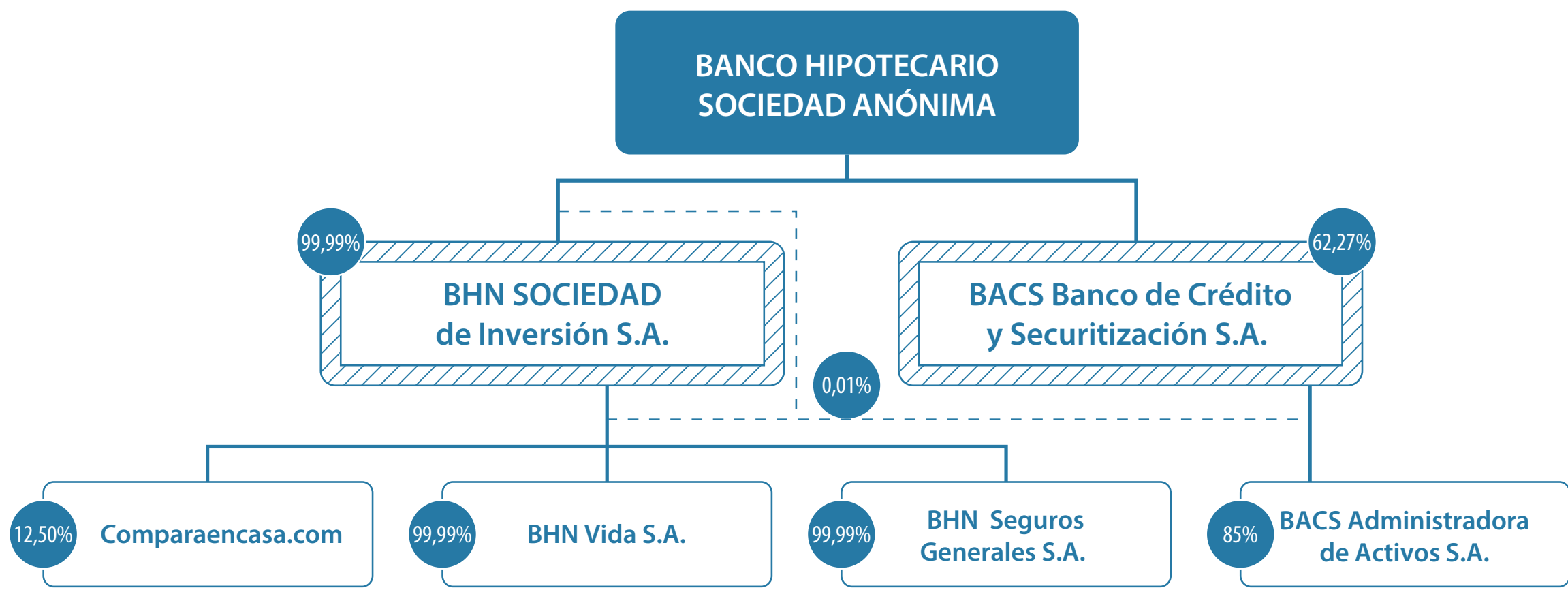
GRI Disclosures: 102-10, 102-45

The consolidated Financial Statements of Banco Hipotecario SA include companies over which the Bank has direct or indirect control¹³.

The Bank has direct or indirect control over the companies comprising the group of subsidiaries (not included in the scope of this report) and, therefore, consolidates them.

- BHN Sociedad de Inversión SA, a company engaged in investments and in managing ownership interests in the capital stock of other companies; BHN Vida SA, a life insurance company; BHN Seguros Generales SA, an insurance company that carries insurance against fire and damage to real property, and Comparaencasa.com.
- BACS Banco de Crédito y Securitización SA (BACS), a commercial bank which in turn owns a shareholding in BACS Administradora de Activos SA (BACSAA).

As the parent company, Banco Hipotecario is at the center of the main financial intermediation activities and defer to other economic units the banking supplementary businesses and services, as well as insurance and mutual fund management companies.



5.4 VISION AND MISSION

Contenidos GRI: 102-16.

The Bank’s strategic vision was updated to contemplate different strategic focuses, which respond to the reality and expectations of today’s society. The Bank seeks an innovative, omni-channel customer experience renowned for its excellence. At the same time, it expects its employees to develop within an agile and flexible culture, supported by data-based decisions and fostering a positive social impact. All this, in order to strive for high efficiency and profitability, with sustainable management, supported by a balanced and competitively funded business.

It is worth noting that the formulation of the Vision and Mission is the responsibility of the General Management and its validation falls on the Board of Directors. At all times, strategic planning must address these main aspects.

^(*) Out of a total of 1,500,000,000 shares.
¹³ - In the reporting period, there were no significant changes with regard to the structure, share ownership or supply chain of the Organization.

OUR VISION:

BEING THE EFFICIENT AND EFFECTIVE FINANCIAL SERVICES PROVIDER TO THE ARGENTINE HOUSEHOLDS, FAMILIES AND BUSINESSES, RENOWNED FOR ITS OUTSTANDING CUSTOMER SERVICE AND POSITIVE SOCIAL FOOTPRINT, INSTILLING A PEOPLE-CENTRIC CULTURE, AND DATA-BASED DECISION MAKING.

OUR MISSION:

BEING A FINANCIAL SERVICES AND CONSTRUCTION PROJECT MANAGEMENT COMPANY; SIMPLE, INCLUSIVE AND CONTEMPORARY.

5.5 CODE OF ETHICS AND CONDUCT

GRI Disclosures: 102-16, 102-17, 102-33, 102-34, 103-1, 103-2, 103-3, 205-1, 205-2, 205-3, 406-1. **SASB:** FN-CB-510a.2.

The Bank is committed to conducting its business operations and social activities within the highest standards of ethics, transparency, efficiency and quality.

The [Corporate Governance Code](#) formalizes, communicates and externalizes, to the business community and interested third parties, the principles and guidelines of corporate culture and values. This document summarizes the general guidelines that should govern the conduct of the organization and the people who are part of it, in the performance of their duties and business and professional relationships.

The Code of Ethics is available for consultation on the Bank’s Intranet, in the Institutional section and on the public website, in the [Transparency Line](#) section.

The Code addresses the most relevant issues related to ethics, such as: treatment of employees, workplace safety, penalty system, people with different abilities, confidentiality, anti-money laundering, and protection of assets, among others.

It is applied countrywide, but does not affect the mandatory legal provisions in any jurisdiction. In turn, it is worth noting that the prohibition of discrimination, harassment, bullying, intimidation and retaliation extends to vendors, professionals and other suppliers of goods and services with whom the Bank works.

NOBODY, REGARDLESS OF THE FUNCTION OR SENIOR POSITION AT THE BANK, HAS AUTHORITY TO MAKE EXCEPTIONS TO THE CODE OF ETHICS.

Core ethical standards

- Honesty
- Conflicts of interest
- Regulatory Aspects
- Business relationships
- Business Practices, Laws and Other Regulations
- International Transactions
- Gifts and Entertainment
- Representation Activities
- Political Contributions
- Security Trading
- Use of Working Tools
- IT and Communications

By means of the Directors’ and Employees’ Ethics Committees required by the Code of Ethics, and through their respective members, the Bank fosters, monitors and enforces the principles and guidelines enshrined in such Code.

It is important that each member of the Bank understands their responsibility in complying with the ethical standards and values to which the Bank adheres. For this reason, the Code is accessible and publicly known to all human capital. Each member receives a copy with a statement of its reading and knowledge at the time of entering the Bank.

The Ethics Committee, a body made up by different representatives of the Bank, analyzes and responds to queries and/or complaints submitted by employees. They are encouraged to report discrimination, harassment, intimidation, and retaliation. To do this, the Bank makes sure that every situation is addressed immediately and confidentially, and that the informant is notified of its resolution. Each case is treated confidentially by the Committee and under no circumstances are adverse measures taken against the person making a consultation or against anyone who, in good faith, reports a possible wrongdoing or abnormal situation that, in its discretion, deviates from the provisions of the Code of Ethics, any law, regulation or internal procedure of the Bank.

The Transparency Line has several communication channels enabled to make inquiries or complaints about non-compliance with the Code of Ethics, that is, about any type of abuse, discrimination or inconvenience in the workplace.

Such Line is managed by an independent third party and all communications are confidential. In 2021, the Bank changed the provider of this service to BDO.

The Bank’s employees have additional resources to the Transparency Line. They may send a telegram or file a complaint with the Manager or the immediate superior, with Organizational Development and Quality referents or with union delegates. In all cases, complaints are received by the Labor Relations area, who refers the complaints to the Ethics Committee.

These channels are available 24 hours a day, all week, anonymously, confidentially and securely. Once the request is received, the Ethics Committee begins the processes that allow answering the queries, verifying the complaint and reaching a solution, which is formally communicated to the person who initiated the contact or complaint.

THE TRANSPARENCY LINE HAS A GUARANTEE OF TRUST AND TRANSPARENCY. THE EXTERNAL PROVIDER IN CHARGE OF THE ADMINISTRATION SERVICE DOES NOT PROVIDE THE BANK WITH ANY INFORMATION THAT IDENTIFIES THE EMPLOYEE REPORTING A CASE.

Issues addressed by the Transparency Line:

- Conflicts of interest
- Theft of assets
- Data handling
- Agreement with suppliers
- Corruption

HOW TO CONTACT US

The Transparency line has several communication means:

www2.bdolineaetica.com/bancohipotecario/

BancoHipotecario@bdolineaetica.com



0800-222-3368




Mail to Maipú 942 PB - C1006CN - Buenos Aires, Argentina, addressed to “BDO – Línea Ética Banco Hipotecario”



Personal interview: Maipú 942 PB Buenos Aires, Argentina.


Code of Ethics

Remember that there is a communication channel available where everyone in the Bank can report situations that affect the appropriate ethical climate anonymously and confidentially.




Telephone

0800-222-3368



Mail


BancoHipotecario@bdolineaetica.com



Correo Postal


Maipú 942 PB - C1006CN - Bs. As., Argentina

Addressed to “BDO - Línea ética Banco Hipotecario”



Sitio web




www2.bdolineaetica.com/bancohipotecario/



Entrevista personal

Maipú 942 - PB - Buenos Aires, Argentina

Complete the “Code of Ethics” regulatory course at A•D•N





During 2021, no control body applied fines and/or penalties for accounting fraud, discrimination at work or corruption cases. In addition, in pursuit of the criterion of information transparency, in the Financial Statements, the Bank sets out the different proceeding in which it intervenes.

In 2021, there were no cases of discrimination, violence, harassment or mistreatment at work. There was one complaint that does not fall under the aforementioned items, but corresponds to disagreement about leadership management (responsibilities for people management).

As regards penalties, in the reporting period three were applied to employees for non-compliance with the Code of Ethics in relation to the Control and Prevention of Money Laundering and Terrorism Financing.

TRAINING AND COMMUNICATION ON ASPECTS RELATED TO ETHICS AND ANTI-CORRUPTION

IN 2021, 86 PEOPLE RECEIVED TRAINING ON ETHICS AND ANTI-CORRUPTION TOPICS.

- The Code of Ethics was communicated to 100% of the employees through posts in News Banco Hipotecario and the Intranet.
- The Company’s Board of Directors has been notified and has unanimously approved the Organization’s Anti-Corruption Policy and its related procedures.
- Suppliers: if they do not have their own Anti-Corruption Policy, they are required to adhere to the Bank’s Policy on this matter in order to ensure compliance with it.

Training on ethics and anti-corruption by Professional Category

	2021	2020	2019
Senior Management			
Total headcount	14	15	16
Total assessed	1	12	10
% Assessed	7.1%	80%	63%
Managers			
Total headcount	100	100	99
Total assessed	7	41	87
% Assessed	7%	41%	88%
Middle Management			
Total headcount	303	241	256
Total assessed	10	63	237
% Assessed	3.3%	26%	93%
Analysts and Administrative Staff			
Total headcount	1,192	1,348	1,386
Total assessed	68	286	1,290
% Assessed	5.7%	21%	93%

Training by Location

	2021		2020		2019	
	Approved	%	Approved	%	Approved	%
Head Office	65	6,2%	323	31%	986	96%
Branch Network	21	3,8%	79	12%	638	88%



5.6 FRAUD PREVENTION AND CONTROL

GRI Disclosures: 103-1, 103-2, 103-3, 205-1, 205-2, 205-3.

In 2021, losses from external fraud, which were avoided, amounted to \$451 million, accounting for 0.30% of the Bank’s total lending product origination in the period considered. This represented an increase of 859% in their monetary value vis-à-vis 2020. These avoided losses are mainly associated with identity theft attempts at remote origination channels (BuhoBank and TMK) and transactional fraud.

Losses from external fraud amounted to \$6,777,945, accounting for 0.004% of the Bank’s lending product origination in the period considered. This represented an increase of 698% in their monetary value vis-à-vis the previous year. Perpetrated frauds were primarily associated with skimming and identity theft, which entered through BuhoBank.

99% OF FRAUDS WERE DETECTED PRIOR TO THE ORIGATION OF THE LENDING PRODUCT REQUESTED BY THE PROSPECT.

Fraud losses

	Amount	Incidence on origination amount	Change in monetary value vis-a-vis 2020
Avoided losses	\$451,000,000	0.30%	859%
Losses	\$ 6,777,945	0.004%	698%

Since the declaration of the COVID-19 pandemic, there has been a considerable increase in intrusion attempts in Home Banking and in origination through remote channels. In addition, there has been a significant increase in scams between third parties via telephone, phishing, sim swappings and social networks. Therefore, measures are constantly implemented to mitigate the different cases detected, and customer response workflows and preventive messaging on HB, social networks and media are reinforced.

The Bank actively worked on the development of alerts within the ISVA tool to prevent fraud among third parties. In addition, the transactional fraud control processes are constantly being redefined, automating alerts and streamlining risk profiles. Geo-location tools have also been included, allowing the mapping of transactional “attacks”.

In 2021, work was carried out to prevent internal fraud, carrying out the necessary tasks related to reports received through the Transparency Line and other channels, submitting to the Ethics and/or Organizational Development Committee (in due time and form) any irregularities or deviations from the internal processes in force, detected within the framework of the Code of Ethics.

Among the cases of suspicious transactions of customers reported to the Control Body (Financial Information Unit), 8 reports (representing 0.82%) were related to 9 politically exposed persons. Beyond the above, their relationship with proven acts of corruption has not yet been confirmed.

TRAINING AND COMMUNICATION

The purpose of the “Prevention of Money Laundering and Terrorism Financing” program is to inform about the policies and actions that authorities and employees must comply with in order to minimize the risks related to the use of the Organization and/or its services for money laundering and terrorism financing, according to the legislation and regulations in force in Argentina, and the internationally recognized standards on the subject.

In 2019, the “Money Laundering Prevention” course was updated in accordance with current regulations, and a high percentage of employees received training that same year and the following year. In 2021, the Training team continued to follow up on the progress of the course. Therefore, reinforcement actions and virtual meetings were carried out as tools to increase progress. Accordingly, 98% of the employees were trained during the year.

Training by Professional Category

	2021	2020	2019
Senior Management			
Total headcount	14	15	16
Total assessed	0	6	10
% Assessed	0%	40%	63%
Managers			
Total headcount	100	100	99
Total assessed	13	22	87
% Assessed	13%	22%	88%
Middle Management			
Total headcount	303	241	256
Total assessed	13	33	243
% Assessed	4,3%	14%	95%
Analysts and Administrative Staff			
Total headcount	1.192	1.348	1386
Total assessed	91	136	1321
% Assessed	7.6%	10%	95%

Training by Location

	2021		2020		2019	
	Assessed	%	Assessed	%	Assessed	%
Head Office	57	5.4%	158	15%	1,018	99%
Branch Network	60	10.8%	39	6%	643	89%

The percentages indicated for 2021 correspond only to the cases that during that period had to complete the training in Prevention of Money Laundering. The rest had already completed the same edition of the course in previous years.

IN 2021, WE COMPLETED THE TRAINING OF 98% OF THE EMPLOYEES ON THE UPDATED COURSE ON PREVENTION OF MONEY LAUNDERING.

- Prevention of Money Laundering: it was communicated to 100% of the employees through several channels: Intranet Banco Hipotecario, News Banco Hipotecario and Process Portal.

5.7 RISK MANAGEMENT

GRI Disclosures: 102-11, 102-15, 102-30.

The Bank has a risk management system in line with the provisions laid down by the BCRA and in accordance with good practices in this sector.

To ensure adequate management of significant risks, it has a management framework and management mechanisms appropriate to the size, complexity, economic importance and risk profile of the entity.

This risk management process looks to the Board of Directors and to Senior Management for them to get involved and oversee how all significant risks are managed, understand the nature and level of risk assumed by the entity and their relationship with capital adequacy.

