

# BBVA

Creating Opportunities



## ANNUAL INTEGRATED REPORT 2020



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## **I About this Report**

Banco BBVA Argentina S.A. (hereinafter, either “BBVA Argentina”, the “Entity” or the “Bank”) is pleased to submit its first Annual Integrated Report (hereinafter, the “Integrated Report”) to communicate to its key stakeholders—shareholders, investors, international organizations, employees, customers, suppliers, public sector, the media, NGOs and the society in general—its financial, social and environmental performance for fiscal year 2020, accounting for the actions, programs and financial and non-financial results of its management efforts. To such end, the Bank has considered the relevant and most impactful issues for sustainable and inclusive development. This document includes information of the Bank and its subsidiaries, which is relevant to users in their decision-making.

In preparing this report, the Bank relied on the reference framework of the International Integrated Reporting Council (IIRC), as revised in January 2021, making reference to six capitals in the value creation model, namely: Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural. This Integrated Report was also prepared “in accordance with” the essential option of the GRI Standards of the Global Reporting Initiative (GRI). The standards were selected on the basis of a materiality analysis, and also by prioritizing the issues that are relevant to the Bank and its contribution to sustainability.

This document is also compliant with three UN initiatives the Bank has committed to. On the one hand, it constitutes the 2020 Communication on Progress (COP), in which the Bank addresses the 10 principles of the Global Compact to which BBVA Argentina has adhered locally in 2019. On the other hand, it complies with the transparency requirements enshrined in the Principles for Responsible Banking (PRB) under the United Nations Environment Programme Finance Initiative (UNEP FI). The report also gives an account of the Entity’s contribution to the relevant Sustainable Development Goals (SDGs).

Finally, this report is supplemented by other documents published by the Bank, including its Code of Corporate Governance, annual financial statements, and Form 20-F of the U.S. Securities and Exchange Commission (“SEC”).



## ■ 2020 Relevant Data of BBVA in Argentina



**6,019 employees** <sup>1</sup>



**+ \$21 million**

in grants to respond to the health emergency  
benefitting over 115,000 individuals



**Ranked 11th**

among the 100 companies with best  
corporate reputation in Argentina  
(Merco Ranking)



**+ \$33 million**

in community investments



**+ \$25 million**

invested in environmental  
management



**233,765 hours**

of employee training



**+ \$88 million**

in financing to SMEs



**43,415 direct beneficiaries**

of the Responsible Banking programs

<sup>1</sup> Including: Banco BBVA Argentina, BBVA Asset Management S.A. SOC. GTE. Fondos Comunes de Inversión, Volkswagen Financial Services Compañía Financiera S.A. and PSA Finance Argentina Compañía Financiera S.A.

## ■ Response to the COVID-19 Pandemic

After closely monitoring the news on the virus in early 2020, on March 9, BBVA's **Corporate Continuity Committee** created a global war room—a crisis management team with a global perspective about what was going on at each time, with operating capacity to make expedited decisions, fulfilling two of BBVA's core and priority goals: first, **preserving its employees' and customers' health; and second, ensuring business and service continuity**. The ongoing and efficient coordination with the countries' war rooms, in addition to recurring reporting to the Group's management and governance bodies, facilitated the prompt and effective adoption of the required measures at each time.

Such an **expedited decision making**, along with digital and remote management capabilities, allowed Banco Bilbao Vizcaya Argentaria S.A. (hereinafter, "BBVA Group" or "BBVA") to continue delivering services and support to customers. Against this backdrop, BBVA's strategy concerning the digital relationship and capabilities model has been reaffirmed and has proved beneficial amidst this environment, allowing the Bank to be close to customers when they most needed it.

In 2020, BBVA implemented **COVID-19 Social Response Plan**, with Euros 35.7 million available to aid the society as a whole. These funds have been primarily used to buy medical equipment to support public health systems. The Bank has also cooperated with several organizations to assist vulnerable groups, and has encouraged the research on the disease and its implications. More than 3.5 million people have directly benefitted from these initiatives.

In this vein, BBVA Argentina has implemented the following actions:

### CUSTOMERS

- ▶ 9 digital branches.
- ▶ + 1,9 million active digital customers<sup>2</sup>.
- ▶ Zero-rate credit lines for small taxpayers and self-employed workers.
- ▶ + \$2,000 million in credit lines for MSMEs and SMEs for the purchase of teleworking materials.
- ▶ Streamlined product acquisition process.
- ▶ + \$20,000 million in payroll and working capital loans for micro, small-, and medium-sized enterprises (MSMEs).
- ▶ Payment of the Emergency Household Income (IFE) program.
- ▶ Waived fees and charges on ATM transactions.
- ▶ Refinancing of outstanding credit card balances in up to 9 installments.

### EMPLOYEES

- ▶ Delivery of ergonomic chairs to employees under full-time teleworking arrangements.
- ▶ Supplementary actions to provide emotional support.

### COMMUNITY

- ▶ Contribution to the training of 100 health professionals on critical care and organization of health institutions together with Fundación Trauma.
- ▶ Employee participation in the campaign "*Tu Donación Vale Doble*" (Your Donation is Worth Twice), giving away the proceeds to the Red Cross.

<sup>2</sup> It includes customers with at least one login during the last three months of the year.

## Measures taken by BBVA Argentina as a result of COVID-19 pandemic

### CLIENTS

**Waived penalty interest** on unpaid instalments of mortgage, personal and pledge loans.

### CLIENTS

**+ \$15,000 million** in payroll loans for MSMEs and SMEs.

### CLIENTS

**+ 60% increase** in transactions through digital channels.

### CLIENTS

**Argentine pioneer in originating a loan certified as sustainable** under the sustainable transactional banking framework. The recipient was Medicus, an Argentine healthcare provider, and the loan proceeds were used to purchase COVID-19-related supplies and equipment.

### CLIENTS

**Launch of MODO, the first Fintech** that transforms the way of making payments.

### EMPLOYEES

**Creation of the COVID-19 ARG website** with relevant information about the pandemic.

### COMMUNITY

**10,000 food boxes** donated to the campaign "Seamos Uno" (Let's Be One).

### COMMUNITY

**+ \$21 million** in grants to support the health emergency benefitting over 115,000 individuals

### EMPLOYEES

**Reinforcement of the Occupational Health team**, including infectious disease specialists and extended business hours.

## Letter from the Chairwoman

To the Shareholders,

The global COVID-19 pandemic forced organizations worldwide to rapidly accommodate to a new manner of doing business. Since March 20, 2020, Argentinians have had to learn to coexist with this new normality. The Argentine government was compelled to mandate social distancing measures to prevent the virus proliferation, while reinforcing the local health care system to be able to provide care to everyone. The lockdown has had a significant impact on the local economy, with GDP declining by 11% and a primary fiscal deficit equal to 6.5% of GDP. Amidst the challenges posed by the health emergency, at BBVA Argentina we have redoubled our commitment to the community, with over 21 million pesos in grants that benefitted 115,000 individuals.

As an essential service, the Argentine banking sector has also been subject to operating and regulatory changes. I am pleased to see that we have reaped the benefits of our recent years' investment in technology and digitization, allowing us to give prompt and effective response to our customers' and employees' needs during this period. The Bank was able to operate remotely, addressing customers' needs, while always abiding by its ethical values and principles and putting its employees' and customers' health above all else.

The flexibility displayed by BBVA Argentina's teams deserves a special mention, as they were able to adapt to the prevailing circumstances, ensuring ongoing customer service. The Bank endeavored to migrate the maximum possible number of transactions to digital channels, as these were less affected by the pandemic. Consequently, digital transactions rose by 60%, with 1.9 million active digital customers. In addition to its focus on digitization, the Bank also supported its customers by streamlining and automating product and service acquisition processes, offering payment facilities, and extending maturities for the retail segment.

Convinced that the financial system can play a key role in local development, during this year, in association with other financial institutions, we launched the first Fintech (MODO) that is transforming wire transfers and payments in Argentina. MODO allows to send money using the recipient's phone number only, or to make payments scanning a QR code in a convenient and secure manner.

Our purpose of "bringing the opportunities of this new era to everyone" has become even more relevant. In line with our commitment to sustainable development, and assuming our role as a leading financial institution, we launched a new line of personal loans—"eco-loans", and a green loan facility for businesses. BBVA Argentina has also been the first bank in delivering sustainable cards made up of recyclable materials.

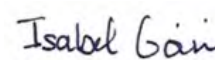
As concerns financial performance, the Bank and its affiliates have maintained significant activity levels at all times, addressing its customers' needs. Net income for fiscal year 2020, adjusted for inflation, amounted to 12.03 billion pesos, that is, a return on equity (ROE) of 11.8%—an outstanding result amidst the challenging environment in 2020. Once again, BBVA Argentina has displayed a strong balance sheet. As concerns credit risk, at year-end, the Bank's arrears ratio was 1.42%, while its liquidity and solvency ratios also revealed the Group's strength. Of remarkable note is the Bank's capital ratio, which ended the year at 20.2%. All in all, and looking forward to the expected economic rebound, the Bank sets out to begin fiscal year 2021 with a strong position, and will keep deploying its activity and commitment.

I invite you to explore this document that follows international best accountability practices and which, for the first time, was developed as an Integrated Report, in that it includes information on BBVA Argentina's financial and non-financial performance. To such end, the Bank has relied on the reference framework of the International Integrated Reporting Council (IIRC), as revised in January 2021. We have also reported on our contribution to the UN Sustainable Development Goals (SDGs) to be attained by 2030, the 10 principles of the UN Global Compact, and the Principles for Responsible Banking.

Finally, I would like to thank BBVA Argentina's employees, shareholders and customers to keep trusting the Bank. Their trust turns us into one of leading institutions in the Argentine financial system.

Yours faithfully,

By the Board of Directors



María Isabel Goiri Lartitegui  
Chairwoman

## ■ Letter from the CEO

The global health crisis in 2020 highlighted something that we already knew: The importance of technology in delivering financial services. Our forward-looking vision allowed us to rapidly accommodate to the new normality and continue to service our customers during the pandemic. This unexpected circumstance has reassured that we are on the right track in terms of digital transformation, adaptation of processes, and employee training.

Beyond technology advances, the strategy for the upcoming years will also involve changes in the business, the organization's culture, methodologies, and workspaces. Our branches will no longer be purely transactional spaces to become offices more focused on commercial advice. This will require further strengthening advisory activities, planning, and developing comprehensive, tailored and value-adding solutions for each customer.

In a year in which most activities took place online, we managed to reach more people and be present nationwide, thanks to the digitization of the Responsible Business programs. In this vein, we launched a new entirely online and free Financial Education Digital Platform, which has received more than 3,000 visits since it was launched in August.

As part of our commitment to Argentina, our main challenge in the future is supporting the society as relevant agents for development and economic activity, ensuring a great work climate for our employees, contributing to the construction of flourishing communities, and offering solutions to businesses and individuals that address their specific needs. We will continue on this path to bring the opportunities of this new era to everyone.



The global health crisis in 2020 has reassured that we are on the right track in terms of digital transformation.



Martín Ezequiel Zarich  
CEO

## Board of Directors and Area Heads

### BOARD OF DIRECTORS BANCO BBVA ARGENTINA S.A.

First and Last Name	Position	Designation	Term in Office Expiration
María Isabel Goiri Lartitegui	Chairwoman	April 24, 2019	December 31, 2020
Jorge Delfín Luna	1st Vice-chairman	May 15, 2020	December 31, 2022
Alfredo Castillo Triguero	2nd Vice- chairman	May 15, 2020	December 31, 2022
Juan Manuel Ballesteros Castellano	Regular Director	May 15, 2020	December 31, 2022
Oscar Miguel Castro	Regular Director	April 10, 2018	December 31, 2020
Gabriel Eugenio Milstein	Regular Director	April 10, 2018	December 31, 2020
Adriana María Fernández de Melero	Regular Director	May 15, 2020	December 31, 2022
Javier Pérez Cardete	Alternate Director	April 24, 2019	December 31, 2021
Gustavo Alberto Mazzolini Casas	Alternate Director	April 24, 2019	December 31, 2021
Gabriel Alberto Chaufán	Alternate Director	April 24, 2019	December 31, 2021

## Supervisory Committee

### Regular Members

Mario Rafael Biscardi  
Alejandro Mosquera  
Gonzalo José Vidal Devoto

### Alternate Members

Julieta Paula Pariso  
Daniel Oscar Celentano  
Lorena Claudia Yansenson  
Term in Office Expiration:  
12-31-2020

## External Auditors

KPMG Sociedad Civil. Mauricio G. Eidelstein, and Carlos Fernando Bruno and Marcelo Adrián Castillo, all of them partners in the firm, have been designated as incumbent and deputy external auditors, respectively.

## Area and Area Heads

### CEO:

Martín Ezequiel Zarich\*

### Audit:

Adolfo Rivera Guzmán

### Business Development:

Juan Christian Kindt\*

### Commercial:

Gustavo Alonso\*

### Compliance:

Mónica Etcheverry

### Corporate & Investment Banking:

Carlos Elizalde\*

### Data & Engineering:

Leandro Álvarez\*

### Finance:

Ernesto Gallardo Jiménez\*

### Institutional Relations:

Hernán Carboni

### Legal Services:

Eduardo González Correas\*

### Research:

Marcos Dal Bianco

### Risks:

Gerardo Fiandrino\*

### Talent & Culture:

Gustavo Fernández\*

\*Part of the Management Committee

# 01

## Macroeconomic Environment





## ■ Global Outlook

The **global economy** is being strongly affected by the COVID-19 pandemic. Demand-side, supply-side and financial factors caused an unprecedented decline in GDP during the first half of 2020. Supported by decisive fiscal and monetary policy measures, as well as by an increased control on the virus spread, global growth rebounded more than expected during 3Q-2020, to slow down in 4Q-2020, when infection rates started to increase in many regions, primarily in the United States and Europe. Looking to 2021, the unfavorable development of the pandemic is expected to have an adverse impact on activity in the short run, with new fiscal and monetary stimuli, together with the Covid-19 vaccination, being expected to support an upturn by mid-year.

After massive **fiscal and monetary stimuli** to support economic activity and curb financial tensions, public indebtedness has increased across the board, and interest rates have been cut down, currently standing at historically low levels. Additional countercyclical measures might be required. Besides, no significant reduction in current stimuli is expected, at least, until the rebound is actually consolidated.

Since late March 2020, tensions in **financial markets** started to curb quickly, in the wake of decisive measures by the major central banks and the fiscal packages announced in many countries. In recent months, markets have displayed relative stability and, at certain times, risk-taking moves. Furthermore, progress in the development of COVID-19 vaccines and the expected economic recovery should pay the way for financial volatility to remain, in general, at relatively limited levels looking forward.

According to BBVA Research's estimates, **global GDP** shrank by 2.6% in 2020 and will grow by around 5.3% in 2021 and 4.1% in 2022. Activity rebound will be gradual and uneven across countries. In addition, uncertainty is still exceptionally high due to several epidemiological, financial and geopolitical factors.

Concerning the **banking system**, as a significant part of economic activity has been halted for several months, banking services have played an essential role, primarily due to two reasons: First, banking entities have ensured the appropriate functioning of household and business collections and payments, thus contributing to maintain economic activity. Second, the origination of new credit lines or the renewal of existing ones curbs the impact of the economic downturn on household and business income. Banks' support during the lockdown and public guarantees were key to soften the crisis impact on businesses' liquidity and solvency. Therefore, banking has become the main source of financing for most of them.

In terms of **profitability**, the European and Spanish banking sectors have deteriorated, primarily due to the fact that many entities posted significant allowances for impairment of financial assets during the first two quarters of 2020, as a result of the damaged macroeconomic conditions resulting from the pandemic outbreak. Pre-pandemic profitability levels remained far from the levels prevailing before the previous financial crisis, in addition to the accumulation of capital that has occurred since the preceding crisis and the extremely low interest rates that have been prevailing for several years now. However, banking entities are facing the current scenario with a strong financial position and solvency levels that have increased uninterruptedly since the 2008 crisis, with reinforced capital and liquidity buffers and, therefore, with increased lending capacity.

## Local Outlook

During 1Q-2020, the Argentine government started to negotiate the restructuring of previous maturities with private creditors. However, on March 19, 2020, the Argentine government was compelled to mandate social distancing measures to prevent the COVID-19 proliferation, while reinforcing the local health care system to be able to provide care to everyone. The lockdown had a substantial impact on the debt negotiation process (as the Treasury had to take care of imperative issues associated with the pandemic) and on economic activity.

After three months of lockdown and a number of rejected offers, Argentina's credit rating was downgraded to "selective default," for it failed to make an interest payment in the amount of US\$ 503 million. However, the Argentine government continued with its attempts to reach an agreement with the main creditors.

Finally, on August 4, the Treasury reached an agreement with 93.55% adherence, which finally rose to 99% after the inclusion of collective action clauses. The "Net Present Value" was around US\$ 53.5 per each US\$ 100 in nominal value, discounted at an exit rate of 10% for securities issued during 2015-2019, and US\$ 59.5 per each US\$ 100 in nominal value for securities issued before in 2005 and 2010.

The agreement alone was not sufficient to curb the prevailing uncertainty brought about by the COVID-19 crisis, which led the Central Bank to issue pesos by as much as 6% of GDP to help those most badly hit by the crisis. The exchange rate risk premium rose to 130% in September, resulting in a loss of US\$ 1.30 billion in that month (US\$ 4.60 billion in 2020). However, due to the partial easing of the exchange controls, the market had a positive reaction and the exchange rate risk premium fell to 80%, partially offsetting the loss of international reserves.

The COVID-19 crisis also affected the fiscal balance, which rose to a primary fiscal deficit of 6.5% of GDP in 2020. Such a result was primarily due to the economic downturn that led to a decline in tax revenues and an increase in public spending.

As of the date of this report, GDP has declined by 11.8% (considering the first three months of the year), with an inflation rate of 36.1%.

## Economic Data



### Economic Activity

In 2020, economic activity was strongly affected by the pandemic. GDP declined by 11.8% during the first nine months of the year (according to the Monthly Economic Activity Indicator (EMAE) —INDEC's monthly GDP estimate—GDP declined by 10% in 2020). However, in 2Q-2020, certain positive signals enabled a partial rebound.

During Q3 2020, the unemployment rate rose to 11.7% (against the 13.1% recorded in Q2 2020). The decrease was primarily attributable to an increase in the unemployment rate from 33.4% to 37.4% (accounting for 1.14 million employees), coupled with an increase in activity levels from 38.4% to 42.3%. The improvement in indicators is due to the lockdown easing, enabling the recovery of different economic activities.



### Prices

Inflation experienced a substantial decline in 2020, ending the year at 36.1%. However, the slowdown was primarily attributable to the negative impact of the pandemic on activity, and the freeze on utility rates, along with the Central Bank's decision to avail of international reserves to prevent the exchange rate from depreciating.

The development of the several price segments was extremely uneven in 2020. Seasonal prices rose 64.4%, while regulated prices increased just 14.8%. Core inflation in 2020 was 39.4%.



## Public Finance

The public sector posted a primary fiscal deficit of \$1.75 billion (6.5% of GDP). The pandemic had a negative impact on public revenues and spending. The government had to increase direct transfers and social aid plans, resulting in a 63.5% year-on-year increase in spending. In addition, revenues increased by just 23.0%, well below inflation, due to the downturn in economic activity.

Tax revenues rose 28.2% in 2020, being the only significant nominal increase compared to 2019. Debt restructuring had an impact on capital inflows, which in 2020 declined by 20.2% in year-on-year terms.

Subsidies to economic sectors rose 105.9% in 2020, while transfers to provinces increased 153.2%, as a result of the government's strategy to mandate a 7-month lockdown to prevent the health system collapse.



## External Sector

The trade surplus in 2020 reached US\$ 12.53 billion, just below the US\$ 15.99 billion recorded in 2019. This result is primarily attributable to the fact that imports were more elastic than exports during the COVID-19 crisis. The economic activity downturn contributed to this surplus, due to its huge impact on imports.

Exports rose to US\$ 54.88 billion, or a 15.7% decline vis-a-vis 2019. However, imports totaled US\$ 42.35 billion in 2020, or a 13.8% reduction year-on-year. The decline in imports more than offset the fall in exports, resulting in the above-mentioned surplus.

Concerning the FX market, the local currency depreciated 28% in 2020. The exchange rate prevailing as of December 31, 2020 was \$82.63 per US\$ 1. The local currency depreciation followed the path of inflation. However, unofficial exchange rates were extremely volatile and particularly sensitive to monetary issuance. The Central Bank managed to contain the exchange rate risk premium until August, when it started to climb to reach a peak of 130% in October. As of the date of this report, the exchange rate risk premium decreased to 80% due to the partial easing of the exchange market, but still remains at a very high level.

At year-end, international reserves amounted to US\$ 39.38 billion, representing a decline of US\$ 5.46 billion compared to December 31, 2019, primarily due to interventions in the spot market to curb the peso depreciation.

## ■ Monetary Policy

The first quarter of 2020 was primarily signaled by the monetary policy easing, as reflected in the LELIQ rate, which decreased from 55% to 38%. The Central Bank managed to purchase international reserves in the amount of US\$ 659 million in the spot market, while monetary issuance accounted for 15% of December 2019's monetary base.

However, the COVID-19 pandemic had an impact on an already vulnerable economy. The Central Bank was forced to rely on monetary issuance to finance the Treasury's expenses due to the inability to access debt markets by reason of the aforementioned debt restructuring process. During 2Q-2020, the monetary authority issued approximately 50% of December 2019's monetary base.

Upon the end of the lockdown, the Central Bank started to sterilize the pesos it had issued in order to prevent inflation from soaring. Interest-bearing liabilities grew by more than 90% in nominal terms.

International reserves started to decline in April and May. Accordingly, on May 28, 2020, the Central Bank issued Communication "A" 7030, restricting private importers' ability to buy foreign currency. The decision had an immediate impact on the stock of international reserves, though it also had an (adverse) impact on activity levels.

After the successful sovereign debt restructuring deal agreed upon with private creditors, the Central Bank decided to harden exchange controls, resulting in a US\$ 1.44 billion loss of international reserves and in a 130% increase in the exchange rate risk premium during the following five weeks. Then, the Treasury set out to partially ease the previous controls, while also committing to raise financing in the local debt market, instead of relying on Central Bank's transfers.

The exchange rate risk premium fell to 80% in the last month of the year. At present, the monetary authority is buying U.S. dollars in the spot market (-4.16 billion in 2020).

The monetary base grew 40% in 2020 compared to 2019. Such growth was not even more significant because the Central Bank sought to sterilize a portion of the issuance through its interest-bearing liabilities.

## ■ Financial System

All comparisons relating to the financial system contained in this Report are stated in nominal terms.

Sight deposits increased 64.7% during 2020, while term deposits grew just 46.7%, with strong growth among term deposits indexed by the benchmark stabilization coefficient /purchasing power unit (CER/UVA), which rose 200.7% in 2020, compared to traditional term deposits which rose by 43.8%.

US-dollar denominated deposits declined 13.7% in 2020, after falling by 32.9% in 2019.

In 2020, loans experienced significant growth, both for individuals and businesses, with a 21.98% increase due to lower interest rates and the existing need for credit due to the lockdown.

During Q3 2020, the Central Bank cut down the LELIQ rate from 55% to 38% in an attempt to rekindle economic activity. For this reason, the monetary authority did not ease the monetary policy rate in 2Q-2020, for it had been previously cut down. On October 16, 2020, the Central Bank set out to use the repo rate to sterilize the money supply and the LELIQ rate, which ended the year at 38%.

Private banks' BADLAR (interest rate on term deposits of more than \$1 million pesos), stated in monthly averages, was 35.3% at the beginning of 2020. Then, it fell to 20% in April, climbing again to 33.4% to contain, in part, the excess of pesos.

## ■ Economic Context

### 2020

In 2020, economic activity, measured in terms of GDP, fell by 11.8% during the first nine months of the year. Activity was negatively affected by the Covid-19 crisis, primarily during 2Q-2020.

As concerns the labor market, at the end of 3Q-2020, the unemployment rate reached 11.7%, vis-a-vis 11.2% recorded as of the end of 2019. The main reason for such increase was the lockdown that spanned for the first half of the year.

National CPI rose 36.1% in 2020—a considerable slowdown vis-a-vis the 53.8% level recorded in 2019. Such change was primarily attributable to a decline in economic activity and interventions in utility rates.

The national public sector posted a primary fiscal deficit of \$1.75 billion (6.5% of GDP).

In Argentina, the most relevant event in 2020 was the COVID-19 outbreak, with the ensuing challenges it posed on an already vulnerable economy. The government was forced to substantially increase spending, while revenues crumbled, and to rely on monetary issuance as the only means to finance the pandemic-related costs.

During the first months of 2020, the economy declined 11.8% in terms of GDP, primarily due to the restrictions on free movement and the economy's inability to rapidly recover from the 2Q-2020 downturn.

Inflation rose 36.1% in 2020—a considerable slowdown vis-a-vis the 53.8% level recorded in 2019. This was primarily attributable to a decline in economic activity and interventions in utility rates.

The national public sector posted a primary fiscal deficit of \$1.75 billion (around 6.5% of GDP).

### Trends related to the Argentine financial system

Argentina has a small and under-penetrated system compared to its peers in Latin America. For this reason, we believe that the financial sector has potential room to grow if adequate policies are implemented and inflation and interest rates are normalized.

In terms of the distribution network, the financial sector has a good penetration, with points of sales covering all the provinces, advanced technology, strong regulations and good practices.

According to BBVA Research estimates, the Argentine financial system is expected to stagnate in the coming years, with private loans and total deposits to GDP ratios of approximately 11.7% and 17.7%, respectively, for 2021.

The Argentine banking system remains largely unconsolidated, with significantly more financial institutions compared to other countries in the region, and with the top five banks concentrating only approximately 54% of the loan market share, compared to an average of 77% in other Latin American peers. As a result, we believe there is significant room for industry consolidation.

## ■ Trend Information

### Trends related to the COVID-19 pandemic

The COVID-19 pandemic, which was originated in China and then spread to other countries, including Argentina and other countries in which our customers operate, is adversely affecting the global and the local economy, as well as the Bank's business. See *"Item 5. Operating and Financial Review and Prospects —Recent Developments—COVID-19 pandemic"* and *"Item 3. Key Information—D. Risk Factors—The COVID-19 pandemic is affecting the Bank."* The additional trend information included below has not been updated in general to reflect the developments related to the COVID-19 pandemic.

### Trends related to the international and local scenario

During 2019 the global economy decelerated. The China-USA trade conflict had a negative effect on the global economy. On the other hand, the loosening by central banks of monetary policies helped mitigate the weakness in activity by propelling consumption.

# 02

## BBVA Argentina

### Creating opportunities for a sustainable and inclusive country

BBVA Argentina, a subsidiary of the BBVA Group, is one of the leading financial institutions in Argentina that strives day to day to foster local development.



## Local Leadership and Presence

Since 1886, BBVA Argentina has been one of the leading financial institutions in Argentina. In 1996, Bilbao Vizcaya Argentaria S.A. became its majority shareholder, which proved a competitive advantage for the entity in the local banking sector, due to its parent company's global experience, relationships, learning opportunities, and the technological platform offered by the Group at a global level.

BBVA Argentina offers financial services in three main lines of business: Retail, SMEs, and Corporate.<sup>3</sup>

BBVA Argentina is focused on its customers' actual needs, helping them accomplish their vital goals. It seeks to drive opportunities, aimed at generating a positive im-

pact on people's lives and business growth. In this vein, its responsible banking model seeks to help create a more inclusive and sustainable society.

### Physical and digital presence at the national level

BBVA Argentina has a network of physical channels—branches, ATMs and self-service terminals— and digital channels —online platform and mobile apps— through which it can be present in all Argentine provinces. As a result, customers nationwide can operate and be connected, and live a distinct, flexible and convenient digital experience.



<sup>3</sup> For more information on the lines of business, see "Businesses and Activities" in this Report.

<sup>4</sup> It includes customers with at least one login during the last three months of the year.

<sup>5</sup> It includes customers with at least one login per month during the last three months of the year.

<sup>6</sup> Downloads using Android devices.

<sup>7</sup> Downloads using iOS & Android devices.

## Physical distribution network by province

Province	Branches	Points of Express Support	ATMs	SSTs	Points of Sale	In-company Branches
City of Buenos Aires	81	1	282	267	2	4
Buenos Aires	84	0	339	294	2	9
Catamarca	1	0	3	3	0	0
Córdoba	15	0	33	50	0	0
Corrientes	2	0	9	6	0	0
Chaco	2	0	7	9	0	0
Chubut	5	0	15	14	1	0
Entre Ríos	6	0	15	16	0	0
Formosa	1	0	5	6	0	0
Jujuy	1	0	2	3	0	0
La Pampa	2	0	3	7	0	0
La Rioja	1	0	4	4	0	0
Mendoza	11	0	35	37	0	0
Misiones	2	0	6	10	0	0
Neuquén	4	0	14	12	0	0
Río Negro	3	0	10	11	0	1
Salta	2	0	7	10	0	0
San Juan	2	0	10	11	0	0
San Luis	2	0	6	7	0	0
Santa Cruz	3	0	9	7	0	0
Santa Fe	11	0	43	45	2	1
Santiago del Estero	1	0	4	8	0	0
Tucumán	3	1	18	16	0	0
Tierra del Fuego	2	0	9	4	0	0



## TOTALS

★ 247  
Branches

★ 2  
Points of Express Support

★ 888  
ATMs

★ 857  
SSTs

★ 7  
Points of Sale

★ 15  
In-company Branches



## Ranking position among all banks in the Argentine financial system



in private deposits



**4th**

in private loans

Source: BCRA August 2020

## Market Shares



**7,10%**

in private deposits



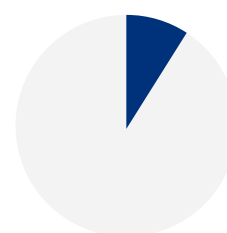
**7,66%**

in private loans  
on an individual basis



**8,49%**

in private loans on  
a consolidated basis<sup>8</sup>



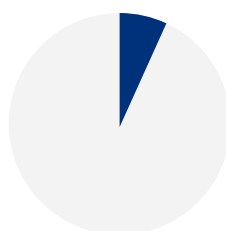
**8,36%**

in private retail loans  
on an individual basis<sup>9</sup>



**9,30%**

in private retail loans  
on a consolidated basis<sup>10 11</sup>



**7,55%**

in private commercial loans  
on an individual basis<sup>12</sup>



**6,85%**

in private commercial loans  
on a consolidated basis<sup>13 14</sup>

Source: Based on daily information from the BCRA, outstanding principal amounts as of the last day of the period (December 2020).

