

## **SUPERVISORY COMMITTEE MEETING MINUTES No. 1974**

In the City of Buenos Aires on November 25, 2020, at 8 a.m. a remote meeting was held by the Statutory Auditors of Banco Hipotecario S.A. (hereinafter, the “Company”) with the attendance of all the Regular Statutory Auditors of the Company connected remotely or by telephone through the Zoom platform, who verified their discussion simultaneously. It is put on record that the meeting was held remotely as authorized by Resolution No. 11/2020 of the Superintendency of Corporations (IGJ) and within the framework of the provisions of Section 1 of Necessity and Urgency Decree No. 297/2020 (“DNU”), dated February 19, 2020, as extended thereafter, which set forth the application of “social, preventive and mandatory isolation” measure to all the people who live in the country or are temporarily in it, which measure later changed to “social distancing”.

Dr. Ricardo Flammini took the floor and submitted the sole Agenda item:

CONSIDERATION OF CONDENSED INTERIM FINANCIAL STATEMENTS AND ADDITIONAL DOCUMENTATION FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020. ISSUANCE OF THE SUPERVISORY COMMITTEE’S REPORT.

After a brief exchange of ideas and considering the clarifications and information received by the Company’s Board of Directors, the members of the Supervisory Committee unanimously approved the text of the report to be issued, which is fully transcribed hereinbelow:

### **SUPERVISORY COMMITTEE’S REPORT**

#### **1) REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

**To the Shareholders and Directors of  
BANCO HIPOTECARIO S.A.**

#### **Introduction**

In accordance with the provisions of subsection 5 of Section No. 294 of the Argentine Business Companies Law No. 19,550, we have reviewed the Consolidated condensed interim Financial Statements of Banco Hipotecario S.A. (hereinafter, “the Bank”) that comprise the Statement of Financial Position as of September 30, 2020, the related statement of income for the three- and nine-month periods ended September 30, 2020 and the statements of changes in shareholders' equity and of cash flows for the nine-month period ended on that same date, as well as a summary of the significant accounting policies and other explanatory information included in the notes and exhibits that supplement them.

The balances and other information for fiscal year 2019 and interim periods are an integral part of the above-mentioned financial statements and should therefore be considered in connection with these financial statements.

## **The Board's responsibility**

The Bank's Board of Directors is responsible for preparing and presenting the financial statements in conformity with the accounting framework laid down by the Argentine Central Bank (BCRA).

## **Scope of our work**

Our work was performed in accordance with standards applicable to statutory auditors currently in force. These standards require statutory auditors to examine the accounting documents detailed in the first paragraph in accordance with auditing standards in force for limited review of financial statements for interim periods and include verifying the reasonableness of the significant information contained in the examined documents and whether they are consistent with the remaining information concerning corporate decisions of which we became aware, disclosed in the minutes of the meetings of the Board of Directors and the Shareholders' Meetings, and evaluating the conformity of those decisions with the law and the by-laws insofar as concerns formal and documentary aspects.

For purposes of our professional work involving the accounting documents detailed in the first paragraph, we reviewed the work performed by the Independent Auditor Price Waterhouse & Co S.R.L., in accordance with the review procedures established by Technical Pronouncements No. 37 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) to review interim financial statements and the auditing standards issued by the BCRA for limited reviews. The review of interim financial statements consists in posing enquiries to the Bank's personnel in charge of preparing the information included in the Consolidated condensed interim Financial Statements and applying analytical procedures and other review procedures. The scope of this review is substantially narrower than that of an audit examination conducted in accordance with Argentine audit standards. Therefore, a review will not allow us to obtain assurance that we will gain knowledge into all the significant issues that could be identified in an audit. Therefore, we do not issue an audit opinion on the Bank's consolidated financial condition, consolidated income, consolidated changes in shareholders' equity or consolidated cash flows. The independent auditors issued their Report on November 25, 2020, the content of which we share. Given that it is not the Supervisory Committee's duty to perform management controls, the examination did not span the business criteria and decisions of the Company's various areas, as these matters are solely within the purview of the Board of Directors.