Among the main policies that the Bank has to guide its decisions in order to implement its integral risk management strategy are the Regulatory Hierarchy Policy and the Risk Management Policy. The latter sets forth the main guidelines to adequately manage the main risks the Bank is exposed to. It comprises credit, liquidity, market, interest rate, operational, securitization, concentration, reputational and strategic risks. In turn, it establishes the general organizational and regulatory framework, and the common mechanisms for a comprehensive management of the risks faced by the Bank. In addition, it describes the specific management processes for each of the risks mentioned and thoroughly describes the methodologies to manage market risks and liquidity risks.

MANAGEMENT DEVICES

To guarantee adequate management of significant risks, the Bank has a management framework and devices tailored to the size, complexity, economic importance and risk profile of the Entity.

Among the devices common to the management of the main risks are the following:

- Risk strategy
- Stress Testing Program
- Contingency Plan
- Economic Capital
- Internal Capital Adequacy Assessment Process (ICAAP)
- General Information Systems
- Subsidiary’s Risk Management

At the organizational structure level, the Bank has units responsible for the management of each of the significant risks embraced in the Risk Management Policy. The main purpose of the Risk Management Committee is to monitor the activities of Senior Management related to risk management and to advise the Board of Directors on the Bank’s risks.

The structure and responsibilities of the Committees referred to above are outlined in the Corporate Governance Code.



MAIN ACTIONS CARRIED OUT IN 2021:

- **Risk-adjusted profitability:** risk-adjusted profitability began to be calculated prospectively.
- **Datawarehouse:** work was carried out on the building of a datawarehouse, which will allow the automatic exploitation of data to develop economic capital calculations for wholesale banking exposures, rates and liquidity.
- **Economic capital calculation:** a new tool was incorporated into the automatic economic capital calculation process for retail banking exposures.
- **Loan Loss Provision:** we further developed and strengthened the calculation method to estimate the loan loss provision based on the expected loss models.
- **Risk Control Dashboard:** changes were made to the risk control dashboard in order to monitor the portfolio behavior and the impact on the calculation of expected losses.
- **PROCLEAR:** The Bank further monitored regulatory and economic capital aspects and the behavior of the main risk factors to which it is exposed given its role as trustee in the trust.

5.8 INFORMATION SECURITY

GRI Disclosures: 103-1, 103-2, 103-3, 418-1. **SASB:** FN-CB-230a.2

As a banking entity, protecting, ensuring and providing for the security of the information in the business processes, systems and mediums that store it, is essential for the operation of the business. Thus, the Bank has a dedicated Cybersecurity and Information Security Governance for this purpose, which also ensures the safe handling of external and internal customers, aligning them with the goals and objectives of the business, in a corporate governance context.

The Bank strictly adheres to guidelines issued by the Central Bank of the Argentine Republic, Communication A 4609/6017/6375 (among others), good practice models, international standards (O-ISM3, ISO/IEC 27001) and the Personal Data Protection Law, among others.

During 2021, no cases of breach of privacy or leak of customer data, or leak, theft or loss of personal data were identified.

In addition, priority was given when thinking about cybersecurity. First, the human factor was taken into account, as the Bank's security leaders play a role in raising awareness and educating people to care for the company's IT and information assets. The second key was to protect the company's infrastructure: informing human capital about known vulnerabilities in this new environment and ensuring that cyber defense teams are diligent in terms of testing and threat intelligence. As a third point, cloud migration took place, shifting the information security focus from an enterprise infrastructure to a virtual and cloud environment.

AFTER THE COVID-19 PANDEMIC, IT IS ESSENTIAL THAT BANK EMPLOYEES BE AWARE OF AND EDUCATED ABOUT THE EXISTENCE OF CYBER-ATTACKS AND THE IMPORTANCE OF REINFORCING CYBERSECURITY.

MAIN ACTIONS CARRIED OUT DURING 2021:

- Awareness Workshops on Digital Risks and Crimes continued, with the aim of re-educating users and employees on cybersecurity: Digital Crimes Workshop by the Bank, and an awareness workshop on Internet and social network risks by the NGO Argentina Cibersegura.
- Several controlled phishing and ransomware drills were carried out to alert the Bank's human capital about actions that could compromise the organization. In addition, educational videos and postings were made to the customer portfolio to alert them about the various digital scams on the Internet.
- The ISO 27001 Internal Auditor Course was held and the Cybersecurity Governance, IT Regulation Management and Internal Audit teams passed the exam and achieved certification.
- Se realizaron monitoreos y baja de cuentas apócrifas en las redes sociales e Internet, de manera de prevenir el engaño en estas y la usurpación de identidad de Banco Hipotecario frente a clientes, así como la denuncia de aplicaciones móviles y páginas web fraudulentas, que permitió dar de baja más de 300 cuentas falsas, y código no autorizado de nuestra app móvil.

With regard to the Bank's cybersecurity strategy, during 2021, technological investments were made that made it possible to evolve:

- The Bank implemented state-of-the-art technology to detect AntiBot and the latest proliferating malwares, which will allow progress in the Digital Transformation.
- Monitoring of applications and data exchange in the cloud was implemented, responding to incidents such as: account theft, data loss, information destruction, malware and oversharing of content, etc., in order to align with the strategy of using cloud applications and allow their deployment with risk coverage.



6

SOCIAL AND ENVIRONMENTAL PERFORMANCE



6.1 BANK COMMUNITY

OUR PEOPLE

Material Aspects: Quality Employment, Inclusion, Diversity and Gender Equality.

GRI Disclosures: 102-8, 102-41, 103-1, 103-2, 103-3, 405-1.

In 2021, the areas linked to the Bank's human capital management worked particularly to support the cultural and digital transformation, promoting the development and satisfaction of people, in order to comply with the new organizational vision.

During the reporting period, the Bank continued with the necessary tasks to enable remote access for almost 1,400 employees. All the systems and the way of operating had to be adapted so that all the human capital could do so from their homes.

.....
**AN AGILE, FLEXIBLE
AND PEOPLE-CENTRIC
CULTURE.**
.....



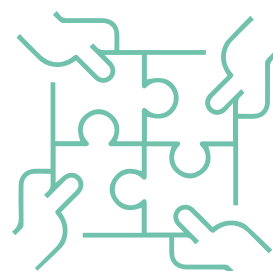
Work began on **#VolverAVernos**, a campaign promoting hybrid work and a return to the office.



Welcome of new employees



Team meetings



Spaces to build/review objectives



Feedback meetings

In order to provide greater flexibility to people and enhance meetings in the office, four collaborative work spaces were launched, exclusively for face-to-face activities, distributed in different parts of the city (Villa Urquiza, Tigre, Avellaneda and Quilmes). In these nodes, each employee can reserve his or her space, meet as a team or simply share with peers from different areas.

With the implementation of the new normality, a cleaning and tidiness campaign was also started on the floors, in order to start the flexible desks, i.e., each team/employee can choose the place to work that best suits their needs.

#VolverAVernos

Do you know the nodes? Take advantage of these spaces to work with purpose, collaborate as a team and create new bonds.

- Book your visit in advance. [Know the step by step](#)
- At the Avellaneda, Tigre and Quilmes nodes you must present your complete vaccination schedule.
- In order to guarantee security, during the ATM/TASi work dynamics you will not be able to enter or leave the branch. In addition, the offices that share access to the cashier's area are not authorized to use the node.
- If you are using Wi-Fi for the first time, please follow these instructions to configure it. [Click here.](#)

"My experience in the Villa Urquiza node is great, I love it and I also meet people from different areas."

"Really, excellent! I went to the Quilmes node and the collaborators are very kind. I highly recommend it."

"Unbeatable; from the moment of entry, everyone very friendly, the connection excellent, without any inconvenience, the place very spacious, nice and quiet to work. In Quilmes, from the security guy to the manager, very kind and cordial."

Welcome BH

Yesterday ended a new virtual BH Welcome. In the third edition of the year, 15 new employees from all over the country participated, who shared a space for chatting with representatives from different areas to learn more about the Bank and the business.

7 Meetings

15 Participants

90 Hours of training

As of December 31, 2021, the Bank's headcount was 1,621 people, 803 women and 818 men, distributed between Head Office (1,009) and branches (612), with an overall average of 11 years of service and 42 years of age.


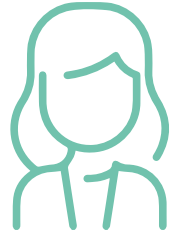
Banco Hipotecario provides decent work spaces, with full respect for human, labor and civil rights. At the same time, it complies with the applicable labor laws, guarantees equal opportunities and a safe work environment, with the corresponding hygiene and safety conditions.

Most of the conditions established by the CCT (collective bargaining agreement), in force in the Bank, are applied to all the employees, regardless of their union status.




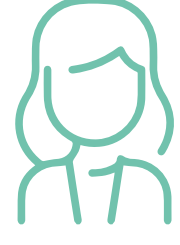

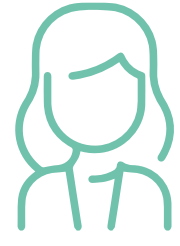


Employees by Gender


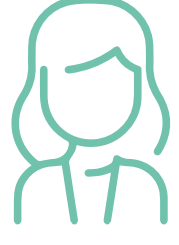

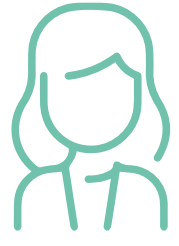
	2021	2020	2019
Employees by Gender (*)	1,654	1,704	1,757
	839	838	874
	815	866	883

(*) 100% of employees are full-time.

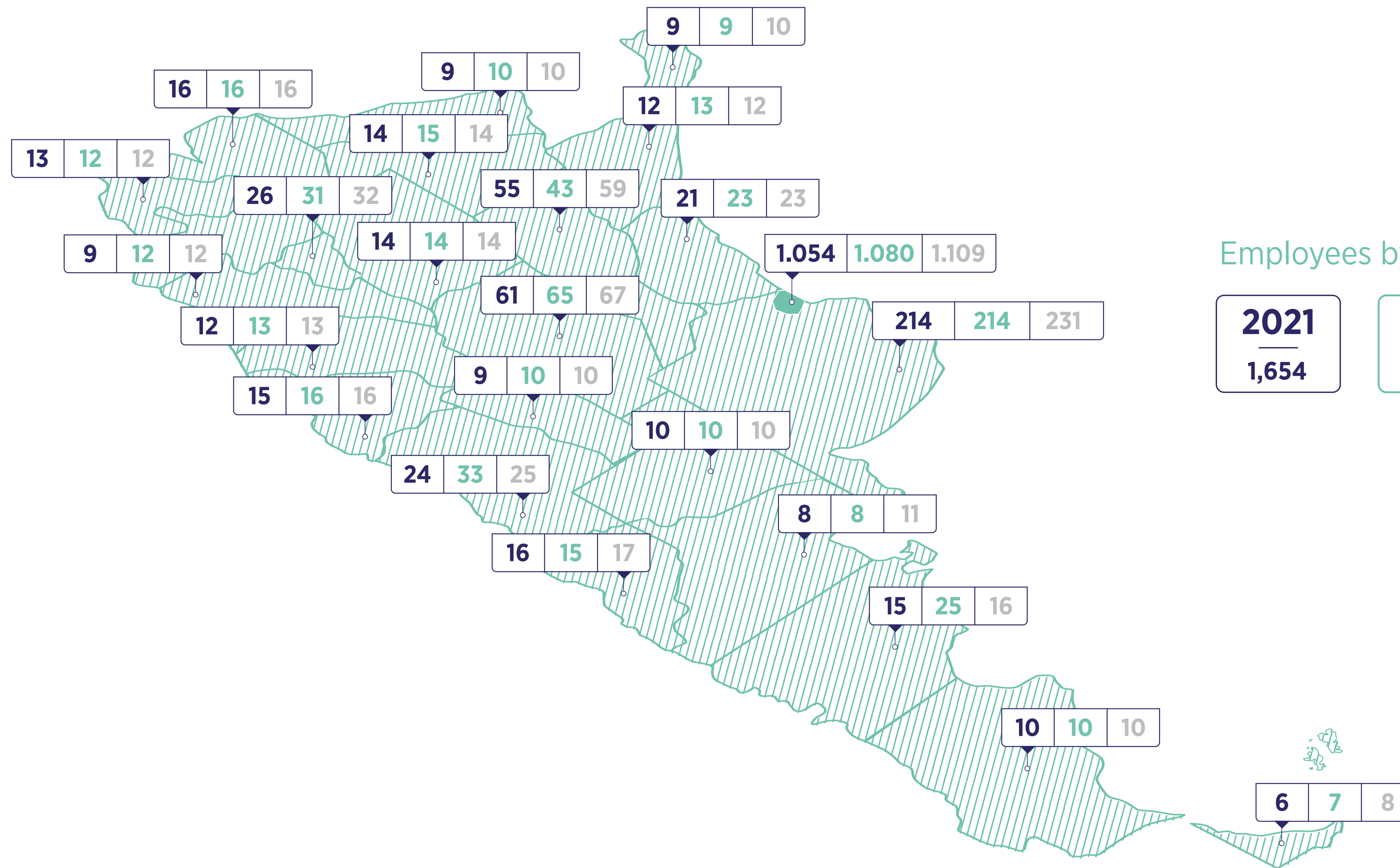
Employees by Location and Gender

	2021	2020	2019
Head Office	1,038	1,039	1,081
	582	568	602
	456	471	479
Branch Network	616	665	676
	257	270	272
	359	395	404

Employees by Employment Contract and Gender

	2021	2020	2019
Permanent	1,654	1,702	1,753
	839	836	872
	815	866	881
Temporary	0	2	4
	0	2	2
	0	0	2









Employees by Province.





2021	2020	2019
1,654	1,704	1,757



Employees by Employment Contract and Location

	2021	2020	2019
Permanent	1,654	1,702	1,753
 HEAD OFFICE	1,038	1,038	1,081
 BRANCH NETWORK	616	664	672
Temporary	0	2	4
 HEAD OFFICE	0	1	0
 BRANCH NETWORK	0	1	4

Employees by Location and Union Status









	2021 ^(*)	2020	2019
Non-union	184	220	227
 HEAD OFFICE	131	153	158
 BRANCH NETWORK	53	67	69
Union	1,387	1,484	1,530
 HEAD OFFICE	852	885	923
 BRANCH NETWORK	535	599	607
Employees covered by Collective Bargaining Agreements	88%	87%	87%

(*) Survey as of May/2022.

Employees by Professional Category

	2021 %	2020 %	2019 %
Senior Management	1%	1%	1%
Managers	7%	6%	6%
Supervisors, Leaders and Bosses	19%	14%	15%
Analysts and Administrative Staff	74%	79%	79%

Employees by Professional Category and Gender

	2021	2020	2019
Non-union	0.74%	0.88%	0.91%
 Male	0.62%	0.76%	0.80%
 Female	0.12%	0.12%	0.11%
Union	6.54%	5.87%	5.63%
 Male	4.50%	4.05%	3.87%
 Female	2.04%	1.82%	1.76%
Supervisors, Leaders and Bosses	18.82%	14.14%	14.57%
 Male	10.18%	7.57%	7.85%
 Female	8.64%	6.57%	6.72%
Analysts and Administrative Staff	73.90%	79.11%	78.88%
 Male	35.16%	36.80%	37.22%
 Female	38.74%	42.31%	41.66%

Employees by Professional Category and Age Group

	2021 %	2020 %	2019 %
Under 30 years old	3.33%	4.29%	6%
Senior Management	0%	0%	0%
Managers	0%	0%	0%
Supervisors, Leaders and Bosses	0.37%	0.06%	0.11%
Analysts and Administrative Staff	2.96%	4.23%	5.75%
Between 30 and 50 years old	75.76%	78.23%	78%
Senior Management	0.31%	0.47%	0.51%
Managers	4.19%	4.11%	3.76%
Supervisors, Leaders and Bosses	14.19%	11.33%	11.72%
Analysts and Administrative Staff	57.06%	62.32%	62.38%
Over 50 years old	20.91%	17.49%	16%
Senior Management	0.43%	0.41%	0.40%
Managers	2.34%	1.76%	1.88%
Supervisors, Leaders and Bosses	4.26%	2.76%	2.71%
Analysts and Administrative Staff	13.88%	12.56%	10.76%

EMPLOYMENT, DIVERSITY AND INCLUSION

Material Aspects: Quality Employment, Inclusion, Diversity and Gender Equality





GRI Disclosures: 103-1, 103-2, 103-3, 401-1, 405-1.

In order to strengthen processes and generate an efficient and digital experience, new human capital was incorporated, 21% of which corresponds to roles of Specialist, Supervisor, Chief or Manager, in the following areas:

- 36% Systems and Technology Management
- 22% Digital Transformation
- 26% Branch Network
- 16% Central Areas





GENERATE OPPORTUNITIES AND PROMOTE THE DEVELOPMENT OF EMPLOYEES WITH DIFFERENT VISIONS AND PERSPECTIVES.

New employee hires

	2021	2020	2019
Total new hires	91	37	154
By gender			
 Men	71	15	85
 Women	20	22	69
By location			
 HEAD OFFICE	69	22	90
 BRANCH NETWORK	22	15	64
By age			
Under 30 years old	13	8	41
Between 30 and 50 years old	73	27	104
Over 50 years old	5	2	9
New hire rate ^(*)	6%	2%	9%

^(*) Hiring in the period/Headcount at the end of the period.