8 It includes Banco BBVA Argentina S.A. and the following related companies/subsidiaries: Rombo Compañía Financiera S.A., PSA Finance Argentina Compañía Financiera S.A. and Volkswagen Financial Services Compañía Financiera S.A.

9 It includes personal loans, mortgage loans, pledge loans, and credit card financing.

10 It includes Banco BBVA Argentina S.A. and the following related companies/subsidiaries: Rombo Compañía Financiera S.A., PSA Finance Argentina Compañía Financiera S.A. and Volkswagen Financial Services Compañía Financiera S.A.

11 It includes personal loans, mortgage loans, pledge loans, and credit card financing.

12 It includes overdraft, commercial paper (discounting and factoring and good faith loans), pre-export financing, and other loans

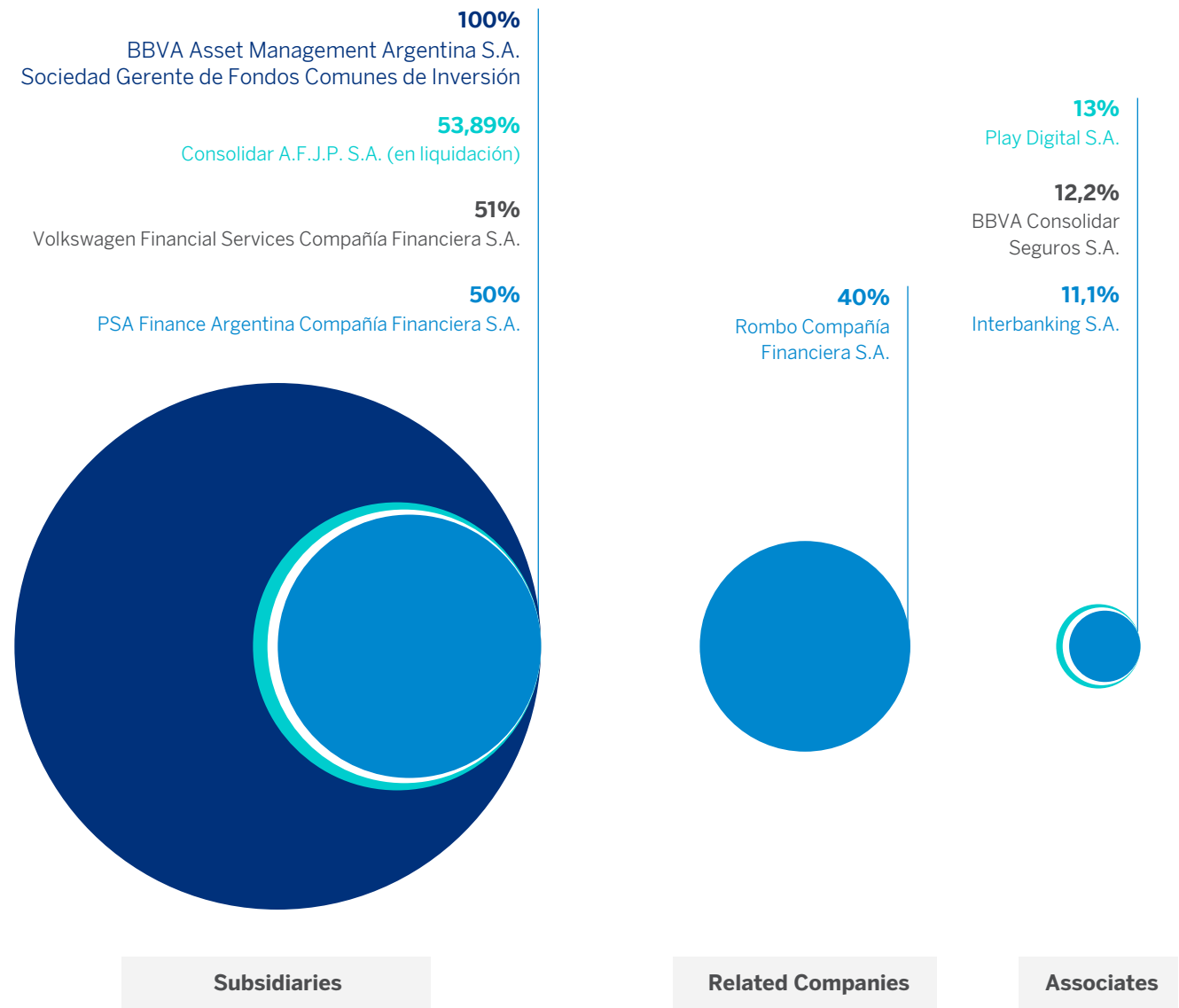
13 It includes Banco BBVA Argentina S.A. and the following related companies/subsidiaries: Rombo Compañía Financiera S.A., PSA Finance Argentina Compañía Financiera S.A. and Volkswagen Financial Services Compañía Financiera S.A.

14 It includes overdraft, commercial paper (discounting and factoring and good faith loans), pre-export financing, and other loans.

### Related Companies and Subsidiaries

The following related companies and subsidiaries are part of Banco BBVA Argentina S.A., and allow to expand its presence and enhance its value proposition<sup>15</sup>:

On October 9, 2019, the CNV issued Resolution No. 20484/2019 concerning the merger of BBVA Francés Valores S.A. into the Bank. As such, the Bank was authorized to issue 50,441 common book-entry shares, with a nominal value of \$ 1 and entitling to one (1) vote each to be delivered to BBVA Francés Valores S.A.'s minority shareholder. The merger and the capital stock increase are still pending registration with the Argentine Superintendence of Corporations (IGJ).



15 For more details on each related company and subsidiary, see “Related Companies and Subsidiaries” in the “Exhibit” to this Report.

## Corporate Structure



Name

Common Shares  
as of December 2020% Total Shares  
as of December 2020

<b>BBVA GROUP</b>	<b>407,735,359</b>	<b>66.55%</b>
BBVA S.A. (3)	244,870,968	39.97%
BBV AMERICA S.L. (1) (3)	160,060,144	26.13%
CORP GRAL FINANCIERA S.A. (3)	2,520,509	0.41%
CIERVANA S.L. (3)	283,738	0.05%
NON-GROUPED LOCAL SHAREHOLDERS	63,839,130	10.42%
THE BANK OF NEW YORK MELLON ADRS (2)	98,193,558	16.03%
LATIBEX	407,083	0.07%
SUSTAINABILITY GUARANTEE FUND (FGS) MAN- AGED BY ANSES (ARGENTINE SOCIAL SECURITY OFFICE), LAW No. 26425	42,439,494	6.93%
NOT IDENTIFIED	45,014	0.01%
<b>TOTAL</b>	<b>612,659,638</b>	<b>100%</b>

(1) BBV América S.L. is controlled by BBVA. Direct holder of 26.13% of BBVA Argentina's share capital.

(2) As agent holder of ADSs.

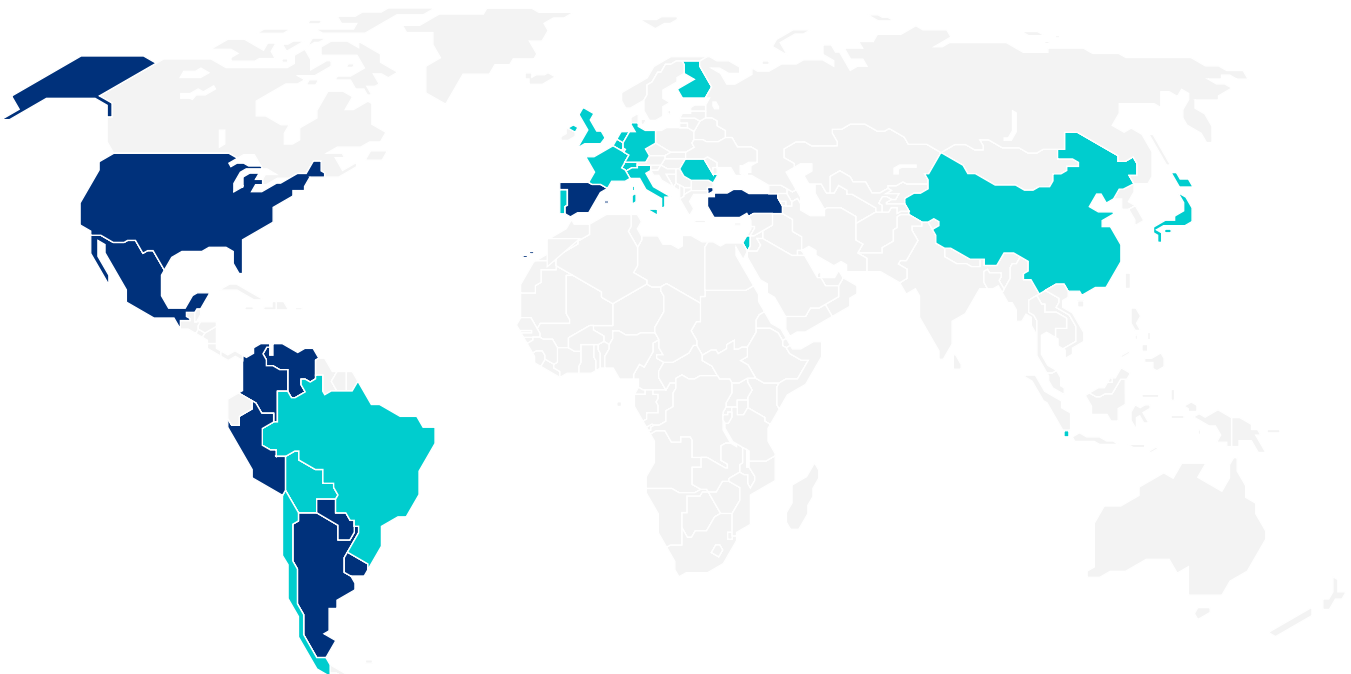
(3) BBVA S.A.; BBV América S.L.; Corporación Gral. Financiera S.A. and Ciervana S.L. are part of the BBVA Group.

■ **BBVA Group**

BBVA is a customer-centric global financial services group founded in 1857. The Group boasts a leadership position in Spain, is the largest financial institution in Mexico, and has leading franchises in South America, and the SunBelt Region in the United States.

**Dow Jones Sustainability Index Ranking**

BBVA Group has ranked first among European Banks in the Dow Jones Sustainability Index (DJSI)—a benchmark index that measures the performance of the largest market capitalization companies based on economic, environmental and social criteria. The Group ranks 3rd in the DJSI at a global level.



North America		South America		Europe			Asia Pacific
United States Mexico		Argentina Bolivia Brazil Chile Colombia	Paraguay Perú Uruguay Venezuela	Germany Belgium Cyprus Spain Finland	France The Netherlands Italy Malta Portugal	United Kingdom Romania Switzerland Turkey	China Hong Kong Japan Singapore

<b>€736</b> billion in total assets	<b>80,7</b> million customers	<b>&gt; 30</b> countries	<b>7.432</b> offices	<b>31.000</b> ATMs	<b>123.174</b> employees
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The map does not consider countries in which BBVA Group does not have a company incorporated or where activity levels are reduced.  
Information as of December 2020

## Business Strategy and Model

In 2019, BBVA conducted a strategic review to continue accommodating to the major trends that are reshaping the world and the financial services industry. As a result of this process, the Bank updated its six Strategic Priorities which, together with its Purpose and Values, are the core pillars of the Group's global strategy.

### OUR PURPOSE

"Bringing the opportunities of this new era to **everyone**"

### OUR STRATEGIC PRIORITIES



Improving **our**  
**clients' financial health**



Reaching more **clients**



**The best, most engaged team**



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



Driving **operational excellence**



**Data and technology**

### OUR VALUES



**Customer**  
comes first



Think **big**



We are  
one **team**

## The COVID-19 crisis confirms our strategic vision

An unprecedented health crisis emerged in 2020, with sizable economic and social impacts. These unique circumstances expedited certain trends, which are key to BBVA's strategy, such as:

- A more challenging macroeconomic environment. Such more complex environment will have a direct impact on the banking sector, with lesser growth than expected in loans, and lower interest rates for longer periods, together with a higher cost of risk.
- Expedited customer digitalization. Social distancing paved the way for the massive use of e-commerce and other remote services (telework, telemedicine, e-learning). This trend has also been perceived in the banking sector, with the incremental use of digital and remote channels.
- Growing concerns about climate and social sustainability. The pressing need for addressing the society's major challenges, such as the climate change or social inequality, has been brought to light, along with the need for embracing more sustainable and inclusive growth. Sustainability is one of the cornerstones of the recovery and fiscal stimuli programs announced by most countries.
- Expedited innovation. The pandemic has revealed how vulnerable economies are to external shocks. In pursuit of increased resilience, governments, public institutions and the private sector see recovery plans as an opportunity to expedite innovation (such as, the investment in 5G, AI, data).

The rapid progress of the above-mentioned trends **reinforces BBVA's forward-looking vision and strategy**:



### Improving our **clients' financial health**

Having financial control and giving the right advice gain more relevance



### Reaching more **clients**

Gaining market share is critical amidst a poor growth environment



### The best, most engaged team

An engaged team to meet customers' needs, even at the most difficult times of the pandemic



### Helping our clients transition towards a **sustainable future**

Climate action will play a key role in recovery plans



### Driving **operational excellence**

Key leverage to improve productivity and customer experience



### **Data and technology**

Our service level has been unique thanks to our digital and technological capabilities  
Data as the next differentiating factor

## Good progress amidst a challenging year

The year 2020 has been unique and, as such, has required fast and efficient action. Despite the challenging environment and thanks to its agile response, the Bank has taken an important step in promoting and making progress in its six strategic priorities.

### 1. Improving our clients' financial health

BBVA aspires to become a trusted financial partner to its clients, giving them customized advice, helping them in their decision-making, and supporting them as they manage their finances to accomplish their vital and business goals.

In this respect, during 2020, BBVA continued consolidating its differentiated value proposition developing global financial health solutions, launching initiatives to support our clients' in their day-to-day transactions, and enhancing its digital offering to wholesale customers, leveraging its international footprint.

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

BBVA is aware of the outstanding role the banking sector plays in the transition towards a sustainable and inclusive future, through financing and advisory activities. Accordingly, BBVA has committed to gradually aligning its business to the Paris Agreement, leveraging its role to help clients transition towards a more sustainable future, inspired by selected Sustainable Development Goals.

Initially, BBVA will focus on such Sustainable Development Goals (SDGs) in which the Group may have the greatest positive impact, taking advantage of banks' multiplier effect.

In this regard, BBVA is implementing this strategic priority in two ways:

- Climate Action: Mobilizing timely resources to face
  - the climate change challenge and address the related SDGs (i.e., affordable and clean energy, responsible production and consumption, and climate action).

- Inclusive Growth: Mobilizing the investments required to build inclusive infrastructure and support inclusive economic development. In this case, the SDGs BBVA seeks to encourage include: Decent work and economic growth; and Industry, innovation and infrastructure.

### 3. Reaching more clients

BBVA seeks to grow by having a footprint exactly where clients are. Its purpose is speeding up profitable growth, relying on its own and third parties' channels, with special focus on digital channels and on the most profitable products and segments.

In this regard, despite the challenging environment that prevailed in 2020, BBVA managed to substantially grow its customer base across all geographic locations in which it has a presence (up by 3.6% vis-a-vis the previous year). Such growth was driven by digital channels, with a 56% increase in the number of clients gained through such channel relative to 2019.

Not only has BBVA carried out successful strategies to attract new clients, but it has also laid the groundwork for its future growth. On the one hand, BBVA has reinforced its capacity to grow in the open market through its own channels (improvements to its proprietary biometric verification technology, optimized E2E digital processes). Besides, client acquisition has been strengthened through attractive alliances with third parties.

### 4. Driving operational excellence

BBVA endeavors to offer the best customer experience, with simple and automated processes, while staying focused on its robust risk management practices and optimal capital allocation.

In this vein, BBVA embraces a simpler and scalable operating model, leveraging its digital capabilities, where clients can have remote access to their products and services. BBVA aspires to offer this service through an efficient and effective operating model, with simple and automated processes made possible by new technologies and data analytics.

Such operational excellence should be supported by strong risk management practices, taking into account financial and non-financial risks. Therefore, BBVA endeavors to empower its global platforms leading to improve retail and SMEs risk management. Besides, an optimal capital allocation remains a key factor to BBVA.

5. The best, most engaged team

To the Group, the team remains a strategic priority—a diverse and empowered team, guided by the Purpose, Values and Behaviors, and driven by a talent development model that offers growth opportunities to everyone.

In 2020, employee engagement (measured in terms of the grand mean score from Gallup survey) increased at BBVA Group from 4.11 to 4.25 points (with a maximum possible score of 5.00), while internal reputation has improved, reflecting the efforts made through several initiatives.

BBVA inspires to become a high performance team with a common purpose and shared values, fostering diversity plans and a leadership model. BBVA is rewriting its professional development model, building an ecosystem where people can create and grasp opportunities, leading transformation, developing core capabilities, and training teams in new skills. BBVA strives day after day to offer its employees a flexible and sustainable work environment.

6. Data and technology

Data and technology are clear strategy accelerators. Advanced analytics capabilities, together with secure and reliable technologies, allow to create distinctive quality solutions and deliver against our strategy.

Data are key to offer an enhanced value proposition. BBVA is developing innovative data capabilities, through the creation of a global platform, training teams on data analytics, and building robust governance processes to improve data quality. Data also help create business value, by contributing to reinforce other strategic priorities (including, for instance, financial health, and development of personal finance management tools).

As to technology, BBVA will continue to work on the reliability and resilience of its platform, for it helps to be more effective and efficient and to offer enhanced quality and more functionalities to clients at a global level, as well as on its security and privacy model (cybersecurity, business processes, fraud, and data security).

Values



Customer comes first

We are sympathetic

We are upright

We take care of your needs



Think big

We are ambitious

We are innovative

We surprise the customer



We are one team

I am committed and engaged

I trust the others

I am BBVA



## Corporate Governance

### Board of Directors

According to the Corporate By-laws and as prescribed by law, the Board of Directors is, *stricto sensu*, the entity's representation, administration, management and control body. It is comprised by such number of members as permitted within the limits set forth in the Corporate By-laws and pursuant to the resolutions passed at the Shareholders' Meeting. The Board of Directors' members are designated by the shareholders gathered at the General Ordinary Shareholders' Meeting, while the Central Bank sets forth the criteria to assess whether directors are suitable to discharge such role. Financial institutions are annually required to certify that their directors maintain the required legal standing, qualifications, skills and expertise in finan-

cial activities and that are able to discharge the function, where no new assessment is available.

The Bank's Board of Directors is comprised by 7 Regular Directors and 3 Alternate directors.

As of December 31, 2020, 3 Regular Directors and 1 Alternate Director are independent, according to applicable CNV's rules (General Resolution No. 730/2018) and none of them discharges executive duties.

The table below contains information on the Board of Directors' members, appointment dates and expiration of their terms in office:

#### BANCO BBVA ARGENTINA S.A.<sup>(1)</sup>

First and Last Name	Position	Designation	Term in Office Expiration
María Isabel Goiri Lartitegui	Chairwoman	April 24, 2019	December 31, 2020
Jorge Delfín Luna	1st Vice-chairman	May 15, 2020	December 31, 2022
Alfredo Castillo Triguero	2nd Vice- chairman	May 15, 2020	December 31, 2022
Juan Manuel Ballesteros Castellano	Regular Director	May 15, 2020	December 31, 2022
Oscar Miguel Castro	Regular Director	April 10, 2018	December 31, 2020
Gabriel Eugenio Milstein	Regular Director	April 10, 2018	December 31, 2020
Adriana María Fernández de Melero	Regular Director	May 15, 2020	December 31, 2022
Javier Pérez Cardete	Alternate Director	April 24, 2019	December 31, 2021
Gustavo Alberto Mazzolini Casas	Alternate Director	April 24, 2019	December 31, 2021
Gabriel Alberto Chaufán	Alternate Director	April 24, 2019	December 31, 2021

(1) Directors' resumes are available for reference at the Exhibit to this Report.

Board Members by Gender and Age as of December 31, 2020	Number	%
Board Members	7	100%
<b>By Gender</b>		
Women	2	29%
Men	5	71%
<b>By Age</b>		
Below 30 years	0	0%
Between 31 and 50 years	0	0%
Above 50 years	7	100%

## Supervisory Committee

### Regular Members

Mario Rafael Biscardi  
Alejandro Mosquera  
Gonzalo José Vidal Devoto

### Alternate Members

Julieta Paula Pariso  
Daniel Oscar Celentano  
Lorena Claudia Yansenson  
Term of Office Expiration: 12-31-2020

## External Auditors

KPMG Sociedad Civil. Mauricio G. Eidelstein, and Carlos Fernando Bruno and Marcelo Adrián Castillo, all of them partners in the firm, have been designated as incumbent and deputy external auditors, respectively.

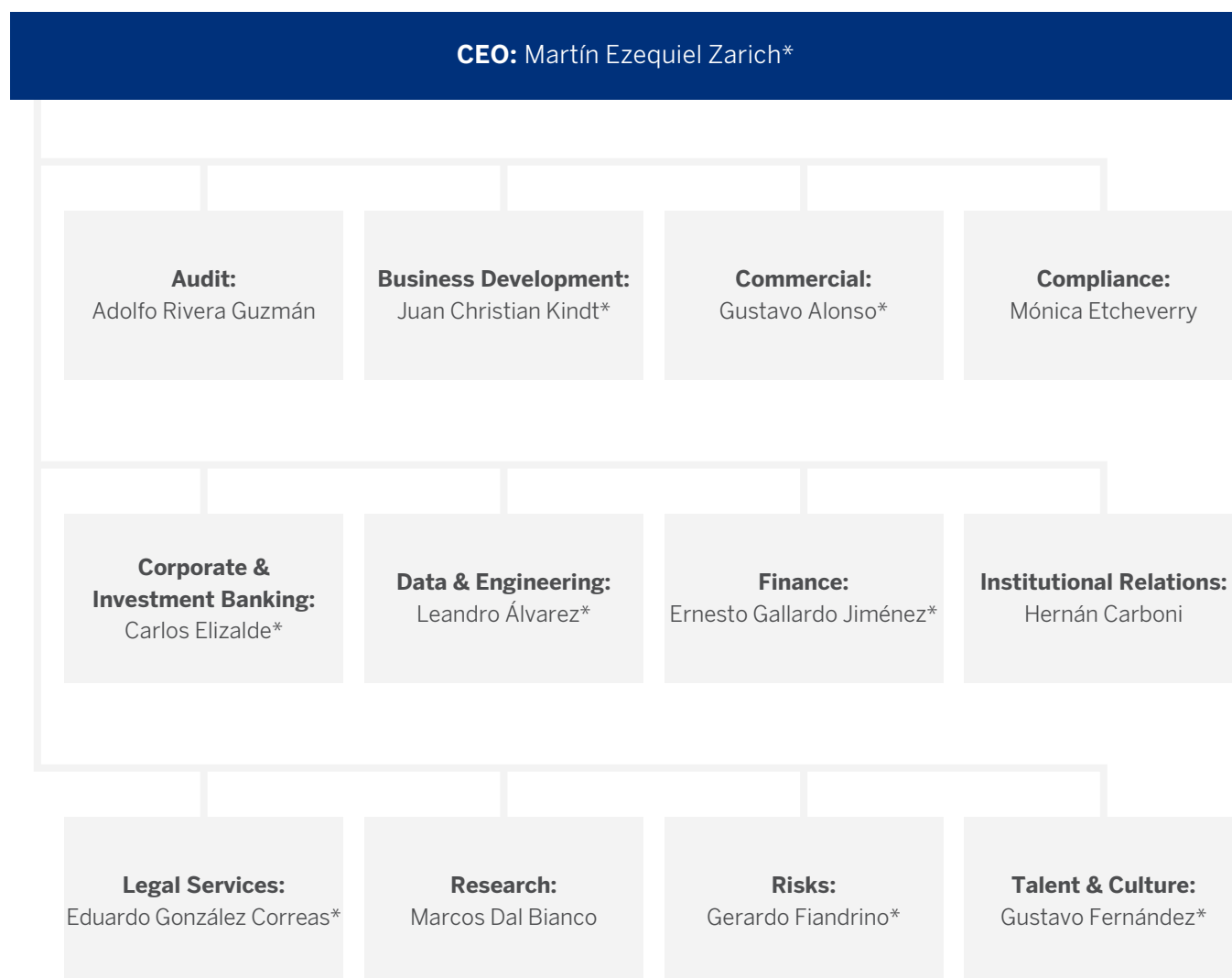
## Committees

The Board of Directors has several committees to address different management issues and make decisions knowledgeably and responsibly. The Bank has the following special committees: Management Committee; Audit Committee pursuant to Law No. 26831 (CNV); Nomination and Remuneration Committee (BCRA); Internal Audit Committee; Anti-money Laundering and Terrorist Financing Committee; Information Technology Committee; Disclosure Committee; Risk Committee; Corporate Assurance Committee; Compliance Committee, and Assets and Liabilities Committee. These committees are comprised of qualified members with relevant expertise.

## Management Committee

The Management Committee discharges executive duties and reports to the Board of Directors on the progress made against the Bank's management efforts, programs and actions. As a result, the Board of Directors has an understanding of stakeholders' expectations and demands, and the Bank's responsible and sustainable actions in response.

## Area and Area Heads



\*Part of the Management Committee

## ■ Communication

Committed to transparency, accountability and education, BBVA Argentina maintains ongoing contact with all its stakeholders, by communicating business, finance and sustainability information.

In this vein, the Bank creates content with responsibility in order to keep all stakeholders informed, and for the community in general to be able to learn from experience and knowledge.

Since 2016, BBVA.com, BBVA's corporate web site, seeks to bring to life different stories that tell the history of a Group with a 160 years' track record and presence in more than 30 countries. On this site, BBVA publishes content in multiples formats, including text, video, infographics and podcasts, on finance, economics, innovation, sustainability and responsible banking, among other topics of interest. The site also contains BBVA's releases and financial and regulatory information.

This year, BBVA Argentina has achieved the following results in terms of communication:



### **Conducted 10 media training**

at managerial level to deliver ongoing training to its spokespeople.



### **Produced 235 articles**

posted on its news site, BBVA.com, with 2,305,117 users during the year.



### **Maintained a proactive communication**

with the media, producing more than 36 press releases during the year.



### **Maintained active and ongoing contact**

with several public opinion leaders.



### **Actively monitored its reputation**

by permanently checking its social networks.



@BBVA

**5,717,114**  
followers



BBVA en Argentina

**24,700**  
followers



@BBVA\_argentina

**154,849**  
followers



@BBVA\_Argentina

**71,200**  
followers



BBVA en Argentina

**250,763**  
followers

# 03

## Transparency and control

### Creating opportunities for a transparent and responsible business.

Abiding by the highest standards of ethics and compliance, BBVA Argentina strives to ensure operational excellence by designing and implementing comprehensive risk monitoring and management tools and codes, involving the entire company crosswise in these processes.



## I Ethical Behavior



### Compliance System

The Group's **compliance system** is one of the foundations on which BBVA strengthens its institutional commitment to carry on its activities and businesses in strict compliance with applicable laws and regulations at each time, and in accordance with the strictest principles of ethical behavior. The basic pillars of BBVA's compliance system are the Code of Conduct, available at BBVA's corporate website ([www.bbva.com](http://www.bbva.com)), the internal control model, and the Compliance function.

The **Code of Conduct** sets forth the behavioral guidelines which, according to BBVA Group's principles, align actions with the Entity's internal values. Accordingly, all our members are expected to act in accordance with applicable laws and regulations, in an upright and transparent manner and, with the prudence and professionalism levels warranted by the social impact of the financial business and the trust shareholders and customers have placed on BBVA.

BBVA's **internal control model**, built in accordance with the guidelines and recommendations of regulatory and supervisory authorities and international best practices, and structured in three lines of defense, aims at identifying, preventing and addressing risk situations inherent to the development of the Bank's activities, in such areas and places where it carries on its business.

As established in BBVA's Code of Conduct, Compliance is a global unit comprising the **second line of defense**. It has been tasked by the Management Committee with the duty of fostering and overseeing, independently and objectively, that BBVA acts in an upright fashion, particularly, in areas such as money laundering prevention, conduct towards customers, conduct in the stock market, corruption prevention, and other corporate conduct aspects.



### Mission and Scope of Action

The mission of the Compliance function is:



Fostering a culture of integrity and compliance at BBVA, and raising awareness among its members of both the internal and external rules and regulations applicable to the preceding topics, through the development of internal rules and advisory, disclosure, training and awareness programs, fostering a proactive Compliance and Conduct risk management approach; and



Defining and encouraging the deployment and full compliance at the entity of the associated risk management frameworks and measures.

To ensure the adequate fulfilment of its duties, Compliance has a structure and internal organizational systems in place in accordance with the internal governance principles enshrined by European guidelines in this regard. In terms of structure and development of its activities, Compliance abides by the principles established by the Bank of International Settlements (BIS) and reference standards applicable to Compliance and Conduct issues.

To reinforce these aspects and, in particular, the independence of the control areas, BBVA has a Regulation & Internal Control area, which reports to the Board of Directors through the Risks and Compliance Committee, and which includes the Compliance unit. Its activities are periodically monitored by the Risks and Compliance Committee.



## Organization, Internal Governance, and Management Model

At BBVA, the Compliance function is global in nature and comprises a corporate unit cross-cutting the entire Group, and led by a global head and local units which, sharing their entrusted mission, discharge their duties in the countries in which BBVA develops its activities and are led by the respective local heads.

At BBVA Argentina, the development of the function fulfilled by the Compliance unit is supported by a group of departments specialized in different activities which, in turn, have designated persons in charge. Accordingly, the function has persons in charge of areas related to Compliance and Conduct affairs for the definition and coordination of its strategy and management model, or the execution and ongoing improvement of the area's internal operating processes.

Some of the main functions of the compliance units at BBVA include:

- Carrying out an assessment of the Compliance and Conduct risk inherent to the Group's activity.
- Encouraging or developing internal rules on its incumbent areas, and establishing adequate systems, technological tools and resources.
- Giving advice to the Entity on Compliance and Conduct issues in order to manage the risks associated therewith.
- Monitoring and seeing to the compliance with internal rules that allow to measure Compliance and Conduct risk management and adequate checks.
- Managing reporting channels at the several jurisdictions.
- Periodically reporting information related to Compliance and Conduct issues at the several levels of the organization.
- Representing the function before regulatory and supervisory authorities in respect of compliance-related issues.

The structure of the Compliance units at the several countries has continued to evolve in 2020 for an improved alignment with these criteria.

The breadth and complexity of the activities, as well as the international presence of BBVA, give rise to a broad variety of regulatory requirements and expectations from supervisory authorities that need to be addressed to manage the risk associated with Compliance and Conduct affairs. This calls for internal mechanisms that establish cross-cutting compliance risk management programs in a consistent and comprehensive basis.