## **Conclusion**

On the basis of our review, there has been nothing that could have led us to believe that the Consolidated condensed interim Financial Statements mentioned in the first paragraph of this report have not been prepared in all their significant aspects in accordance with the accounting framework laid down by the BCRA.

## **Emphasis on accounting principles**

Without changing our conclusion, we draw attention to Note 3.1, which states that the attached financial statements have been prepared in accordance with the accounting framework set forth by the BCRA. Said regulations differ from the professional accounting

standards in force (International Financial Reporting Standards (IFRS) adopted by the FACPCE). These differences lie in that the accounting framework set forth by the BCRA applicable to financial institutions within Group A of Communication “A” 6847, as amended by the BCRA, excludes non-financial government sector debt instruments from the scope of IFRS 9 “Financial Instruments”, and does not provide for the application of item 5.5 “Impairment” of IFRS 9 to debt instruments of consolidated financial institutions within Group B of said rule. The Bank has quantified these differences in a note to these financial statements.

### **Report on compliance with currently applicable rules and regulations**

In compliance with the applicable rules and regulations, we report that:

- a) In compliance with Necessity and Urgency Decree (DNU) No. 297, as extended and amended, certain meetings of the Board of Directors and Supervisory Committee were held remotely, and, to the date hereof, their respective minutes have not been transcribed into nor signed in the relevant books. It is put on record that resolutions adopted by Board’s meetings held from March 19, 2020 (enactment date of DNU No. 297) up to date have been duly noted.
- b) As stated in Note 29, except for the lack of transcription into the “Inventory and Balance Sheet” book, Banco Hipotecario S.A.’s Consolidated condensed interim Financial Statements as of September 30, 2020, insofar as concerns our field of competence, are in compliance with the provisions of the Argentine Business Companies Law and the relevant resolutions issued by the BCRA and the Argentine Securities Commission;
- c) Banco Hipotecario S.A.’s separate condensed interim financial statements, except for the lack of transcription into the “Inventory and Balance Sheet” book and Daily Ledger for book entries corresponding to the period from July through September 2020, arise from accounting records which, in their formal aspects, are kept in accordance with statutory provisions;
- d) We have read the information provided in Note 26.4 to the Consolidated condensed interim Financial Statements as of September 30, 2020 in connection with the minimum requirements imposed by the Argentine Securities Commission in terms of Minimum Shareholders’ Equity and Counterbalancing entry on which we have no comments to make as concerns our field of competence; and
- e) We are in compliance with the provisions of Section 294 of the Argentine Business Companies Law No. 19,550.

**City of Buenos Aires, November 25, 2020.**

## **2) REPORT ON SEPARATE CONDENSED INTERIM FINANCIAL STATEMENTS**

**To the Shareholders and Directors of  
BANCO HIPOTECARIO S.A.**

### **Introduction**

In accordance with the provisions of subsection 5 of Section No. 294 of the Argentine Business Companies Law No. 19,550, we have reviewed the Separate condensed interim Financial Statements of Banco Hipotecario S.A. (hereinafter, "the Bank") that comprise the Statement of Financial Position as of September 30, 2020, the related statement of income for the three- and nine-month periods ended September 30, 2020 and the statements of changes in shareholders' equity and of cash flows for the nine-month period ended on that same date, as well as a summary of the significant accounting policies and other explanatory information included in the notes and exhibits that supplement them.

The balances and other information for fiscal year 2019 and interim periods are an integral part of the above-mentioned financial statements and should therefore be considered in connection with these financial statements.

### **The Board's responsibility**

The Bank's Board of Directors is responsible for preparing and presenting the financial statements in conformity with the accounting framework laid down by the Argentine Central Bank (BCRA).

### **Scope of our work**

Our work was performed in accordance with standards applicable to statutory auditors currently in force. These standards require statutory auditors to examine the accounting documents detailed in the first paragraph in accordance with auditing standards in force for limited review of financial statements for interim periods and include verifying the reasonableness of the significant information contained in the examined documents and whether they are consistent with the remaining information concerning corporate decisions of which we became aware, disclosed in the minutes of the meetings of the Board of Directors and the Shareholders' Meetings, and evaluating the conformity of those decisions with the law and the by-laws insofar as concerns formal and documentary aspects.