Employee turnover

	2021	2020	2019
By gender	40	93	333
Por sexo			
	22	62	198
	18	31	135
By location			
	33	68	234
	7	25	99
By age			
Under 30 years old	3	20	22
Between 30 and 50 years old	16	66	206
Over 50 years old	21	7	105
Turnover rate ^(*)	2%	5%	19%

(*)Termination of the period/Headcount at the end of the period.





The selection processes and the hiring decisions are based on the skills of job applicants and adhere to a diversity framework, regardless of age, color, origin, civic status, religion, sex, sexual orientation or any other characteristic protected by law.

Possible situations of discrimination, harassment, intimidation or retaliation at work can be reported through the different reporting channels. The Bank ensures that these are addressed immediately and confidentially, maintaining the transparency of the process.

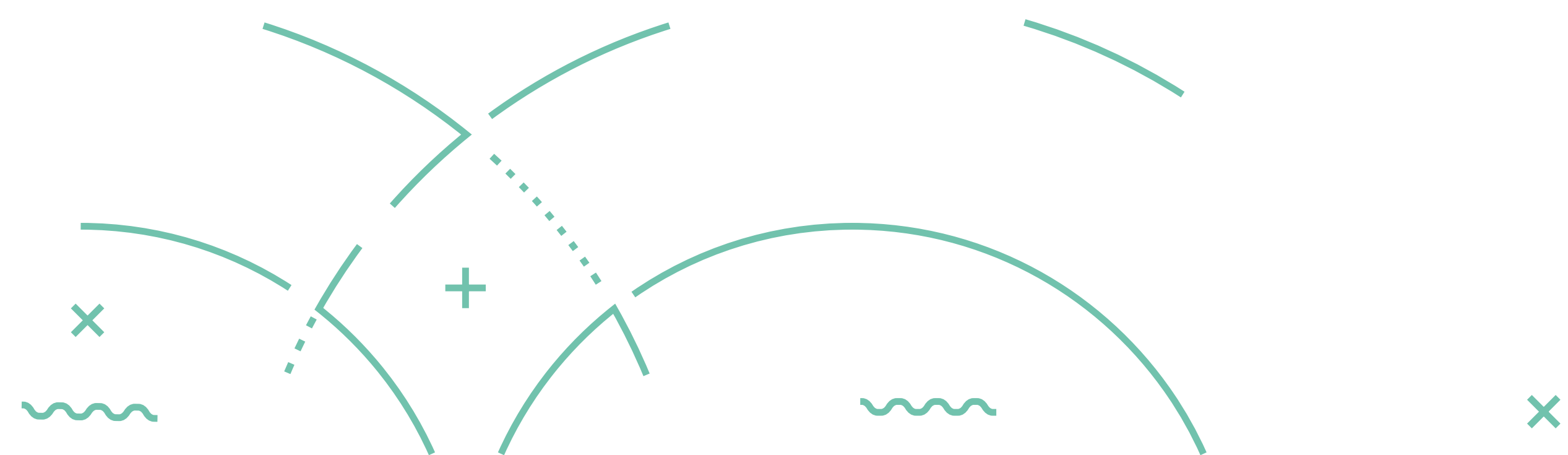
In addition, the Bank has a Protocol of Action Against Gender-based Violence (domestic and/or labor), which aims to establish a system of assistance to victims and define the basis for comprehensive support from the workplace.

As regards the inclusion of people with disabilities, the Bank has 12 people with motor, visual, hearing and/or vocal impairments, which represents 0.7% of the payroll.

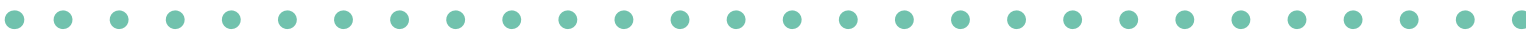
Employees with disabilities

	2021 ^(*)
By gender	
	7
	5
By location	
	10
	2
By age	
Under 30 years old	0
Between 30 and 50 years old	11
Más de 50 años	1

(*) Data as of 12/31/2021.



Within the Diversity and Inclusion axis, the Bank set out to generate opportunities and foster the development of the employees with diverging points of view and perspectives, being flexible to empower participation and business performance. In this regards, an annual plan for Organizational Development and Sustainability was carried out to work on special dates, among which the following were highlighted:



Women's Day: action together with the NGO Feminita, to reflect on gender inequality. It included an anonymous trivia to test knowledge (66 participants), a workshop given by the NGO (60 participants and average score of 4.8) and a guide with recommendations for diverse leadership.



Environment Week: together with the NGOs Puerta 18 and Agenda Ambiental, an online trivia game was created to test employees' knowledge of environmental care. The questions responded to the SDGs (Sustainable Development Goals) and more than 300 people participated.



Pride Day: together with the NGO Grow, a workshop was held with the participation of more than 40 leaders. 100% indicated that the contents added a lot or a great deal to their management as team leaders.



Breast Cancer Awareness Month: during October, people were invited to send their photo with a pink piece of clothing, which was used to make a mural. Also, medical recommendations and the testimony of 3 employees who had gone through the disease were shared. Besides, the possibility of requesting a mammography/breast ultrasound order was offered through the Bank's medical service.



BENEFIT PLAN

Material Aspects: Quality Employment
GRI Disclosures: 103-1, 103-2, 103-3, 401-2, 401-3.

Regarding #BeneficiosBH¹⁴, work continued on promoting the value proposition, based on 5 mottos:

- Stay healthy
- Family is all that matters
- Empower your development
- Products with controlled prices
- Enjoy your free time

All employees receive the same benefits regardless of the type of working day or contract. In total, there are more than 34 own and internally managed benefits. In 2021, the Intranet was redesigned, where the unified value proposition can be found and all the associated Organizational Development policies were made available.

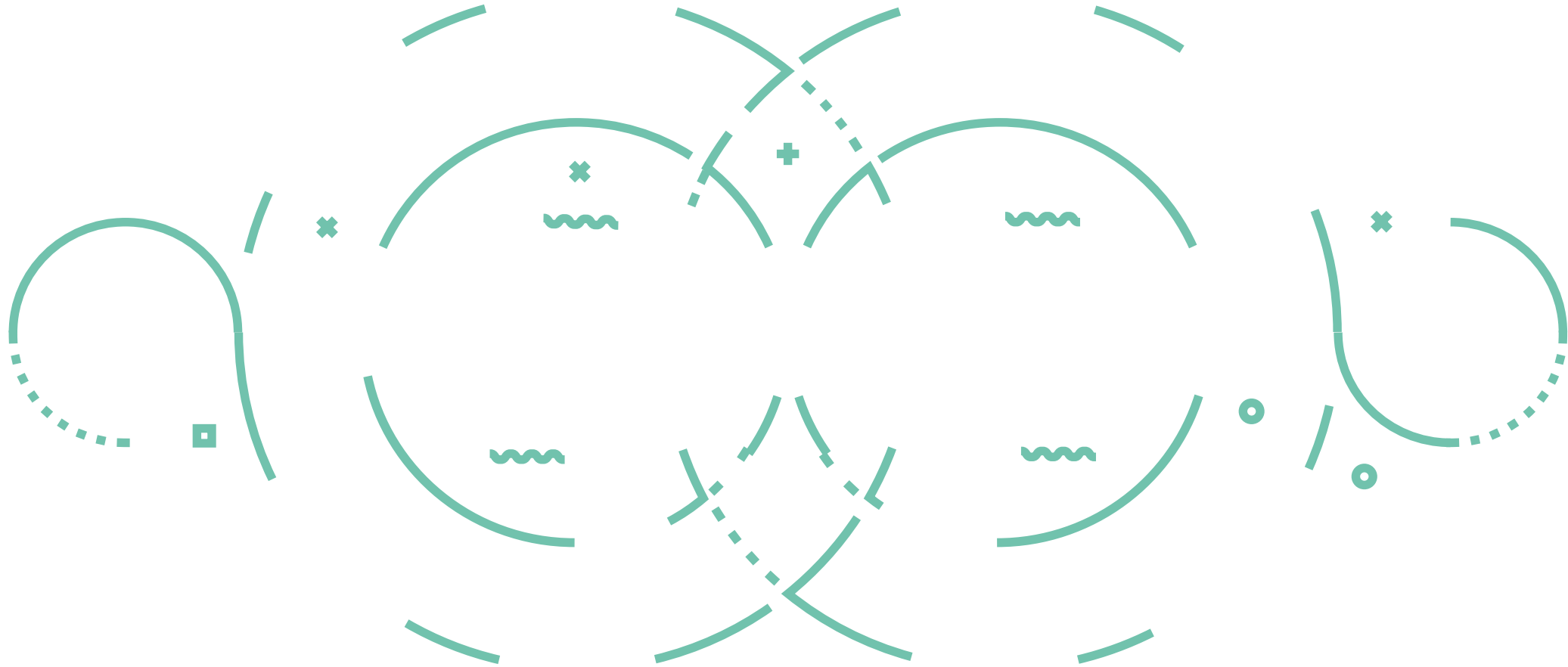
New 2021 benefits:

- Discounts at Fly Bondi
- Discounts on wines and beverages at Peñaflor wine group.
- Promotional price on tickets for Alto Parque aerial adventure park
- Discounts on cleaning products at CleanHous

As part of our gender and diversity management, during 2021 we implemented a leave system that allows us to support all types of families. It was agreed to define leave for pregnant and non-pregnant employees, as well as for primary and secondary caregivers, and new leaves were added to support families that adopt.

- Extended leave for non-pregnant employees due to childbirth. The employees have 20 days to receive the new member of the family.
- Adoption leave for primary caregivers (60 days) and secondary caregivers (20 days).

As regards the rate of return to work, after maternity and parental leaves, in 2021 we again reached 100%.



14 - To learn more about our benefits, please refer to our [Reporte de Sustentabilidad 2020](#), pages 69 and 70 (except for differential rates at Llao Hotel, Fravecheck and wedding and graduation gifts).

Maternity and Parental leaves

	2021	2020	2019
People entitled to maternity/parental leave	33	67	83
 7	7	25	34
 26	26	42	49
People who exercised their right to maternity/parental leave	33	67	83
 7	7	25	34
 26	26	42	49
People who returned to work after maternity or parental leave	33	67	82
 7	7	25	34
 26	26	42	48
Return to work rate			
 100%	100%	100%	100%
 100%	100%	100%	98%
Retention rate (People who remain in their job for at least twelve months after returning)			
 88%	88%	100%	100%
 98%	98%	98%	98%

TRAINING AND DEVELOPMENT OF EMPLOYEES

Material Aspects: Quality Employment, Human Rights, Training and Development of Employees.

GRI Disclosures: 103-1, 103-2, 103-3, 401-2, 404-1, 404-2, 404-3.

During the reporting period, training activities were aimed at providing tools for a more efficient performance of the tasks assigned to each position and function. Training activities were provided through courses, workshops and special programs, based on digital platforms, adapting to new scenarios. Each activity was designed with the mission of responding to the needs of the business and transformation, seeking to continue with the development of employees in a complex context of pandemic.

During the year, the **Digital Transformation School** was strengthened. The Digital Transformation Management was supported in the presentation and dissemination of the new work methodology: OKRs (Objectives & Key Results - Measurement of the fulfillment of objectives), QBRs (Quarterly Business Review), FdVs (value streams). Three informative meetings were held with managers and three on-boarding workshops for members of the agile cells, reaching more than 1,100 employees (68% of the company) and achieving more than 1,200 hours of training.

In line with this strategic objective, virtual courses on Fundamentals of Agility were developed (Banco Hipotecario and Hipotecario Seguros), where the basic concepts to understand the transformation process underway were presented. Both courses are available to everyone in the organization and constitute a learning objective.

Additionally, together with the Executive Committee, the first internal Journey for Agile Product Owners was developed, reaching 17 certified employees in November 2021, and another 14 employees were trained in the role. The journey is composed of 3 thematic stations with asynchronous content, synchronous workshops,

15,500 HOURS OF TRAINING WERE DELIVERED.

+450 DIFFERENT ACTIONS.

VIRTUAL (SYNCHRONOUS AND ASYNCHRONOUS) AND FACE-TO-FACE MODALITIES.

community in teams and a closing meeting, which integrates a 19-hour journey of theoretical and practical collaborative training in the role.

In addition, the design of meetings and learning academies began, with Data Analytics, UX UI content.

The **ExpertosBH** program was consolidated as a learning and exchange opportunity, led 100% by internal talent. A platform for virtual meetings focused on the Bank’s vision and strategy, in which employees offered learning proposals Company-wide.

.....

34 SCHOLARSHIPS WERE AWARDED.

17 AGREEMENTS WITH DIFFERENT UNIVERSITIES.

.....







The comprehensive training program, **“Learning NETWORK” (“RED de Aprendizaje”)**, for the entire branch network nationwide, continued focused on continuous training, professionalization and growth of commercial and operational employees:

- 54 Cashiers were reconverted into Business Officers, with an investment of more than 2,400 hours of training during 3 months, to achieve payroll certification in their new role.
- Product Training: 15 synchronous workshops with the Hipotecario Seguros team to train more than 300 employees in the sale of Life, Personal Accident, Home and Combined Family Insurance products.
- **Role learning:**
 - Four new courses were developed and published for the Commercial Platform, reaching more than 280 employees.
 - The certification processes for Cashiers, Treasurers and Operational Managers continued.
 - The Buenos Aires branch team was accompanied in its participation in the “30 summits” sales and commercial management professionalization program.

Training management, also, leveraged the adoption of organizational projects, where the required training activities were developed for: Dynamo Post-sales, Digital Signature, WKF Reengineering, Multifactor Authentication and BIA BCP among others.

In addition, **scholarships and external courses** were handled, joining alliances with different educational institutions and entities, which made it possible to update internal knowledge. In turn, learning platforms were incorporated to expand access to external virtual courses for the Bank’s employees.

Promedio horas de formación por empleado/a

	2021	2021	2020	2020	2019	2019
	H.	Average	H.	Average	H.	Average
Total training hours	14,184	8.8	20,506	12	25,840	14.7
By location						
 HEAD OFFICE	7,468	7.4	6,851	6.6	12,662	11.7
 BRANCH NETWORK	6,716	11.1	13,665	20.5	13,178	19.5
By gender						
	7,627	9.3	9,272	11.1	14,018	16.0
	6,557	8.2	11,234	13.0	11,822	13.4
By professional category						
Senior Management	160	13.3	64	4.3	49	3.1
Managers	1,439	13.6	2,368	26.3	3,764	38.0
Supervisors, Leaders and Bosses	1,829	6.0	2,826	11.7	5,330	20.8
Analysts and Administrative Staff	10,756	9.0	14,978	11.1	16,697	12.1

A•D•N (virtual space for Learning, Development and Business) was positioned as a **People Management** tool and the modules that enhance professional development were deepened:

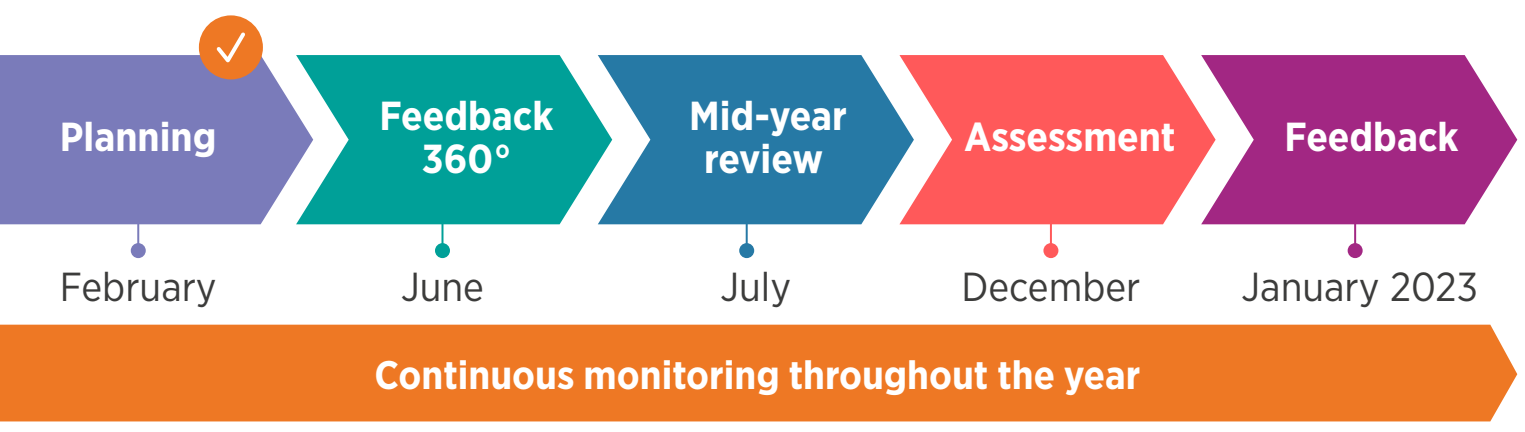
- **Professional Profile:** shows a summary of learning and development in the Company; it can also be completed with personal data, experience, interests and development expectations. This functionality expands the employee’s information for internal searches, development processes and talent management.
- **My Team:** available for leaders, where there is a consolidated profile of their direct and indirect reports, search filters and the possibility of downloading this information.