To such end, Compliance has a risk estimate and management **global model** which has been evolving over time, based on a comprehensive and preventative approach, in order to reinforce the elements and pillars on which it is based and anticipate to the developments and initiatives that may emerge in this respect.

Such model is based on periodical compliance risk identification and assessment cycles, following which a management strategy is devised. The foregoing results in the review and update of the multiannual strategy and its related annual lines of action, both aimed at reinforcing the applicable mitigation and control measures, and at enhancing the model itself. These lines are incorporated to the annual Compliance plan, the contents of which are reported to the Risks and Compliance Committee.



The core **pillars** of the model include:

- A suitable organizational structure, with clearly assigned roles and responsibilities across the Entity.
- A set of policies and procedures that clearly establish the stances and requirements to be applied.
- Mitigation and control processes aimed at ensuring compliance with such policies and procedures.
- A technological infrastructure focused on monitoring and fulfilling the preceding goal.
- Communication and training mechanisms and programs aimed at raising awareness on the applicable requirements among the Group.
- Oversight indicators that help follow up on the model deployment at a global level.
- Independent periodical review of the effective deployment of the model.

During 2020, the Bank has continued to carry on tasks to reinforce the model documentation and management by means of the review and update of global types of Compliance and Conduct risks, at a general level and also at the level of the several geographic areas. The Bank also continues to reinforce the compliance and conduct indicator framework, comprising management of the operating and business units, in order to improve the early detection of this type of risk.

The effectiveness of the model and the compliance risk management efforts is continuously subject to broad and different annual checks, including the testing activities conducted by the Compliance units, BBVA's internal audit activities, the reviews carried out by prestigious accounting firms, and the regular or specific inspection processes carried out by supervisory authorities in each geographic area.

On the other hand, in recent years, one of the most relevant areas of application of the compliance model has been focused on BBVA's digital transformation. Therefore, in 2020, the Compliance unit maintained governance, supervisory and advisory mechanisms in respect of the activities carried out by areas that foster and develop business initiatives and digital projects at the Group.



### Anti-money Laundering and Terrorist Financing (AML/TF)

At BBVA Argentina, preventing money laundering and terrorist financing (hereinafter, Anti-money Laundering and Terrorist Financing, or AML/TF) is essential to preserve its corporate integrity and one of its core assets: The trust of the individuals and institutions with which it interacts (primarily, customers, employees, shareholders, and suppliers), at the several jurisdictions where it has a presence. At the same time, it is always part of the goals BBVA Group associates with its commitment to improve the several social environments in which it develops its activities.

In addition, the Group is exposed to the **risk of non-compliance** with applicable AML laws and regulations and the restrictions imposed by national and international organizations to operate with certain jurisdictions and with certain individuals and legal entities, which could mean pecuniary sanctions and fines imposed by the competent authorities of the several countries in which the Group operates.

As a result of the foregoing, as a global financial group with branches and affiliates in many countries, BBVA applies the above-described **AML risk management** compliance model across all entities comprising the Group. The model takes into consideration the applicable laws and regulations of the jurisdictions where BBVA is present, the international best practices of the financial industry, and the recommendations from international organizations, such as the Financial Action Task Force (FATF).

This management model is under ongoing development. Accordingly, the risk analyses performed on an annual basis allow to reinforce controls and establish, where required, additional mitigating measures to strengthen the model. In 2020, the Group's reporting parties have conducted an AML risk assessment under the oversight of the corporate AML function.

The Code of Conduct of BBVA, in sections 4.1 and 4.2, sets forth the basic action guidelines in this regard. In line with these guidelines, BBVA establishes a number of procedures approved at the corporate level which are applicable in each geographic area, including, without limitation, the Corporate Procedure to Establish Business Relationships with Politically Exposed People (PEPs), the Corporate Procedure to Prevent Money Laundering and Terrorist Financing in the Provision of Cross-border Correspondent Services, and the Operating Restrictions with Countries, Jurisdictions and Entities Designated by National or International Organizations. The applicable rules are available for employees' reference within each geographic area.



During 2020, BBVA continued with the deployment of the **new monitoring tool supporting more advanced features**, in Mexico, United States, Portugal, Peru, Colombia, Argentina, Malta and Cyprus, which was already deployed in Spain and Turkey. Likewise, the Group continues pursuing its strategy to apply new technologies to AML processes (machine learning, artificial intelligence, etc.) to strengthen the suspicious activity detection capabilities of the several entities comprising the Group as well as the efficiency of such processes.

As concerns **AML training**, each entity of the BBVA Group develops an annual employee training plan. Such plan, which is defined on the basis of identified needs, establishes training actions such as classroom or e-learning training, videos, brochures, etc., both for new hires and existing employees. The content of each training action is also customized to its intended group, including general notions relating to applicable internal and external AML regulations, as well as specific issues affecting the duties carried out by the group the training is intended to.



The AML risk management model is subject to ongoing **independent review**. Such a review is supplemented with internal and external audits and with those conducted by local oversight bodies, both in Spain and the other jurisdictions. According to applicable laws, an external subject-matter expert annually reviews the Group's matrix. In 2020, as a result of such review, the external expert concluded that BBVA has an AML model in place to monitor the risk of being used as a money laundering or terrorist financing vehicle and that such model is compliant with applicable regulatory requirements. On the other hand, BBVA has an internal oversight body at the holding level which periodically meets and oversees the effective implementation of the AML risk management model at BBVA Group. This oversight arrangement is replicated locally, through the pertinent committees within each jurisdiction.

BBVA also works in **collaboration** with several governmental and international organizations in this regard, including, without limitation, attendance to the meetings of the Executive Committee Financial Crime Strategy Group, the AML & Financial Crime Committee and the Financial Sanctions Expert Group of the European Banking Federation, member of the KYC/RBA (Know Your Customer/Risk-based Approach) task forces, and Information Sharing of the European Banking Federation, member of the AML Working Group of the IIF, participation in initiatives and forums aimed at increasing and improving AML information sharing, such as the Europol Financial Intelligence Public Private Partnership (EFIPPP), and contribution with public inquiries issued by national and international organizations (European Commission, FATF, European Supervisory Authorities, among others), and the IIF Machine Learning Governance Survey.



## Conduct towards Customers

Our Code of Conduct places customers at the core of our activities, aimed at establishing long-lasting relationships based on mutual trust and added value. Accordingly, BBVA Argentina aspires to be a trusted partner to its customers in handling and monitoring their day-to-day finances, on the basis of customized advice. The ultimate goal is improving customers' financial health as a differentiating factor to the Group's strategy.

In order to achieve such goal, BBVA Argentina has product governance policies and procedures in place which establish the principles to be followed in assessing the characteristics and risks associated with products and services, as well as in establishing the relevant distribution and follow-up criteria such that, based on the knowledge of its customers, the Bank can always consider their interests and offer them products and services according to their financial needs, pursuant to applicable consumer protection laws and regulations. The Bank also has processes aimed at preventing, or otherwise at handling, potential conflicts of interest that may arise when marketing its products.

In 2020, during the pandemic, Compliance has placed special attention to the new regulatory customer protection requirements resulting from the health crisis unleashed by the COVID-19, particularly aimed at protecting customers who became vulnerable as a result of such crisis, including by following up on regulatory news and ensuring adequate enforcement. In this regard, new regulations were identified mandating related requirements, such as, extensions in credit payment terms, refinancing arrangements, extension of guaranteed credit, facilities associated with banking transactions and means of payment, waived fees, and health-related rules to preserve customers' health.

At the same time, in 2020 BBVA Argentina supported the deployment of BBVA Group's global customer protection model. The model contributes to enhance the customer experience, in line with increasingly consistent laws and regulations in this regard at a global level, and

with certain best practices in business relationships with customers. During the year, the Bank was particularly focused on reviewing existing frameworks to mitigate and monitor the risks of conduct toward customers, particularly addressing aspects related to transparency in disclosures to customers, and the reinforcement of the indicators related to those risks, with special attention to customers' complaints and prevention and identification of bad sales practices.

Other measures related to customer protection in 2020 included:

- Ongoing analysis of characteristics, risks and costs from the customer's perspective of BBVA Argentina's new products or services and activities through the Committee of Operational Risk Admission and Product Governance.
- Ongoing collaboration with product and business development units, both retail and wholesale, with special focus on digital banking initiatives, to embrace a customer and investor protection perspective in projects, from inception.
- Follow-up on training processes and certification requirements to provide financial services to customers according to applicable laws and regulations. As of December 31, 2020, the Bank had 892 certified sales representatives for investment products and services.
- Training on the identification, handling and registration of potential conflicts of interest while providing services to customers. In this respect, during 2020 training was delivered to 88% of the intended group.
- Promotion of communication actions addressed to business networks, both through direct communications on products or services and through specific training actions.



## Conduct in Stock Markets

The Code of Conduct sets forth basic action principles aimed at preserving market integrity, establishing the applicable standards to prevent market abuse, and ensure market transparency and free competition in BBVA's professional activities.

These core principles are specifically developed in the Code of Conduct in Stock Markets, which is applicable to all members of BBVA Group. Specifically, the policy sets forth the minimum standards to be followed in the activities developed in stock markets concerning insider dealing, market manipulation, and conflicts of interest. At BBVA Argentina, this policy is supplemented with Internal Rules of Conduct specifically addressed to the group with most exposure to these markets. The **Internal Rules of Conduct** elaborate on the policy contents, in alignment with local legal requirements.

In order to manage compliance with these rules, the Bank relies on a tool known as GESRIC, which has been under ongoing development for more than a decade now. The degree of compliance with and training on the Internal Rules of Conduct is close to 100% of the individuals subject to them.

As concerns **market abuse prevention**, in 2020, the Bank reinforced its market abuse training program by launching a global course on insider dealing and market manipulation, supplementing the several training actions developed by BBVA Group in terms of market conduct.



## Other Standards of Conduct

The **Reporting Channel** is a key mechanism to manage the Group's Compliance and Conduct risk. Through this channel, BBVA's members and other third parties not belonging to BBVA may confidentially, and if they wish, anonymously, report behaviors inconsistent with the Code or in violation to applicable laws, including complaints concerning human rights. The Compliance function must ensure that complaints are addressed diligently and promptly, guaranteeing that investigations remain confidential and that good faith reports are free from any form of retaliation or other adverse consequences.

BBVA Argentina has a Reporting Channel accessible by e-mail and/or over the phone and available on a 24/7/365 basis. BBVA also has a corporate reporting channel directly available to employees from all jurisdictions where the Group has a presence. In 2020, the Group received 1,417 complaints primarily related to coworkers' conduct (49.8%), and conduct towards the company (34.1%). Approximately 42% of the complaints handled during the year resulted in disciplinary actions.

As part of its most relevant activities, Compliance also gives ongoing advice on the enforcement of the Code of Conduct. Such advice is given by means of individual, written or telephonic inquiries of several nature related to, for instance, the resolution of potential conflicts of interest, personal wealth management, or the development of other professional activities.

## Reporting channels in Argentina



cconducta-arg@bbva.com



(11) 4346-4466 o al Interno 14466



canaldenuncia@bbva.com



(34)915377222

Employees wishing to report inappropriate conduct may also resort to their direct Supervisor or their Talent & Culture contact person.

During 2020, BBVA Argentina continued engaging efforts to communicate and disclose the Code of Conduct, and to deliver training on its contents. To date, substantially all of the Bank's employees have completed the training.

Another key element to BBVA's Conduct risk management efforts is the **General Anti-corruption Policy** (as approved by the Boards of Directors of BBVA S.A. and BBVA Argentina in 2018). The policy elaborates on the principles and guidelines primarily taken from Section 4.3 of the 2015 Code of Conduct, reflecting the spirit of national and international anti-corruption standards, while also considering the recommendations from international anti-corruption organizations, and those established by the International Organization for Standardization (ISO). This policy was revised in 2020. The revised version was approved at BBVA Group level and by BBVA Argentina, and distributed again among all employees and members of the Group's main governance bodies. The main guidelines of the General Anti-corruption Policy are available to business partners and other third parties on the shareholders' and investors' website.

In addition, BBVA has internal rules in place supplementing the General Anti-corruption Policy. Some of the most relevant **policies** include the following:

- General Conflicts of Interest Policy
- General Anti-corruption Policy
- Policy for the Prevention and Handling of Conflicts of Interest at BBVA (customers)
- General Procurement Principles
- Policy on Events and Acceptance of Gifts related to Relevant Sports Events
- Corporate Travel Policy
- Corporate Event Management Policy

Consistent with the crime prevention model, BBVA's anti-corruption framework has a program that includes the following elements: i) a risk map, ii) a specific governance model, iii) a set of risk mitigating measures, iv) action procedures upon risk occurrences, v) training and

communication programs and plans, vi) indicators to learn about the status of risks and their mitigation and monitoring framework, vii) a reporting channel, and viii) disciplinary actions.

BBVA also takes into consideration the corruption risk existing in the main jurisdictions where it operates, based on opinions published by the most relevant international organizations.

As it concerns the general training program, in 2020 BBVA Group delivered training on the Anti-corruption Policy to its management team and employees at a global level, by means of several initiatives primarily based on case studies. In this vein, during the year a corporate online course was delivered in most jurisdictions where BBVA has a presence.

On the other hand, in 2020 the Bank reinforced its conflicts of interest prevention framework, supplementing the existing internal regulations in this regard with a new general policy applicable to the whole Group, which reinforces the principles and main actions to be followed and taken by all members of BBVA to identify, prevent and handle conflicts of interest. The policy is established as part of the principles that guide BBVA's activities, including integrity, prudent risk management, transparency, attainment of a sustainable business in the long term, and compliance with applicable laws and regulations. The policy also addresses other aspects, including specific measures that help prevent conflicts, general actions guidelines upon a conflict occurrence, or governance and oversight mechanisms at the Entity's several levels.

As to antitrust policies, in 2019 the BBVA's Competition Policy was approved. Group-wide in scope, the policy meant a significant progress in the development of antitrust standards of conduct. The policy elaborates on principle 3.14 of BBVA's Code of Conduct on fair and free competition and covers the most sensitive risk areas identified by national and international organizations; horizontal agreements with competitors, vertical agreements with non-competitors, and potential abusive practices. In 2020, the Bank executed several training actions in this respect.

## I Transparency, Clarity and Responsibility (TCR)

BBVA Argentina fosters and promotes a TCR (Transparency, Clarity and Responsibility) customer service strategy, based on the following pillars:

- Transparency in disclosures.
- Clarity in language, structure and design.
- Responsibility for the customers' interests in all stages of their financial life.









BBVA relies on the Net TCR Score (NTCRS) as the indicator to measure performance in this regard. The NTCRS is calculated using the same methodology as with the

Net Promoter Score (NPS)<sup>16</sup> and allows to measure the degree to which customers perceive BBVA as a transparent and clear bank compared to competitors in the main countries in which the Group has a presence.

In order to keep improving its customer service year after year, in 2020 BBVA Argentina delivered online training to 111 employees on its TCR strategy.

A training course on clear language was also delivered at BBVA Campus involving 65 participants, in addition to a global course arranged at the Holding level, attended in person by 21 employees from customer service areas.

### Digital TCR Projects

Project	Detail
 GLOMO	Development of the new mobile app, using the global platform, with the new global design of the GloMo corporate project (GLObal MObile).
 GO-NFC Payments	Offers customers the possibility of making contactless payments using the BBVA GO app. Allows customers to make payments at stores using the NFC feature of their mobile devices, without taking a credit card from their wallet.
 One Click	Term deposit simulator for non-customers, Veridas, payroll expansion, and repository of pre-approved pieces.
 Fixes in digital channels	Go, BBVA Mobile app and Online banking.
 Systemic Play (Modo)	An application through which customers will be able to use the BBVA GO app to transfer money to any MODO user through their mobile phone directory. It also allows to make QR payments at stores.
 Online Banking	Split limits, zero-rate loans, credit card balance financing, frozen loan installment flows, and motorcycle and homeowners' insurance sales flow.
 Referrals and Payroll Products	Commercial campaigns in which customers make referrals to become our customers. The referral receives special terms and conditions for the product or service agreement, and the referring customer receives awards when the referral becomes a customer.
 BBVA Points	BBVA's customer loyalty program in which purchases turn into points that can then be redeemed for prizes and travel options.

<sup>16</sup> For more details, see "Businesses and Activities" in this Report.

## Internal Audit

Due to the uncertainty that has been prevailing since March 2020 as a result of the COVID-19 pandemic, Inter-

nal Audit established a number of exception procedures. Some of the most relevant ones included:

- Maintenance of working papers outside Pentana, the Bank's formal registration system, during the period in which the audit team did not have remote access to the system.
- Creation of a workflow to approve changes to the review plan.
- Exceptional approval procedure for the rescheduling of deployment dates due to delays associated with the pandemic.

In all cases, these procedures were submitted and approved by BBVA Group's Audit Committee and by BBVA Argentina's Audit Committee.

Changes were also made to the audit plan:



### More reviews to address new risks:

- Compliance with regulatory requirements for COVID-19-related credit products
- Compliance with the requirements for the special credit facility for MSMEs
- PSA Finance Argentina Compañía Financiera S.A. Recovery Plan
- Rombo Compañía Financiera S.A. Recovery Plan
- Volkswagen Financial Services Compañía Financiera S.A. Recovery Plan
- Legal Risk Monitoring Framework



### Cancelled Reviews:

- Economic Capital for Operational, Interest Rate and Market Risks
- Guidelines for Risk Management, Corporate Governance and Economic Capital - PSA Finance Argentina Compañía Financiera S.A.
- Guidelines for Risk Management, Corporate Governance and Economic Capital - Rombo Compañía Financiera S.A.
- Guidelines for Risk Management, Corporate Governance and Economic Capital - Volkswagen Financial Services Compañía Financiera S.A.

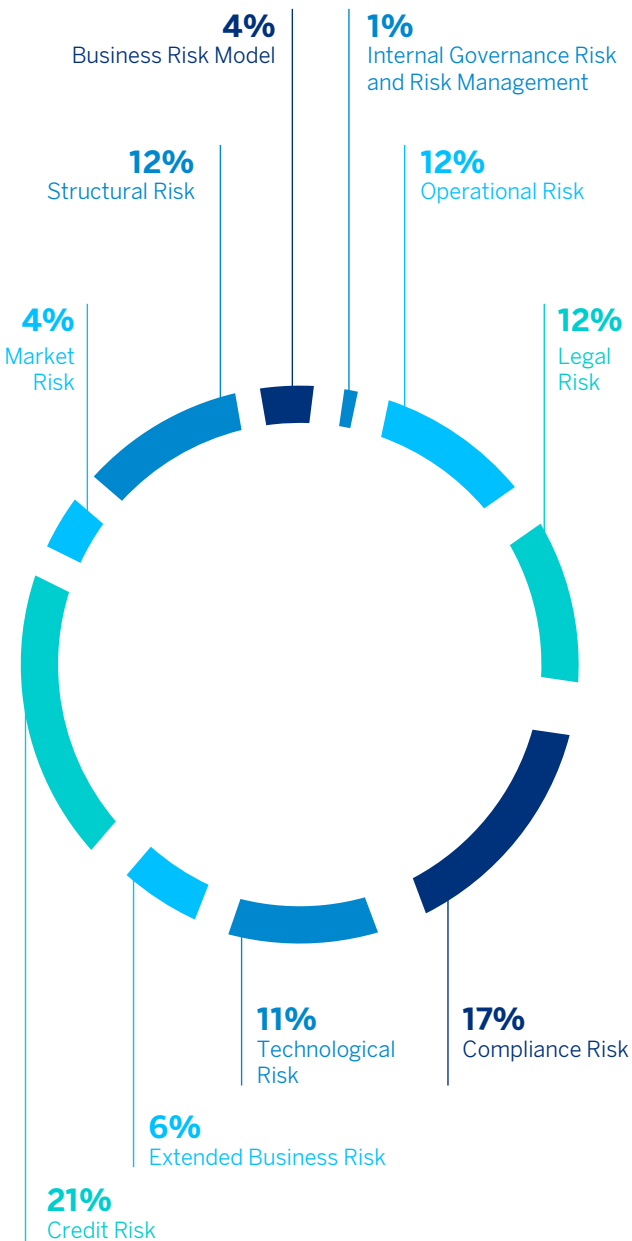


### Changes in Scope:

- The scope of the review was modified in 13 branches due to the inability to be physically present on the premises.



Reports for fiscal year 2020



Three-year Plan

In 2020, the Entity updated the Risk Assessment that allows to identify and prioritize all risks BBVA Argentina is exposed to. Based on this information, the Entity developed the 2021-2023 Three-year Plan submitted in November this year. The plan seeks to address the expectations of the Entity's main stakeholders and assure the medium-term perspective, for it maintains audit engagements at 82% vis-a-vis the previous year. The plan spans for a three-year term during which it seeks to complete a total of 130 engagements and cover 66 branches.

Every month, the Audit Committee receives the reports on the Plan follow-up. In addition, a report is submitted every 4 months detailing the status of and changes to the recommendations from internal audit, the Argentine Central Bank (the "BCRA"), and the External Auditor.

The 2020 Audit Plan, with the changes approved by the Audit Committee, has been fully complied with at year-end. During the year, 44 process audits were completed and 22 branches were subject to review.



## ■ Risk Management



**Thanks to the progress made in the development and integration of statistical tools and algorithms, customers can self-manage a portion of the Bank's products.**

### Risk Appetite

Risk Appetite is approved by the Board of Directors, which determines the risks and risk level the Bank is willing to assume to accomplish business objectives. These are expressed in terms of solvency, profitability, liquidity and financing, among other metrics.

BBVA Argentina's General Risk Management Model depicts the levels and kinds of risk the Entity is willing to undertake in order to carry its Strategic Plan into execution, in full compliance with the regulatory framework established by the BCRA. The Bank's solvency depends on appropriate risk management efforts, oriented to ongoing improvement and focused on the detection, monitoring and design of mitigating actions for each individual risk. The following are the risks detected and analyzed by the Bank:

#### Credit risk

The possibility that a counterpart fails to comply with its contractual obligations in relation to a certain transaction. Different risk units support commercial banking management efforts, regarding admission, monitoring and recovery of credits.



#### BBVA Argentina's Risk Appetite Statement

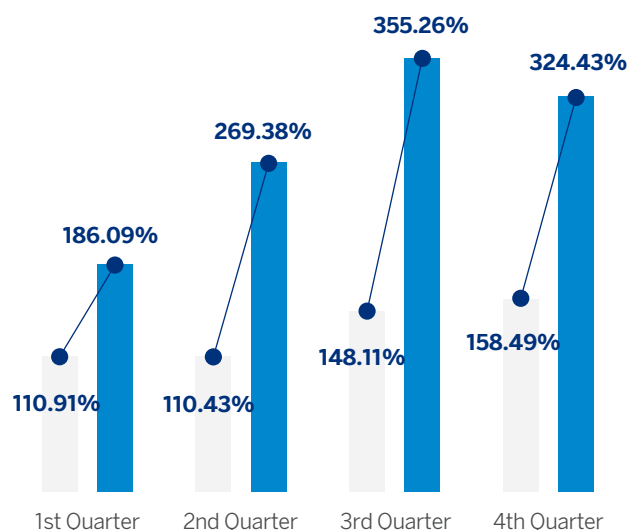
"The risk policy of BBVA Argentina is focused on promoting a universal, multi-channel and responsible banking business model, based on values, and committed to sustainable development and operational excellence, with customers' needs at the core of it.

To accomplish these goals, the risk model is aimed at maintaining a moderate risk profile, a robust financial position and strong risk-adjusted profitability along the cycle, as the best way to tackle adverse scenarios without compromising our strategic targets. Risk management is based on prudence, comprehensive risk visibility, portfolio diversification by geographies, asset classes and customer segments, and the maintenance of a long-term relationship with the customer, thus contributing to profitable and sustainable growth and recurring value generation."

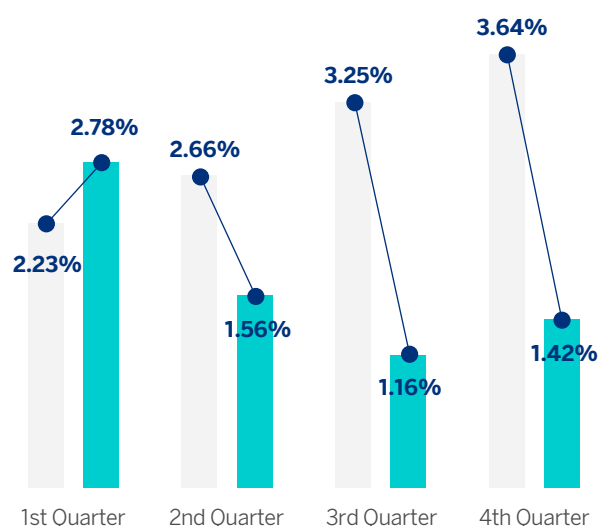
## Changes in the Coverage Ratio and Non-Performing Loans (NPL)

2019 2020

BBVA Coverage



BBVA NPL



Scope: BBVA Argentina and subsidiaries.

### Retail Credit Risk

Certain risks are analyzed within the retail customer segment, concerning admission by means of predictive/statistical tools, both reactive and behavioral, management of tools and policies, and portfolio and recovery process monitoring. Some achievements in this regard included:

- Creation of self-liquidating products at homebanking.
- New inputs incorporated to the customer behavioral model.
- Expanded credit offering targeted at the entrepreneur segment, with improvements to the check discounting products.
- Periodical automatic ratings for payroll direct deposits.
- Digitization of the COVID-19 adaptation process.

### Middle Market and Corporate Risk

Through a dynamic structure, the Bank supports the business needs through a comprehensive process including admission and monitoring up to recoveries. Such process is based on the principles of prudence, anticipation and diversification to uphold excellence in risk quality. Some actions taken in this respect include:

- The scenario posed by the COVID-19 pandemic fostered a decentralization model. The credit offering automation was further developed.
- Preventive management and monitoring was reinforced, with strong coordination with commercial areas to anticipate collection challenges.
- Recovery activities are fully oriented throughout the workflow, from default prevention up to and including total or partial recovery.
- The *Risk Analyst* tool continued to be used for large companies and corporations, allowing to complete an expert analysis to anticipate customers' credit needs.

## Structural Risk

### Liquidity and Financing Risk

It is defined as the possibility that the Entity will not be able to comply with its payment obligations without incurring in significant losses. Some of the main metrics used for managing these risks include:

- **LtSCD (Loan to Stable Customers Deposits):** measures the relationship between net credit investment and stable customer funds. The objective is to preserve a stable financing structure in the medium and long term.
- **LCR (Liquidity Coverage Ratio):** measures the ratio of high-quality liquid assets to total net cash outflows over a 30-day period. The objective is to preserve a cushion of assets or management buffer that absorbs liquidity shocks in the short term.
- **Intraday liquidity risk management:** a procedure is in place based on monitoring and controls over our intraday liquidity position.

### Interest Rate Risk

Interest rate risk is defined as the possibility of changes in the interest margin and / or in the economic value of the Bank's equity due to fluctuations in market interest rates. Some of its main metrics include:

- **Margin at Risk:** quantifies the maximum loss that could be recorded in the projected financial margin at 12 months under the worst-case scenario of interest rate curves for a given level of confidence. The Margin at Risk indicator has reached high ratios since February 2020. Such increase was attributable to the Entity's deposit mix during the year, mostly comprising non-interest bearing deposits, which are less sensitive to changes in interest rates. BBVA is aligned with capital and financial margin principles, standards, and controls associated with interest rate risk management as established by the Central Bank under Communication "A" 6397, and is making progress in the adoption of such resolution.

### Economic Capital (EC)

EC quantifies the maximum loss that could be generated in the Bank's economic value under the worst-case scenario of interest rate curves for a given level of confidence. In accordance with the "Guidelines on Risk Management in Financial Institutions" established by the Central Bank, BBVA Argentina has developed an internal, integrated and global process to assess the adequacy of its economic capital based on its risk profile and elaborates, on an annual basis, the capital self-assessment report (IAC).

### Stress Tests

The stress test program is framed within the Bank's comprehensive risk management process, in compliance with the "Guidelines for Risk Management in Financial Institutions" established by the Central Bank.



Every year, BBVA Argentina carries out a comprehensive stress test exercise to quantify the impact of adverse macroeconomic scenarios on its solvency, profitability and liquidity position, taking into account all the relevant risks to which it is exposed and considering the existing interactions between them.

Stress tests are defined as the evaluation of the Bank's economic and financial position under a severely adverse but possible scenario, requiring scenario simulations that help estimate the potential impact on the portfolio value, profitability, solvency and liquidity, with the purpose of identifying latent risks and detecting vulnerabilities.

### Market risk

It is the likelihood of losses in the value of the trading portfolio as a consequence of adverse changes in market variables affecting the valuation of financial products and instruments.

In 2020, average Value at Risk (VaR) was \$ 226.41 million, with the exchange rate risk being the main factor our trading portfolio was exposed to, on average, during the year.

## Counterparty Risk

It is the likelihood that one of the parties to a contract fails to honor its obligations as a result of that party's insolvency or payment inability, resulting in a financial loss for the other party. This type of risk is primarily applicable to financial derivatives. The trading portfolio and Banking Book<sup>17</sup> may both engage in transactions against customers; therefore, both are exposed to counterparty risk, which hence requires joint measurement and management.

## Non-financial Risks

The risk of potential losses from human errors, inappropriate or inadequate or defective internal processes, system failures or as a consequence of external events. During 2020, in managing Non-financial Risks, the Bank has designed Operational Risk Management Indicators and Management Limits, which are part of the NFR Appetite Management corporate structure. Operational Risk Management Indicators are designed by specialists in risk monitoring from the Holding, establishing the respective Risk Appetite, risk description, and monitoring target.

## Social, Environmental and Climate Risk Management

As a leader in sustainability, the Bank is developing methodologies that will help understand and embed social, environmental and climate risks to its business models.

BBVA Argentina has incorporated the Equator Principles into its internal rules, thus committing to assess and manage the social and environmental impacts from the investment projects being financed.

Accordingly, the projects are classified by environmental impact and by risk involved, into the following categories:

- Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented.
- Projects with potential limited adverse social or environmental impacts, which are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

- Projects with minimal or no social or environmental impacts.

The analysis is conducted from the point of view of the business and the asset or assumed risk subject to the impact. Besides, a mapping exercise is performed per each affected activity and compared to the market. Wholesale Banking analyzes the impact of climate changes; if favorable, to empower the Bank's lending business, and if negative, to mitigate potential losses.

## Reputational Risk



Since 2016, BBVA has a methodology in place for reputational risk assessment. Based on this methodology, the Bank regularly defines and reviews a map in which it prioritizes the reputational risks it faces and a set of action plans to mitigate them. Priorities are set by paying attention to two variables: the impact on stakeholders' perceptions and BBVA's strength against the risk. This exercise is carried out annually in all countries where the Group has a presence.