For purposes of our professional work involving the accounting documents detailed in the first paragraph, we reviewed the work performed by the Independent Auditor Price Waterhouse & Co S.R.L., in accordance with the review procedures established by Technical Pronouncements No. 37 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) to review interim financial statements and the auditing standards issued by the BCRA for limited reviews. The review of interim financial statements consists in posing enquiries to the Bank's personnel in charge of preparing the information included in the Separate condensed interim Financial Statements and applying analytical procedures and other review procedures. The scope of this review is substantially narrower than that of an audit examination conducted in accordance with Argentine audit standards. Therefore, a review will not allow us to obtain assurance that we will gain knowledge into all the significant issues that could be identified in an audit. Therefore, we do not issue an audit opinion on the Bank's separate financial condition, separate income, and separate cash flows. The independent auditors issued their Report on November 25, 2020, the content of which we share. Given that it is not the Supervisory Committee's duty to perform management controls, the examination did not span the business criteria and decisions of the Company's various areas, as these matters are solely within the purview of the Board of Directors.

## **Conclusion**

On the basis of our review, there has been nothing that could have led us to believe that the Separate condensed interim Financial Statements mentioned in the first paragraph of this report have not been prepared in all their significant aspects in accordance with the accounting framework laid down by the BCRA.

## **Emphasis on accounting principles**

Without changing our conclusion, we draw attention to Note 3.1, which states that the attached financial statements have been prepared in accordance with the accounting framework set forth by the BCRA. Said regulations differ from the professional accounting standards in force (International Financial Reporting Standards (IFRS) adopted by the FACPCE). These differences lie in that the accounting framework set forth by the BCRA applicable to financial institutions within Group A of Communication "A" 6847, as amended by the BCRA, excludes non-financial government sector debt instruments from the scope of IFRS 9 "Financial Instruments", and does not provide for the application of item 5.5 "Impairment" of IFRS 9 to debt instruments of controlled financial institutions within Group B of said rule. The Bank has quantified these differences in a note to these financial statements.

## **Report on compliance with currently applicable rules and regulations**

In compliance with the applicable rules and regulations, we report that:

- a) In compliance with Necessity and Urgency Decree (DNU) No. 297, as extended and amended, certain meetings of the Board of Directors and Supervisory Committee were held remotely, and, to the date hereof, their respective minutes have not been transcribed into nor signed in the relevant books. It is put on record that resolutions adopted by Board's meetings held from March 19, 2020 (enactment date of DNU No. 297) up to date have been duly noted.
- b) As stated in Note 29, except for the lack of transcription into the "Inventory and Balance Sheet" book, Banco Hipotecario S.A.'s Separate condensed interim Financial Statements as of September 30, 2020, insofar as concerns our field of competence, are in compliance with the provisions of the Argentine Business Companies Law and the relevant resolutions issued by the BCRA and the Argentine Securities Commission;
- c) Banco Hipotecario S.A.'s separate condensed interim financial statements, except for the lack of transcription into the "Inventory and Balance Sheet" book and Daily Ledger for book entries corresponding to the period from July through September 2020, arise from accounting records which, in their formal aspects, are kept in accordance with statutory provisions;
- d) We have read the information provided in Note 26.4 to the Separate condensed interim Financial Statements as of September 30, 2020 in connection with the minimum requirements imposed by the Argentine Securities Commission in terms of Minimum Shareholders' Equity and Counterbalancing entry on which we have no comments to make as concerns our field of competence; and

- e) We are in compliance with the provisions of Section 294 of the Argentine Business Companies Law No. 19,550.

**City of Buenos Aires, November 25, 2020.**

In addition, Mr. Marcelo Fuxman was authorized to sign, on behalf of the Supervisory Committee, this report and any other accounting documentation, as well as all such copies thereof as may be necessary to file with the controlling entities and to transcribe the Report recently approved in the Inventory and Balance Sheet Book of the Company.

There being no further issues to discuss, this meeting rose at 8.30 a.m.

Ricardo FLAMMINI

José D. ABELOVICH

Marcelo FUXMAN

Statutory Auditor

Statutory Auditor

Statutory Auditor

Francisco GONZALEZ

Hugo HASSAN

Statutory Auditor

Statutory Auditor