In 2021, the development process of the Bank’s entire community was highlighted, achieving movement and growth:

- 85 development processes
- 58 promotions
- 27 lateral moves through sponsors and internal searches
- The new **LEADERS** program added new topics and 30 people went through the fourth learning edition (with synchronous workshops and asynchronous contents)

The new hybrid work model (face-to-face and remote) made it possible to initiate internal search processes for 100% remote positions, and added value to reskilling (acquisition of new skills) and specialization in areas required for digital transformation.

To leverage the strategic pillars and achieve business results, it is necessary to identify, segment and manage performance in the organization. To this end, a talent cycle (performance and development) was designed, which establishes actions to be carried out at each stage of the process:





Goal planning was launched, which guides individual efforts to contribute to the BHVision, and **Feedback 360**, which provides information from multiple perspectives on the behaviors and skills of a particular employee. It is a tool made available to work on development and help nurture the mid-year review. This instance does not affect the final performance grade.

For the 2021 Talent Cycle, the **goals exercise** was carried out for the entire company, with the premise of defined goals, aligned with the vision and strategic focuses. Meetings were held in all areas and conversations and instances of co-construction of business challenges were promoted. 96% of the people, from central areas and operational sectors of the Branch Network, uploaded their objectives to complete the process with the self-assessment, assessment, calibration and feedback in the ADN tool.

This exercise was conducted in September 2021, in order to start laying the foundations for the performance cycle for 2022, hence the percentage of employees who completed it is lower compared to previous years.

Competency-based assessment

	2021	2021	2020	2020	2019	2019
	Q	Scope	Q	Scope	Q	Scope
Total number of employees who were assessed according to their competencies	976	60%	1,641	96%	1,678	96%
By gender						
	539	66%	808	96%	830	95%
	437	54%	833	96%	848	96%
By professional category						
Senior Management	1	8%	2	13%	3	19%
Managers	21	20%	88	88%	91	92%
Supervisors, Leaders and Bosses	251	82%	243	100%	250	98%
Analysts and Administrative Staff	703	59%	1,308	97%	1,334	96%

CULTURE AND CHANGE MANAGEMENT

Material Aspects: Quality Employment.
GRI Disclosures: 103-1, 103-2, 103-3.

The Bank seeks to strengthen organizational culture and development. To this end, it empowers the key players in the transformation, provides tools for people management, involves and commits human capital and, at the same time, supports established and recognized interventions.

The starting point for many actions was the results of the **BH Satisfaction** survey, in January 2021. A total of 1,001 people participated, with a satisfaction index of 51% and an NPS of -8.4. This index

was taken as a Key Result as a basis for working on satisfaction for 2023, as part of the Bank’s strategy.

In 2021, the Value Stream **“help me achieve an extraordinary experience”** was also created, which allowed us to define an employee’s life cycle and to inquire about the main pain points . Within this framework, the first culture diagnosis was carried out at BH, through a representative sampling of the entire organization.

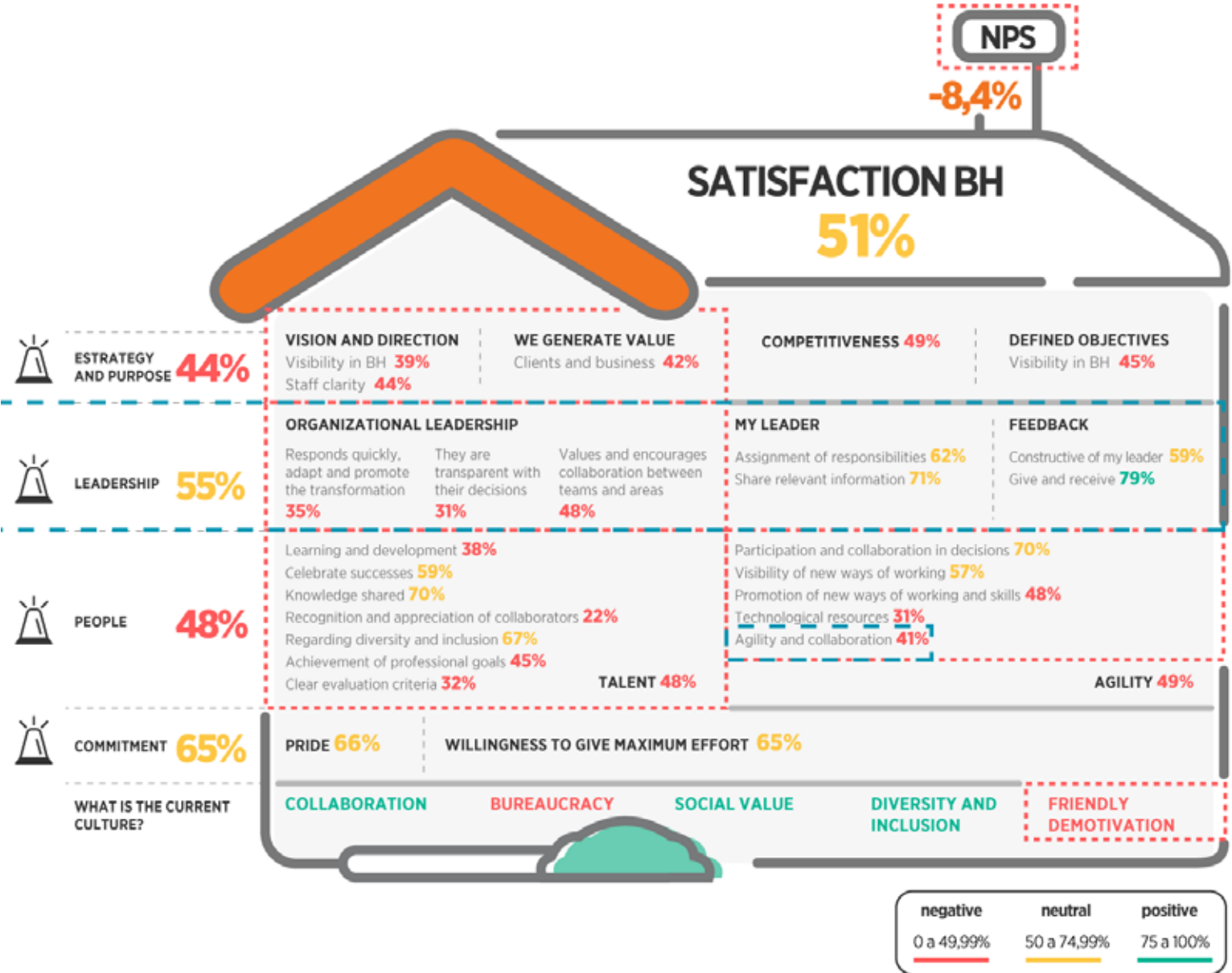
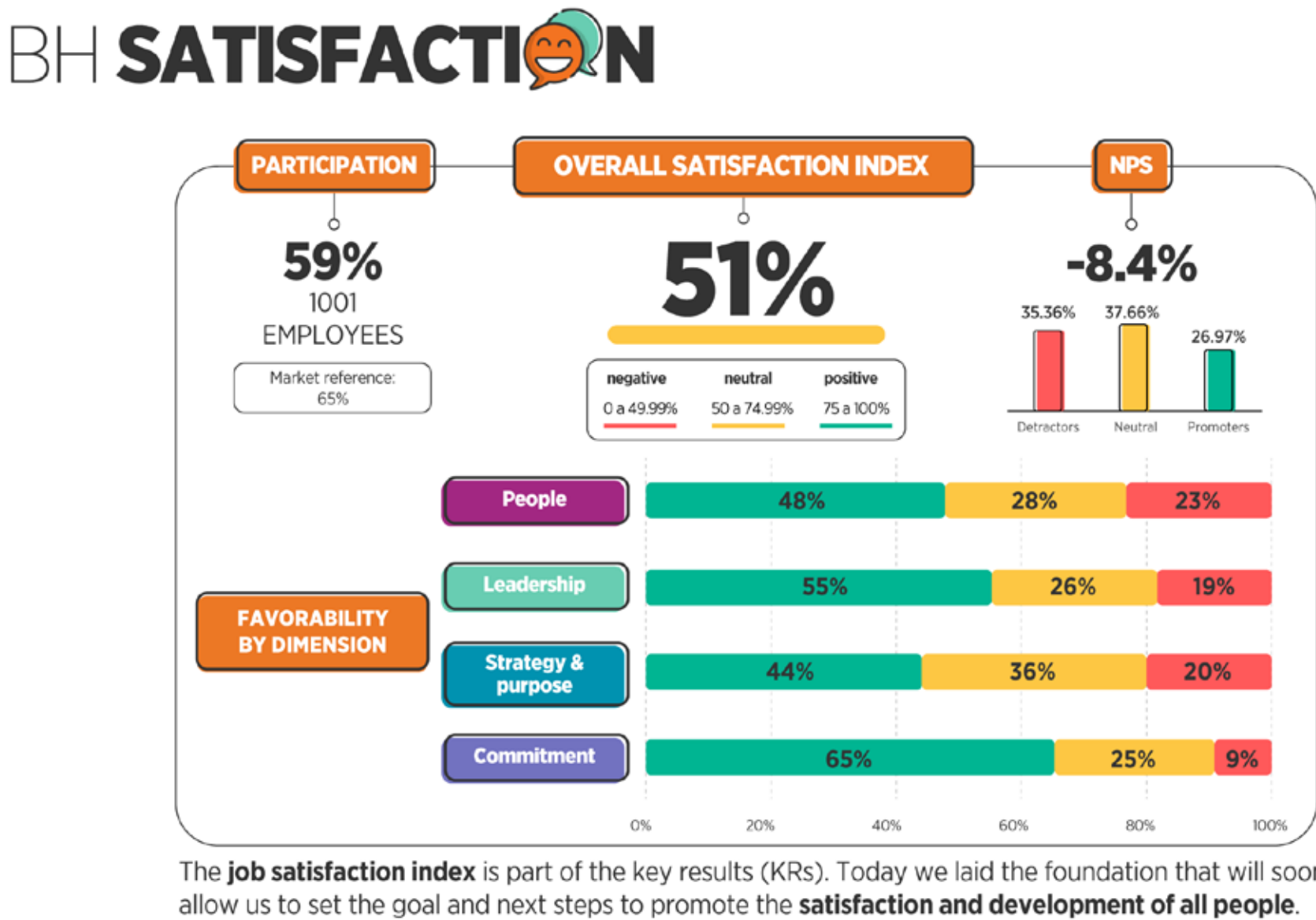
The overall result was 17% (versus 56% in the market), showing a strong need to work on culture to improve business results. Opportunities were found to work on identity and purpose, transparency in processes and decision making, capacity for innovation and learning, leadership and collaboration between people and teams.

15 - Pain point: specific problem or situations experienced by the employee, which makes him/her uncomfortable and prevents him/her from performing correctly in order to meet his/her goals.



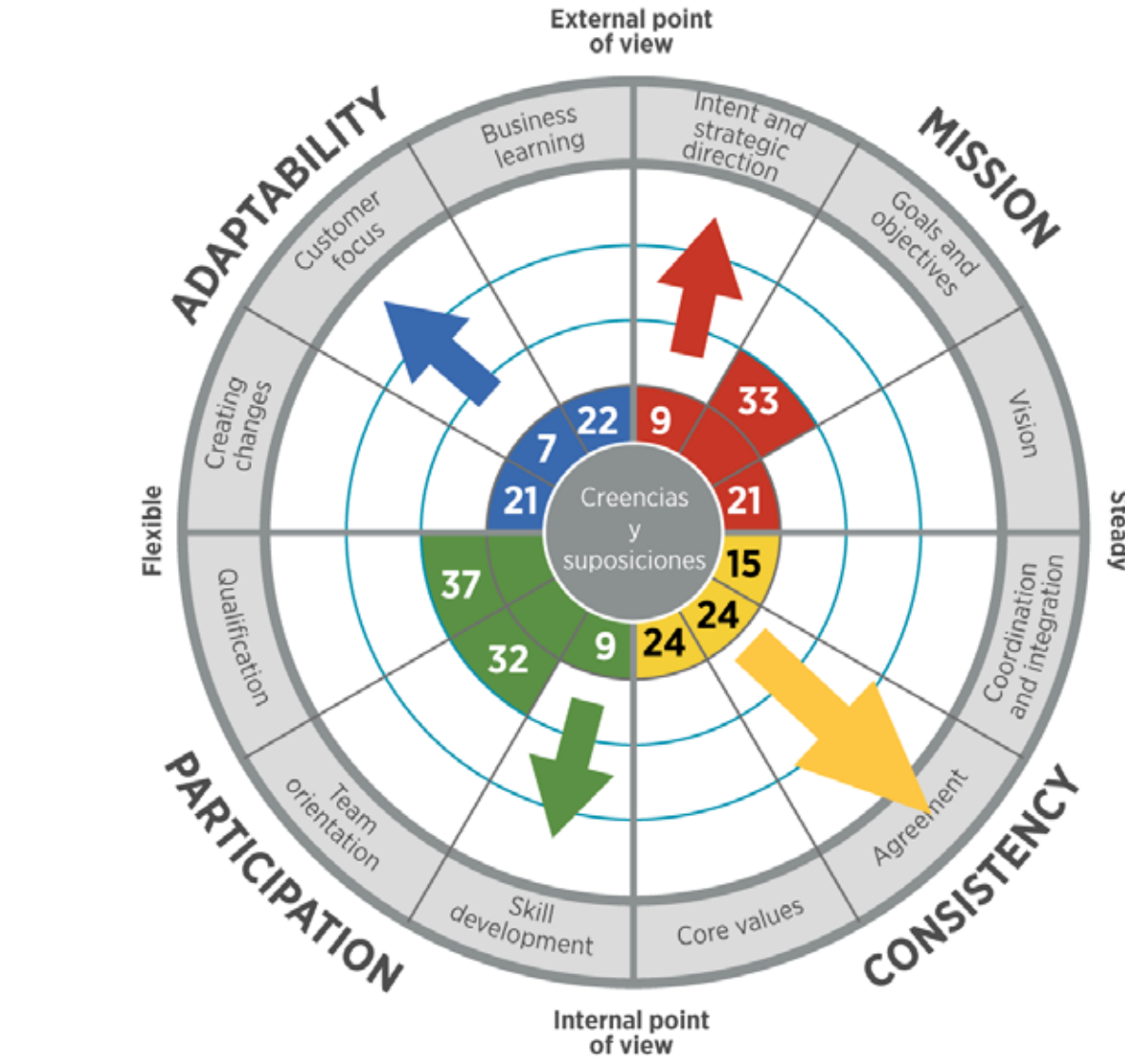
Based on this, a Cultural Change Plan was developed, with actions for the development of culture and organizational effectiveness, which will be implemented in 2022.

It also played a key role in scaling agility and supporting the creation of more than 20 value streams, the management of a digital transformation site on the Intranet and more than 40 channel communications. In addition, the Evolution Banking cycle was launched, a series of 7 videos to explain digital transformation from its protagonists.



► **SATISFACTION SURVEY: 51% NPS: -8.4**

The pain points were analyzed and the 3-year HR strategy was designed.



► **CULTURE MAPPING - DENISON SURVEY**

Participation: **437 employees**

Overall: 17%

BH is one of the companies that most needs to work on culture to improve its business results.



COMMUNICATION AND SOCIAL MEDIA PRESENCE

As regards business, we highlight the support to the PROCREAR Program, for which a specific communication strategy was implemented during the second half of the year:

- Creation of a Teams channel and 4 monthly meetings
- 9 editions of Protagonistas PROCREAR, a section highlighting the teams involved
- Creation of an exclusive Intranet site
- 6 monthly publications and 2 testimonial videos

All actions implemented during the year are supported by the media:



It had more than **380** site pages, including news and sections, **1,855** unique users and **1,700,000** visits per month, with an average time of **21 minutes** per user (twice as much as in 2020). **99.5%** of the traffic to the site came from a computer.



In its second year, it had a **90%** usage rate and **1,939** active users. More than **390,000** chat messages are sent per week. In addition, **51** management teams and **13** project teams were created.



The community of this network grew **26%** compared to 2020, with more than **168,124** followers. The employer brand was boosted, generating **85** posts, with an average interaction rate of **5.93%** (likes, comments, sharing). In total, more than **865,000** impressions were generated.



More than **40** videos were produced to support the different campaigns, events and milestones.



This open Teams channel was created in **2021**, with the objective of keeping human capital connected in a simple, agile and fast way. It has **1,629** users, more than **200** posts and more than **1,100** reactions/responses per month. The channel also has **11** private channels, created to segment communication to leaders, branches or specific topics.



52 editions with a summary of the week's most important issues.



After working to reduce the number of e-mails sent and understanding that it is the channel least valued by people, it is only used for targeted communications and for sending the weekly News BH.