By the end of 2019, the Bank updated the Reputational Risk Annual Assessment Manual, which was implemented across all banks of the BBVA Group in 2020.

The Responsible Business team in Argentina arranges for the reputational risk mapping process at a local level, working jointly with all of the Bank's areas.

The Reputational Risk Operating Committee carries out the analysis, diagnosis, and monitoring of the above-mentioned map. Such committee is composed of the Risk Director, the Compliance Director and the Institutional Relations Director.

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<sup>17</sup> According to this portfolio's strategy, assets are held to maturity as investments.

## ■ Cybersecurity and Responsible Use of Data

The expedited digital transformation caused by the outbreak of the COVID-19 pandemic has changed the way of living and managing the business. Several transactions carried out by customers through Online Banking and digital service channels have experienced a sizable increase in number.

In this regard, the Bank has implemented a number of initiatives to prevent cyber-crimes and electronic fraud, based on three main pillars:

- Cybersecurity: Protection of the Bank's assets and technological infrastructure
- Fraud prevention: To prevent fraud and/or minimize fraud potential impact
- Data security and protection: To ensure digital privacy protection

Additionally, the Bank continued pursuing the plan to raise awareness among employees, customers and third parties, through informational and educational actions to prevent fraud and cyber-crimes. In this respect, the following initiatives were carried out in 2020:

- Inclusion of security tips in BBVA app, our website, and SMS OTP messages.
- Execution of an active campaign in social media (Facebook, Instagram and Twitter) and on the institutional website, receiving more than 350,000 visits.
- Simulated phishing exercises addressed to specific groups
- Submission of e-mail communications concerning security to BBVA's digital customers.

On the other hand, the Bank implemented specific actions addressed to its employees:

- Simulated phishing exercises involving all our employees.
- Cyber-exercises addressed to the Security Operations area.
- Online cybersecurity talks and workshops.
- Creation of a new Security Education section to share articles about security news.

### Cybersecurity

The Bank has worked on an infrastructure protection plan focused on managing vulnerabilities, controlling and monitoring assets, and deploying solutions to make platforms more secure. The following are some relevant deployments during the year:

- Firewall solution in blocking mode on the Bank's website.
- Security enhancements on critical systems.
- External assessment of SWIFT Customer Security Program, resulting in 90% fulfilment of mandatory and non-mandatory controls.
- New and more robust solution to manage privileged accounts.

In addition, BBVA Argentina was part of the Cybersecurity Campaign, in association with other local financial institutions, in order to convey key messages to all Argentinians under two main hashtags:



**#CuidateDeLasEstafas (#WatchOutForFraud):**

To raise awareness that contact with financial institutions should only take place through official service channels.



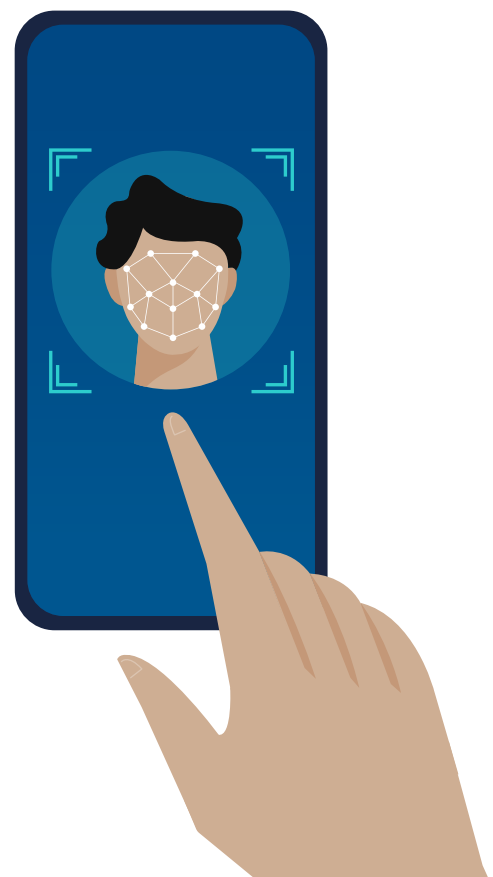
**#ProtegeTuInformación (#ProtectYourInformation):**

To raise awareness that passwords and personal data should not be shared. The initiative is driven by several banking associations, including ABA, ABAP-PRA, ABE and ADEBA.

## Fraud Prevention

The adoption of safe behaviors and accurate information are determining factors to prevent fraud. In this regard, during 2020 the Bank carried out the following initiatives:

- Analysis and definition of security and anti-fraud measures for the MODO app and the Bank's own channels.
- Implementation of the second factor to obtain a pre-approved loan online and on each DEBIN transaction at Prisma microsite.
- Reduced fraud cases on our channels due to the implementation of a sixth question in Online Banking's user name and digital password recovery process.
- Implementation of 3DSecure technology for e-commerce purchases paid with MasterCard and Visa credit cards (without challenge).
- VISA and MasterCard tokenization on e-commerce sites.
- Pilot implementation of biometric authentication for digital admission processes.



## Customer Protection

During 2020, the Bank successfully implemented COVID-19-related rules and regulations. The Bank also made progress in obtaining the information required to compile management indicators that will be launched in 2021, during which the Bank will continue to observe the guidelines that comply with applicable User Protection laws and regulations.

In addition, the Bank worked on a collaborative basis with all countries of the BBVA Group to train, give advice, and help customers, third parties and employees on cybersecurity. In particular, the Bank developed an infrastructure protection plan to strengthen security and make platforms more robust. The focus was placed on managing vulnerabilities, and controlling and monitoring assets through the following actions:

- Deployment of the WAF (Web Application Firewall) solution in blocking mode on our sites,
- Security enhancements on critical systems (such as, SWIFT).
- External assessment of SWIFT CSP (Customer Security Program), resulting in 90% fulfilment of mandatory and non-mandatory controls.
- Setup of a new and more robust solution to manage privileged accounts.

### Customers' data security

During the year, Corporate Security carried out a number of initiatives related to data security and protection, which are one of our strategic pillars:

- Engagement in the assessment of risks associated with multiple initiatives. These risks required an opinion from the Data area to ensure adequate data protection.
- Deployment of the Data Security and Privacy Model on the Bank's informational system.

In 2020, the Bank has not identified cases of customer data leakages, theft or loss.

### Customers' physical security on our premises

People's physical security constitutes another Corporate Security strategic pillar. Security was reinforced at branches through the following actions:

- Replacement of the CCTV (Closed Circuit Television) system with new technologies.
- Installation of a remote shutdown system, replacement and deployment of new equipment at ATMs and self-service terminals at the network branches, among others.

Apart from these actions, dividing walls had already been installed at cashier lines to ensure the privacy and confidentiality of customer's transactions, and surveillance of the customer service area by security officers.



### 2021 Challenges

**Internal Audit:** Align the Audit Plan with BBVA Group's strategic plan and lines, focused on relevant "data" for decision making. Data has great impact on the 2021-2023 three-year audit plan. Additionally, address the regulatory authorities' requirements (ECB and BCRA).

**Money Laundering:** Complete the provision of the new alert monitoring, generation and administration for subsequent commencement of the installation and implementation stage.

**Risks:** Making progress with the incorporation of new inputs that allow to reinforce the quality of credit algorithms for individuals.

# 04

## Solvency and financial performance

### Creating opportunities for customers based on financial health

BBVA Argentina strives to ensure business sustainability to its shareholders, investors, customers and other key stakeholders, on the basis of financial strength, profitability and responsible asset management.





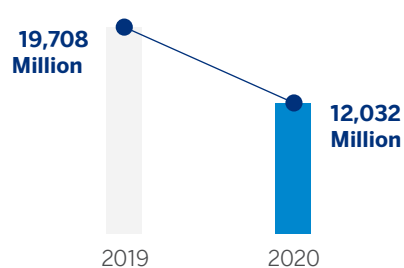
The financial information included in this Integrated Report arises from our audited financial statements as of December 31, 2020.

## 2020 Performance

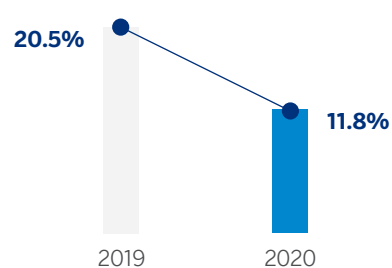
At year-end, i.e. December 31, 2020, BBVA Argentina was one of the leading financial institutions in the Argentine financial system, having increased its customer portfolio and gained market share in its credit portfolio.

BBVA Argentina has displayed a good performance in a challenging year primarily affected by the COVID-19 pandemic. As of December 31, 2020, the Bank posted a profit of \$ 12.03 billion, accounting for a 38.95% decrease vis-a-vis the previous year. Average return on equity (ROE) amounted to 11.8% and average return on assets (ROA) was 1.8%.

### Net profit



### ROE



## Activity

BBVA Argentina continues pursuing its growth plan in order to consolidate its leadership position in the Argentine financial market. In 2020, the Bank displayed an outstanding performance and maintained a good growth pace, increasing its market share in private loans in pesos by 40 bps. In December, such market share reached 8.8%.

The net loan portfolio totaled \$ 279.51 billion at year-end, reflecting a year-on-year 5.1% increase. Considering total private-sector loans only, the Bank's net loan portfolio increased by 5.9%.

Against this backdrop, the Bank reviewed its strategy focusing on the most profitable and value adding products and segments. The Bank also continues pursuing its digital transformation process.

As a result, the retail business portfolio in constant pesos rose 42.3%. The credit card business had an outstanding performance within this segment, with a year-on-year 65% increase, supported by the "Ahora" installment program. Personal loans displayed a moderate performance, having increased by 19.3%, while sales of mortgage loans were poor, with a 22.3% increase year-on-year. On the other hand, pledge loans rose 47.6%, as a result of the rebound in sales during the second half of the year.

Similarly to the previous year, BBVA Argentina's market share in credit card financing increased, with a slight decline in credit card spending (+13 bps and -82 bps, respectively). Besides, the Bank gained market share in debit card spending (+42 bps).

Concerning the SMEs segment, the Bank has made progress with the rearrangement of its business lines and service models in order to increase penetration.

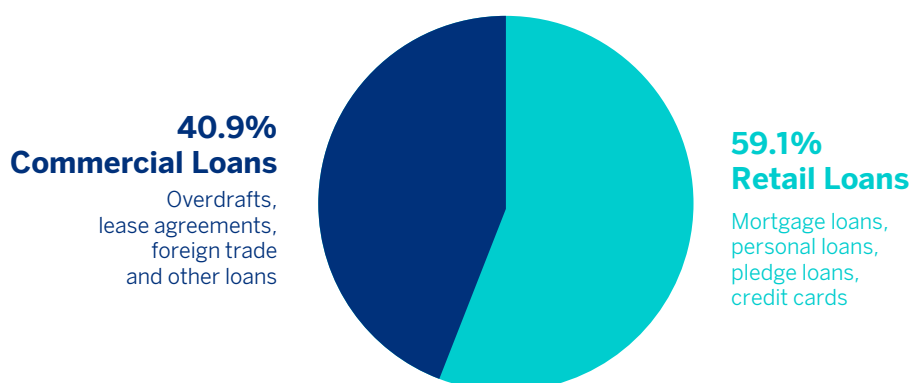
In 2020, commercial loans in constant pesos grew 44.1%, primarily as a result of credit facilities granted to SMEs in the form of commercial document discounting and loans, as well as the incremental volume of overdrafts.

The Entity's market share in commercial loans rose to 7.7% at year-end (+13 bps).

Foreign-currency denominated loans stated in constant pesos declined financial system-wide and at BBVA Argentina (14%).

During 2020, the Bank was actively engaged in granting the credit lines established by the Central Bank to cope with the COVID-19 pandemic, with a total origination of \$ 29.85 billion.

### Private Lending Breakdown



In terms of portfolio quality, at year-end the non-performing portfolio ratio (non-performing loans/total loans) was 1.42%, with a coverage level (total allowances/non-performing loans) of 324.43% as of December 31, 2020. These ratios point to certain improvement in the quality of the retail and the commercial loan portfolio.

At year-end, BBVA Argentina had a portfolio of government securities in the amount of \$128.20 billion, allocated as follows: \$ 89.88 billion to LELIQs, and the remaining balance to domestic CER-indexed government securities in pesos and Treasury Bonds. As of December 31, 2020, the Bank's repurchase agreements with the Central Bank amounted to \$ 49.18 billion.

With respect to liabilities, deposits totaled \$478.22 billion, increasing 19.5% in the trailing twelve months, including the revaluation of US-dollar denominated deposits.

During the period, sight and time deposits in constant pesos exhibited an outstanding performance, up by 90% and 98%, respectively, due to the financial system's increased liquidity and the restrictions on savings in foreign currency.

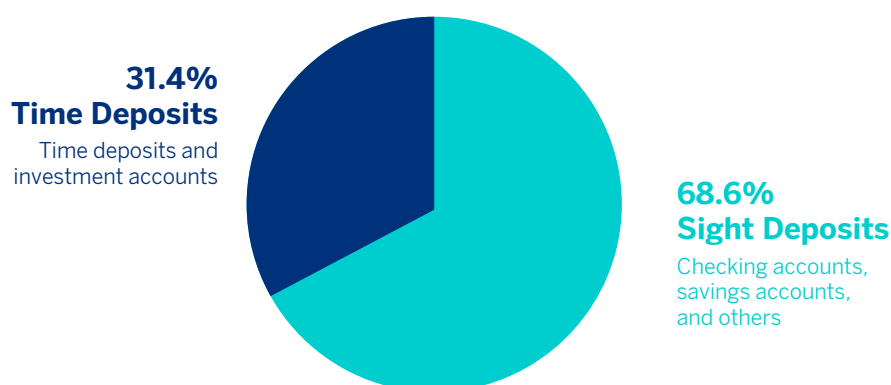
As of December 31, 2020, transactional deposits accounted for 66.6% of total private deposits in pesos.

As of December 31, 2020, the Bank's market share in private sector deposits was 7.13%, equivalent to a 1 bps decrease during the period.

It should be noted that in 2020 total deposits grew at a faster pace than lending, both at the Bank and system-wide.

To the Bank, deposit funding is a structural component of its financing, particularly, in the retail and corporate segments.

## Deposits



## Results of Operations

As of December 31, 2020, BBVA Argentina posted net income in the amount of \$ 12.03 billion, accounting for a 38.95% decrease relative to 2019, broken down as follows: net interest income down by 14%, net fee and commission income up by 10% and expenses, including general expenses, personnel expenses, depreciation and impairment of assets, and other operating expenses, down by 23%.



### Breakdown of Changes in the Main Profit or Loss Items

**Net interest income:** Net interest income totaled \$ 77.85 billion, accounting for a 14% decrease against the previous year, as a result of a 24% decline in income and a 37% decrease in expenses.

Income declined at a faster pace primarily due to reduced interest rates on credit card financing and credit facilities aimed at tackling the adverse effects of the COVID-19 pandemic on the economy.

As for interest expenses, by the second semester of 2020, in an attempt to relieve pressure on the exchange rate, the Central Bank established a minimum rate on term deposits, resulting in an increased cost of funding. The uncertainty over the exchange rate during the first semester took its toll on intermediation activity in foreign currency.

**Net fee and commission income:** Net fee and commission income grew 10% during the year, primarily as a result of a 4% decrease in income and a 12.7% decrease in expenses.

Even though the increase in income (\$ 28.64 billion) was affected by a regulatory reduction in credit and debit cards pursuant to the established schedule, and the measures to cope with the pandemic, the performance of the several lines was favorable, with an increase in spending with the Bank's cards and market share gains.

On the other hand, the increase in expenses (\$ 16.40 billion) was primarily attributable to the benefit programs the Bank offers to its customers, and to the incremental costs associated with the advertising campaigns it has been implementing. Besides, the costs of the LATAM benefit program are dollarized; therefore, the exchange rate depreciation has a strong impact on the level of commissions paid by customers. The Bank also executed an efficiency plan to maximize goals with lower expenses.

**Foreign exchange and gold gains (losses):** During the year, this line item decreased 57.6% due to the restrictions imposed by the Central Bank to access the FX market, which were further reinforced as a consequence of the COVID-19 pandemic.



### Personnel benefits

Personnel benefits amounted to \$ 20.31 billion, down by 10.4% compared to fiscal year 2019. Such a decrease was primarily attributable to the crisis unleashed by the COVID-19, as a result of which the pay rise agreed upon by the banks with the banking union was slight below real inflation. It should be noted that, similarly to 2019, such pay rises were paid hand in hand with inflation hikes, rather than on a retroactive basis as it happened in previous years.



## Administrative expenses

Administrative expenses fell 1% primarily as a result of lower expenses related to the pandemic impact during the first few months, where business activity declined resulting in reduced cash/valuables-in-transit and entertainment expenses.

**Other operating expenses:** Charges for reserves declined, offset by an increase in the turnover tax expense.

Finally, the Bank remains strongly committed to maintain expenses under control. In line with this goal, the Bank has been implementing several plans as part of its

transformation strategy, including a reduction in cashier transactions at branches by means of a strong customer digitization campaign, streamlining processes, and real-locating resources to more productive tasks.

**Income (loss) from associates and joint ventures:** In this line, the Bank recorded a net profit of \$ 273 million. The line comprises the profit (loss) of nonconsolidated businesses, including the equity interest in Rombo Compañía Financiera and Consolidar Seguros, among others.

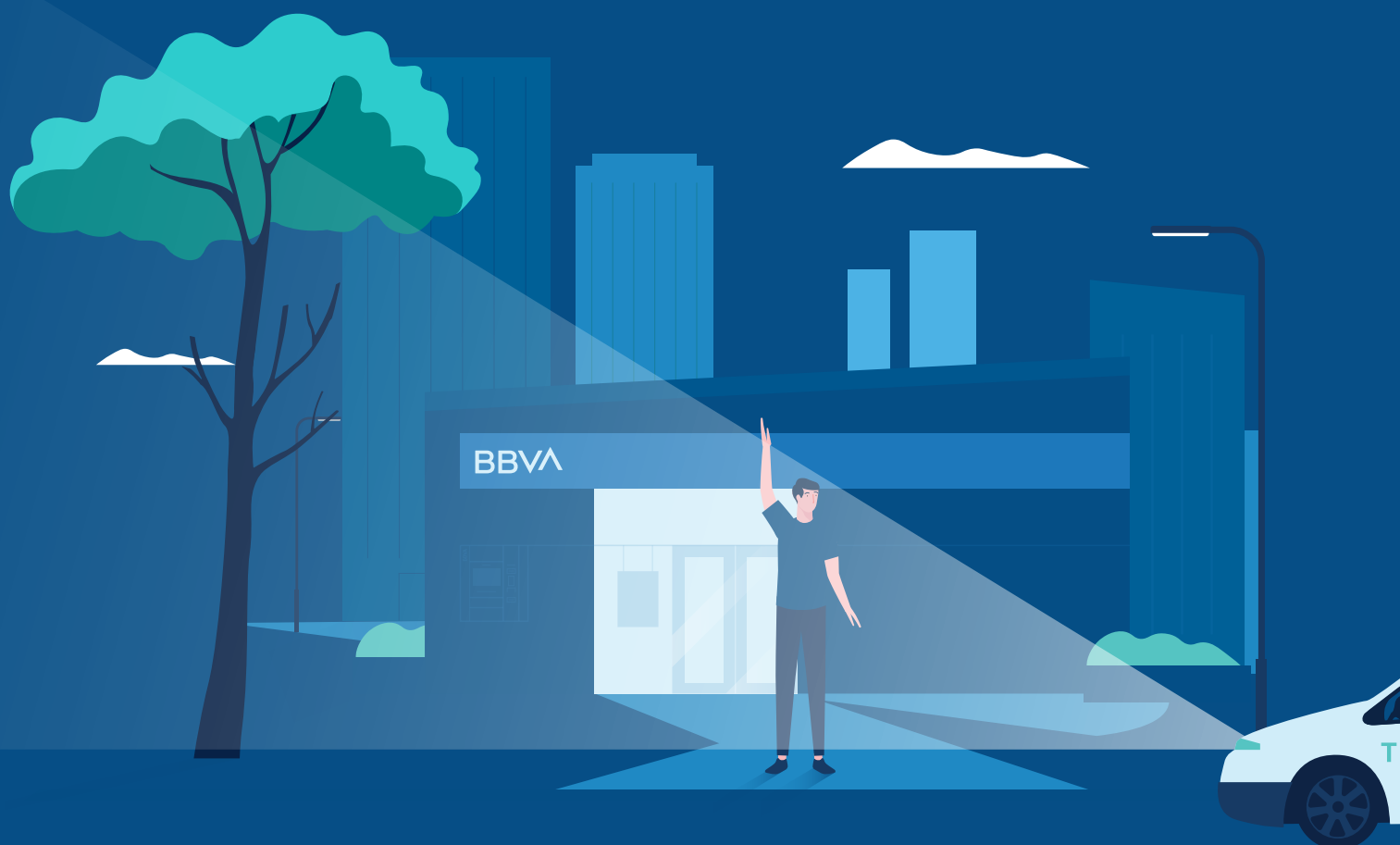
BBVA

# 05

## Business and activities

### Creating opportunities to ensure people's wellbeing and business growth

Committed to its customers in first place, BBVA Argentina designs and offers products and services to support their development; leveraging innovative, agile, close and sympathetic service channels for customers to be able to operate and interact with the Bank in an efficient and transparent manner.



## Business Lines



**BBVA Argentina, together with other financial institutions, has launched MODO, the first Fintech that has transformed the way of making payments in Argentina.**

### Retail Banking

BBVA Argentina offers financial services to individuals across all income segments. The main retail banking products include checking and savings accounts, time deposits, credit cards, personal and automobile loans, mortgages, insurance and investment products. The products and distribution channels are designed to attract customers across all segments.

The retail banking strategy is based on growing the customer base, expanding the product and service offering, particularly, for underdeveloped products and products where the Company sees potential increase in market share, apart from leveraging its technological platform to enhance clients' banking experience.



BBVA Argentina has extended the Remote Service Model to 12,500 Classic segment customers, using the automatic routing system.

## Loans

### Personal Loans



**\$ 14.69 billion**  
in originated loans



**79,814 loans**  
originated from digital channels



**5.36% market share**  
in personal loans<sup>18</sup>

BBVA Argentina offers personal loans in pesos at fixed rate. Until April, UVA-adjusted loans were also part of the offering. The pricing policy is concerned with how the client is related to its segment (Premium World, Premium and Classic), the origination channel (in-branch, digital), and whether it is a payroll account or not. Loan amounts differ only depending on whether client is a self-service user or not.

This year, the Bank designed several improvements to its lending activities, including salary advances, digital experience, pricing offers, pricing engine creation, regulatory compliance of facilities for individuals and entrepreneurs.

### Pledge Loans



**\$ 1.14 billion**  
in originated loans<sup>19</sup>



**4,016 customers**  
benefitted from pledge loans



**1.9% market share**  
in pledge loans on an individual basis  
and 14.0% on a consolidated basis

Despite the challenging economic environment, BBVA Argentina attained a 48.70% share in pledge loans for the purchase of brand-new cars, and a 9.98% share in pledge loans for the purchase of second-hand cars. In the motorcycle financing segment, BBVA Argentina financed approximately 2,600 units, accounting for almost 64% of total secured transactions.



### Impactful Loans

BBVA Argentina was the first private bank in offering a personal loan facility known as “eco-loans,” at preferential rates and payable in up to 60 months. These loans are designed to purchase environmentally-friendly sustainable assets, such as scooters or bicycles, electric cars, type “A” or higher energy-efficient electric appliances, and solar panels and solar hot water systems, among others, thus contributing to the SDG 13 “Climate Action.”

In partnership with VOLT Motors, BBVA Argentina also financed the purchase of fully-electric cars, suitable for roads, routes and highways, and marketed online. These innovative and sustainable cars allow to generate maintenance savings.

The models included in the financing program are the VOLT e1 and VOLT w1. Individuals country-wide can apply for a UVA-adjusted pledge loan at 0% rate, payable in up to 48 months. The cars can also be financed through a secured line at preferential fixed rate, payable in up to 60 months, without origination or monthly administrative fees. VOLT Motors has recently secured the Model Configuration License (“Licencia de Configuración de Modelo” or LCM), which certifies compliance with international standards such as SAE and EU, and allows the company to deliver cars ready to travel on roads, routes and highways across the country. Models have a range of up to 300 km and reach a maximum speed of 105 km.

<sup>18</sup> Without considering UVA-adjusted loans.

<sup>19</sup> Scope: Bank-wide.



## Insurance

Amidst the challenges posed by the COVID-19 pandemic, the insurance business implemented several improvements to streamline the insurance acquisition process. These actions resulted in the prompt recovery of sales volumes, after the strong decline experienced during the first two months of the lockdown.











Customers were able to agree to the insurance offer by e-mail. Excel quotes were also enabled to complete sales with greater flexibility.

As to customers' benefits, during the year, the insurance business offered a discount plan for new coverage—all products purchased on-line qualify for this promotion since March 2020. In some cases, customers can get up to 50% discounts on the first 3 installments. As for car insurance, discounts ranging from 15% to 30% were offered on the first 6 installments, which also helped support activity levels.

Installments due on the first month were also deferred in April 2020. On the other hand, customers with comprehensive insurance policies received a 50% discount on April's payment.

Within the insurance business, BBVA Argentina offers several lines including personal and work-related accidents; while also offering coverage for personal belongings, such as handbags, personal computers, technology and even golf equipment; homeowners' insurance with several options, purchase protection and life insurance, among others.

In 2020, BBVA Argentina introduced a bicycle insurance policy that can be purchased through an entirely online process.

Insurance Sales		Number of Policies
	Homeowners	28,561
	Car	16,204
	Life	14,094
	Personal Accidents	23,784
	ATMs	42,262
	Unemployment	8,645
	Handbag Protection	9,361
	Purchase Protection	5,901
	Hand-held Devices	24,327
	Notebooks	165
<b>Total of Policies 2020:</b>		<b>173,304</b>

### Asset Management

According to the interim asset ranking compiled by the CAFCI, the Bank is ranked fifth in the total Mutual Fund market, with a 5.151% share

In 2020, earned commission income amounted to \$ 640.21 million, an increase of 82.81% compared to commissions accrued during the previous year.

Asset Management	Amount accrued as of December 31, 2020 in million Pesos	Year-on-year changes	
		In million Pesos	As a %
<b>Total assets under management</b>	<b>99,972.70</b>	<b>55,883.17</b>	<b>+126.75%</b>
Assets under management in time-deposits funds	95,899.46	56,746.49	+144.94%
Assets under management in market mutual funds	4,073.24	-863.32	-17.49%
Assets under management in market mutual funds– Fixed income funds	2,510.33	-833.75	-24.93%

In addition, by the end of 2020, the company had 18 mutual funds under management registered with the Argentine Securities Commission (CNV).

Fund	Status
FBA Renta Pesos, FBA Renta Fija Plus, FBA Calificado and FBA Acciones Argentinas	These funds are operating normally. Subscriptions and redemptions in Pesos are allowed.
FBA Bonos Argentina, FBA Ahorro Pesos and FBA Renta Mixta	In order to streamline and facilitate their operation, Class A units were unified. Requests for subscriptions to these mutual funds were reopened, after having been suspended since August 2019.
FBA Horizonte, FBA Horizonte Plus, FBA Bonos Globales, FBA Retorno Total I and FBA Acciones Latinoamericanas	Only redemptions are admitted. Subscriptions were suspended in mid-April as a preventive measure to mitigate market fluctuations and protect investors' interests in these funds.
FBA Gestión I, FBA Renta Pública I, FBA Renta Pública II and FBA Renta Fija Local	These mutual funds are not open for subscription or redemptions. The company is awaiting the right time to market them.
FBA Renta Fija Dólar and FBA Renta Fija Dólar	These funds are at several stages of the liquidation process.
The liquidation of Fondos FBA Bonos Latam, FBA Retorno Total II and FBA Brasil I was completed, after completion of the asset realization process and full payment of each.	

## Payment Solutions



### MODO, the new payment solution

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

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



BBVA Argentina kicked off Shop, its new online store with thousands of products and great deals.

## Debit and Credit Cards



**14.53% market share**

in credit card spending



**12.21% market share**

in credit card financing

BBVA Argentina offers VISA debit cards, VISA and MasterCard International/Gold/Platinum credit cards, and VISA Signature and MasterCard Black credit cards, as well as rechargeable and gift cards. In 2020, the Bank shifted to contactless technology, in addition to being the first bank in introducing sustainable cards—International and Gold cards made up of 85.5% recyclable materials.

Regarding benefits, BBVA Argentina has a program in place known as "BBVA Go." This year, the Bank reinforced the schedule of benefits, discounts and accounts through the Go app. The main categories included clothing, restaurants, and home & deco. Toy stores with presence at supermarkets became one of the major value propositions in the financial market. Additional features were added to the wallet, including Near-Field Communication (NFC) payments with all BBVA's credit and debit cards (NFC allows to make card payments by putting the device close to the store terminal); MODO, to send and receive money and make payments using QR code; and SUBE card top-ups.

BBVA Argentina has been a local pioneer in offering recycled-plastic cards, which are 85.5% made up of PVC (polyvinyl chloride), which is a waste of other plastic materials.

With Shop, the Bank sought to offer customers a new shopping experience from the BBVA Go app. All products, services and exclusive promotions for BBVA's customers can be found there, differentiated by category and at preferential prices. Access is available to customers having a Visa or MasterCard credit card issued by the Bank. During the year, the Bank endeavored to get the most convenient prices, unique opportunities, exclusive kick-offs, and more benefits.

Concerning LATAM Pass, in 2020, LATAM announced it would go out of business, forcing the Bank to restate the product value proposition and reach new agreement to design a customer loyalty strategy in 2021, maintaining the LATAM Pass benefits for Premium and Premium World clients. For the Classic segment, BBVA will launch a new points reward program focused on clients' experiences.



#### **Credit Card Spending**

One of the Bank's greatest achievements in 2020 was the development of a credit card spending indicator, compiling real-time information on credit card expenses incurred by BBVA Argentina's clients. Amidst the prevailing uncertainty, the indicator proved a valuable tool to anticipate trend changes in the short term and to make business decisions. It was a cross-cutting project at the BBVA Group level, generating valuable reports with country comparisons on consumption of products and services of different categories. Weekly reports on the changes in the indicator were released since its introduction, with great impact on the media and academics.

#### **Merchant Acquisition**




Merchant acquisition sales were deployed across the branch network, in addition to the in-house sales force and related sales agents. Amidst the COVID-19 pandemic, thanks to the sale of Lapos terminals and the Payment Button, Prisma merchant acquisition was quite active in terms of distribution, with more than 33,000 new merchants and a record operated volume of \$ 73.00 billion.

#### **Time Deposits**

BBVA Argentina completed 97% of sales through this channel. This year, it managed to rapidly accommodate to regulatory changes, introducing system changes targeting digital sales. Work was done on communication and assistance to the network, with focus on the customer experience.

## Small and Medium-sized Companies

BBVA Argentina supports the development of multiple companies of varying size and from different sectors, offering services and products that help their businesses grow, and giving advice on the best financial options for each profile.

Project	Detail
 <b>Customer Growth</b>	<p>During 2020, the number of new clients increased 30% compared to the previous year, as a result of the following actions:</p> <ul style="list-style-type: none"> <li>• Deployment of a new business service model.</li> <li>• Incentives for commercial associates.</li> <li>• Commercial campaigns with associated value offers such as fee waived accounts, mile awards, and preferential rates.</li> <li>• Alliances with several prestigious brands to attract customers and suppliers.</li> </ul>
 <b>Self-service</b>	<p>Amidst the COVID-19 pandemic, enhanced self-service options were made available to secure financing, primarily in the form of check discounting and settlement of financial loans.</p> <p>The use of digital inquiry channels experienced substantial growth. Accordingly, in 2020 84% of check discounting transactions were made through the App or online, while 57% of loans were settled entirely online.</p>
 <b>Market Share</b>	<p>BBVA Argentina's share of assets in the financial system grew more than 60 bps (basic points system). Commercial efforts proved successful in asset placements vis-a-vis the system, driven by checks and loans at 12 months.</p>

## SMEs and Businesses



**62,919**

active SMEs customers



**4,717**

new SMEs customers

BBVA Argentina believes the SMEs segment is an economic growth driver in Argentina. Therefore, the Bank offers financial services primarily to local private sector companies, seeking to expand the number of clients it serves and to become a strategic ally to its SME customers, supporting them with tailored products and transactional solutions, as well as with differentiated customer service through its branch network.

The Bank's main SME products include financing products, factoring, checking accounts, time deposits, transactional and payroll services, insurance and investment products. In 2020, the Bank made available credit assistance at special rates. Over 9,000 clients received short-term working capital loans.

On the other hand, in 2020 the Bank developed communication campaigns in the media, social networks and Internet to advertise its value offering targeted at the segment of SMEs and entrepreneurs. The Bank supported the needs associated with the economic emergency triggered by the COVID-19 pandemic by providing working capital loans, and deferring payment terms with outstanding performance. In addition, the Bank kicked off a \$ 2.00 billion credit line for the purchase of teleworking materials, and a \$ 15.00 billion payroll credit line to help micro, small and medium companies amidst this challenging scenario. The Bank also refinanced credit card outstanding balances in up to 9 instalments.

Hence, during 2020, the Bank strived to accommodate to the challenges posed by the COVID-19 pandemic to attract more customers:

- It covered the SME segment across all branches, offering customized service.
- It expedited the Individuals network training process by delivering online courses.
- Premium and Premium World executives started to offer an integrated service to the business and to the individual.

Additionally, during 2020, in line with its commitment to sustainable development, the Bank designed a green loan facility for SMEs at four years and at a preferential annual nominal rate of 35%. The proceeds of the facility will be used for social (social housing, sustainable employment generation, food security, social strengthening and progress, and financial inclusion projects) and environmental (renewable energy efficiency, contamination prevention, management of natural resources, clean transportation, waste water management, and ecological buildings) activities.

## Foreign Trade



**5,238 active customers**

BBVA Argentina supports clients wishing to make export or import transactions, regardless of their respective sectors. Transactions under this segment surpassed US\$ 11,900 million.

This year, the Bank focused on digital channels due to the challenges posed by the COVID-19 pandemic. Accordingly, its web channel recorded an increase in operations:

- With average year-on-year use climbing from 68% to 88% across all segments of legal entities.
- As for the individuals segment, the use of the web channel increased threefold, from 21% to 60% of active customers. International transfers and payment orders fees increased 25% year-on-year.
- Through this channel, individual customers were able to process non-complex foreign trade transactions by themselves, abiding by the controls imposed by the regulatory authorities.

On the other hand, the Bank successfully implemented the Net Cash and Online Banking channels, with the following new features:

- Currency follow-up module on Net Cash.
- Service transfers and payment order collection through Online Banking.
- Instruction guides and training for clients and associates.
- Regulatory news.

## Agricultural Business

BBVA Argentina supports the agricultural sector with exclusive lines and products tailored to the productive cycles of each activity being financed.

In Argentina, the agricultural sector contributes 60% of the country's foreign currency inflows, generates a large number of direct and indirect jobs, and fosters the growth and maintenance of regional economies and the development of the country's provinces.

During 2020, the Bank served more than 3,460 clients engaged in machinery and equipment manufacturing, production and sale of supplies, livestock, agriculture, services, and other regional crops. At December 2020, the portfolio surpassed \$ 22.16 billion.

The agricultural business segment develops products for the entire agricultural value chain, providing finance in different currencies and at varying terms for supplies, machinery and equipment, and livestock.

Based on the type of investment, the Bank offers, in the short term, the BBVA Agro card, with over 80 financing agreements and working capital loans in pesos and U.S. dollars. In the long term, BBVA Argentina supported the purchase of machinery and equipment, livestock, land and investment projects by means of secured loans, reciprocal guarantee companies, mortgages or leasing agreements.

BBVA Argentina participated in Expoagro 2021—Latin America's largest trade show of the agricultural sector—thanks to the joint efforts of the Bank's areas. This time, the Bank adopted a new service approach focused on closing deals at the booth. Accordingly, the exhibition convened numerous suppliers, commercial agents and customers who closed deals, doubling the investment made. The end of the trade show was affected by the outbreak of the COVID-19 pandemic. Therefore, in September the Bank participated in Expoagro Digital.

## Transactional Products

This line of business includes collection and payment products. Collection products include:

- *Collections*: Receipt of deposits on behalf of corporate customers across the Bank's branch network, Smart Self-service Terminals, Enabled Webs and non-banking entities, making reconciliation easier by means of online information.
- *Direct Debit*: A collection mechanism allowing corporate customers to arrange automatic debits from their accounts at BBVA Argentina or at other banks.
- *Banelco Deposit*: A Banelco card exclusively enabled to receive deposits in corporate accounts in an agile and easy manner, with increased geographic coverage.
- *PMC*: A collection service available through Banelco ATM network and/or Internet (pagomiscuentas.com.ar).
- *DEBIN*: A new means of payment using an instant transfer mechanism to and from accounts, upon seller's previous request and with buyer's authorization. It is available for debits in pesos and U.S. dollars.

As to collections, the Bank completed 2.07 million transactions, resulting in an annual cash flow of \$ 657.58 billion. Earned commissions amounted to \$ 903 million.

Payment products include:

- *Payments to Suppliers*: Payments from a business to its suppliers. To enable the service, the business delivers payment instructions to the Bank by Net Cash, through which the business will also receive daily payment status updates and will be able to follow up on them, by reconciling the accounting information in their management system.
- *Tax Payments (AFIP)*: A web-based payment tool through which clients can pay taxes, customs duties and social security contributions on line, pursuant to applicable laws and regulations.
- *Transfers*: A transaction whereby an individual or legal entity orders the Bank to debit funds from one of their accounts and credit them to another account owned by that individual or legal entity or a third party at BBVA Argentina or at other entity, through Electronic Banking (NetCash or InterBanking).

In Payments to Suppliers, the Bank completed 1.86 million transactions, resulting in an annual cash flow of \$ 390.23 billion. Sixty three (63%) of the transactions are digital.

This year, the Bank adjusted its payment and collection services to the challenges associated with the COVID-19 pandemic. It introduced eCheq—a means of payment to suppliers to supplement clients' paper check payments to suppliers (clients and non-clients). The payee receives a payment online, without the need to show up at the Bank's premises. As concerns payments to suppliers, the agreements with customers that did not have this feature were modified to enable payments by transfer.

For collection agreements using cashiers, both for cash and checks (dated and postdated checks), the Bank enabled all ATMs and self-service terminals for clients that did not have them available in their contracted products.



## Corporate Banking


**813**

active customers

BBVA Argentina's Corporate & Investment Banking (C&IB) area offers financial services to some of the largest corporations and multinational companies operating in Argentina. One of the Bank's main goal is being a trusted partner to the corporate customers when seeking to finance investment opportunities. For this line, the Bank leverages BBVA Group's global presence and interconnected strategy, covering the corporate business line nation-wide. Some of the services include global transaction services, risk management and securities brokerage, long term financing products including project finance and syndicated loans, and corporate finance services (including mergers and acquisitions and capital markets advisory services).

Through the treasury unit, the Bank offers trading services and is also involved in capital markets, money markets and FX markets, and intermediation services concerning fixed income securities, derivatives, leases, and fiduciary services.

In terms of assets, as of December 31, 2020, CIB's credit portfolio amounted to \$ 54.76 billion, a 7% increase vis-a-vis the previous year, while CIB deposits rose to \$ 42.46 billion, or an 87% increase.

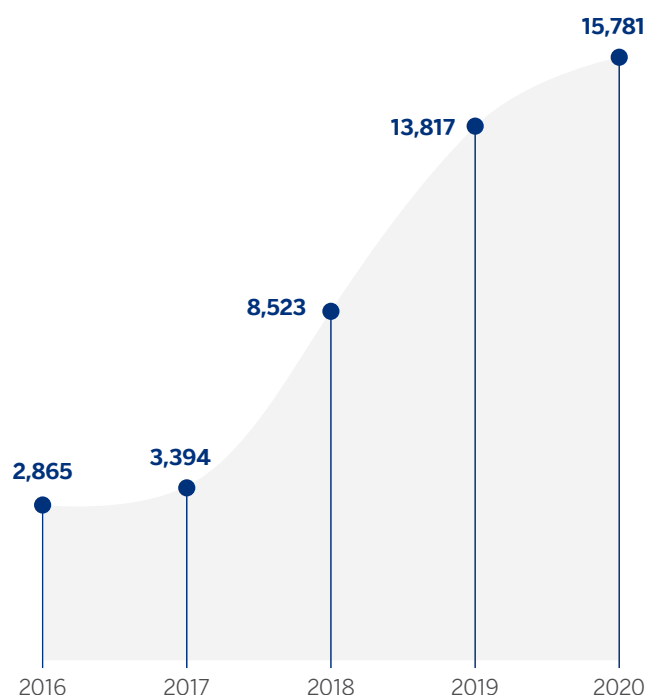
BBVA Argentina has maintained its leadership position in the Argentine wholesale segment, with outstanding performance in the lending and the transactional banking services business. During 2020, CIB strived to achieve strategic goals, such as becoming a leader in Corporate Banking and Investment banking, optimizing capital allocation, and increasing cross-selling margins. The Bank is working on achieving these goals by reinforcing commercial consolidation, achieving process efficiency, and building long-term relationships with customers.

The main four areas within Corporate Banking include:

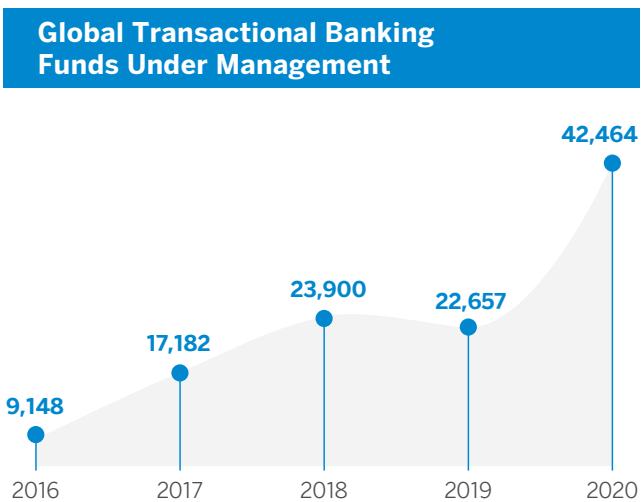
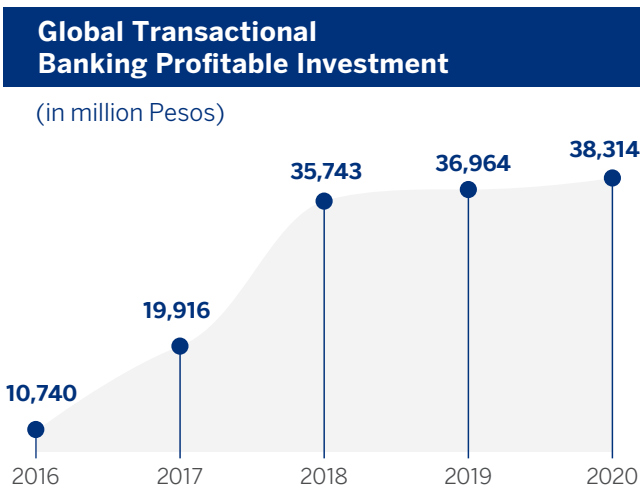
**1.Global Finance:** It offers lending solutions across the entire value chain, including advice, structuring and financing, with a broad product offering. The area is divided into Project Finance and Global Lending.

### Global Finance Profitable Investment

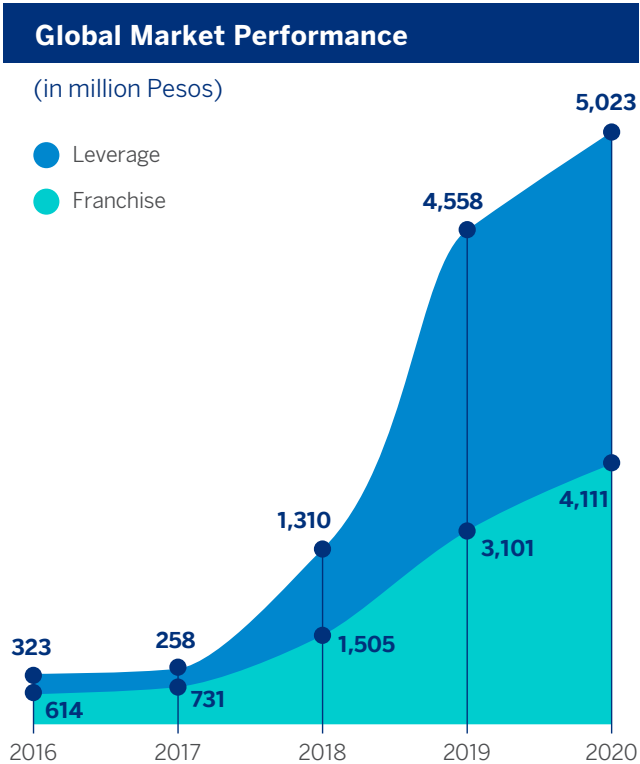
(in million Pesos)



**2.Global Transaction Banking:** Through its Front Office, this area offers businesses working capital management services by means of several financing instruments. It also offers several cash management and transactional products, by means of multiple channels, including: Transactional platform, including Electronic Banking (BBVA Net Cash), personal service, direct channels, SWIFT, and Mobile Banking. Global Transaction Banking has been focused on becoming a strong leader in customer financing both in Pesos and in US dollars.



**3.Global Markets:** The area is in charge of delivering services related to Origination, Structuring, Distribution and Risk Management associated with market products. This area is divided into FX, Fixed Income and Lending (Debt Capital Markets)



**4.Corporate Finance:** The Capital Market area is in charge of satisfying all customers' needs related to stock markets, with special focus on developing customized solutions that reflect the actual business value. Services range from initial public offerings (IPOs), capital stock increases with and without subscription rights, accelerated placements, convertible bonds, flexible dividends, and treasury shares, up to public offerings for withdrawal of outstanding shares (OPAs). The area is also engaged in giving advice on mergers & acquisitions and divestitures, both for listed and privately-owned companies, to help accomplish their strategic goals. The area also renders other services, including private equity raising (financial or strategic partners), valuation and fairness reports, and advice on acquisitions & privatizations.

## ■ Digital Transformation

Amidst the challenges posed by the COVID-19 pandemic and in order to bring the opportunities of this new era to everyone, BBVA Argentina sees new ways of completing banking transactions, refreshing its customer relationship and experience model, leveraging on digital tools.

In this respect, during 2020, the Bank deployed several innovations on its service channels, including:

- Provision of mobile equipment to service and sales channels: AUR (0800), customer retention area, remote channel, BBVA line, online cell, telemarketing, branch network, solution center, and BBVA Investments.
- Deployment of a new system through which customers can make appointments on our website and Online Banking for in-branch service.
- Process automation for customers and prospects to be able to purchase products without having to be personally present at a branch.
- Facilitated self-service on digital channels.
- Replacement of in-branch service channels with digital channels, primarily: social media, email, apps, web portal and chat.

### New Customer Service Model: Towards Digitization

In line with recent years' trend, BBVA Argentina is undergoing a digitization process, which gained more relevance by reason of the COVID-19 pandemic. To the Bank, online banking is a key element to its business strategy, for it allows to connect and deliver the quality, efficient and agile service its customers expect.



To BBVA, digital transformation means placing customers at the core, supporting, helping and advising them on how they should interact with the Bank and referring them to self-service channels to make processes more efficient and agile.

In this respect, the Bank develops an omni-channel service model that helps boost productivity, increase the number of customers, and enhance their experience. In 2020, the number of cashier transactions was reduced by 65% compared to the previous year, with digital channels displaying a growing trend.

Digitization milestones in 2020:

- Redesign of customers' digital experience through Online Banking and Apps.
- Redefinition of the TCR (transparency, quality and responsibility) strategy at the several points of contact with customers.
- Review and change of the customer-not-present service model: helpline, automatic chat feature, social media, and web form, among others.

- Transformation of the helpline model for SMEs and Business customers.
- Simplification of the password model to operate in automatic and digital channels.
- Transformation of sales tools to ensure data certification and customer digitization.

## Main Digital Service Channels



**1,505,000**  
digitized mobile customers<sup>20</sup>



**60% increase**  
in transactions through digital channels



**219,000**  
new digital channel users



**65,634,750**  
monetary transactions via digital channels

The main digital service channels include:

- BBVA Line
- Electronic Banking
- Mobile Banking
- Online Banking
- BBVA Mobile app
- BBVA Go app
- Mobile Banking: BBVA Mobile and GO
- BBVA Line: 0800-333-0303
- Electronic Banking: bbva.com.ar

## Digital Branches

The role of branches has changed thanks to the progress made in digital transformation, a trend which was further expedited due to the COVID-19 pandemic. Against this backdrop, BBVA Argentina opened up nine digital branches in the City of Buenos Aires.

These new digital offices are created to achieve high digitization and migration levels, focused on digital education and the use of digital channels. In this way, transactions are streamlined to make them easier, faster and safer.



Branches will no longer be purely transactional spaces to become offices where commercial advice will gain relevance.

The main innovations and developments include:

- **Creation of mixed roles at branches** to deliver a comprehensive service to customers, cooperating to their digital education and use of digital channels, while also offering our products and services.
- **Establishment of a Digital Aisle** with self-service devices (tablets). There, customers will be able to carry out their usual banking business: Payments, transfers, FX purchases, etc.
- **Incorporation of a Virtual Assistant** with educational tutorials to contribute to digital financial education.
- **Creation of the BBVA GO App** where customers can check their benefits.
- **Exclusive Customers' Benefits:** ATM withdrawals of up to twice the cash amount, foreign currency withdrawals, and ability to make ATM deposits for larger amounts.
- **Extended hours** to make cash or check deposits through automatic channels.
- **New image and signage customized to the digital environment.**
- **Creation of the Digital Branches' Service Protocols** to supplement the training plan for employees' new roles.

<sup>20</sup> It includes customers with at least one login per month during the last three months of the year.

## Digital Banking Developments

BBVA Argentina's digitization efforts have resulted in several developments and growth in management indicators within the Entity's key areas and products.

Service/Product	2020 Developments
 Customer Growth	<ul style="list-style-type: none"> <li>+50,000 new customers through digital channels accounting for 27% of the total.</li> </ul>
 Digital Sales Solutions	<ul style="list-style-type: none"> <li>The fulfillment rate doubled vis-a-vis the previous year, due to enhanced processes and development of acquisition forms via cards.</li> <li>Entirely online registration workflow for new referral customer.</li> <li>Launch of new digital contracting solutions, such as payroll accounts, merchant acquisition, and product package offers to Online Banking customers.</li> </ul>
 Payment Experience	<ul style="list-style-type: none"> <li>BBVA Argentina offered more innovative tools to its customers to improve their payment experience through the comprehensive Go platform. At the beginning of 2020, Go became the first local super-app in enabling payments directly from a mobile phone.</li> <li>Deployment of MODO across all channels. Apart from the ability to make NFC (Near Field Communication) payments, customers can now make payments scanning QR codes and send money using a mobile phone number only, without the need to entering account numbers or CBU codes.</li> </ul>
 Personal Loans	<ul style="list-style-type: none"> <li>Personal loans and payroll advances accounted for 73% of the Bank's total sales.</li> <li>The funnel was enhanced, by improving the content based on Behavioral Economics.</li> <li>A new bailout facility was launched for customers with outstanding credit card balances.</li> <li>Deployed submission of signals to Google algorithms to enhance the communication scope.</li> </ul>
 Credit Cards	<ul style="list-style-type: none"> <li>115,000 card sales completed on the digital channel.</li> </ul>
 Investments	<ul style="list-style-type: none"> <li>99.5% participation level in digital investment funds.</li> <li>95% participation level in digital time deposits.</li> <li>Deployment of investment simulator on the Bank's home page.</li> <li>Development of a process to set up investments by non-customers via DEBINes.</li> </ul>
 Savings Accounts	<ul style="list-style-type: none"> <li>Joint distribution of credit and debit cards.</li> <li>Increase in product activation and use.</li> </ul>
 Insurance	<ul style="list-style-type: none"> <li>Launch of smartphone insurance marketed on the app.</li> <li>Increased communications on Homeowners' and Car insurance product, both by e-mail and paid media.</li> <li>Increase in high value insurance sales from 9% in 2019 to 17% in 2020.</li> </ul>

## Physical Service Channels



**247 branches**



**+ 61 million**

ATM transactions <sup>21</sup>



**888 ATMs**



**+ 18 million**

transactions through BBVA Self-service <sup>22</sup>



**857 self-service terminals (SSTs)**

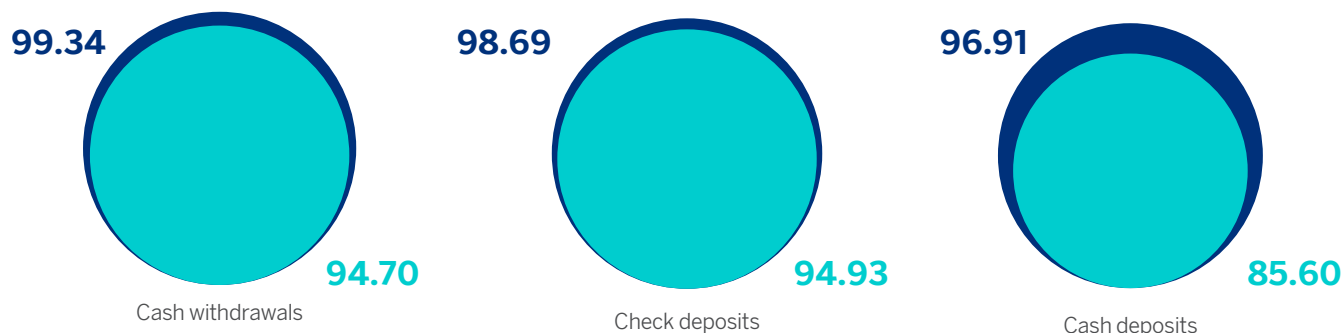


**+ 7 million**

transactions through the BBVA Line<sup>23</sup>

## Changes in Transactions through Automatic Channels (%)

● 2019 ○ 2020



## Customer Quality and Experience

Faced with a challenging context, BBVA Argentina keeps reinventing itself to offer “the best customer experience.” The focus this year was placed on understanding people’s needs to design innovative products and services that keep up to their expectations.

The Bank relies on the Net Promoter Score (NPS) as a metric of excellence and ongoing improvement. NPS or Net Promoter Score is an internationally recognized methodology that measures how likely customers are to recommend BBVA and, therefore, how satisfied they are with its several products, channels and services. The

<sup>21</sup> Information as of November 2020.

<sup>22</sup> Information as of November 2020.

<sup>23</sup> Due to the COVID-19 pandemic, the Operator option was reestablished on October 1, 2020 for the Classic segment customers.

score is based on a survey that measures, within a scale from 0 to 10, if customers are promoters (9-10 score), passives (7-8 score) or detractors (0-6 score) when asked whether they would recommend the bank, the use of a given channel, or a specific customer journey to a relative or friend. This information is key to confirm if customer's needs and expectations are aligned with the initiatives deployed, establish action plans to eliminate detected gaps, and offer the best experiences.

The Group has internalized and applied this methodology for a decade now, providing a common language, both in-house and at the customer level, which facilitates everyone's involvement and the integration of the customers' voice in everything we do, from inception. This translates into constantly growing confidence levels among customers for they perceive BBVA as one of the most secure and recommendable banks in each of the countries where it has a presence.

Based on the results, the Bank developed a plan to learn about the customers' experience at each point of contact, and with each product or service acquired.



To BBVA Argentina, the customer experience is a key factor for business development.

## Claims

BBVA Argentina strives to keep implementing improvements to the processes that allow to listen to its customers and handle their claims in the most convenient way and in the least possible time. Our main achievements in this regard during 2020 include:

- Improvements implemented in claims processes:
  - 43% decrease in claims related to credit card fees.
  - 35% decrease in claims related to unfulfilled promotions.

- Deployment of the customer service model at the BBVA Line, including the capability to chat with an operator as a new management channel. An automatic chat channel was deployed on Online Banking through a virtual assistant.
- Inclusion of the entire network within the kiosk model. Kiosks prioritize and sort out waiting times of customers with different appointments and at the several business areas. Individual and corporate customers are referred to the respective areas, depending on the transaction they wish to complete (cashiers, services and commercial area).
- Full migration of all kiosks to the enterprise model. Shorter waiting times through the development of priority-setting algorithms.



**231,260**  
recorded claims



Average claim  
resolution time of  
**7.23 days**



**45%**  
of claims resolved on  
First Contact  
Resolution (FCR)

The Bank also expanded the Online Cell to strengthen its inquiry and claim management efforts and support customers along the digital transformation and migration process.



## 2021 Challenges

Increasingly incorporate Big Data and Machine Learning based technologies in the unit's products and decision making support.

## ■ Data & Engineering

In an effort to streamline processes with shorter and automated workflows, the Data & Engineering area works on the transformation of software systems and tools to optimize the commercial strategy, improve marketing times, and achieve greater data-based process flexibility and availability and transaction transformation.

Besides, leveraging technology, the Bank sought to enhance productivity in data processing and software development, such as by means of business process re-engineering; and transformation of and excellence in transactions. At the same time, the Bank managed to preserve data reliability, control, consistency and integrity, addressing the demands of traditional businesses and regulations.

The Data & Engineering area is transversal in scope, crosscutting all of the Bank's businesses and areas. Below is a detail of the most relevant actions carried out in 2020, amidst the COVID-19 pandemic:

- changes in the internal distribution model of transactions such as leasing and rebound checks;
- self-service processes for payments, credit origination, loans, investments and other transactions on Online Banking;
- new Payroll Account workflow;
- changes in card distribution destination to ensure receipt at customer's address;
- payment of the extraordinary Emergency Household Income (IFE), IFE and ANSES' benefits; and
- suspension of ATM commissions and fees

As a result of these efforts, the Bank achieved productivity gains with the ensuing positive environmental impact:

- 53% reduction in supplies, entailing a 33 billion reduction in sheets of paper.
- 27% reduction in mailed letter, accounting for 3.2 billion letters.
- 90% reduction in digitized imaged on the digital aisle by automating digitization. Agreements and customers' signatures are now digital from the beginning, instead of paper-based and subsequently digitized.
- 76% reduction in the flow of ADEA's boxes containing paper-based records, thanks to the digitization of customers' files.
- Generation of several sales processes by automatic channels without human intervention.

## ■ Procurement

BBVA Argentina's entire supply chain follows responsible business management criteria. In line with the goal of contributing to the development of the communities where it operates, the Bank embeds ethical, social and environmental factors to its supplier selection and assessment process.

Amidst the uncertainty posed by the COVID-19 pandemic, BBVA Argentina upheld its commitment to ensure transparency and compliance in procurement processes. The Bank incorporated a large number of new suppliers to guarantee people's health and safety, rapidly developing capabilities and knowledge on new items.

New forms of digital communication were embraced during the year to hold specific meetings with suppliers and build upon relationships based on trust and reciprocity.



## Selection, Contracting and Assessment

BBVA Argentina has specific procurement rules which, together with corporate and local exhibits, guide the execution, management and approval of its contracts.

Selection processes are carried out on the basis of competition and compliance with ethical guidelines, while abiding by BBVA Argentina's sustainability values. Some of the documents requested from suppliers include, without limitation, an affidavit on social and environmental issues, such as adherence to the UN Global Compact principles, guaranteed diversity and equal opportunities when dealing with human resources, adoption of occupational health and safety measures, freedom of association and collective bargaining.

On the other hand, at the coordination meetings held with new suppliers, the Bank let them know about its Code of Conduct, which is available at BBVA Argentina's website, containing its conflicts of interest and anti-corruption policies.



### Suppliers' Code of Ethics

BBVA Argentina's Suppliers' Code of Ethics sets for the minimum ethics, social, human rights, and environmental standards expected from suppliers. The Code also embraces the values enshrined by the UN Global Compact.

In this way, the Bank seeks to ensure that all its suppliers take appropriate actions to cause their employees and entire value chain to understand and act upon the established principles.

Once the contract has been agreed upon, suppliers deemed critical and those with higher purchase volumes are subject to a validation process. This periodical assessment seeks to ensure compliance with contractual terms and conditions, while watching for good environmental practices, promotion of diversity and equal opportunities, freedom of association and collective bargaining, occupational health and safety, and elimination of child and forced labor, among others.



### Responsible Consumption

In selecting its suppliers, BBVA Argentina considers those having an offer that contributes to have a positive social and environmental impact. Received proposals are internally communicated in order for the areas that need to contract a given product or service to learn about these sustainable alternatives. In addition, the Bank has also managed to replace the paper specification for cane-fiber paper, having a lower impact on the environment.



### 2021 Challenges

- Implement a new supplier assessment model with corporate requirements tailored to the local context.
- Deliver training to the teams for them to be able to face new realities, maintaining coherence and commitment to ongoing improvement.
- Incorporate a new Vendor Risk Management corporate process for supplier validation.

# 06

## Responsible Banking

### Creating opportunities with a business model focused on sustainability

BBVA Argentina relies on sustainability best practices and international guidelines to manage its business, with a strong commitment to reshape its business and the role of banking in the transition to an inclusive and low-carbon economy.