In December 2021, a survey was conducted to measure people's satisfaction with internal communication and its channels or devices. With a response rate of 20%, overall satisfaction was placed at 4.29 points. BH CONECTA was the most highly rated channel, with a score of 4.60. The lowest was the CI Mailbox, with a score of 2.78.

The work carried out allowed us to continue consolidating the communication and promotion of the Bank's culture with the main objective: to give meaning to the individual contribution of each employee as part of the Bank's results.

We also participated in the **"Social Footprint" Value Stream**, where we generated content for financial inclusion workshops, videos for social networks and an internal communication plan to involve employees in the actions of the NGOs Conciencia and Inmigrantes Digitales.

Finally, during the year, we worked on the **"Relationship Channel"** axis, with the objective of deploying all of the above and implementing the Human Capital development strategy with a management model that supports the organization and adds value to the business. It is characterized by an increased level of presence and knowledge about the areas and their teams, and is the main point of contact on Organizational Development issues.

The 4 main work focus areas were maintained: **People Management, Transformational Processes, Relationship Channel and Structure Planning**. This, with a strong focus on knowledge and diagnosis of teams, supporting employees during a year of change, uncertainty and rearrangement of activities, positioning leaders as key players of the organizational transformation and accountable for people management.

OCCUPATIONAL HEALTH AND SAFETY

Material Aspects: Occupational Health and Safety.

GRI Disclosures: 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9.

The safety approach includes the functions of planning, identification of risky areas, coordination, control and management of safety activities in branches and annexes, all of them in order to prevent accidents and occupational diseases. An effective security management pursues three main goals:

- Achieve a safe working environment
- Make work safe
- Make human capital aware of safety

THE BANK COMPLIES WITH ALL APPLICABLE LAWS AND REGULATIONS CONCERNING THE HEALTH AND SAFETY OF EMPLOYEES AND THIRD PARTIES ON ANY OF ITS PREMISES.

The occupational health and safety management system is in accordance with the provisions of the National Law on Occupational Hygiene and Safety Law No. 19,587, Decree 351/79. As regards Physical Safety, the framework is given by the regulations, communications and recommendations of the BCRA, plus the Bank's Comprehensive Safety Plan, which is prepared taking into account the Branch Risk analysis. During 2021, the approval of the **Self-Protection Plan of the Belgrano Branch, CABA** was obtained. The renewal of this Plan (Law 5,920) must be carried out on an annual basis.

We are part of the Occupational Health and Safety Committee of the Province of Santa Fe, in which the annual preventive plan is monitored (Law No. 12,913 of the Province of Santa Fe). This committee is made up by an employer representation, a worker representation and an Occupational Safety and Hygiene Technician. Meetings are held on a monthly basis and decision-making is by consensus between the employer representation and the union representation.

In order to identify occupational hazards and assess risks, periodic inspections are carried out, suitable personnel are hired and trained. If a member of the Bank learns of any real or potential safety issue, or if they have any concerns, they should immediately notify their Boss/Leader or Manager, the Organizational Development Area Management or the Physical Safety and Logical Security Management. A daily record of activities and developments is kept in order to identify the main risks and establish (or reinforce) mitigation measures. In the reporting period, no investigation has been carried out, since the Safety area was not informed of any incident.

The outsourced employees are mainly trained by the service provider company; however, the Bank reinforces their knowledge and additionally offers a course on fire prevention, use of fire extinguishers, use of self-contained breathing apparatus and evacuation plan (duration of 3 hours). As regards hygiene and safety training for our employees, it is planned according to the activity carried out. The topics covered are mainly fire prevention, use of fire extinguishers, evacuation, drills and ergonomics, and are dealt with in person, except in those cases where, due to the distance of the branches, they must be carried out through digital platforms.

In terms of statistical data, 15 occupational accidents with musculoskeletal injuries were recorded in 2021.

As regards health care, for our own and outsourced employees, we have a **medical service** located in our **Head Office**, which interacts with the Occupational Safety Area. This service has a clinical office and an infirmary.

An emergency service acts as a “protected area” for any person within the Bank who requires medical assistance and/or transfer due to the seriousness of the health situation presented.

An annual influenza vaccination campaign is carried out, together with preventive education in person and/or through general communication channels. In addition, there is coverage through a contracted Occupational Risk Insurer (ART) for accidents occurring within the facilities, or on the way to and from the physical workplace.

Actions for health care



Corporate Health Plan, closed and exclusive for employees and their families.



Influenza Vaccination Campaign throughout the country, to prevent and take care of health.



Clinical office at the Head Office, with specialized attention from 9:00 to 17:00 hours.



ECCO Protected Area Service, for medical assistance to employees, customers and suppliers.



Social Security and ART coverage by the employer.

In view of the continuation of the pandemic, and in order to minimize risks, we continued to apply the updated internal protocol, following the guidelines of the Ministries of Health and Labor of Argentina. In addition, an internal committee was kept in operation to assess the situation. From the information provided and the clinical follow-up performed, 287 cases of COVID-19 disease were recorded and we mourn the death of two employees.

We continued to provide support to people by carrying out the following actions:

- Dissemination of prevention measures and promotion of healthy habits, in addition to the delivery of health care supplies throughout the Branch Network.
- Adaptation of spaces and work methods for a progressive return to the office.
- Updating and communication of general protocols for the Head Office and Branches.
- Implementation of forms for the presentation of the vaccination certificate for health pass requirements.
- Dissemination of a mandatory COVID-19 awareness course for all employees.
- Influenza vaccination in all Branches and Head Office.
- Assistance and direct contact of the medical service with all persons performing in-person activities.

It is worth mentioning the synergy and collaboration achieved with other banking entities, with whom best practices and implementation of actions related to the industry are continuously shared.

6.2 ENVIRONMENTAL IMPACT



Material Aspects: Waste Management.
GRI Disclosures: 103-1, 103-2, 103-3, 306-1, 306-2, 306-3, 306-4.

The Bank promotes environmental protection through efficient resource management, both in its operations and in its value chain¹⁶.

As a service provider, the Bank has a limited direct impact on natural resources. This characteristic became even more evident in times of pandemic, as it migrated a large part of its operations to the virtual world. In this regard, it used 2,839 tons of paper and 3 tons of plastic to conduct its business in 2021.

As a highlight, in 2021 all new suppliers contracted in the period were analyzed in terms of environmental criteria.

16 - During 2021, the Bank received no fines, penalties or claims for non-compliance with environmental laws or regulations.

ENERGY




Institutional awareness on electricity consumption was extremely important, considering that most of the employees worked from home. In 2021, there was an 11% increase in consumption, due to the increase in face-to-face activity in our offices; however, the impact of the pandemic continued to generate significantly lower electricity consumption compared to previous years. Both electricity and natural gas are managed by the company through the distributors Edesur and Metrogas.

In 2021, different actions were maintained to mitigate the environmental impact, among which the following stand out:

- **Lighting:** electricity consumption for lighting was economized by completely turning off the floors with no activity in the Head Office.
- **Ventilation and air conditioning:** all air conditioning equipment and auxiliary ventilation systems were turned off on all floors that had no activity during the year.
- **Heating:** only the first floor and 1st basement floors have been heated during the winter season.

In addition, electrical consulting services were maintained with professionals in the field, to streamline energy consumption, impacting on energy savings and costs. At the Head Office, monthly electrical protocols were implemented to ensure the electrical sustainability of the building.

Energy consumption within the organization (GJ)¹⁷

	2021	2020	2019
 ELECTRICITY CONSUMPTION	30,314	31,721	38,692
Non-renewable fuel consumption	5,183	5,937	5,562
 DIESEL	72	126	231
 NATURAL GAS	5,111	5,810	5,331
Total energy consumption within the organization (GJ)	35,497	37,658	44,254

Conversion factor according to ENARGAS Resolution 259/08, Annex I. Reference value of Natural Gas (1m3 = 9,300 kilocalories) and by convention: 1 kilocalorie = 0.000004184 GJ.

TOTAL ENERGY CONSUMPTION WAS 20% LOWER THAN IN 2019 (PRE-PANDEMIC).

17 - The referenced values for electricity, diesel and natural gas consumption published in the Sustainability Reports 2019 and 2020 are corrected in this document, due to a calculation error in the indicator.

WASTE

Waste management is carried out by a contracted cleaning company. The waste generated is accumulated by type of waste in special containers and in a designated sector for its pickup and final disposal.

As in previous years, we continued to work on waste classification (collaborating with entities such as Garrahan Hospital), the separation of organic and inorganic waste, and the classification and final disposal of technological waste (batteries, monitors).

As for waste generation during the period, it was especially affected by the low activity in the central building. Waste management includes:

Wet Waste: In compliance with the regulations of the Government of the City of Buenos Aires, a private company is hired to provide waste pickup services. This company is authorized by CEAMSE and by the Government of the City of Buenos Aires. The service includes daily waste pickup, final disposal at CEAMSE, together with a report. The Logistics area keeps track of the amount and type of waste picked up, through documentation from CEAMSE, where the waste is finally disposed of.

THE AVERAGE ANNUAL AMOUNT OF WASTE PICKED UP WAS 8.24 TONS.

Recyclable Waste: In all internal sectors of the building, bin have been installed to classify waste by type. The Head Office's Logistics area is in charge of such classification, separating wet waste from recyclable waste. The latter is, in turn, sub-classified into white paper, cardboard, aluminum and plastic, and donated to several entities (such as Garrahan Hospital).

2.47 TONS OF RECYCLABLE WASTE COLLECTED IN 2021.

IT waste and disused furniture: IT waste (batteries, monitors) was classified and disposed of, and disused furniture was donated.

SE DESTINARON 712 EQUIPOS TECNOLÓGICOS Y MOBILIARIO A 18 ORGANIZACIONES DE LA SOCIEDAD CIVIL..

These deliveries were part of the “Equipados para Dar” program. Through this program, we contributed to the improvement of the furniture and technological conditions of local entities nearby the Branch Network and the Central Building. It represents an action intended to empower volunteers and to interact with organizations countrywide.

Generated waste

In tons	2021	2020	2019
Wet waste	8.24	8.00	20.00
Recyclable waste	2.47	2.40	8.38
Generated waste	10.71	10.40	28.38

Recycled waste

In kilograms	2021	2020	2019
Cardboard	1,091	1,060	4,600
Plastic	206	200	120
Aluminum cans	1	1	5
Paper	0	0	40
Recycled waste picked up by the Government of the City of Buenos Aires	1,298	1,261	4,765
Plastic lids	5	5	15
Paper	1,184	1,150	3,600
Recycled waste picked up by Garrahan Foundation	1,189	1,155	3,615
Recycled waste	2,487	2,416	8,380

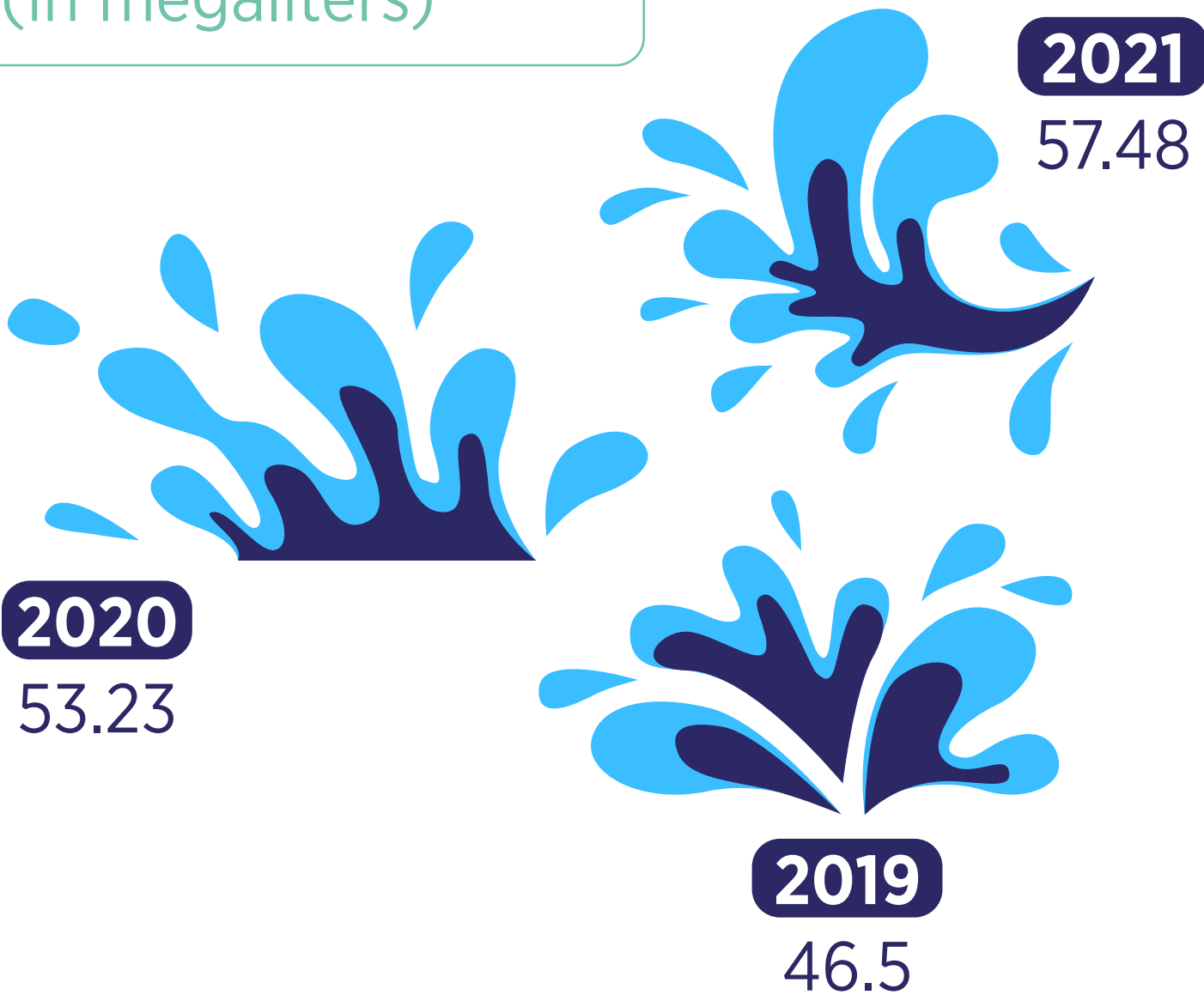
WATER AND EFFLUENTS

The water used at the corporate building is sourced from AySA’s network and is primarily used for two purposes: at restrooms, kitchens, troughs and cleaning, and for industrial purposes, at cooling towers, cooling machines and heaters (air-conditioning equipment).

As regards effluent treatment, the water used for industrial purposes in closed circuits is chemically treated and periodically analyzed to adequately maintain its properties (PH, hardness, salinity, etc.).

The discharge of water used for non-industrial purposes (toilets, kitchens, etc.) takes place through the sewage piping.

Water Consumption
(in megaliters)



ENVIRONMENT WEEKE

On the occasion of the celebration of the World Environment Day, from June 7 to 11, an online trivia game was held to raise awareness among all human capital about climate change and the relevance of the Sustainable Development Goals.

The action was developed together with **Puerta 18** and **Agenda Ambiental**, allowing excellence in the quality of the information provided and the dynamism of the interactive platform on which the trivia was developed.

Sustainable products were awarded to the 10 employees who obtained the best results in their answers. In addition, to further promote environmental awareness and encourage care for the environment, after the trivia was over and the winners were presented, “sustainable tips” associated with different habits that encourage the rational use of water, energy saving, reduction of greenhouse gas emissions and recycling through composting, among others, were published on the Bank’s Intranet. Encouraging environmental awareness within the organization, to favor the development of sustainable habits, is another way in which the Bank seeks to leave a positive footprint on the community and the planet.



6.3 PROGRAMS WITH THE COMMUNITY



Material Aspects: Social Investment in the Community, Financial Inclusion, Education.
GRI Disclosures: 103-1, 103-2, 103-3, 413-1. **SASB:** FC-CB-240a.4.

With a sustained commitment over time and with a federal scope of the projects supported, the Bank leaves a positive footprint in the community. Both dimensions define the institutional approach from which a local impact is achieved, throughout the national territory, and promotes social development and the strengthening of citizenship.

In this regard, the main focus was on the need to cover food quotas and support families. At the educational level, it was essential to reinforce the active role of companies, collaborating directly to promote educational continuity and the inclusion of children and young people, in the broad sense of the term. Access to employment also represented a fundamental axis of action, since it allows transforming people’s reality and building a more equitable future.

A SOCIALLY RESPONSIBLE BANK,
PROMOTER OF SUSTAINABLE DEVELOPMENT,
WITH A POSITIVE SOCIAL AND
ENVIRONMENTAL IMPACT, LEAVING A
FAVORABLE SOCIAL FOOTPRINT IN THE
COMMUNITY.

With a sustained commitment over time and with a federal scope of the projects supported, the Bank leaves a positive footprint in the community. Both dimensions define the institutional approach from which a local impact is achieved, throughout the national territory, and promotes social development and the strengthening of citizenship.