## ■ Responsible Banking Model

BBVA has a **distinct manner** of carrying on the banking business based on bringing the opportunities of this new era to everyone, always abiding by its corporate values, and seeking to generate a positive impact on people's lives, businesses and the society as a whole.

A commitment to responsible banking and the creation of long-term value for all stakeholders, which is reflected in the Bank's several policies and, particularly, in its General Sustainability Policy and Enterprise Social Responsibility Policy. Both policies define and establish the general principles and the main management and control goals and guidelines followed by the BBVA Group:

- In terms of sustainable development, the **General Sustainability Policy** seeks to achieve balanced economic development, social development, and environmental protection.
- The **Enterprise Social Responsibility (ESR) Policy** guides BBVA's accountability for its impact on people and the society.

These two policies were approved by the Board of Directors in 2020. In the case of the General Sustainability Policy, with the aim to accurately define BBVA's intent to establish sustainability as a strategic priority. In the case of the Enterprise Social Responsibility Policy, with the aim to adjust it to the changes in stakeholders' expectations and the Bank's strategy.

In 2020, the BBVA Group created the Global Sustainability Office (GSO), tasked with fostering and coordinating its sustainability initiatives, with the support of the top

ranking executives responsible for the Bank's several areas at a local and global level. The GSO has arranged periodical meetings with these executives to discuss the several lines of action to expedite the execution and ensure the alignment with the Group's several units. Finally, the Bank created a sustainability network, comprised by subject-matter experts from the Group's several areas (Talent & Culture, Corporate Banking, Risk Management, Communication and Responsible Business, among others) and arranged as a network by GSO. These experts are responsible for generating knowledge on sustainability within the Group aimed at giving customer advice, and support to the areas on the development of new value propositions in terms of sustainability, inclusion of climate risks in risk management, and the definition of a public agenda and sustainability standards.

In Argentina, Institutional Relations is in charge of arranging the agenda, commitments and sustainable products. The area is responsible for:

- Driving and coordinating several sustainability initiatives at a local level, whether related to the business, risks, or the several areas fostering sustainability.
- Driving and coordinating initiatives at the Holding level in order to arrange the required efforts and resources.

BBVA's Corporate Social Responsibility actions are guided by the following general principles:



**1** Focus on the generation of a positive impact on the company



**2** Respect for people's dignity and inherent rights



**3** Community investment



**4** Involvement as a social change agent

The Bank also develops its sustainability and Enterprise Social Responsibility activities based on the following general principles which are already applied to its management policies:

## 1 Integrity

## 2 Prudent risk management

## 3 Transparency

## 4 Profitable and sustainable business in the long term

## 5 Long-term value creation for all stakeholders

## 6 Compliance with applicable laws and legislation at each time



### Membership to Argentine business chambers and associations:

- Argentine Banking Association (ABA)
- Self-Regulation Council for the Code of Banking Practices (CPB)
- American Chamber of Commerce (AMCHAM)
- Argentine Leasing Association
- Spanish Chamber of Commerce in Argentina (CECRA)
- Institute for Argentina's Business Development (IDEA)

## Value Creation under the Integrated Reporting International Framework

BBVA Argentina is pleased to publish its Integrated Report for the first time in 2020, including financial and non-financial information. This report is prepared according to the "<IR> International Framework" released by the International Integrated Reporting Council (IIRC) in January 2021.

BBVA Argentina's value creation model meets the requirements of the IIRC Framework, and seeks to show value creation in the short-, medium-, and long-term on the basis of six capitals: Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural. This model is also focused on the business risks and impacts, positive and negative, on sustainable development. Business management efforts are also guided by the Responsible Banking Model and the Principles for Responsible Banking (PRB) under the United Nations Environment Programme Finance Initiative (UNEP FI). Accordingly, value generation is oriented to achieve the Bank's purpose of "bringing the opportunities of this new era to everyone," while seeking to make a greater contribution to the Sustainable Development Goals and the Paris Agreement.

## Strategic Alliances





















### Participation in initiatives and organizations for the sustainable development

- UN Global Compact
- Principles for Responsible Banking
- Equator Principles
- Sustainable Development Goals
- Argentine Sustainable Finance Protocol
- BYMA Sustainability Index

## BBVA Argentina's Value Creation Model

Value creation, preservation or erosion over time

### ✓ Responsible Banking Model Management Guidance

Capital	Resources & Activities	Created Value	
 Financial	Equity. Solvency and liquidity. Risk management. Anti-money laundering and terrorist financing. Anti-corruption policy. Responsible procurement.	Dividend distribution to shareholders. Stock price in capital markets. Presence in the local financial market. Relations with suppliers based on trust and mutual respect	             
 Manufactured	BBVA Tower 3 business lines: Retail; Businesses and Institutions; and Corporate and Investment Banking (CIB) Physical network nationwide, with branches, ATMs, and SSTs.	Customers with access to financial products and services. Closeness. Leadership in private deposits and loans among private banks. Customer self-service.	
 Intellectual	Digital distribution network. Digital transformation. Enhanced customer experience. Customer service. Transparent, clear and responsible communication. Cybersecurity and responsible use of data.	Satisfaction in customer experience. Accessibility from digital banking. Clear product and service contracting process. Customer protection.	
 Human	BBVA culture management. Talent attraction, development and retention. Career development model. Diversity, work-life balance, and workplace environment management. Occupational health and safety.	Personal growth and development. Remuneration and benefits. Diversity and inclusion. Work-life balance. Good work climate. Care for employees' health and safety.	
 Social and Relationship	Private social investing programs. BBVA volunteers. External communication and social media management.	Financial education and inclusion. Contribution to NGOs. Execution of solidarity projects. Social impact of community programs.	
 Natural	Certified Environmental Management System. LEED Gold certification. Global Eco-efficiency Plan.	Fight against climate change. Streamlined energy, water and paper consumption. Fewer direct and indirect environmental impacts	




CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

### ∧ Adoption of Principles for Responsible Banking (PRB)

- |                 |  |
|-----------------|--|
| 1: Alignment    | 5: Corporate Governance and Target Setting |
| 2: Impact       | 6: Transparency and Accountability         |
| 3: Customers    |  |
| 4: Stakeholders |  |

### Purpose ✓

Bringing the opportunities of this new era to everyone.

Key Performance Indicators		2020
 Financial capital	Net income (in million Pesos)	12,032.1
	ROE	11.8%
	ROA	1.8%
	Financing to SMEs (in million Pesos)	88.06
 Manufactured capital	Active retail banking customers (in million)	2.8
	Active SMEs customers	62,919
	Active corporate banking customers	813
	Branches	247
	ATMs	888
	SSTs	857
 Intellectual capital	Active digital customers (in million) <sup>24</sup>	1.9
	Mobile customers (in million) <sup>25</sup>	1.5
 Human capital	Employees	6,019 <sup>26</sup>
	Hours of employee training	233,765
	Female employees (%)	47.1%
	Security-trained employees	5,249
 Social & relationship capital	Investment in social programs (million Pesos)	33.93
	Total direct beneficiaries	43,415
	Direct beneficiaries - COVID-19	115,600
	Accesses to digital financial platform	3,300
	Strategic alliances with organizations	25
	Position in Merco Ranking of companies with best corporate reputation in Argentina	11
 Natural capital	Investment in environmental management (million Pesos)	25,0
	Annual electricity consumption per capita (kWh/occupant)	5,107.7
	Renewable energy (%)	5%
	Annual CO2 emissions per person (tCO2eq/occupant)	1.66
	People working on certified buildings (%)	70%

<sup>24</sup> It includes customers with at least one login during the last three months of the year.

<sup>25</sup> It includes customers with at least one login per month during the last three months of the year.

<sup>26</sup> Including: Banco BBVA Argentina, BBVA Asset Management S.A. SOC. GTE. Fondos Comunes de Inversión, Volkswagen Financial Services Compañía Financiera S.A. and PSA Finance Argentina Compañía Financiera S.A

## I Sustainable Finance

BBVA Argentina is strongly committed to support its customers and the society as a whole in the transition to a low-carbon economy, focused on the UN Sustainable Development Goals (SDGs). The Bank is aware that it is able and capable of making a significant contribution, thanks to its privileged position to mobilize capital by means of investments, loans, placements and advisory functions.

In this way, the Bank seeks to generate new businesses and attract new customers offering products that provide a sustainable solution to large corporations, SMEs, and individual customers. To such end, the Bank designs triple-impact financial products and services.

### Principles for Responsible Banking (PRB)

In 2019, more than 130 banks subscribed the first global sustainability framework for the banking industry: the Principles for Responsible Banking proposed by the United Nations Environment Programme Finance Initiative (UNEP FI). Signatories commit to align their business strategy and practices with the Sustainable Development Goals (SDGs) and the Paris Climate Agreement objectives.

BBVA Group was one of the founders and BBVA Argentina joined the initiative from its inception. In this way, the Bank seeks to empower inclusive economic development and design the financial services required to support its customers' transition to a low-carbon economy.

#### Principles for Responsible Banking

#### BBVA Argentina's Initiatives and Commitments



##### Principle 1: ALIGNMENT.

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

- **Responsible Banking Model** aligned with such **UN Sustainable Development Goals (SDG)** in which the Bank generates the most significant impact.
- **Purpose** guiding sustainability-oriented management efforts: "Bringing the opportunities of this new era to everyone."
- **Strategic priorities:** In 2020, the Bank embraced sustainability as one of its six strategic priorities, placing it at the core of its business.
- **2025 Commitment, Climate Change and Sustainable Development Strategy:** Aligned with the Paris Agreement, seeking to finance and mobilize capital, manage environmental and social risks, and engage stakeholders.

## Principles for Responsible Banking

## BBVA Argentina's Initiatives and Commitments



### Principle 2: IMPACT

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services.

- **Annual Integrated Reporting:** Measurement and monitoring of key management indicators.
- **Materiality Analysis:** At the BBVA Group level, with local outcomes. It allows to identify issues and impacts, which are significant to the business strategy and stakeholders. In this way, the entity analyzes how it should channel investments to contribute to sustainable development, since the topics are related to the SDGs.
- **General Risk Management Model:** Measures the levels and types of risks the entity is willing to take to carry out its strategic plan. It includes the social and environmental risk analysis associated with the activity, credit lines and financial products.
- **Local Eco-efficiency Plan,** aligned with the Global Eco-efficiency Plan, which seeks to measure, analyze and reduce the business negative impact on the environment. Consumption and achievements are strategically measured in terms of their impact on climate change.
- **Wind Power:** In Argentina, BBVA subscribed a wind power purchase agreement. With this technology, clean energy is generated from wind turbines transforming wind power into electricity.
- **Carbon Neutral:** Towards 2020, BBVA committed to provide financial support to eco-friendly NGOs as a form of compensation for the pollution that could not have been eliminated in its activities.



### Principle 3: CLIENTS & CUSTOMERS

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

- BBVA Argentina's aspiration is ensuring that all **products** offered to its customers, whether large corporations, institutions, SMEs or individuals, **provide a sustainable solution**. BBVA strives to develop innovative and sustainable financial solutions.
- BBVA has been the first Argentine financial institution in granting a **loan certified as sustainable** under the sustainable transactional banking framework. The recipient was Medicus, an Argentine healthcare provider, and the loan proceeds were used to purchase COVID-19 related supplies and equipment, which meant a contribution to SDG 3 "Good health and well-being".
- BBVA Argentina has been the first private bank in offering a **new personal loan facility known as "eco-loans"**. These loans are designed to purchase environmentally-friendly sustainable assets, at a preferential annual nominal rate of 40% and payable in up to 60 months. With the loan proceeds, retail customers can buy scooters or bicycles, electric cars, and type "A" or higher energy-efficient electric appliances, thus contributing to the SDG 13 "Climate Action".



## Principles for Responsible Banking

## BBVA Argentina's Initiatives and Commitments



### Principle 3: CLIENTS & CUSTOMERS

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

- **Partnership with VOLT Motors**, to finance the purchase of 100% electric cars in Argentina. The cars are fully designed, developed and manufactured in Argentina.
- **Green loans for the SMEs segment**: The loans are payable in up to 4 years, at a preferential annual nominal rate of 35%. The proceeds must be used for any of the following purposes:
  - Social: social housing (related to the SDG 1), sustainable employment generation (SDG 8), food security (SDG 3), social strengthening and progress, and financial inclusion projects.
  - Sustainable: renewable energies (SDG 7), energy efficiency, contamination prevention, management of natural resources, clean transportation (SDG 9 & 11), waste water management (SDG 6), and ecological buildings (SDG 9).
- **Certification of a green credit line** of \$ 290 million to the Joint Venture led by We Build Group (former Salini Impregilo), which proceeds will be used to carry out sanitation works at the Matanza – Riachuelo river basin in Buenos Aires. The certification was issued by BBVA under the sustainable transactional banking framework, which is based on current market standards, and was endorsed by the external rating agency Vigeo Eiris. Therefore, the Bank contributes to SDG 6 "Clean Water and Sanitation".
- **100% online bicycle insurance** with a 30% discount on the first six months, in charge of BBVA Seguros in Argentina.
- BBVA Argentina champions **financial education and inclusion** with initiatives that have a direct impact on people.
- Green Bond: BBVA Argentina acted as arranger and placement agent for the first green bond issued by Petroquímica Comodoro Rivadavia (PCR). The placement was for an aggregate principal amount of US\$ 50 million due in February 2021, and meant a contribution to SDG 13 "Climate Action".
- BBVA Argentina has been a local pioneer in offering recycled-plastic cards, which are 85.5% made up of PVC (polyvinyl chloride), which is a waste of other plastic materials.

27 For more details, see "Contribution to the society" in this Report.

## Principles for Responsible Banking

## BBVA Argentina's Initiatives and Commitments



### Principle 4: STAKEHOLDERS

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

- **Transparent dialogue** with main audiences. Good practices with stakeholders and effective governance ensuring legal compliance, ethics and transparency are the differentiating factors of the model to foster a Responsible Banking culture.
- Inquiries within the framework of the **materiality analysis**.
- **Surveys** among allied organizations and interns of the financial education and other community programs.
- **NPS (Net Promoter Score) Survey** to learn about customer loyalty from our products and services.
- **Market surveys** to establish our employees' pay.
- **Gallup Survey** to measure our employees' engagement.
- **Participation** in the Value + Impact meeting, in which the global, regional and local scenarios for the Principles of Responsible Banking were addressed.
- Participation in the most relevant local **initiatives, associations and business chambers**: Global Compact Local Network; BYMA Sustainability Index; and Sustainable Finance Protocol, to foster the implementation of sustainable practices in the local financial industry.



### Principle 5: CORPORATE GOVERNANCE & TARGET SETTING

We will implement our commitment to these Principles through effective governance and a culture of responsible banking, displaying ambition and responsibility in setting public targets related to the most significant impacts.

- **BBVA Argentina's corporate governance** is involved in sustainability aspects. It approves the Strategic Business Plan, following the Corporate Governance and Enterprise Social Responsibility Policies, pursuant to the guidelines of the Code of Corporate Governance. It also approves the Responsible Banking Report and, since 2021, the Integrated Report.
- In 2020, the BBVA Group created the **Global Sustainability Office (GSO)**, tasked with fostering and coordinating its sustainability initiatives. In Argentina, **Institutional Relations Management** is in charge of arranging the agenda, commitments and sustainable products. This area drives and coordinates local initiatives, while managing those driven by the holding company.
- In association with Fundación Vida Silvestre, training was delivered to 50 **middle-level positions** at BBVA Argentina on Sustainable Finance in the Banking System.

## Principles for Responsible Banking

## BBVA Argentina's Initiatives and Commitments



### Principle 6: TRANSPARENCY & ACCOUNTABILITY

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

- Long **accountability** history. Responsible banking report released since 2007.
- This document is our **first Integrated Report** for the year 2020, pursuant to the Integrated Reporting Framework of the International Integrated Reporting Council (IIRC).
- This Report includes the **PRB compliance form**, which reflects how BBVA Argentina's management efforts are aligned with the principles.
- This Integrated Report contains the **materiality analysis** and identification of the strategic topics to be managed; the **guidelines and standards** relied on; and the main **results for the year** that mean a contribution to sustainable development.

## Sustainable Finance Protocol

In 2019, BBVA Argentina joined to the Sustainable Finance Protocol which seeks to foster the implementation of sustainable practices in the local financial industry. ABA, ABAPPRA and ADEBA joined the Protocol as Honor Witnesses, while BID Invest and Fundación Vida Silvestre Argentina acted as promoters of the initiative.

The 18 signatory banks committed to work on four strategic pillars:

1



Development of internal policies to implement sustainable strategies

2



Creation of financial products and services that support project finance with positive environmental and social impact

3



Optimization of current risk analysis systems with an environmental and social focus

4



Promotion of a sustainability culture

## ■ Stakeholders and Materiality Analysis

BBVA Argentina establishes and maintains dialogue channels with its stakeholders, in order to build long-lasting trust relationships.

Stakeholders	Dialogue Channels
Customers	Surveys measuring customer experience and likelihood of recommending the bank across the several markets in which it operates, and analysis of claims, branches, web site, service channels, social media, satisfaction surveys, and opinion polls.
Employees	In-house reputation surveys, workshops and focus groups, reporting channel, Intranet, internal communication mail box, face-to-face meetings, Management Committee's tours.
Suppliers	Online platform, e-mail, face-to-face meetings, satisfaction surveys.
Shareholders, investors, and analysts	Roadshows, conferences, interviews, ad-hoc meetings, insight studies, shareholders' meetings, analysts' questionnaires.
Regulatory and supervisory authorities	Supervisory activities on-site, regulatory reporting, task forces, ad-hoc questionnaires, press conferences and releases.
Society	Meetings with NGOs, media and social network analysis, non-customer surveys, responsible banking website.

### Materiality Analysis

In 2020, BBVA updated the materiality analysis in an attempt to prioritize the most relevant issues to its key stakeholders and its business. The materiality matrix is one of the sources that feeds the Group's strategic planning and determines the priority issues to report on. This analysis includes the perspective of Argentina's stakeholders.

The three phases of the materiality analysis are:

**1. Identification of material issues in 2020.** The Bank updated the 2019's list of material issues, considering the several sources of listening to stakeholders and recent trend reviews. The most significant piece of news has to do with the emerging COVID-19 management efforts.

Material issue	Stakeholders expect that BBVA
 <p>Solvency and financial performance</p>	<p>Be a bank with a strong capital and liquidity position, contributing to the system's stability, and sustaining good performance over time. In other words, stakeholders demand a sustainable business model within the current ecosystem characterized by the ongoing development of disruptive technologies and the consolidation of Big Techs as competitors. A more competitive environment, with more opportunities and more risks. They also expect the business model to address geopolitical issues.</p>
 <p>Corporate governance and adequate risk management</p>	<p>Have a good corporate governance. An adequate composition of governance bodies, strong decision-making and risk-taking processes, clear distribution of responsibilities and control procedures, all of which duly documented.</p>
 <p>Ethical behavior, culture, and customer protection</p>	<p>Have an upright culture and conduct. In particular, stakeholders expect the bank to protect consumers or depositors, by being transparent, offering products suitable to their risk profiles, and facing in an upright manner the ethical challenges posed by the new technologies and the business in general.</p>
 <p>Simplicity, agility and self-service for customers</p>	<p>Bring the opportunities offered by new technologies to its customers. This way, it will be much easier and agile for customers to operate with the bank anywhere, anytime, for instance, by mobile banking and via fully digital contracting processes. New technologies will also allow BBVA to be more efficient in its operations and create value for its shareholders.</p>
 <p>Financial health and tailored advice to customers</p>	<p>Know its customers, proactively offering tailored solutions and recommendations to improve their financial health and accomplish their vital goals, while always affording them a good treatment.</p>
 <p>Climate change: Opportunities and risks</p>	<p>Contribute to an orderly transition towards a low-carbon economy, putting a halt on climate change and its impacts. This requires adequate management of risks and opportunities.</p>
 <p>Responsible use of data (privacy, responsible AI)</p>	<p>Use data only for the agreed-upon purposes and to comply with applicable laws. This is key to maintain trust.</p>
 <p>Cybersecurity (cyber-attacks, data theft, and fraud)</p>	<p>Take care of their money and data, protecting them against cyber-attack, theft, and fraud.</p>
 <p>Employee engagement and talent management</p>	<p>Be a good workplace, capable of attracting, developing and retaining the best professionals –those having the required skills and attitudes to face the current changing scenario–and fostering their engagement to the bank.</p>
 <p>Diversity and work-life balance</p>	<p>Be a diverse entity from each and every perspective (gender, race, age), offering equal opportunities and an adequate work-life balance.</p>

Material issue	Stakeholders expect that BBVA
Human rights	Respect and foster human rights in everything it does: working conditions, housing right, project finance subject to observance of human rights, and non-discriminatory algorithms.
Inclusive growth (social contribution, entrepreneurship, financial inclusion and education)	Contribute to a more sustainable world by fostering inclusive growth, through responsible banking, support to entrepreneurs, and financing infrastructure that levels the playing field for everyone. Contribute to create wealth in the communities in which it operates by maintaining and creating jobs, paying taxes, and supporting those who most needed it.
COVID-19	Protect its own employees and make available capabilities to tackle the virus. They also expect that the Bank sympathize with customers during and after the crisis.

**2. Prioritized issues** based on their relevance to stakeholders. Interviews and services are conducted to learn about customers' employees' and investors' priorities. For other stakeholders, the Bank relied on the data an-

alytics software Datamaran. Together, the sources relied on to analyze stakeholders, global trends, and the sector's key issues are:



### RepTrak surveys

at BBVA's key countries.  
**Customers: 1,619 surveys**  
**Employees: 11,584 surveys**



### Analysts & Investors

Investors Relation Department's Surveys among investors and analysts.  
**17 reports and questionnaires by sustainability analysts and investors.**



### Regulatory Authority

1,764 regulatory documents



### Trends

59 industry trend reports



### News,

having reviewed:  
**338 sources (185 english; 153 spanish)**



### Social media

649 million tweets



### Benchmark

Reports on **87 competitors**

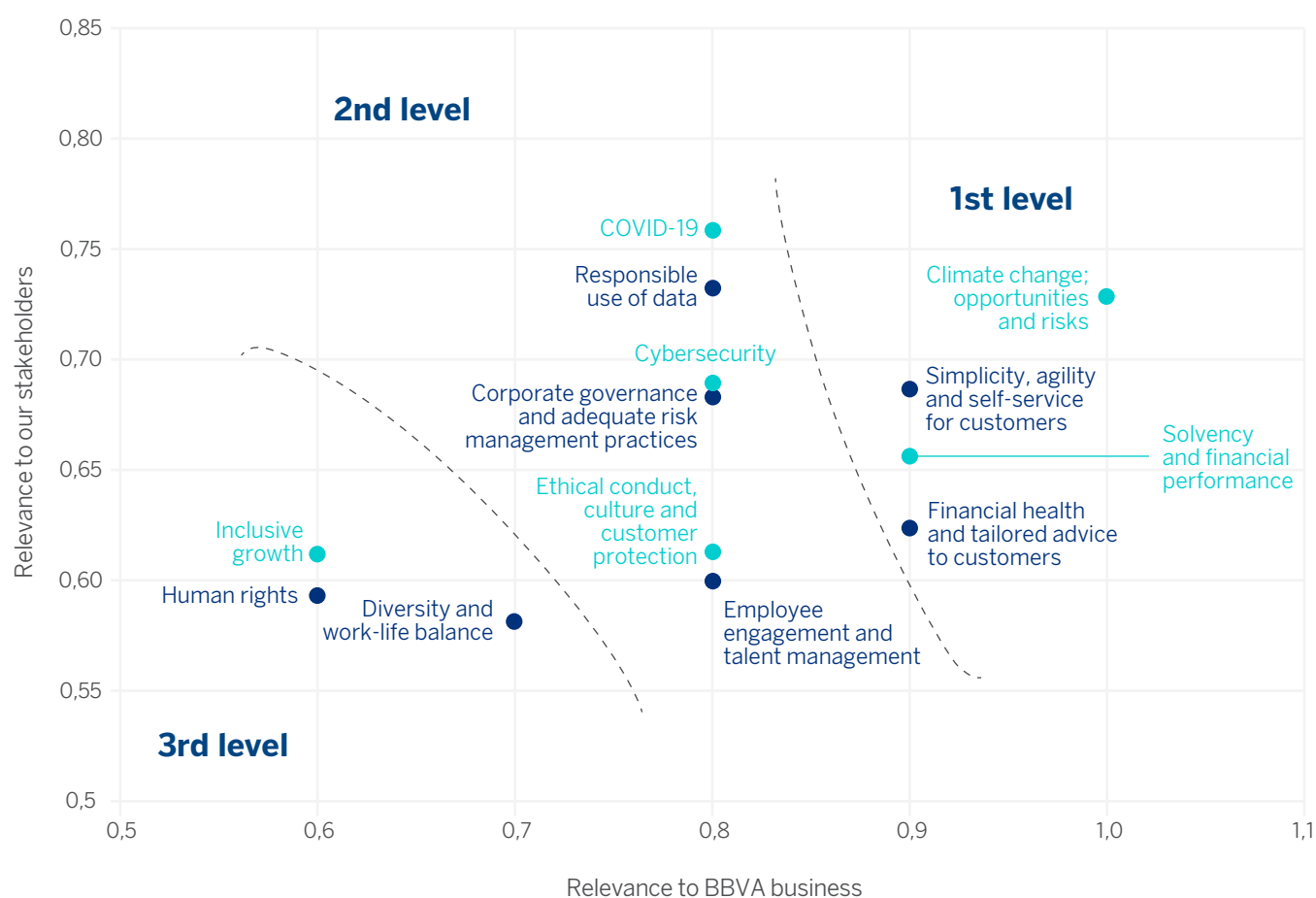


### NGOs

20 ngos documents

**3. Issues prioritized** based on their impact on BBVA's business strategy. The Bank assessed the impact of each issue on the six Strategic Priorities. The most relevant issues to BBVA are those that help it deliver the most against its strategy.

The above-described efforts resulted in the following **materiality matrix in Argentina**:



Therefore, the **four most relevant** issues to BBVA Argentina in 2020 are:



Climate change:  
opportunities and risks



Simplicity, agility  
and self-service for  
customers



Solvency and financial  
performance



Financial health  
and tailored advice  
to customers

# 07

## BBVA Talent

### Creating opportunities with trained, strong and responsible teams

BBVA Argentina aspires to create the best workplace. To such end, the Bank is constantly developing new initiatives related to culture, career development, diversity, and health and safety, with impact on the experience of the individuals comprising the team.





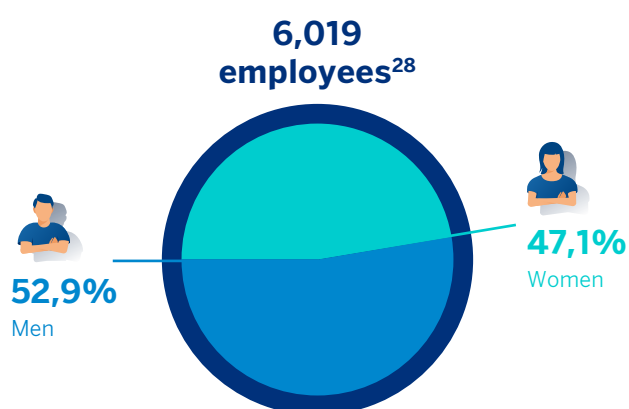
## Talent & Culture management

Under the premise of transforming the productive model and seeking to become a Center for Operational Excellence, in 2020, the Bank implemented several improvements to its Talent & Culture processes.

### Actions to take care of people during the COVID-19 pandemic

The Bank's priority was taking care of its talent, while accommodating processes to ensure business continuity. In this respect, the Bank carried out the following actions:

- Establishment of management protocols and processes based on the prevention and care of branches' and headquarters' employees.
- Reinforcement of the Occupational Health team, including infectious disease specialists and extended business hours (Mondays through Mondays, from 9:00 am to 12:00 am).
- High-risk employees were exempted from in-person work, and employees returning from abroad were quarantined, according to the Argentine Ministry of Health's guidelines.
- Mobile awareness campaigns, internal communications, webinars and delivery of a COVID-19 training course, explaining the characteristics of and manners to prevent the virus spread.
- Creation of the COVID-19 ARG website with relevant information about the pandemic.
- Publication of prevention articles and materials of interest on BBVA Health website.
- Implementation of physical security and health measures on buildings: Dividing walls, signage, sanitizing alcohol dispenser, digital thermometers, disinfection, replacement of AC units, and thermal cameras at headquarters' access doors.
- Distribution of face masks, gloves, and personal protective masks among all employees.
- Delivery of ergonomic chairs to employees under full-time teleworking arrangements.
- Supplementary actions to provide emotional support, including talks, workshops and online sessions; nutrition workshops.
- First steps in the implementation of a Covid-19 case tracking and management platform, indicating employees' health status.



**Average age:  
40.5 years**


















**Average seniority:  
13.5 years**



**20% turnover**

<sup>28</sup> Including: Banco BBVA Argentina, BBVA Asset Management S.A. SOC. GTE. Fondos Comunes de Inversión, Volkswagen Financial Services Compañía Financiera S.A. and PSA Finance Argentina Compañía Financiera S.A.

Employees by category <sup>29</sup>	2020		Total	2019
	Women	Men		
Management Committee and Corporate Directors	7.7%	92.3%	<b>0.2%</b>	<b>0.2%</b>
Management team	28.1%	71.9%	<b>0.9%</b>	<b>1.1%</b>
Middle positions	33.4%	66.6%	<b>10.9%</b>	<b>9.3%</b>
Specialists	42.3 %	57.7 %	<b>32.0%</b>	<b>30.5%</b>
Sales force	52.1%	47.9%	<b>28.6%</b>	<b>29.0%</b>
Base positions	52.9 %	47.1%	<b>27.5%</b>	<b>30.0%</b>

Employees by region <sup>30</sup>				
	 Central areas	 Branches in the City of Buenos Aires and Greater Buenos Aires	 Branches in the provinces	
Women	 23.4%	 16.2%	 7.0%	
Men	 28.9%	 14.5%	 9.7%	
<b>Total 2020</b>	 <b>52.3%</b>	 <b>30.8%</b>	 <b>16.9%</b>	
<b>Total 2019</b>	 <b>43.1%</b>	 <b>37.1%</b>	 <b>19.8%</b>	

29 Including: Banco BBVA Argentina, BBVA Asset Management S.A. SOC. GTE. Fondos Comunes de Inversión, BBVA Consolidar Seguros S.A. and BBVA Broker Argentina S.A.

30 Idem previous footnote.

## Progress made against Talent & Culture goals

During the year, BBVA Argentina worked to achieve the goals set in the previous report:

2020 Goals	Compliance
<p>Strengthening the adoption of the “Agile” concept on the basis of three pillars:</p> <ol style="list-style-type: none"> <li>1) Cultural transformation</li> <li>2) Agile at the organization (escalated)</li> <li>3) Team development and agile practices</li> </ol>	<p>Creation of the Agile Transformation Forum, made up of Agile Discipline, Culture and the uttermost responsible individuals for the areas’ agility. Training was delivered by internationally renowned suppliers and in the form of in-house “train the trainers” sessions. Measurement tools were implemented to lay the groundwork for data-based decision making. Remote coaching was delivered to teams and mentoring to specific roles. Communities of areas and roles were created and reinforced.</p>
<p>Developing a “Critical incident handling procedure”.</p>	<p>Development of a written procedure underway</p>
<p>Continuing to deliver online and in-person training on critical incident and psychological first-aid</p>	<p>E-campus training on psychological first-aid and critical incidents delivered to 261 employees.</p>
<p>Continuing with the certification of branches as “cardio-protected spaces” (at least 130 branches)</p>	<p>Training to 85% of our employees. The BBVA Tower and the Reconquista 199 and Venezuela 540 buildings were re-certified, along with other 121 premises, including, in addition to the branch, the Bank’s vault and the Sarmiento 732 building. This goal will continue to be pursued during 2021, since in-person actions are required to have the remaining branches certified.</p>
<p>Continuing to pursue well-being campaigns, such as health campaigns and BBVA Health.</p>	<p>This was the focus in 2020 due to the COVID-19 pandemic. Prevention actions were completed, including delivery of information, security elements, and emotional and psychological support.</p>

## ■ BBVA Culture and Employee Loyalty

Several experiences are offered to build upon a shared culture at BBVA.

### Values Day

In September, the Bank held the third edition of the Values Day, this time, on-line, to reflect and work on BBVA's values and behaviors. The activities were concentrated on the Values app, facilitating the access to those wishing to participate from different parts of the world. In Argentina, more than 4,700 employees participated in the values workshop, which is the main activity of the event. Local and international leaders also delivered inspirational talks.



### Agile at BBVA

The agile methodology has been implemented since 2018 to have a highly productive model, with sufficient flexibility to change its setup to create value opportunities. In this respect, the Bank worked on 2 focal areas:

- **Cultural transformation:** The Agile Transformation Forum was created, made up of the Agile Discipline, Culture, and Talent & Culture Front, along with the utmost responsible individuals for the areas' agility. This cross-functional team agreed upon a work objective and set out to design actions and plans for completion. In addition, for the third consecutive year, the Bank designated Agile Ambassadors in order to create a collaborative network of cultural change agents.
- **Agile at the Organization:** The Bank implemented the Agile University, with the involvement of more than 200 individuals with the role of Scrum Masters, Kanban Masters, Product Owners, and Agile Coaches. The Bank hired internationally renowned suppliers to strengthen training by role and training for trainers. At the same time, the Bank set out to measure agile maturity at the team and the organization level, by means of Maturity Agile Team (MAT) tools and the Ongoing Improvement Model. MAT indicates that BBVA has 121 agile teams and 793 people working under the agile modality. At the beginning of 2020, 90% of the teams were at the first maturity level, while in November 60% of the teams progressed to the second level. These figures indicate that the agile methodology is growing within the organization.

## Engagement Management

In 2020, 94.4% of our employees participated in the Gallup Survey, which measures employee engagement. The survey uses a five-point scale across all indicators (Global Average, Engagement Indicator, Values Indicator, Action Plan Indicator, Diversity and Work-life Balance). This year, a new question was added to the survey related to work-life balance, attaining an outstanding score.

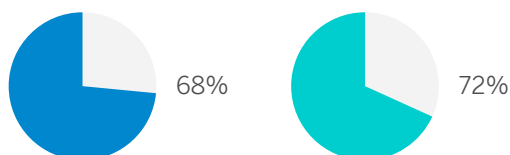
### Engagement Survey Results

■ 2019 ■ 2020

Global Average (over 5)



eNPS



Engagement Ratio (over 5)



Action Plans (over 5)



Work-life Balance (over 5)



## Getting Closer Plan – Tours and “Meetup Program”

In 2020, it was key for the Management Committee to be close to our people to support, listen to, and strengthen the bond with all of them. Accordingly, we continued to develop tours and breakfasts under the “Meetup Program,” in online format.



### 6 Committee's tours

involving 2,360 employees



### 54 breakfasts

with Directors, involving 442 employees

## Internal communication

Below is a detail of the main news related to the channels that seek to facilitate internal interaction and ensure closeness to our employees:

- **Employee Support Service (SAE).** The Service was internalized in 2019, with an improvement in the related satisfaction surveys. The NPS was 55 points, up by 16 points compared to the 2019's survey. During the mandatory lockdown, the SAE was responsible for the administrative follow-up and for giving advice to high-risk employees, issuing the adequate certificates in each case, according to regulatory changes.
- **Online and Quality Surveys.** The Bank has continued to conduct surveys to learn its employees' opinions on the services rendered across the internal areas. The level of satisfaction with the service Internal Communication delivers to our employees was rated using the Internal NPS, achieving a 64% score like in 2019.

- **Online Meetings:**

- Quarterly presentation of global and local earnings reports.
- Annual Strategy Day: During the event that convened 513 participants, the Bank celebrated its achievements and set new challenges.
- Live@BBVA: Two thematic meetings on the BBVA Group's strategic priorities were held and broadcast worldwide.

- **Spaces for Employee Interaction:** The Bank fostered and used the "Currents" social platform for content generation and communication interaction.

The communication channels already established continued to be enabled:



### In-house magazine "Protagonistas":

12 digital publications.



### Question of the Day

on the Intranet.



### Intranet:

220 pieces of news and 47 alerts.



### Visits to the Corporate Tower and digital signage.



### "Internal Communications" e-mail inbox:

604 e-mailed communications.

## ■ Talent Attraction, Development and Retention



# 174 new hirings

### Talent Acquisition

In 2020, the Bank designed talent attraction strategies and selection processes focused on the experience of the New Capabilities segment—a few new profiles focused on the digital change in which the world is immersed—through the creation of the Referrals Program (Candidates Journey) and the review of several existing policies with impact on quality and agility in the hiring process of this type of talent.

The Bank also implemented the Employer Branding Policy developed in 2019. It defines the strategy to accomplish the goal of building an attractive employer image. The policy is based on 5 pillars: Digital Transformation, Our Value Proposition, New Insights into the Business, Development Testimonials at BBVA, and Job Programs and Opportunities.

This policy fostered the redesign of our social media strategy, focused on increasing the engagement ratio, enhancing the quality of our publications, and encouraging searches addressing the archetype user. Hence, LinkedIn became the main social network, at which the Bank attained significant growth in terms of number of followers. There were 79,000 new users, with a 3.41% interaction rate.

At the same time, “EMI,” the Bank’s virtual HR assistant, is a tool used in massive external recruitment processes, particularly for entry-level positions. It provides service and information on the organization and the job posting profile to all candidates. It is fast and efficient in screening large number of candidates, keeping them updated and giving feedback. In 2020, there were no external job postings consistent with the use of this tool.

### People Management Model

BBVA Argentina unveiled *opportunity* —a new limitless and self-manageable corporate career development tool, putting the full power of AI at the service of management. Accordingly, a record is kept with all generated data to be able to plan for future career development within the organization. The Bank also deployed Personal Development Analysis (PDA), an assessment which, through simple, accurate and scientifically-tested methodology, helps describe and analyze behavioral profiles. It is also useful to assess the behavioral requirements of a given job position and generate cross-matches for management.

### Internal Mobility

BBVA Argentina prioritizes internal mobility, transparency and development opportunities for employees through the *Mobility* portal. For the branch network, the Bank focused on fostering deferred recruitments, to anticipate to demand and fill the vacancy fast when the need arises.

Accordingly, the Bank continued implementing its 10 Internal Mobility Policies. In 2020, the Bank implemented a systematic monthly review of the KPIs associated with each of these policies. Monitoring and reporting take place at a global level.

## First Steps

During 2020, the Bank carried out two massive online recruitment processes to hire 40 interns. By joining the branch network, these interns contributed to customers' digital transformation. Internships are highly appreciated due to the knowledge acquired, the reinforcement of job skills, and the possibility of being part of BBVA or enhancing employability in the labor market due to the experience so gained.



**+190**

interns since 2016

## Premium Direct Executive Program

As part of Premium Direct Executive Program, a team of remote executives providing assistance to Premium or Premium World customers nationwide, a new training session was carried out to update the topics discussed in 2019. Twenty five executives participated in the training in October and November 2020.

## BBVA Campus

BBVA Argentina's training model encompasses classroom and online training to empower the skills and competencies of its members. In 2020, the Bank updated existing and uploaded new course contents. A technology upgrade was also completed to enhance security.



**26.2 average hours**  
of training



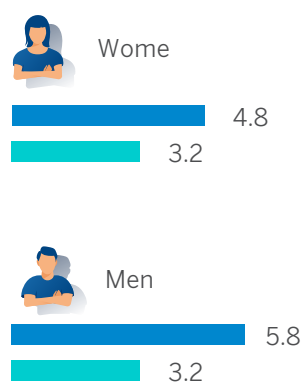
**8,918**  
Employee participations



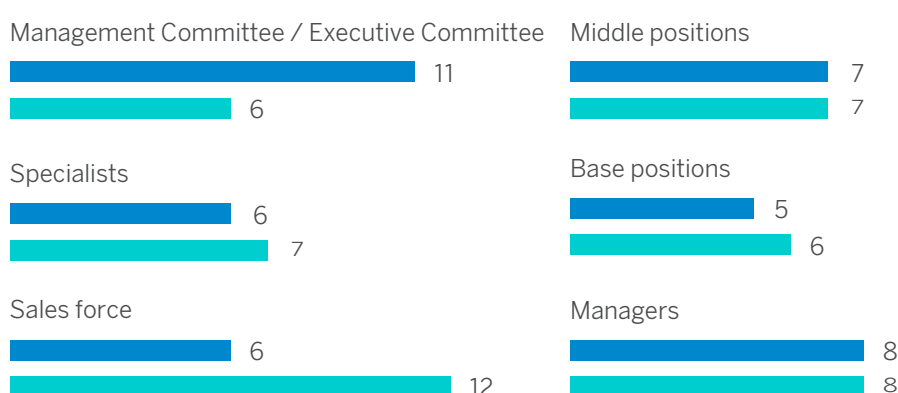
**233,765 hours**  
of training

### Average hours of training<sup>31</sup>

#### By Gender



#### By job category



<sup>31</sup> Including: Banco BBVA Argentina, BBVA GTE. Fondos Comunes de Inversión, BBVA Consolidar Seguros S.A. and BBVA Broker Argentina S.A.



## Business University

In 2020, the Bank designed a training model within BBVA Campus, to support business changes through flexible, timely and relevant learning opportunities for the branch network. The learning offering is based on role groups and divided into 6 learning maps with 3 specialization levels, allowing for the development of new knowledge and skills.

## Sustainable Finance Training

In association with Fundación Vida Silvestre, training was delivered to 50 middle-level positions at BBVA Argentina on Sustainable Finance in the Banking System.

## Customer Business

The Bank implemented a certification for employees who are part of the commercial network to be able to acquire knowledge and skills for new roles in advance. In 2020, the Bank carried out 10 development plans for the commercial network.

## Capital Markets Qualification

Even though no online training was delivered in 2020, in November the Bank enabled online test capabilities for employees who had completed the training in 2019 and could not sit for the exam. Accordingly, these employees had their capital markets qualification approved by the CNV.

## Policy on Grants and Post-graduate Studies

In 2020, the Bank approved 19 post-graduate study loans at preferential rates and 18 financial assistances. The Bank continued pursuing its -40% policy in respect of the annual nominal rate on employee loans. Training was delivered on the following topics: MBA, Data Exploitation, Digital Businesses, Cybersecurity, and Business Intelligence.

## Coaching & Mentoring

Thirty four certified coaches shared 4 meetings of one hour each. The goal is for coaches to support employees promoted to leadership positions and encourage them to fulfill their goals and develop specific skills. BBVA Argentina also continued with the Open Mentoring process for new entries.



**33**  
employees were  
assigned a certified  
internal coach





**623**  
mentees

## Performance Appraisal

In 2020, the Annual Assessment put together and streamlined individual performance and people appraisal processes. Now, employees will have a single report with the assessment outcomes of intrinsic skills, annual individual performance and, as a new feature, location within the talent map. Then, the person will have a development conversation with the People Leader.



Performance Appraisal	2020	2019
Percentage of assessed employees	 98%	 97.5%
<b>By Gender</b>		
Percentage of assessed women	98.0%	97.7%
Percentage of assessed men	98.0%	97.3%
<b>By job category</b>		
Percentage of members of Management Committee assessed	100%	100%
Percentage of specialists assessed	100%	95.3%
Percentage of sales force assessed	100%	96.8%
Percentage of middle positions assessed	100%	100%
Percentage of base positions assessed	97.0%	92.5%

## Diversity and Work-life Balance

Diversity is part of BBVA's strategic priorities, which are part of our business goals, with each area being liable for its own action plans to achieve them.

BBVA Argentina develops strategies and initiatives oriented to foster a culture of respect for diversity and inclusion, ensuring equal opportunities and contributing to instill a more open culture, based on respect and the richness contributed by diverse talents. Customers' needs can only be met with a diverse team able to understand the world from different perspectives.

Our inclusion approach is supplemented with work-life balance initiatives that allow to consider everyone's individual needs.



## Diversity

In Argentina, the Bank is part of the group of companies that strive to, keep up with, and create a space for sharing information on Diversity and Inclusion issues: Di Tella's R.E.D.

The progress made in digital transformation and agile has helped create independent cross-functional teams with execution capacity. One of the keys was building teams of diverse individuals, with diverse capabilities and ways of thinking.

Some of the most relevant actions include:

- **International Women's Day:** The streaming event was shared from Spain together with the Inspiring Girls organization. By means of a graphic campaign, several diversity-oriented conversation topics were proposed at lunchtime, reinforcing the possibility of completing the online training on biases at BBVA Campus and posting diversity-related articles on the Intranet.
- Promotion of the **Difference Normalization Manual** created by a group of employees from BBVA Spain to raise awareness on LGBTIQ+ diversity.
- **#Makeitvisible Contest:** Global photo contest on how LGBTIQ+ diversity is reflected under the question: "What does diversity mean to you?" Two hundred and fifty photos were received as part of the contest. One employee from Argentina was included within the 3 finalists and winners.
- **"Inclusive Leader and today's challenges"** workshop by the consulting firm KornFerry: 90 leaders participated in the workshop to delve into the understanding of unconscious biases, how they operate in several contexts, stereotypes, minorities and majorities, focused on gender and generation. **"Be Authentic" talk:** 100 employees were part of this talk with emphasis on how plurality and individual diversity among people are reflected as a source of wealth.
- **Diversity Days:** In December 2020, BBVA carried out a global event named "Diversity Days." The event spans for several days during which participants share diversity-related projects and draw a road map with challenges and ambitions, turning the diversity goal into BBVA Group's DNA looking forward. The event included specific webinars during several days.

The Bank has also continued pursuing the following work-like balance initiative, which also foster gender equality:

- Paternity leave extended to 10 days.
- Prenatal interviews with pregnant employees (70 interviews completed in 2020).
- Maternity NWoW - Teleworking program. 25 female employees and their supervisors received advice in 2020 on the maternity teleworking program.



**79% return rate**



**98% retention rate**

## Compensation and Remuneration

The Bank's remuneration system seeks to attract and retain the right people for each position, based on the following principles:

- Rewarding employees for the accomplishment of their individual objectives and their skills to contribute to team work.
- Distinguishing committed individuals aligned with BBVA's cultural values and purpose.
- Fostering internal fairness by analyzing the salary structure and job positions within the company.
- Ensuring external competitiveness by updating data with the benchmark market.
- Fostering recognition for the contribution to tangible results, with an actual business impact.

Accordingly, wage management includes the following aspects:

- **Pay Surveys:** BBVA Argentina works on an ongoing close cooperation with leading consultants in the HR research market, and also participates in pay surveys to have a standard of reference at the time of assessing and adjusting wages for each job position.
- **Variable Rewards:** Executives whose activities have an impact on BBVA's risk profile are subject to an annual variable reward payment, 50 % of which is received in the form of shares. Payment, in cash or in kind, is broken down as follows: 60% during the first quarter of the year and the remaining 40%, 3 years after the first payment date of the variable reward.
- **Collective Bargaining:** All our employees are paid according to the rules on minimum wages regulated in the Collective Bargaining Agreement applicable to the registered activity in the Argentine Republic. BBVA Argentina respects the right of free association, with most local branches having union delegates. In addition, BBVA Argentina helps arrange elections, and grant the leaves required to participate in the

election process. To BBVA Argentina, dialog and collective negotiation are important to build consensus and settle conflicts. For this reason, the Bank strives to maintain an ongoing communication with Internal Union Committees from several Argentine locations, the Banking Association's regional offices nationwide, and the trade union authorities at the national level. Due to the COVID-19 pandemic, the frequency of conversations increased substantially, improving the existing relationship.

## Benefits

Some of the benefits granted to employees include medical insurance, mortgage loans, payment of college tuition fees for employees or their children, vacation days beyond the limits set forth under the collective bargaining agreements, raffles and gifts on special dates, and exclusive benefits under the alliance with LATAM.

## Occupational Health and Safety

To BBVA, protecting the health and safety of the BBVA's team has always been a top priority. However, occupational health and safety management gained more relevance amidst the COVID-19 pandemic.

In 2020, the focus was placed on the pandemic impact prevention by means of the delivery of information and emotional and psychological support. In addition, the Bank implemented the required protocols to ensure the safe return to work on the premises and managers' visits, and take appropriate action upon potential cases.

### Communication and training

Online connectivity with employees was a top priority to the Talent & Culture area, particularly, in respect of health and safety:

- Mobile awareness campaigns
- Internal communications
- Webex talks
- Online training course on COVID-19
- Online psychological sessions: The Bank offers this service to which employees may access voluntarily and anonymously. Two sessions were provided to each of the 37 employees that so requested.
- Several workshops were organized, including Getting to Know My Brain, Managing My Emotions, I Don't Feel Like Doing Nothing, and Apathy Management
- Nutrition at Home workshops
- 22 articles on COVID-19 prevention published on the BBVA Health website.



**53 workshops and talks**



**5,249 participating employees**



**22 articles**

on COVID-19 prevention published on the BBVA Health website.

## Management Services and Spaces

During 2020, the following actions were taken:



- Medical Staff. The Bank expanded its medical staff, including 4 physicians to address the COVID-19 pandemic, available Mondays through Sundays from 9 am to 12 am. In total, the Bank has seven physicians and two nurses.
- Crisis Committee: The committee comprises the Management Committee, Institutional Relations Head, Labor Relations Head, People and Values Head, People Management Head, Security Manager, and the Communication Discipline Leader. At the beginning of the pandemic, the committee held meetings every two days, and one weekly meeting towards the end of the year.
- Mixed Health and Safety and Hygiene and Safety Committee in Santa Fe.

## BBVA Volunteers



**BBVA Volunteers,  
making dreams come true**

384 volunteers

For the eighth consecutive year, the Bank carried out the Volunteers Contest, seeking to support the best solidarity projects proposed by employees. Three winners are selected who receive financial support to carry out their solidarity projects, together with a NGO. The winners of 2019 who made their dreams come true in 2020 are:



1st Prize: \$ 500,000  
"Abracemos el futuro" - Bragado, Buenos Aires.



2nd Prize: \$ 300,000  
"Creando Oportunidades" - Greater Buenos Aires.



3rd Prize: \$ 200,000  
"Comedor corazones solidarios" - Bahía Blanca, Buenos Aires.

New winners will be selected in 2021.



### 2021 Challenges

- Strengthen employee engagement, inspired on the Bank's purpose and values to build an ecosystem made up of high-performance teams.
- Promote diverse, flexible and sustainable workplaces where people can create and take opportunities.
- Develop new capabilities that empower transformation, leveraged on our current employees' makeover and new talent attraction.

# 08

## Contribution to the society

**Creating opportunities for the construction and development of more equal and fair societies.**

BBVA Argentina works on building a more equal and fair society from the design of and support to positive social impact programs, being close and committed to the development of local communities focused on financial education and inclusion, entrepreneurship, and culture.



## Community Investment Plan

In line with its business growth, BBVA Argentina seeks to drive people development in all areas. In line with its purpose and Community Investment Plan at a local level, BBVA focuses on three key pillars to create opportunities for everyone:

- **Financial Education and Inclusion:** Seeks to foster the development of financial skills to help people make informed decisions.
- **Support to Entrepreneurs:** In order to create opportunities for entrepreneurs, focused on those that cause a social impact through their projects.
- **Knowledge & Culture:** Promotion of education and knowledge generation to build culture and sustainable development skills.

In 2020, BBVA Argentina could reach more people and be present nationwide, thanks to its resilience and the digitization of its Responsible Business programs.

Aligned with the global strategy, BBVA Argentina developed 7 new initiatives, benefitting 43,415 people with its Financial Education and Inclusion, Entrepreneurship and Sustainability programs.



**\$ 33 million**

invested in community programs



**43,415**  
direct beneficiaries



**25**  
allied organizations

### Commitment to Human Rights

BBVA has assumed a Commitment to Human Rights that seeks to guarantee the respect for people's dignity. In 2017, the BBVA Group carried out a due diligence process to identify and assess social and labor risks associated with its activity, which resulted in the **2018-2020 Human Rights Action Plan**<sup>32</sup>. This procedure was based on the United Nations Guiding Principles on Business and Human Rights.

Responsible for preventing, mitigating, and remedying potential impacts on Human Rights, the Bank's commitment is framed around its stakeholders and BBVA's employees in day-to-day activities.

32 Available at <https://accionistaseinversores.bbva.com/wp-content/uploads/2019/03/Plan-de-Acci%C3%B3n-sobre-DDHH-2018-2020.pdf>

## ■ Financial Education and Inclusion

One of BBVA Argentina's priorities is improving people's financial health. To such end, it carries out financial education and inclusion initiatives and programs for the development and strengthening of financial capabilities.

### BBVA's Financial Education Program

BBVA's Financial Education Program is intended to encourage financially vulnerable students from 12 to 19 years old to finish their high-school studies, and to provide beneficiaries with the required administrative and financial tools to help them plan their monthly expenses and develop "economic" thinking. This way, in addition to having their first approach to a banking institution, they will learn notions on money investment, responsible spending, and fiscal culture.

In this 14th edition, the program benefitted 1,186 students, in association with 18 organizations from Buenos Aires, Salta, Mendoza, Córdoba, Tucumán, and the Autonomous City of Buenos Aires.

BBVA's Financial Education Program received the award to the "Best Financial Education Initiative for Young People" due to its quality practices and actions to build a more fair and inclusive society



**Annual agreement with an allied organization** that works in the educational community and proposes young candidates to the program.



**Registration as new customer** of the father/mother or legal representative, or the program beneficiary itself - if of legal age - and issuance of a rechargeable VISA card with a monthly deposit of \$ 1,600.



**Personal & group financial education mentoring programs** for students in charge of the NGOs, sponsored by BBVA, providing the required tools, resources and financing.



**Commitment and monthly expense reports** on the part of students, who are required to submit tax receipts and fill an expense report. The grant proceeds can be used to buy school supplies, travelling expenses, individual lectures, tuition fees, personal care, snacks, and clothing.



## BBVA's Financial Education Program



**100% digital**



**1,186 direct beneficiaries**  
in 2020



**5 provinces**



**23 locations**



**18 allied organizations**



**35 educational centers**



**14,561 direct young beneficiaries**  
since 2007 and more than  
58,244 indirect beneficiaries<sup>33</sup>

## New Modality in 2020

In 2020, the program shifted to a fully digital program due to the COVID-19 pandemic. The Bank implemented online mentoring programs and digital expense reports, making the required changes to the permitted expense categories under the prevailing circumstances.

## Measures to adapt the program



Initial online meetings with NGOs



Digitally-signed offer letter



Participants' records and documents  
in digital format



Online mentoring



Digital expense reports



Changes to permitted expense categories  
in view of the COVID-19 pandemic



Digital diplomas

In addition, online follow-up meetings were held with each NGO and training was delivered to mentors and directors through the Financial Education Digital Workshop Platform.

<sup>33</sup> Number of grant beneficiaries every year times 4, since it is inferred that per each grant beneficiary there are four additional benefitted individuals.

## Personal Finance Workshops

For second consecutive year, BBVA Argentina, in alliance with Junior Achievement, held entirely online financial education workshops targeted at young children from 16 to 18 years old. The sessions are meant to provide a basic understanding on financial planning and tools for personal finance decision making.

BBVA Argentina's volunteers participated in webinars on the following topics: Personal and family budget, savings, investment, risks and precautions, and tools that allow to improve day-to-day financial planning.



**1,697 students**



**73 teachers**



**63 schools**



**10 provinces**



**10 closing webinars**



**25 volunteers**

## Center for Financial Education and Capabilities

Through the Center for Financial Education and Capabilities, BBVA Argentina develops initiatives focused on financial education promotion, including discussion forums, research support, and knowledge sharing activities. This year, BBVA Argentina celebrated the 2020 EduFin Talks, an online space created to reflect on and discuss the main financial education challenges to achieve an inclusive recovery.



### Outstanding Participants

#### Financial Education Congresses

BBVA Argentina participated in the First Financial Education and Inclusion Congress, together with other local banks, to discuss the financial education and inclusion initiatives underway.

#### Local Innovation Network

BBVA is part of the business syndicate that drives and supports the discussion of the Financial Inclusion agenda among local governments.

#### "Value + Impact: Principles for Responsible Banking (PRB)"

Arranged by the UN Environment Programme's regional office, BBVA Argentina –together with other national entity– share their experiences on how they are managing their businesses consistently with the Principles for Responsible Banking.

## New Digital Financial Education Platform

In order to improve the financial health of Argentines, BBVA Argentina developed an entirely online and free-access Financial Education Platform to everyone interested in gaining financial knowledge and skills.

Social distancing associated with the COVID-19 pandemic has unveiled—more than ever— the need for the society in general to increase their day-to-day use of financial tools. In this way, BBVA's new digital tool seeks to contribute to share knowledge that helps improve the financial health of its customers and the community in general.

The platform contains 'online' workshops and they are organized in five modules:

- **Personal Finance:** Notions required to learn how to manage personal finance and acquire responsible decision-making tools, such as money, savings, budget, responsible indebtedness, investments, and insurance.
- **Entrepreneurs:** Provides the required tools to create, develop and consolidate an entrepreneurship.
- **Banking Products:** Allows to learn and understand the products and services offered by financial institutions. What is the financial system? How to operate with bank? Monetary accounts, credit and debit cards, investment products, and loans.
- **Financial Education Concepts:** Complete glossary of definitions and information on terms related to the financial system, banking products, personal finance, and banking operations.
- **Sustainable Finance:** Addresses the relationship between finance, environment, and the society. What is sustainable finance? What are the Sustainable Development Goals? And other concepts such as green bonds and loans.



**13 training videos**



**3,300 logins**

since inception



**100% digital**



To visit our Digital Financial Education Platform, go to: <https://edufin.bbva.com.ar/>

## Graduates Network Program - Skills for the Future

BBVA Argentina partnered with Fundación Cimientos to train financially-vulnerable young people to get a first job. This commitment reflects the Bank's purpose to foster continued education and job placement among vulnerable young people. Against this backdrop, in 2020 technical and socio-emotional skills were taught to 30 young people from 17 to 25 years old who are taking the last year of, or have finished, high school. Twelve (12) online sessions were delivered, five of which were in charge of the Bank's volunteers. The issues discussed included financial education, payment media, external communications, sustainable finance, and public affairs. The other seven sessions were led by Fundación Cimientos and aimed at developing job skills.



**30 beneficiaries**



**8 provinces  
+ City of Buenos Aires**



**12 online meetings**



**6 BBVA's volunteers**

## Support to Entrepreneurs

### My First Start-Up

BBVA Argentina supports the development and empowerment of local entrepreneurship spirit through the "My First Start-Up" contest.

It is a business plan contest targeted at 17 to 25 year-olds countrywide. The contest was developed on BBVA's Digital Financial Education Platform, where young participants were provided the guidelines and tools required to be able to create, develop and strengthen their ventures.

Three new categories were included in 2020: Innovation, Sustainability, and Solutions to the COVID-19, each with first and second place winners. Seeking to encourage

participation levels and expand the project impacts, participants could submit their business plans in a team of up to 4 members.

The business plans were assessed by a prestigious jury, including Martín Zarich, BBVA's CEO, Alejandro Díaz, AmCham; Javier Sandomingo Núñez, Spain Ambassador; Alicia Caballero, Dean of UCA's Economic Sciences School; Carlos Salvadores de Arzuaga, Dean of Universidad del Salvador; Lucas Grosman, Dean of Universidad de San Andrés, and Rodolfo Rivarola, Dean of IAE Business School.



**420 participants**



**6 winners**

**Winners of “My First Startup Contest”, 5th edition**

1st prize: \$ 350,000

2nd prize: \$ 150,000



“Solutions to the COVID-19” category

**1° prize QNET**

Lucas Gabriel Alfere, Theo Stanfield and Ian Majkut

**2° prize CURAE**

Pedro Ignacio Carvi



“Innovation” category

**1° prize GENTL**

Mateo Juan Criado and Matías Rodolfo Sandacz

**2° prize EWIRE**

Iñaki Martínez Soria



“Sustainability” category

**1° prize ELEVALACTEA**

Alejo Ermilio

**2° prize ECO-CAR**

Julieta Gonzalez Zarza, Guillermo Manuel Harrison and Lourdes Rodríguez Zia

**“Emprende” Program - Entrepreneurship Management**

In Argentina BBVA joined the “Emprende” program led by Mujeres 2000 NGO, in order to develop entrepreneurship skills and generate more opportunities for vulnerable women from communities located in the northern area of the Province of Buenos Aires. The “Entrepreneurship Management Workshop” comprised two training courses of four sessions each, including a broad variety of topics from costs, pricing and business model to digital marketing and online sales.

**40 mujeres  
capacitadas****Knowledge & Culture**

BBVA Argentina supports access to quality education and the development of key competencies for the 21st Century as a source of opportunities.

**Learning Together**

In partnership with the news program *Telefé Noticias*, BBVA Argentina launched “Learning Together,” an education project to improve people’s life. With this initiative, the Entity seeks to encourage dialogue on education to ensure it receives the place it deserves. Contents are created by transformative people that help learn new things, sharing tools, experiences and knowledge to improve everyone’s life.