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THE FOUR SUSTAINABILITY PILLARS,
THAT LEAVE A POSITIVE FOOTPRINT IN THE COMMUNITY ARE:

Education



Foster inclusive and comprehensive education, as it is key to developing future growth opportunities in a society.

Inclusion



Social inclusion is closely linked to equal opportunities.

Citizenship



Endorsement for several projects that encourage people to be actively involved as engaged citizens in decision-making processes, so as to build consensus enabling the development of a more fair and equal community.

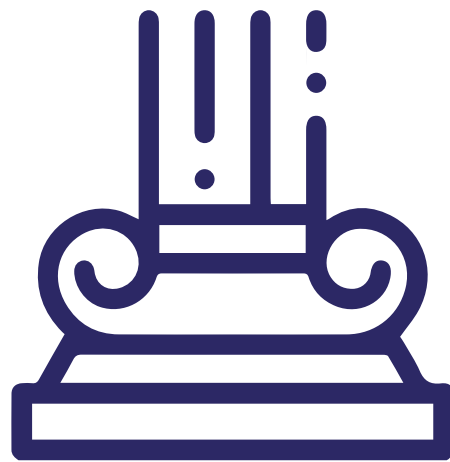
Aid



Direct contributions in the form of financial and material resources to address core social issues that endanger human dignity.

ACTIONS AND PROGRAMS¹⁸:

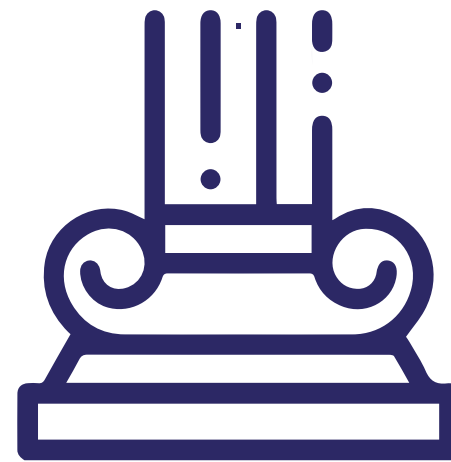
- Formal and informal training.
 - Financial education.
- Environmental awareness.



- Infrastructure.
- Digital accessibility.
- Preventing substance abuse.
 - Recreation for socialization purposes.



- Employability.
- Empowerment.
- Human rights.
 - Gender.
 - Diversity.
- Sustainable mobility.



- Emergency.
- Food emergency.
- Health emergency.
- Climate change.



¹⁸ - For more information on the focus of actions and/or programs, see our Sustainability Report 2020.

Two strategic variables are added to these pillars and their respective specific topics:

- **Time:** Refers to the support and sponsorship to organizations and projects over the years. This variable embraces the short-term (1 to 3 years), medium-term (4 to 7 years), and long-term (8 years or more).
- **Geographic Scope:** This variable considers the coverage of the NGOs' projects directly within the territory. The geographic scope may be regional (impact on one or more regions where the Bank has a footprint through its branches, and is related to community activities), national (embracing the entire national territory), and local (community-based, neighborhood or municipal influence).

Maintaining a relationship with NGOs, in the medium term and with regional scope, allows us to work with each area of the country in a specific way according to its needs and, at the same time, facilitates the independence of the projects, once they mature in their development. This comprehensive management matrix is underpinned by the Social Responsibility Policy, which specifies the scope of social investment, focusing on the institutional mission of promoting a positive social footprint.

Most of the NGOs supported during 2021 have been able to resume their programs after the challenges and urgencies posed by the COVID-19 pandemic. Thus, the Bank contributed in a comprehensive manner to strengthen these programs

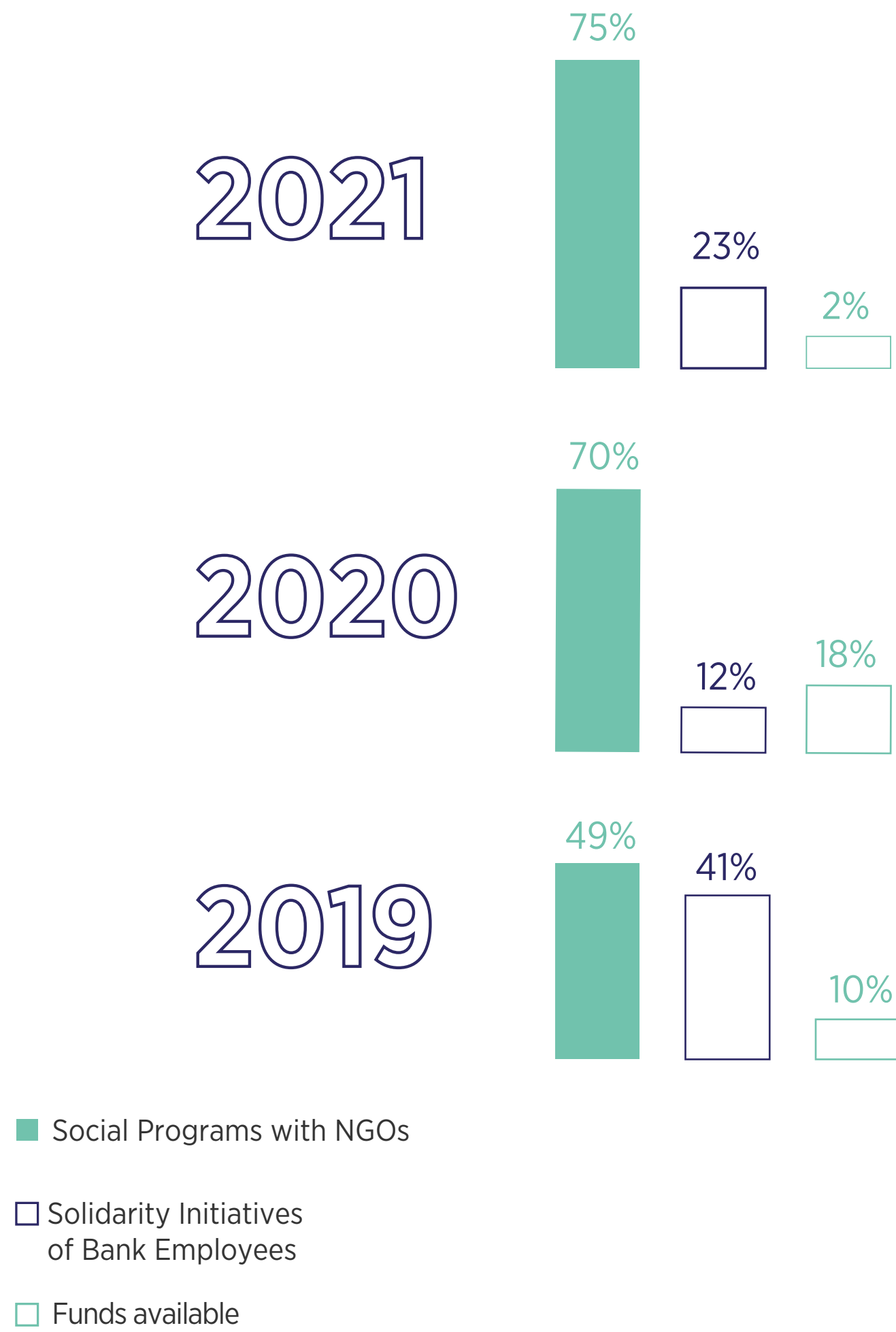
Some of the NGOs supported are:



IT IS THE BANK'S COMMITMENT TO BE ATTENTIVE TO THE NEEDS OF SOCIETY,
AND POSSIBILITIES FOR THE DEVELOPMENT OF FULL-FLEDGED CITIZENS.

During 2021, the projects financially supported were distributed as follows: 75% were represented by strategic social programs with different NGOs and 23% by solidarity initiatives presented by employees.

Distribution of Social Programs



URBAN SOIL MUNICIPAL MANAGEMENT

This comprehensive project to improve public policies, land management in local governments, carried out by the NGOs **TECHO** and **RIL (Red de Innovación Local or Local Innovation Network)**, has presented new advances during 2021, 3 years after its launch.

On the one hand, the Habitat and Housing Community was created, which brings together the officials in charge of this agenda in local governments, in a space for exchange and learning. These addressed issues such as land generation strategies, financing for housing policy and infrastructure works, sustainable mobility, demographic planning and fair access to habitat.

In addition, a collaboration agreement was signed with the Undersecretary of Land and Urban Planning Policy of the Ministry of Territorial Development and Habitat of Argentina, in order to establish collaboration, assistance and cooperation mechanisms.

PARTICIPATION OF 137 OFFICIALS FROM 82 MUNICIPALITIES IN 19 PROVINCES.

Self-assessment of Urban Land Management for Municipalities

As of December 2021, 130 responses were obtained. The total average score was 37.5, with 100 being the maximum expected score. The minimum score was 5.3 and the maximum was 55.7.

The best scored category was **“strategy”**, which seeks to determine the degree to which the municipality has instruments to manage urban growth, from land management plans, specific rules and regulations, and land-title regularization programs, among others.

The average score in this category was 43.6%. It was primarily represented by medium-sized municipalities in terms of population, including several provincial capital and major cities.

The lowest scored category was **“instruments”**, which sought to identify the use of specific urban soil management tools, such as land banks, lots with utilities programs, home ownership savings plans, etc. The average score in this category was 24.8%.

After conducting a survey to identify the main challenges faced by municipalities in the area of habitat and housing, the following were highlighted: the need for urban land generation strategies; financing for the development of a local housing policy and infrastructure works; the issue of sustainable mobility and pedestrian priority; public-private interaction; population growth; fair access to habitat and reduction of the housing deficit.

By 2022, the municipalities expect to be able to address issues related to administrative usucaption for settlements; the development of medium-scale cities and housing plans; the regularization of domains; the presentation and management of inter-jurisdictional plans; the generation of land banks; sustainability in urban planning and social housing interventions; the implementation of self-construction programs; and the financial management of housing projects and efficient recovery systems.

Looking ahead to 2022, **TECHO** and **RIL** propose to advance in the certification of the answers provided in the self-diagnoses, to recognize and reward local governments that lead in the management of this management, and those that present opportunities for improvement. They also suggest updating the municipal land management survey with the 50 largest cities in the country. Finally, in order to increase the number of self-assessed municipalities, they will seek to promote this action through the Ministry of Territorial Development and Habitat of Argentina.

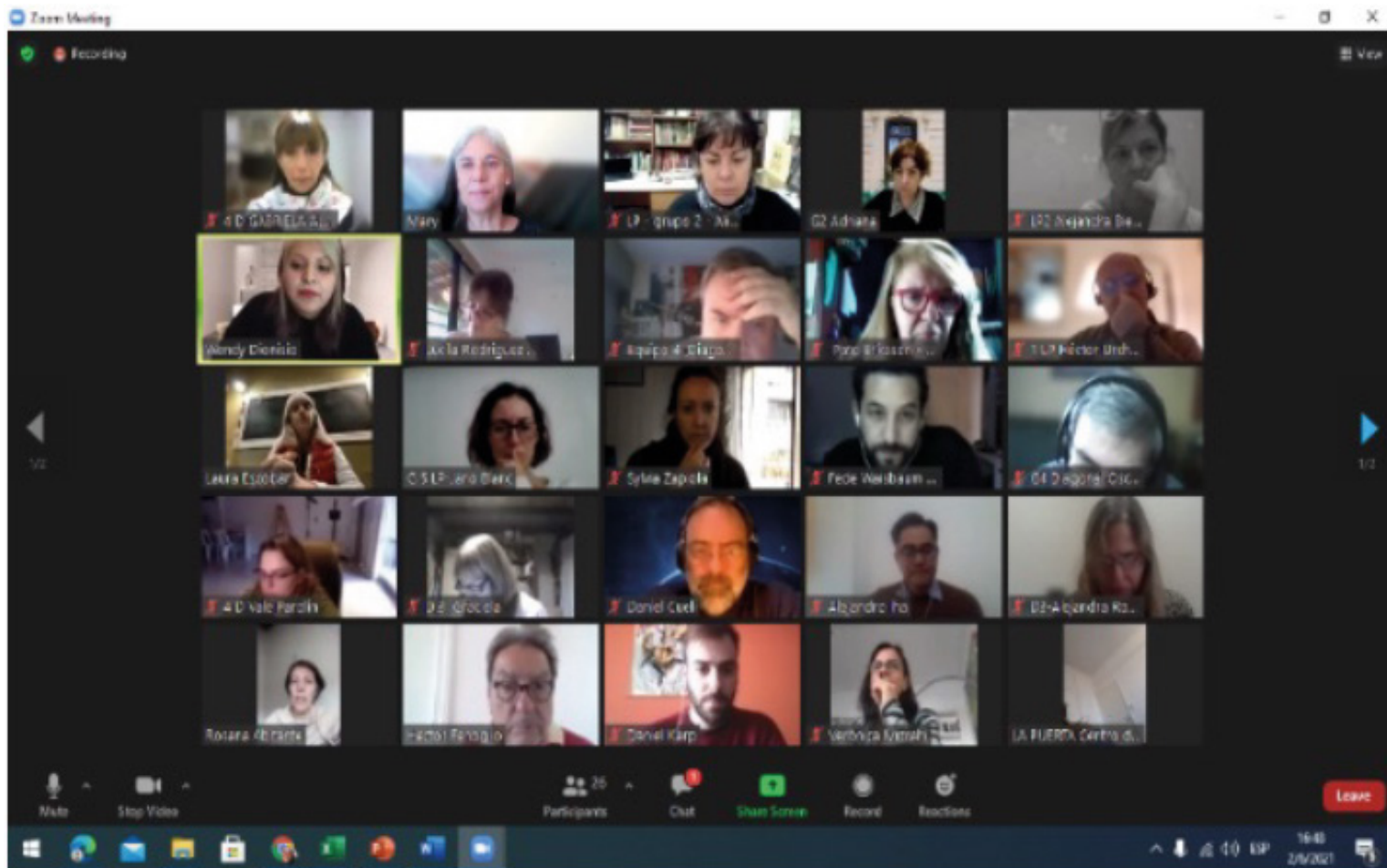
DIGITAL MARKETING +45 PROGRAM

After the excellent call and acceptance of the Digital Marketing +45 Program, which brought together **Diagonal Asociación Civil** and **Puerta 18** in 2020, during 2021 the Bank once again supported this initiative that summons professionals over 45 years of age who are unemployed, so that they can incorporate technical tools related to the topic.

In this second edition, 45 professionals from all over the country participated, who were trained in Digital Marketing by the young people who are part of Puerta 18.

Diagonal, in turn, provided tools to improve the employability of students +45.

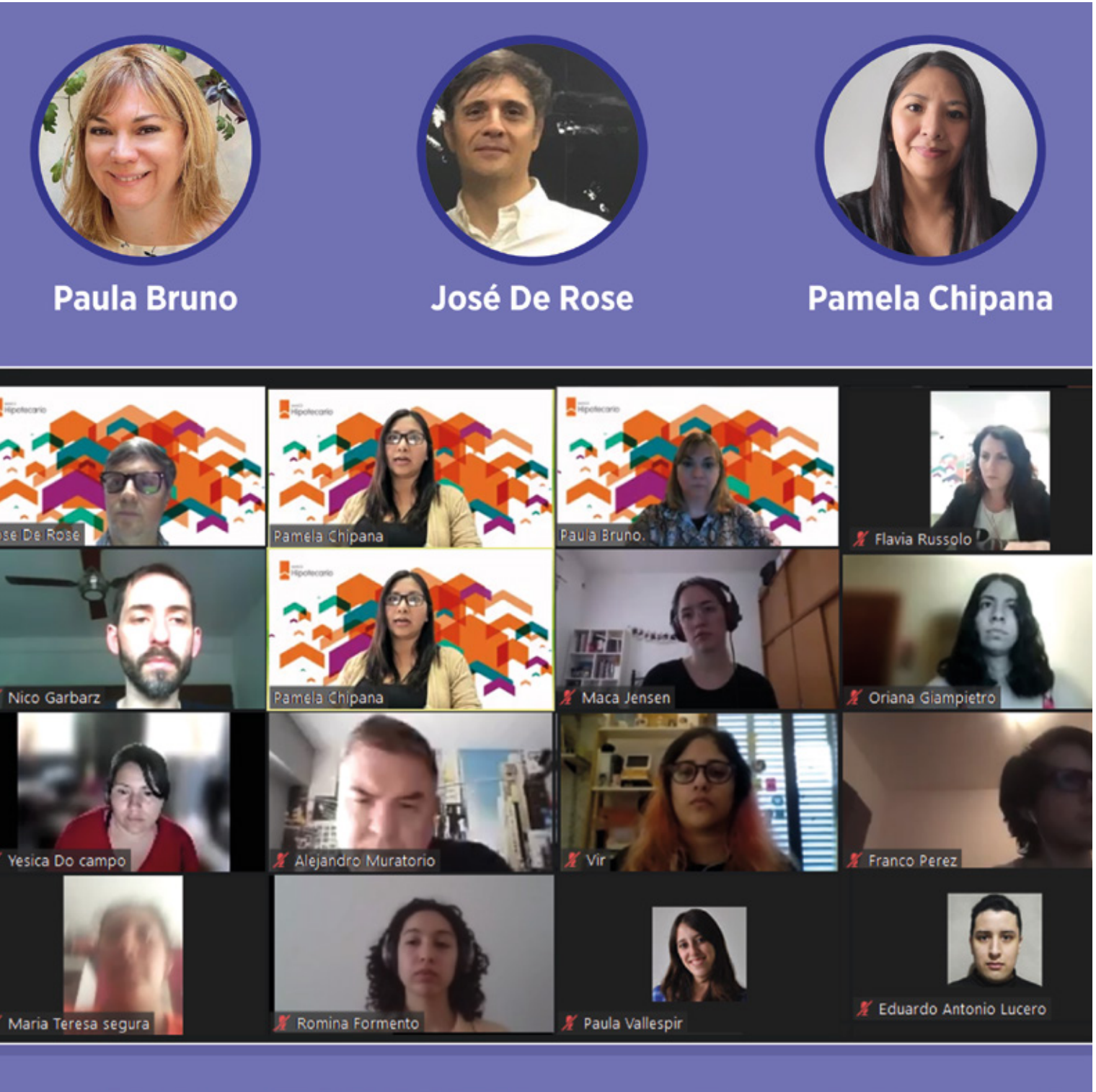
This program coordinates technical knowledge with emotional support and the participation of young people as facilitators and adults as learners, focusing on diversity and inclusion. In this way, the positive footprint that the Bank leaves in the community is strengthened, providing tools to access quality employment.



CORPORATE VOLUNTEERING FOCUSED ON FINANCIAL EDUCATION

Making available to the community, in a clear and democratic manner, the financial knowledge that the Bank's human capital possesses is part of the Bank's mission as an organization. Thus, it is proposed to educate and financially include different segments, attending to their needs, answering their doubts and bringing tools according to the professional profiles of the audiences.

During November, three employees of the Tax Department gave a virtual workshop on simplified tax system for 40 young and adult entrepreneurs of the NGO **Puerta 18**, dedicated to inclusion through technology.



FINANCIAL INCLUSION PRO MUJER ARGENTINA FOUNDATION

Since 2018, we have been working hard, for the first time, on banking the Foundation's members, so that they can receive microcredits in bank accounts and, in this way, generate their financial inclusion.

In Salta, not only debit cards were given to members, but also training was provided on the benefits and use of the account.

All this work made it possible to support the Foundation in banking most of its operations. In 2021, \$992 billion in transactions were generated through agreements. The supplier payment agreement corresponds to microcredit deposits (both in the Bank's accounts and in other banks' accounts for members).

MORE THAN 1,300 ACCOUNTS WERE OPENED FOR MEMBERS OF PRO MUJER ARGENTINA FOUNDATION, GEOGRAPHICALLY LOCATED IN SALTA, JUJUY AND TUCUMÁN.

PROFESSIONAL AREAS WORKSHOP AND MOCK INTERVIEWS

Unemployment in Argentina is growing significantly and, following the impact of the COVID-19 pandemic, job precariousness has intensified. In order to promote labor inclusion and employability, the Bank held two workshops for 148 young people from **Asociación Conciencia**.

Through the community, employability, citizen participation and sustainability axes, Conciencia develops programs throughout the country. For the last four years, the Bank has been supporting the mentoring of young people and adults in Mar del Plata, through the programs “*Emprendiendo tu futuro*” (“Entrepreneurship for your future”), aimed at entrepreneurs between 15 and 50 years old, and “*Vincular*” (“Link up”), providing training and mentoring for young people who are finishing high school.

In 2021, the Bank summoned its human capital to join two workshops for young beneficiaries of Asociación Conciencia, one to bring them closer to the corporate universe in first person and the other to provide them with tools related to their first work experience, participating in mock interviews.

This type of initiatives leave a positive footprint, not only outside the Bank, but also within it, since it is a highly rewarding experience for those who participate.



Gabriel Villariño
Branch Management

“I joined the Conciencia team to participate in an activity where there were many young people from different parts of the country defining their careers. The intention was to help them in this stage of defining their vocation and taking the first steps, not only in education, but also in the working world, telling a little of the personal experience of each one of us with our successes and mistakes. It was very gratifying and encouraging to see so many young people eager to grow, to work, to study, very grateful for the space and for each speaker. I went to do my bit but, without a doubt, they and Conciencia gave me much more motivation and hope for the new generations.”



Flavia Russolo
People Management

“I had the opportunity to participate in the workshops of Asociación Conciencia of Professional Areas and Mock Interviews. In both, the young people were very interested, committed, and it was an experience of construction and mutual learning. The work carried out by the association is very valuable, and being able to participate as a volunteer in these actions is extremely gratifying, where, in addition, one also learns a lot.”

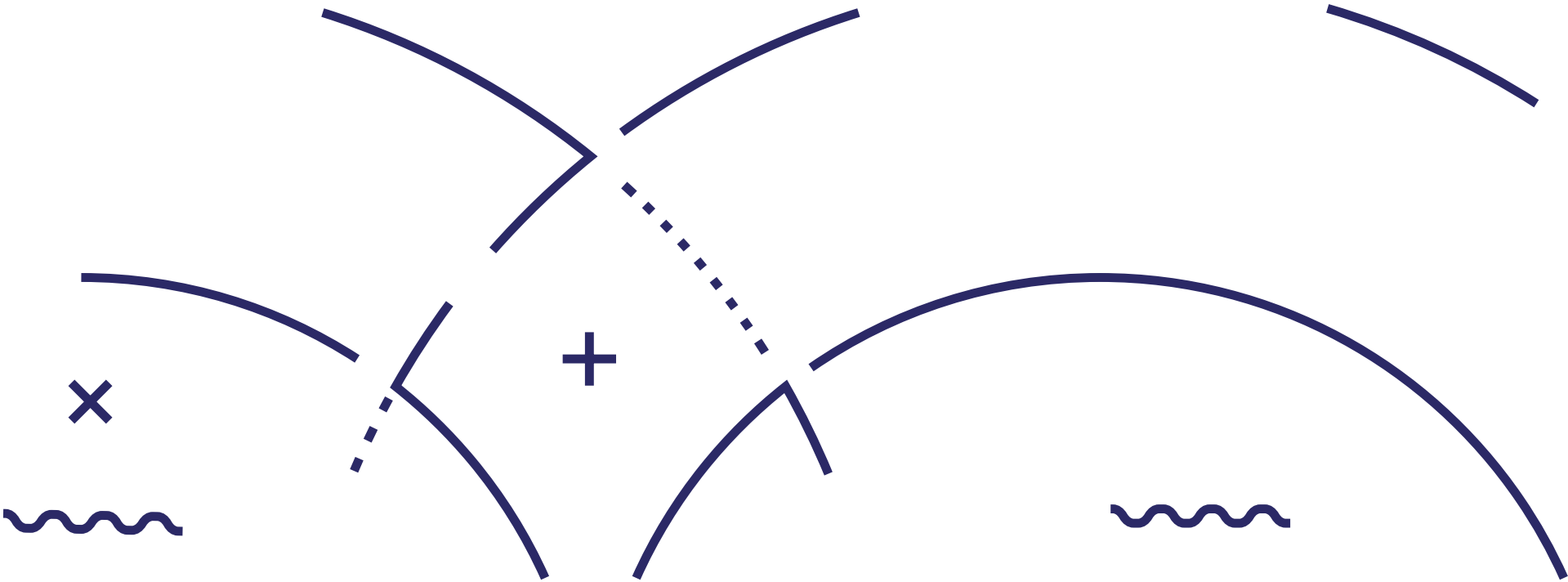
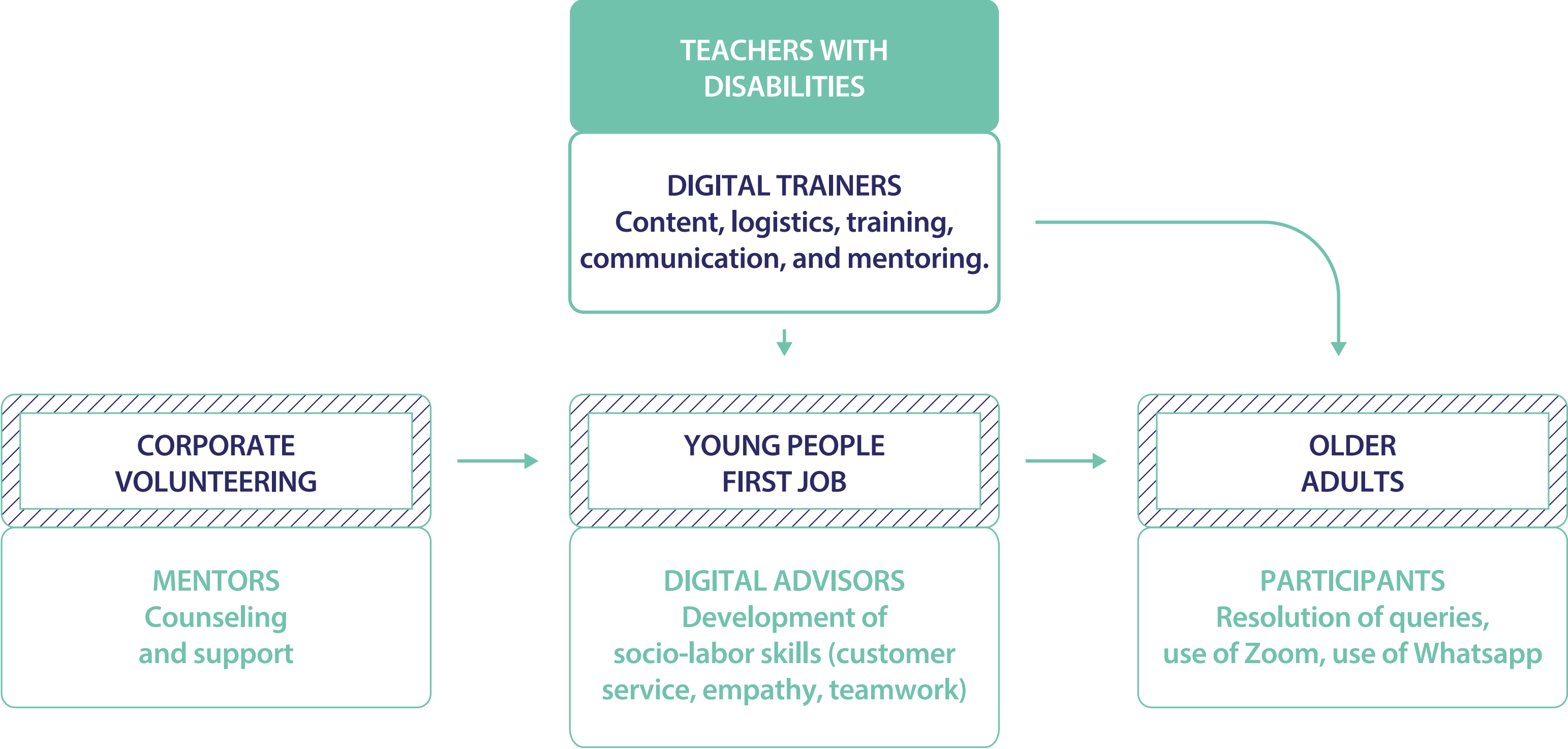


DIGITAL COUNSELING WORKSHOP FOR OLDER ADULTS

After three years of joint work with the **Asociación Civil Inmigrantes Digitales**, for the first time, in October 2021, the challenge of digitally including older adults was addressed through a workshop given by young people with disabilities.

Inmigrantes Digitales promotes the digital and labor inclusion of people with disabilities, who work as specialist teachers in the field. Within the framework of this free virtual workshop, 48 older adults from the City of Buenos Aires, Mar del Plata, La Plata, Córdoba, Tierra del Fuego, Salta and Rosario participated; 34 digital advisors and 14 Bank employees, who acted as mentors. In this way, the Bank supported the development of job skills in young people, while promoting the digital autonomy of citizens aged 60 and over.

Specific topics of “digital identity”, the use of cell phones, tools for the use of mobile and web platforms and financial inclusion were addressed. Feedback from participants showed a high level of acceptance. For future editions of these workshops, a satisfaction survey will be incorporated to achieve a comprehensive measurement of the NPS.




During the first quarter of 2021, scholarships were granted to 80 employees to participate in several painting, drawing and history courses, in virtual mode, taught by renowned professors from the academic field, members of the Asociación de Amigos del Museo Nacional de Bellas Artes (Friends of the Museo Nacional de Bellas Artes Association), with which the Bank has maintained an institutional relationship for the past four years.

• Asociación Amigos del Bellas Artes

Sign up for free summer courses in painting, drawing and history.

Limited spaces available!



The course modality is 100% online.

- Registrations will be open until 24 hours before the start of the course.
- The day the course starts you will receive an email with the access link.

Learn more and register

CLICK HERE

The internal communication, which was designed to obtain registrations, invited the employees to answer a brief survey to test the level of participation in this type of courses, already provided by the Bank in previous years. While 62% reported that they had not participated in the past, only 38% said they had and would like to be able to receive a scholarship again.

Thanks to the voluntary participation of employees from the Head Office and the Branch Network, this program allows us to strengthen the bonds with NGOs of their referential world. It poses an opportunity to foster a spirit of solidarity within the organization, strengthen the federal scope of the business and collaborate with entities that work to ensure decent food, health and housing conditions for children, young people, older adults and family groups.

Thus, the Bank supports those living in precarious situations, both economically and socially, by donating essential materials and items, focusing on education and food. Within the framework of the beginning of the school year, school supplies and materials were donated to educational institutions and different NGOs throughout the country. At Easter, winter and Christmas, digital vouchers, to be redeemed for non-perishable food and essential items, were distributed to different NGO throughout the country.

During 2021, including the four editions of the program, all the country’s branches have participated, committing voluntarily not only in the purchase of supplies, but also in the delivery of these to each beneficiary organization.

\$10.3 MILLION PESOS.
AVERAGE OF 130 NGOS.
AVERAGE OF 27,000 BENEFICIARIES.

	2021				2020*	
	 Start of school	 Christmas	 Easter	 Winter	 Start of school	 Christmas
Participating branches	45	42	41	60	60	62
Beneficiary organizations	151	129	117	122	176	112
Beneficiaries	9,550	38,700	23,400	36,600	7,200	22,400

(*) Due to the pandemic, neither the Easter nor the winter actions were carried out.

During 2021, the team of volunteers amounted to 142 active collaborators, of which 38 presented their solidarity initiatives for the Bank to financially support the NGOs they sponsor. This means that the remaining 73% only participate in the “Unidos para Dar” Program, which becomes strategic to strengthen the Bank’s federal character and enable it to leave a high impact on the community with a low budget.



Christmas – Banderitas Soup Kitchen – Buenos Aires



Christmas –24 de Marzo Worker Cooperative - Pergamino

CULTURAL PARTICIPATION LAW

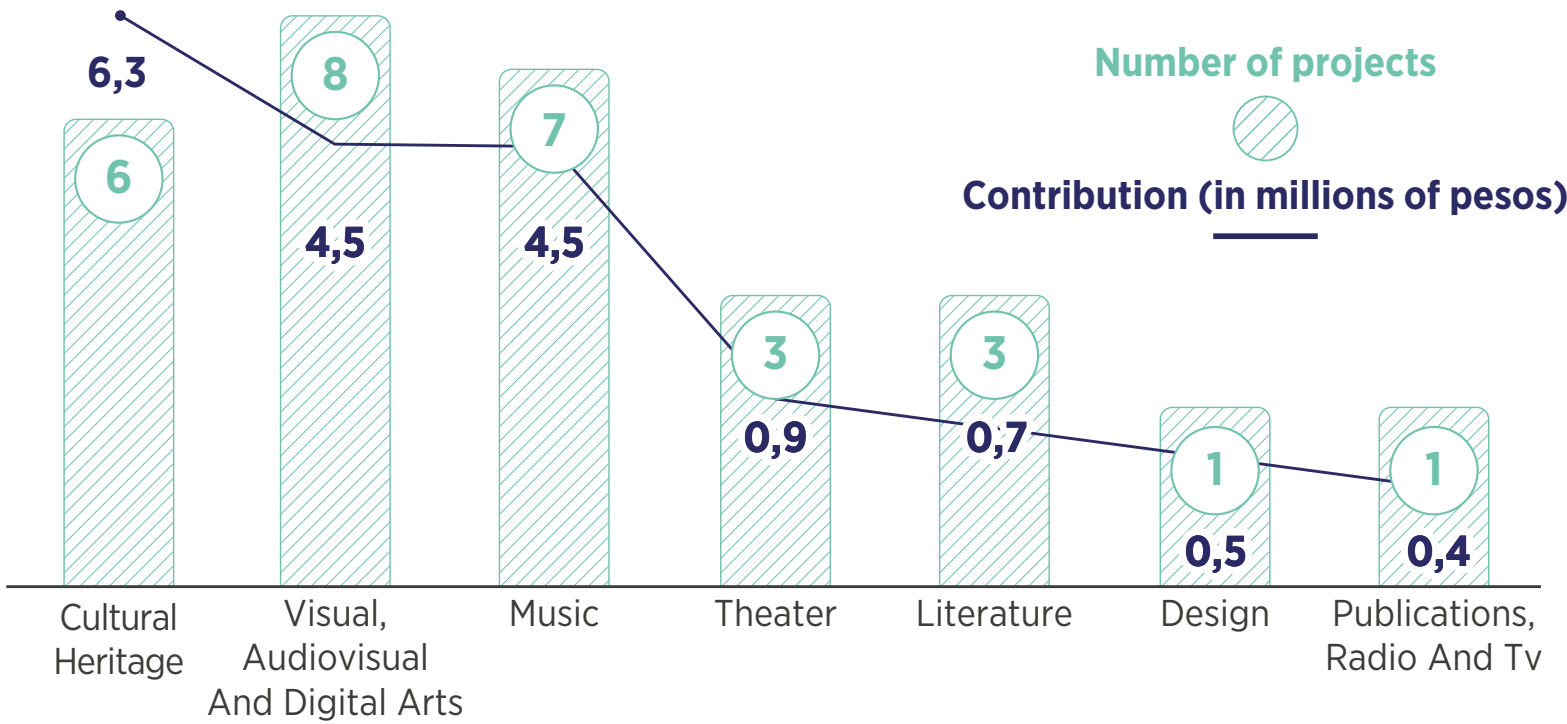
Through the Patronage program, provided by the Ministry of Culture of the Autonomous City of Buenos Aires, the Bank supports the development and materialization of different artistic and cultural projects, allocating a percentage of its gross income. Thus, it maintains an institutional relationship with different organizations and artists, expressing its interest in multiple disciplines, with a focus on cultural heritage.

After 10 years of participation, on December 16, 2021, the Bank was awarded by the Ministry of Culture of the Autonomous City of Buenos Aires, highlighting it as a leading company committed to culture.



.....
\$17.7 MILLION PESOS.
29 PROJECTS.
.....

2021 project



Project category

	2021	2020	2019
Cultural heritage	6%	33%	7%
Visual, audiovisual and digital arts	26%	19%	29%
Theater	19%	18%	14%
Radio, TV, Web Sites	16%	11%	17%
Literature	13%	7%	7%
Music	10%	5%	18%
Design	6%	5%	4%
Dances	3%	2%	2%
Circuses, bands of street musicians, mimes and the like	0%	0%	2%



GRI CONTENT INDEX





GRI CONTENT INDEX

GRI Disclosure: 102-55.

GRI STANDARD	CONTENT	PAGE OR REFERENCE	SDG	TARGETS
GRI 101- FOUNDATION (2016)				
GRI 102- GENERAL DISCLOSURES (2016)				
1. Organizational Profile				
102-1	Name of the organization	5		
102-2	Activities, brands, products and services	7		
102-3	Location of headquarters	5		
102-4	Location of operations	5		
102-5	Ownership and legal form	5, 37		
102-6	Markets served	5		
102-7	Scale of the organization	19		
102-8	Information on employees and other workers	46	8 - 10	8.5 - 10.3
102-9	Supply chain	23		
102-10	Significant changes on the organization and its supply chain	38		
102-11	Precautionary Principle or approach	43		
102-12	External initiatives	32		
102-13	Membership of associations	32		
2. Strategy				
102-14	Statement from senior decision-maker	4		
102-15	Key impacts, risks, and opportunities	43		
3. Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	37, 38	16	16.3
102-17	Mechanisms for advice and concern about ethics	39	16	16.3



GRI STANDARD	CONTENT	PAGE OR REFERENCE	SDG	TARGETS
GRI 101- FOUNDATION (2016)				
GRI 102- GENERAL DISCLOSURES (2016)				
4. Governance				
102-18	Governance structure	33		
102-19	Delegating authority	33		
102-20	Executive-level responsibility for economic, environmental, and social topics	31, 36		
102-21	Consulting stakeholders on economic, environmental, and social topics	31	16	16.7
102-22	Composition of the highest governance body and its committees	36	5 - 16	5.5 - 16.7
102-23	Chair of the highest governance body	34, 36	16	16.6
102-24	Nominating and selecting the highest governance body	34	5 - 16	5.5 - 16.7
102-25	Conflicts of interest	34	16	16.6
102-26	Role of the highest governance body in setting purpose, values, and strategy	34		
102-27	Collective knowledge of highest governance body	34		
102-28	Evaluating the highest governance body's performance	34		
102-29	Identifying and managing economic, environmental, and social impacts	27	16	16.7
102-30	Effectiveness of risk management processes	43		
102-31	Review of economic, environmental, and social topics	36		
102-32	Highest governance body's role in sustainability reporting	36		
102-33	Communicating critical concerns	36, 39		
102-34	Nature and total number of critical concerns	39		
102-35	Remuneration policies	34		
102-36	Process for determining remuneration	34		
102-37	Stakeholder's involvement in remuneration	34	16	16.7



GRI STANDARD	CONTENT	PAGE OR REFERENCE	SDG	TARGETS
GRI 101- FOUNDATION (2016)				
GRI 102- GENERAL DISCLOSURES (2016)				
5. Stakeholder engagement				
102-40	List of stakeholder groups	30		
102-41	Collective bargaining agreements	46	8	8.8
102-42	Identifying and selecting stakeholders	30		
102-43	Approach to stakeholder engagement	30		
102-44	Key topics and concerns raised	31		
6. Reporting practices				
102-45	Entities included in the consolidated financial statements	32		
102-46	Defining report content and topic Boundaries	31, 32		
102-47	List of material topics	31		
102-48	Restatements of information	7, 32, 62		
102-49	Changes in reporting	32		
102-50	Reporting period	32		
102-51	Date of most recent report	32		
102-52	Reporting cycle	32		
102-53	Contact point for questions regarding the report	32		
102-54	Claims of reporting in accordance with the GRI Standards	32		
102-55	GRI context index	75		
102-56	External assurance	32		



GRI STANDARD	CONTENT	PAGE OR REFERENCE	SDG	TARGETS
GRI 200- ECONOMIC DISCLOSURES				
ECONOMIC PERFORMANCE				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	20		
103-2	The management approach and its components	20		
103-3	Evaluation of the management approach	20		
GRI 201- ECONOMIC PERFORMANCE TOPIC-SPECIFIC DISCLOSURES (2016)				
201-1	Direct economic value generated and distributed	20	8 - 9	8.1 - 8.2 - 9.1 - 9.4 - 9.5
201-3	Defined benefit plan obligations and other retirement plans	It does not have		
201-4	Financial assistance received from government	37		
PROCUREMENT PRACTICES				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	23		
103-2	The management approach and its components	23		
103-3	Evaluation of the management approach	23		
GGRI 204- PROCUREMENT PRACTICES TOPIC-SPECIFIC DISCLOSURES (2016)				
204-1	Proportion of spending on local suppliers	23	8	8.3
ANTI-CORRUPTION				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	39		
103-2	The management approach and its components	39		
103-3	Evaluation of the management approach	39		
GRI 205- ANTI-CORRUPTION TOPIC-SPECIFIC DISCLOSURES (2016)				
205-1	Operations assessed for risks related to corruption	39	16	16.5
205-2	Communication and training about anti-corruption policies and procedures	39	16	16.5
205-3	Confirmed incidents of corruption and actions taken	39	16	16.5



GRI STANDARD	CONTENT	PAGE OR REFERENCE	SDG	TARGETS
GRI 300- ENVIRONMENTAL DISCLOSURES				
WASTE				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	62		
103-2	The management approach and its components	62		
103-3	Evaluation of the management approach	62		
GRI 306- WASTE MANAGEMENT APPROACH (2018)				
306-1	Waste generation and significant waste-related impacts	62	3 - 6 - 11 - 12	3.9 - 6.3 - 6.4 - 6.6 - 11.6 - 12.4 - 12.5
306-2	Management of significant waste-related impacts	62	3 - 6 - 11 - 12	3.9 - 6.3 - 8.4 - 11.6 - 12.4 - 12.5
GRI 306- EFFLUENTS AND WASTE TOPIC-SPECIFIC DISCLOSURES (2018)				
306-3	Waste generated	62	3 - 6 - 11 - 12 - 15	3.9 - 6.4 - 6.6 - 11.6 - 12.4 - 12.5 - 15.1
306-4	Waste diverted from disposal	62	3 - 6 - 11 - 12	3.9 - 11.6 - 12.4 - 12.5



GRI STANDARD	CONTENT	PAGE OR REFERENCE	SDG	TARGETS
GRI 400- SOCIAL DISCLOSURES				
EMPLOYMENT				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	51		
103-2	The management approach and its components	51		
103-3	Evaluation of the management approach	51		
GRI 401- EMPLOYMENT TOPIC-SPECIFIC DISCLOSURES (2016)				
401-1	New employee hires and employee turnover	51	5 - 8 - 10	5.1 - 8.5 - 8.6 - 10.3
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	53	3 - 5 - 8	3.2 - 5.4 - 8.5
401-3	Parental leave	53	5 - 8	5.1 - 5.4 - 8.5
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	60		
103-2	The management approach and its components	60		
103-3	Evaluation of the management approach	60		
GRI 403- OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT APPROACH (2018)				
403-1	Occupational health and safety management system	60	8	8.8
403-2	Hazard identification, risk assessment, and incident investigation	60	8	8.8
403-3	Occupational health services	60	8	8.8
403-4	Worker participation , consultation, and communication on occupational health and safety	60	8 - 16	8.8 - 16.7
403-5	Worker training on occupational health and safety	60	8	8.8
403-6	Promotion of worker health	60	3	3.3 - 3.5 - 3.7 - 3.8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60	8	8.8
GRI 403- OCCUPATIONAL HEALTH AND SAFETY TOPIC-SPECIFIC DISLOSURES (2018)				
403-8	Workers covered by an occupational health and safety management system	60	8	8.8
403-9	Work-related injuries	60	3 - 8 - 16	3.6 - 3.9 - 8.8 - 16.1



GRI STANDARD	CONTENT	PAGE OR REFERENCE	SDG	TARGETS
TRAINING AND EDUCATION				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	54		
103-2	The management approach and its components	54		
103-3	Evaluation of the management approach	54		
GRI 404- TRAINING AND EDUCATION TOPIC-SPECIFIC DISCLOSURES (2016)				
404-1	Average hours of training per year per employee	54	4 - 5 - 8 - 10	4.3 - 4.4 - 4.5 - 5.1 - 8.2 - 10.3
404-2	Programs for upgrading employee skills and transition assistance programs	54	8	8.2 - 8.5
404-3	Percentage of employees receiving regular performance and career development reviews	54	5 - 8 - 10	5.1 - 8.5 - 10.3
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103-MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	46		
103-2	The management approach and its components	46		
103-3	Evaluation of the management approach	46		
GRI 405- DIVERSITY AND EQUAL OPPORTUNITY TOPIC-SPECIFIC DISCLOSURES (2016)				
405-1	Diversity of governance bodies and employees	46	5 - 8	5.1 - 5.5 - 8.5
NON-DISCRIMINATION				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	39		
103-2	The management approach and its components	39		
103-3	Evaluation of the management approach	39		
GRI 406- NON-DISCRIMINATION TOPIC-SPECIFIC DISCLOSURES (2016)				
406-1	Incidents of discrimination and corrective actions taken	39	5 - 8	5.1 - 8.8



GRI STANDARD	CONTENT	PAGE OR REFERENCE	SDG	TARGETS
HUMAN RIGHTS ASSESSMENT				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	54		
103-2	The management approach and its components	54		
103-3	Evaluation of the management approach	54		
GRI 412- HUMAN RIGHTS ASSESSMENT TOPIC SPECIFIC DISCLOSURES (2016)				
412-2	Employee training on human rights policies or procedures	Banco Hipotecario does not provide training under the human rights umbrella. Training on diversity/inclusion, safety and hygiene, among other aspects, has been offered, but the hours have not been counted.		
LOCAL COMMUNITIES				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	65		
103-2	The management approach and its components	65		
103-3	Evaluation of the management approach	65		
GRI 413- LOCAL COMMUNITIES TOPIC-SPECIFIC DISCLOSURES (2016)				
413-1	Operations with local community engagement, impact assessments, and development programs	65		
CUSTOMER PRIVACY				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	45		
103-2	The management approach and its components	45		
103-3	Evaluation of the management approach	45		
GRI 418- CUSTOMER PRIVACY TOPIC-SPECIFIC DISCLOSURES (2016)				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	45	16	16.3 - 16.10



GRI STANDARD	CONTENT	PAGE OR REFERENCE	SDG	TARGETS
SOCIOECONOMIC COMPLIANCE				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	37		
103-2	The management approach and its components	37		
103-3	Evaluation of the management approach	37		
GRI 419-SOCIOECONOMIC COMPLIANCE TOPIC-SPECIFIC DISCLOSURES (2016)				
419-1	Non-compliance with laws and regulations in the social and economic area	37	16	16.3
EXPERIENCIA DEL CLIENTE (RELACIONAMIENTO Y SATISFACCIÓN)				
GRI 103-MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	25		
103-2	The management approach and its components	25		
103-3	Evaluation of the management approach	25		
CUSTOMER EXPERIENCE (RELATIONSHIP AND SATISFACTION)				
Own Indicator	Satisfaction with the Bank's overall service	25		
Own Indicator	General Bank NPS	24, 25		
MICROCREDITS - ACCESS TO HOUSING				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its Boundary	11		
103-2	The management approach and its components	11		
103-3	Evaluation of the management approach	11		
MICROCREDITS - ACCESS TO HOUSING				
Own Indicator	Loans granted (for housing)	11		



SASB CONTENT INDEX





Sector: Financial Industry: Commercial Banks Version: 2018		
SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS		
ACCOUNTING METRIC		PAGE OR REFERENCE
Data security		
FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	During 2021, no cases of breach of privacy or leak of customer data, or leak, theft or loss of personal data were identified.
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	See page 45, “Information Security” section.
Financial inclusion & capacity building		
FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Banco Hipotecario granted 26,514 loans for an amount of \$25,217 million to MSMEs and/or non-MSME health companies during 2021, under the Productive Investment line regulated by the BCRA.
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	In, 2021 Banco Hipotecario opened 964 Universal Free Accounts (CUG)
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	236 people participated in financial education initiatives during 2021 (See details of initiatives in the Programs with the Community section, page 65).
Incorporation of environmental, social, and governance factors in credit analysis		
FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Credit distribution by sector: Energy (16.8%), Real Estate (14.2%), Food/Beverage (7.7%), Agrochemicals (6.4%), Agriculture (6.1%), Other sectors (48.8%).
FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	“In the customer risk assessment, Banco Hipotecario considers the reputational and credit impact of environmental, social and management factors. In those cases in which the Bank financed an investment project, the specific impacts of environmental, social and corporate governance factors generated by the development of the project were evaluated. In addition, the Bank has a list of excluded activities for account openings, corporate banking and SMEs.”



SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS		
ACCOUNTING METRIC		PAGE OR REFERENCE
Business ethics		
FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	In 2021, no monetary losses were recorded as a result of the aspects detailed.
FN-CB-510a.2	Description of whistleblower policies and procedures	See page 39, "Code of Ethics and Conduct" section
Systemic risk management		
FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	N/A. Banco Hipotecario is not a branch or subsidiary of a foreign bank rated as systemically important (G-SIB).
FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	The projection of profits and capital consumption derived from the expected growth of the activity and the Bank's risk profile are detailed in the Business Plan and are subjected to the incidence of external risk factors through the Comprehensive Stress Tests. For this purpose, different stress scenarios are considered in relation to the conditions of the markets in which the Bank operates and their eventual impact on its profitability, liquidity and solvency. The results of the comprehensive direct stress tests show whether, even in the most adverse scenario, the Bank could maintain adequate solvency ratios in the coming years or whether it is appropriate to foresee the need to obtain additional capital to maintain the Bank's operations and to identify possible alternative capital elements to cover a shortfall.
ACTIVITY METRIC		PÁGINA O REFERENCIA
FN-CB-000.A	(1) Number and (2) value of checking and savings account by segment: (a) personal and (b) small business	Number of checking accounts: Total=35,900, Individuals= 32,308, SMEs=3,001. Number of savings accounts in pesos: 1,493,824 (individuals), 1,529 (SMEs). Savings accounts in USD: Total =578,341. Value of checking accounts (millions of pesos): Total=62,785, Individuals=104, SMEs=2,219. Value of savings accounts in pesos (millions of pesos). Total=81,413, Individuals=80,264, SMEs=181. Value of savings accounts in USD (millions of pesos)=836,258
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Number: 53,684 (personal), 1,621 (SMEs), 156 (corporate) Value (million pesos): 4916.0 M (personal), 5119.5 M (SMEs), 7156.1 M (corporate)



COORDINATION AND CONTENTS
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The Household Bank