**Jazz Festival**

BBVA Argentina has sponsored the San Isidro Jazz Festival and More for a decade now. In 2020, due to the social distancing associated with the COVID-19 pandemic, the 10th edition was broadcast online through San Isidro Culture social media, from October 28th to October 31st. During four evenings, the audience enjoyed new sounds and lived the emotion of a trendy cycle and contemporary sonority.

**INECO Foundation**

BBVA Argentina supported the First Virtual International Symposium on Neurosciences and Wellbeing organized by the INECO Foundation, which fosters scientific research on neurosciences, practitioners’ academic training, and community education and awareness on the brain functioning, and neurologic and psychiatric diseases.

The topics discussed during the Symposium were primarily related to the role of neurosciences on how to build and develop wellbeing based on dialog, collaboration, and interdisciplinary sharing, under the motto “Building wellbeing neuroscience during and after the pandemic.”

## ■ Sustainability Initiatives

At BBVA, sustainability is a strategic priority. In 2020, several initiatives were carried out showing the Bank's strong commitment to Argentina's sustainable growth.

### Environmental Awareness

BBVA Argentina is aware that creating a more sustainable future requires immediate actions. To such end, in association with Fundación Vida Silvestre, the Bank delivered two training sessions on Climate Crisis to address the question: "What is the climate change?" Training was led by an expert from Fundación Vida Silvestre, who shared with attendees the definition, root-cause and consequences of climate change.



**45 trained individuals**

### Garden Workshops

Committed to foster environmentally-friendly initiatives, in 2020, BBVA Argentina joined the Cascos Verdes NGO seeking to strengthen the environmental commitment of the Financial Education Program's young participants, and foster environmental education. Garden Workshops were conducted to teach participants how to assemble a home garden project and strengthen their commitment to the environment. The training encompassed online meetings in charge of environmental trainers from Cascos Verdes, addressed to groups of up to 40 participants each day.



**40 trained participants**



**2 provinces:  
Córdoba and Buenos Aires**

## ■ Community Support during the COVID-19 Pandemic

The BBVA Group launched several measures in all countries in which it operates to tackle the health and financial crisis brought about by the COVID-19. The Bank gave away a total of Euros 35 million at a global level. Also in this vein, BBVA Argentina engaged efforts to support the most vulnerable people during this context.



**\$ 21,846,814  
in donations**



**115,600 beneficiaries**

## Argentine Red Cross

### Your Donation is Worth Twice



**75,000 beneficiaries**

BBVA Argentina's volunteers launched this campaign, inviting our more than 6,300 employees nationwide to raise funds to tackle the COVID-19 pandemic. For every peso donated by an employee, BBVA Argentina would match their contributions to the campaign.

### Argentina Needs Us

BBVA Argentina was part of a donation campaign named "Argentina Needs Us," through which 11 private entities, in association with the Argentine Ministry of Health, made donations in order to strengthen the public and private health system's response capacity to the proliferation of the COVID-19 campaign.

The amount donated by BBVA Argentina was equal to the purchase of 50,000 glasses and 25,000 facemasks for healthcare providers.

## Lets Be One

Committed to support the most vulnerable families during the pandemic, BBVA Argentina joined the "Let's Be One" campaign, led by a group of NGOs, business chambers and companies, in association with the government of the Province and the City of Buenos Aires.

The initiative was intended to assemble and distribute one million boxes with food and health supplies aimed at the most vulnerable sectors, seeking to have an impact on 4 million people.



**10,000 food boxes donated**



**40,000 beneficiaries**

## Trauma Foundation - PARES Training (Preparation to Increase the Healthcare Workforce's Response Capacity)

In order to help strength healthcare workforce and health authorities during the COVID-19 pandemic, BBVA Argentina contributed to the training of 100 health professionals on critical care and organization of health institutions.



**100 beneficiaries**

## Food Emergency in Córdoba

BBVA Argentina participated in the initiative driven by Cáritas Córdoba, Manos Abiertas, Pastoral Social, Jesuitas and Radio María, to deliver food boxes to vulnerable families from different areas of Córdoba.



**500 beneficiaries**



### 2021 Challenges

- Disclose BBVA Argentina's commitment to sustainability.
- Develop positive social impact initiatives, focused on financial inclusion and education and support to entrepreneurs and sustainability.

# 09

## Environmental sustainability

**Creating opportunities to support customers to transition to a more sustainable and environmentally-friendly world.**

BBVA's 2025 Commitment is focused on the fight against climate change. As such, it works on devising actions with direct and indirect environmental impact, seeking to streamline consumption and emissions, and designing products and services that support customers along the way.





## Environmental Management Policy & System

According to the **Environmental Policy**, approved by BBVA's management in 2019, sustainable development is a key priority to the Bank, in light of its remarkable influence on the society through the products and services it offers, particularly those related to financing and asset management activities.

The policy is part of the **Environmental Management System** (EMS). In this regard, during 2020 the Bank carried out the following initiatives:



Online training to environment multipliers at headquarters and branches.



Internal audits at branches.



Adaptation, training and audits at 16 new branches.



Training to internal auditors by the external consulting firm DNV.



EMS general maintenance and ongoing improvement activities



### Environmental Policy: Principles and Commitments

- Adopting the criteria and requirements set forth under ISO 14001:2015 within the following scope: corporate buildings and certain branches.
- Carrying out an ongoing effort to further prevent pollution through the sustainable management of material, water and energy resources.
- Complying with applicable environmental laws and regulations, corporate environmental requirements and other commitments assumed by the Entity.
- Determining and providing the necessary resources to implement, maintain and enhance the Environmental Management System.
- Raising awareness among all people working at BBVA to minimize risks and improve environmental performance.
- Establishing, implementing and maintaining the Environmental Policy's required communication and documentation processes within the organization, including making them available to stakeholders.

## 2025 Commitment: BBVA's Climate Change and Sustainable Development Strategy

The **2025 Commitment** defines BBVA Group's climate change and sustainable development strategy, in alignment with the Paris Agreement. In particular, the target is reducing BBVA Group's electricity consumption by 8% across all its geographies, while covering 80% of its power demand with renewable energies.

BBVA Argentina has energy efficiency plans in place, while using renewable energies to reach its targets. The Bank also made progress on three pillars:



### Finance

Purchase of renewable power under Power Purchase Agreements (PPAs).



### Manage

- Annual review and update of EMS procedures and documents.
- Internal audits.
- Training.
- Follow-up on non-conformities.
- Environmental drill plan.
- Interim Information Management System to keep track of key data for the EMS and the Global Eco-efficiency Plan.
- Carbon footprint calculation and goal optimization based on results.
- Purchase of renewable energies to reduce carbon emissions.
- Implementation of an internal communication plan related to the EMS.
- Energy ratios at branches and buildings.

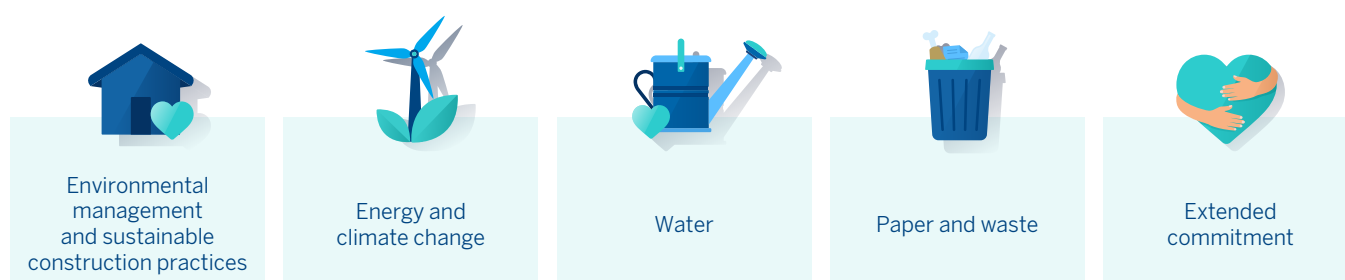


### Engage

- EMS in-person and virtual training courses.
- Internal communications.
- Training to internal auditors and environmental multipliers.
- Training to branches' and headquarters' employees.

## Global Eco-efficiency Plan 2016-2020

The Global Eco-efficiency Plan seeks to reduce BBVA's environmental footprint, as part of its commitment to responsible banking. In 2020 the Bank strived to achieve the established goals.




### Environmental management and sustainable construction practices

In 2020, the Bank completed the certification of the Environmental Management System under the ISO 14001:2015 at 20 branches and the building located at Sarmiento 732, City of Buenos Aires. Hence, 139 branches and all main buildings comprise the largest local network of branches certified by an independent third party.

The BBVA Corporate Tower has also been certified under the LEED Gold Core & Shell, as it was designed and built using energy-efficiency strategy, selection of materials and resources, and water savings. The focus was placed on constructing an environmentally-friendly building that provides a health workplace.



### Development of the 2020 Global Eco-efficiency Plan

Pillar	Strategic Line	2020	2015	2020 Goals or Argentina	Degree of Completion
 Environmental management and sustainable construction practices	Percentage of occupants on certified buildings <sup>(1)</sup>	70%	60%	69%	100%

<sup>(1)</sup> Including ISO 14001 and LEED certifications. The method to calculate external occupants was revised vis-a-vis 2018, resulting in changes in percentage terms, despite the extended certifications. 2020 data calculated on the basis of occupation figures as of June 2020.



Energy and climate change



2020 Goal: 4% decrease  
in emissions per occupant  
**Accomplished Goal**

The Information Management System allows for increased efficiency in tracking consumption, while enabling goal measurement and quantification of the impact of specific measures.

During 2020, the Bank upgraded lighting and air conditioning systems to enhance energy consumption efficiency. These efforts were supplemented with awareness campaigns on utilization of resources. At the same time, the Bank purchased renewable energies to cover 12% of its energy demand, seeking to reduce annual carbon emissions by 10%-11%.

In 2020, BBVA Argentina entered into a five-year agreement with Central Puerto to purchase renewable power from Vientos La Genoveva II Wind Farm in Bahía Blanca. With this agreement, BBVA has become one of the pioneer financial institutions in joining the Renewable Power Term Market (known as MATER), a regulated market within which private parties enter into renewable power purchase agreements. Effective since August 1, 2020, the Reconquista 199 building has covered, on average, 80% of its power demand from a non-contaminating source, substantially reducing carbon emissions.

Global Eco-efficiency Plan	Progress	Goals
Electricity consumption	11% reduction since 2015.	8% reduction by 2025.
Renewable power	5% of power consumption from renewable sources.	70% of power consumption from renewable sources by 2025.
CO2 emissions	22% reduction since 2015.	68% reduction by 2025.

In addition, the Bank made progress in offsetting CO<sub>2</sub> through the purchase of carbon bonds.

In 2020, 12,005 tons of CO<sub>2</sub>e (tons of equivalent Carbon Dioxide) were measured, offset by carbon bonds from the

Peralta 1 Wind Farm in Uruguay. Upon completion, this project is expected to produce a 91,705 ton reduction in CO<sub>2</sub>e per year.

### Development of the 2020 Global Eco-efficiency Plan

Pillar	Strategic Line	2020	2015	2020 Goals for Argentina	Degree of Completion
 Energy and climate change	Consumption per occupant (kWh/occupant) <sup>(1)</sup>	5,107.70	5,037.52	-5%	Under review
	CO <sub>2</sub> eq emissions per occupant (tCO <sub>2</sub> eq/occupation)	1.66	2.08	-4%	100%
	Renewable energy (%)	5%	In 2018 the Bank started to assess alternatives.	Without a stated goal in EMS.	The Bank implemented renewable energies, despite the fact it was not among the goals set for Argentina within the Global Plan.

(1) The information used in building this indicator is related to the energy consumption across the entire Bank's network (branches and buildings), including total electricity consumption. Fuel or generation consumption is excluded from the calculation, because the service is purchased from electricity companies. During 2020, the Bank reviewed and streamlined its information capturing and calculation methodology, revealing the need for revising again the indicator values during the 2015-2016 period. For this reason, even though during 2020 the Bank implemented outstanding energy efficiency actions, these are not yet reflected in the end goals.

### Consumption and Emissions

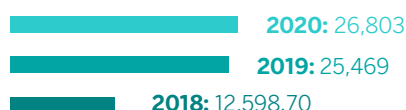
Energy (KWh) <sup>(1)</sup>



Natural gas (m<sup>3</sup>) <sup>(2)</sup>



Diesel (liters) <sup>(3)</sup>



CO<sub>2</sub> emissions <sup>(4)</sup>



(1) It includes electricity consumption. Information taken from invoices issued by electricity distribution companies.

(2) Reported on the basis of daily average consumption estimates per occupant and daily activities.

(3) Does not include vehicle consumption. Extended measurement, considering branches in addition to central areas, to have more comprehensive information than in 2018 and 2019.

(4) The emission factors submitted for calculation purposes by the external consulting firm are under review. These factors are beyond the Bank's control and exclusively depend on the power grid and the characteristics of the other fuels in Argentina. The factors show increases year after year, when it is usually the opposite case, due to technological changes in energy generation methods.

(5) Values considered incomplete from previous period.

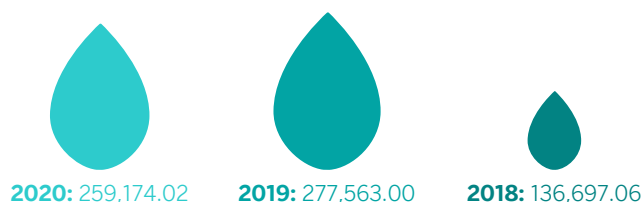


## Water

As it concerns water management, rainwater was recovered at the BBVA Tower, installing low-consumption devices at restrooms and offices.

### Consumption

Public supply of water (m3) <sup>(1)</sup>



(1) Reported on the basis of daily average consumption estimates per occupant and daily activities. In 2020, the Bank also carried out a trend analysis by regions, with an expanded data sample. A significant changes has arisen in totals considering that 2020 figures are a better representation of the reality than previous years under other procedures. This indicator requires strengthening this calculation method, for most water supply spots are not equipped with meters.



2020 Goal: 1% decrease  
in water consumption  
per occupant  
**Goal in progress**

### Development of the 2020 Global Eco-efficiency Plan

Pillar	Strategic Line	2020	2015	2020 Goals for Argentina	Degree of Completion
Water <sup>(1)</sup>	Consumption per occupant (m3/occupant)	35.74	34.90	-1%	Under review

(1) Given the fact that total water figures in 2015 and 2016 are deemed partial for there is not enough support available to ensure integrity, the figures collected in 2020 are not correlated to the baseline. In general terms, total water figures are deemed constant during the period.



## Paper and waste


BBVA Argentina implemented a paperless campaign involving all employees, while also focusing on process digitization. The Bank also made progress with the selective waste collection plan at certified buildings and branches.

As concerns plastic, the Bank eliminated recipients in cafeterias, while also encouraging employees to use their own cups in coffee vending machines. Concerning the customer relationship, the Bank made progress in generating sustainable credit cards<sup>34</sup>.



2020 Goal: 69% of occupants at buildings with selective waste collection  
**Accomplished and Exceeded Goal**

### Development of the 2020 Global Eco-efficiency Plan

Pillar	Strategic Line	2020	2015	2020 Goals for Argentina	Degree of Completion
	Paper consumption per occupant (kg/occupant) <sup>(1)</sup>	16.93	57.29	-1%	100%
Paper and waste	Percentage of occupants at buildings with selective waste collection	73%	60%	69%	100%

(1) Considering A4-type paper consumption.



**46% decline**

in year-on-year paper consumption per capita

### Consumption and Waste

Paper (tons) <sup>(1)</sup>



Hazardous waste (tons) <sup>(2)</sup>



Non-hazardous waste (tons)



(1) Includes A4-sized sheets of papers.

(2) Equals to the total waste of hazardous waste submitted for treatment and disposal, including lighting, batteries and toner cartridges. Hazardous waste is eliminated by stabilization and inertization, incineration and final disposal in security landfills. Some periods (as it is the case of 2020) include waste generated during the previous year, due to calculation of withdrawals and due to the extremely limited amounts based on the type of business.

(3) Scales were handed out to start taking representative samples of generated waste volumes by branch and estimates on the rest.

34 For more details, see "Businesses and Activities" in this Report.



## Extended Commitment

Internal and external awareness is one of the key pillars of the Global Eco-efficiency Plan. In 2020, the Bank launched an internal campaign called “Hacé Eco,” which seeks to engage employees in the actions BBVA takes to reduce its environmental footprint. These internal communications are supplemented with the role of environmental multipliers at headquarters, who received training during the year. The Bank also included sustainability and circular economy training courses, and organized two talks on climate change.

On the other hand, the Bank included environment clauses in bidding documents and delivered training to suppliers, in order to make its policy and commitment extensive to suppliers.

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## Environmental Investment



Environmental investment amounted to a total of \$ 25 million.

Some of the most relevant environmental investments made by BBVA Argentina in 2020 include:

- Changes in hazardous waste management policies in central areas according to applicable laws.
- Installation of solar panels at branches.
- Replacement of conventional lamps with LED equipment at branches.
- Preventive maintenance at AC systems and replacement for more efficient units.
- Purchase of scales for waste weighing at BBVA Tower.
- Purchase of waste separation containers.
- Signage to promote good practices and standards.
- Internal auditors' training



## I Sustainable Finance with Environmental Impact

As a global subscriber to the Equator Principles and to the Principles for Responsible Banking, BBVA Argentina conducts a due diligence analysis on project finance agreements, while providing funds within the sustainable finance framework.<sup>35</sup>

Locally, BBVA Argentina is a leader in the development of environmentally-friendly products and services:

- **Personal credit line called “eco-loans”** to purchase scooters, bicycles, electric cars, and energy-efficient household appliances.
- **Green loans for the SMEs segment. Certification of a green credit line** of \$ 290 million to a Joint Venture, which proceeds will be used to carry out sanitation works at the Matanza – Riachuelo river basin, on the Southern limit between the City and the Province of Buenos Aires.
- **100% online bicycle insurance** with discounts.

- BBVA Argentina is also the arranger and placement agent for the first green bond issued by Petroquímica Comodoro Rivadavia (PCR), in an aggregate principal amount of US\$ 50 million due in February 2021. BBVA Argentina is also one of the placement agents for the new Class D notes the Company will issue towards the end of January 2021. The notes will be at 2 years and will be denominated in U.S. dollars. Class II Notes issued by PCR in an aggregate principal amount of US\$ 36.9 million have been rated BV1 (arg) by the rating agency FIX Scr (an affiliate of Fitch Ratings), which concluded that the placement is aligned with four main elements of the 2018 Green Bond Principles (GBP) issued by the International Capital Market Association (ICMA), thus generating a positive environmental impact.<sup>36</sup>

It also encompasses an analysis of environmental risks associated with lending activities and financial products.



### 2021 Challenges

- Implement an Environmental Information Management System that will provide reliable data on key inputs for the Environmental Management System.
- Plan for the local implementation of annual and five-year goals at a global level.
- Redefine the criteria to be considered in employee-related ratios, considering potential telework arrangements and actual time on the job.

<sup>35</sup> For more information, see “Transparency and control” and “Responsible Banking” in this Report.

<sup>36</sup> A BV1 (arg) -Superior- rating indicates that the green bonds rated at this level display a superior standard in aspects concerning use of proceeds, decision-making process, cash management, and transparency.

# Plans for 2021

BBVA Argentina will continue strengthening its ongoing digitization efforts and offering customers a broad range of solutions to expand the existing ones. It will continue to invest heavily in technology. The strategy for the coming years will also bring about changes in the business, the organization's culture, methodologies, and workspaces. This will require further advice, along with the development of comprehensive and tailored solutions for each customer.

Achieving greater currency stability and containing inflation will be key to generate a financial system that can be trusted, channel savings, and foster credit to leverage the economy, providing the boost society needs.

The local and global financial-economic scenario will be highly volatile in the coming months. Global markets will fluctuate in tandem with the evolution of the Covid-19 pandemic in each country and the coping measures adopted by each government, which will determine how the several economies will ultimately rebound.

BBVA Argentina is competitively positioned to face these challenges, in that it has low exposure to the public sector, broad liquidity which is not contingent upon sovereign assets subject to restructuring, low costs of funding (primarily transactional), and adequate capital levels.

The challenges faced in 2020 has brought to light the importance of technology in delivering financial services. BBVA Argentina was able to rapidly adapt to the new scenario to keep servicing its customers during the pandemic, thanks to the investment it has made in recent years in digitization, which has enabled it to deliver its retail and corporate services, through its digital channels. In exchange, we have received our customers' satisfaction; therefore, we are convinced that we should continue to invest intensively in technology to prevent losing relevance against other banks and fintechs.

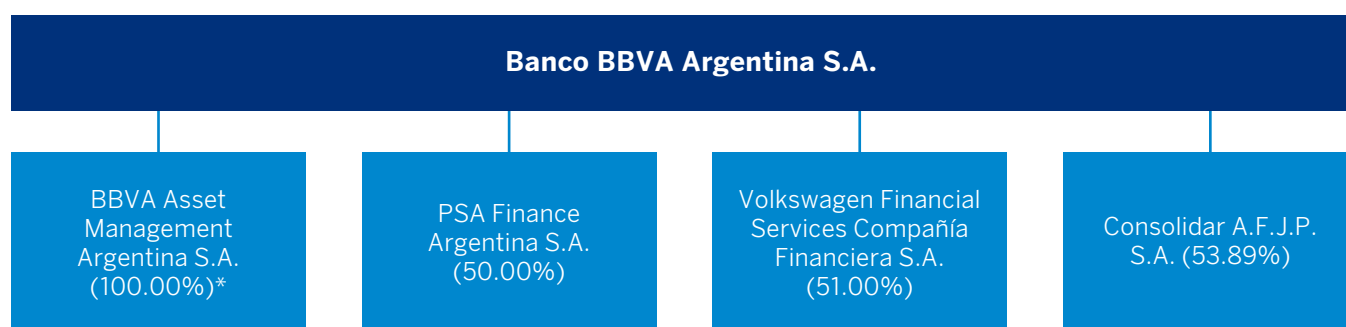
In the years to come, BBVA Argentina will continue moving forward to a more sustainable future, with the strong commitment to support its customers and the society as a whole in the transition to a low-carbon economy, focused on the SDGs.



# Exhibit

## Subsidiaries and Associates

### Subsidiaries



\*The merger of Banco BBVA Argentina S.A. and BBVA Francés Valores S.A. is pending registration with the IGJ.

### BBVA Asset Management Argentina S.A. (Mutual Fund Management Company)

During 2020, the mutual fund sector in Argentina continued to grow. According to preliminary data gathered by the Argentine Chamber of Mutual Funds (CAFCI, for its Spanish acronym), at year-end, assets under management industry-wide were 127.0% higher than at the end of December 2019.

Growth was led by several segments—time deposit funds, market mutual funds and fixed income funds—which, at year-end, recorded an increase in assets of 156.6%, 106.8% and 128.3%, respectively.

As of December 31, 2020, assets under management by BBVA Asset Management Argentina S.A. (BBVA AMA) amounted to \$ 99.97 billion, equivalent to an increase of 126.8%, or \$ 55.88 billion, year-on-year. The breakdown of assets under management is as follows:

Investment Fund Name	In million Pesos
FBA Renta Pesos	95,872.0
FBA Horizonte	637.7
FBA Renta Fija Dólar Plus	138.9
FBA Acciones Latinoamericanas	444.7
FBA Calificado	560.8
FBA Renta Fija Dólar	0.0
FBA Ahorro Pesos	807.6
FBA Acciones Argentinas	470.4
FBA Bonos Latam	0.0
FBA Bonos Argentina	259.3
FBA Bonos Globales	201.3
FBA Retorno Total II	0.0
FBA Brasil I	0.0
FBA Horizonte Plus	31.2
FBA Renta Fija Plus	435.3
FBA Retorno Total I	27.7
FBA Gestión I	27.4
FBA Renta Mixta	59.3
FBA Renta Publica I	1.6
FBA Renta Fija Local	1.6
FBA Renta Publica II	0.0
<b>Total</b>	<b>99,976.8</b>

If we look at the (interim) asset ranking compiled by the CAFCI, BBVA AMA's share in the overall Mutual Funds market was 5.2%, occupying the 5th position.

Within the category of time-deposit mutual funds, at year-end, the company recorded assets under management in the amount of \$ 95.89 billion, up by \$56.74 billion or 144.9% compared to the previous year.

On the other hand, in market mutual funds, the company experienced a decline of \$ 859.2 million, or 17.4% during the year. At year-end, total assets under management in respect of these funds amounted to \$ 4.07 billion. Within the latter category, fixed income funds experienced the most significant decline in terms of assets, down by \$ 829.6 million (- 24.8%) during the period, to stand at \$ 2.51 billion.

During the year, BBVA AMA generated commissions in the amount of \$ 640.2 million, up by 82.8% vis-a-vis commissions accrued during the previous year.

As at December 2020, the company has 18 mutual funds under management registered with the Argentine Securities Commission (CNV).

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

- FBA Bonos Argentina, FBA Ahorro Pesos, FBA Renta Mixta, FBA Renta Pesos, Renta Fija Plus, FBA Calificado and FBA Acciones Argentinas: These funds are operating normally. Subscriptions and redemptions in Pesos are allowed. In order to streamline and facilitate their operation of the first three Funds, Class A units were unified. Requests for subscriptions to these mutual funds were reopened, after the award of other new units during the previous year. In late January 2020, requests for subscriptions to these mutual funds were reopened, after having been suspended since August 29, 2019 by decision of BBVA AMA, pursuant to Decree No. 596/2019 and General Resolution No. 806 (RESGC-2019-806-APN-DIR#CNV).

- FBA Horizonte, FBA Horizonte Plus, FBA Bonos Globales, FBA Retorno Total I and FBA Acciones Latinoamericanas: Only redemptions are admitted. In this respect, subscriptions were suspended in mid-April 2020 as a preventive measure to mitigate market fluctuations and protect investors' interests in these funds.
- FBA Gestión I, FBA Renta Pública I, FBA Renta Pública II and FBA Renta Fija Local: For the time being, these mutual funds are not open for subscription or redemption, and the company is awaiting the right time to market them.
- During the period, the liquidation of Fondos FBA Bonos Latam, FBA Retorno Total II and FBA Brasil I was completed, after completion of the asset realization process and full payment of each.
- FBA Renta Fija Dólar: Undergoing liquidation. After completion of the fund asset realization process, full payment was made on December 28, 2020.
- FBA Renta Fija Dólar Plus: Also undergoing liquidation. After completion of the fund asset realization process, full payment was made subsequent to year-end, specifically, on January 20, 2021.

Like in previous years, and looking forward, the company will pay special attention to the changes in international economic and financial conditions, as well as to the development of the currency market, the performance of crude oil and other commodities prices, the evolution of the pandemic and the coping measures adopted by governments and, finally, the changes in economic trends and their impact on productive sectors.

As concerns the local context, the company will carefully monitor activity levels, inflation and the exchange rate, as well as public indebtedness and expenditures. Similarly, the policies concerning public indebtedness and the renegotiation program with the International Monetary Fund (IMF) will also be key aspects.

Looking to 2021, Mutual Funds are expected to constitute an efficient alternative for investors at the local level. In this regard, the company will continue reshaping and

developing products tailored to customers' demands, ensuring an offering that is suitable to the prevailing market conditions and to the improvements in investors' risk management.

### **PSA Finance Argentina Compañía Financiera S.A.**

The share capital of PSA Finance Argentina Compañía Financiera S.A (PSA Finance) is held, in equal parts, by BBVA Argentina and Banque PSA Finance, a company related to the PSA Peugeot Citroën Group, based in France.

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

The car industry ended the year 2020 with 324,000 car registrations, which accounts for a 26.5% decline year-on-year.

The year 2020 was a complex and unusual one. The uncertainty and volatility prevailing in Argentina added up to an already competitive market, with a broad range of financing alternatives.

During the first months of the year, the company's lending level experienced a strong decline compared to 2019, primarily due to the prevailing conditions in Argentina and the car market downturn. However, demand for financing rose substantially during the second half of the year, offsetting the initial low origination. The year 2020 was marked by intense activity for the Peugeot, Citroën and DS brands, in terms of retail finance launches, advertising actions and rebates, seeking to attract customers and complete more sales.

PSA Finance attained a 23.9% share in Peugeot, Citroën and DS car registrations (measured in terms of financing of brand-new cars), which accounts for a 6 percentage point increase relative to 2019.

Against this backdrop, during 2020, PSA Finance financed a total of 8,624 transactions, including personal and secured loans for new and second-hand vehicles and vehicle leases, which is equivalent to \$ 4.54 billion. As concerns wholesale activity, PSA Finance financed a total of 14,833 units to the network of dealers, equal to \$ 22.80 billion.

As of December 31, 2020, the retail customer portfolio was comprised of 19,098 customers and valued at \$ 5.02 billion, while the wholesale portfolio was valued at \$ 2.41 billion equal to 1,289 financed units.

As to the product offering, in 2020 PSA Finance continued working jointly with the brands Peugeot, Citroën and DS in the development of exclusive and distinct financial products, targeted at certain vehicles.

PSA Finance also maintained an active and competitive product offering, with ongoing commercial efforts from the dealer network.

In 2020, the car industry recorded poor activity levels; however, PSA Finance managed to maintain the same volumes of retail contracts as in 2019, as well as to reinforce financing across the dealer network. Against this backdrop, PSA Finance's net income reflects a 103% increase compared to 2019, as a result of the following factors:

- A lower level of service expenses due to the renegotiation of insurance policies and lesser acquisition expenses.
- The efforts to contain administrative expenses in the face of growing inflation played a key role in maintaining the quality of the company's results of operations, amidst declining activity in the car market and the economic downturn associated with the COVID-19 pandemic.
- An increase in the income tax expense due to the different impact of the application of the inflation adjustment for tax purposes on deferred tax in 2019 relative to 2020, and the restatement of such tax for accounting purposes.

As a result of all the aforementioned factors, net income from financial intermediation activities amounted to \$649 million. Considering other profits and losses, as well as the inflation adjustment, the company's income before income tax amounted to \$112 million, while net income for the year, after income tax, amounted to \$8.5 million.

During 2021, PSA Finance will continue pursuing its sales strategy, encompassing financing promotional actions jointly with Peugeot, Citroën and DS, which have proven successful for several periods now. Under this business model, the company is able to concentrate more than 90% of all financing arrangements granted to networks of dealers for the purchase of brand-new and second-hand vehicles. Undoubtedly, the company will continue working under this model, and keep boosting these joint actions by launching new products, such as the personal loan.

The company will continue supporting ongoing digitization, which is key to the mission of efficiently reaching a customer profile which changes its purchasing behaviors on a daily basis, choosing new technologies to stay abreast of the news and compare products. In this regard, PSA Finance will continue developing tools to allow customers to secure their first loan by means of several digital platforms, which started to be successfully implemented in 2019 and which continued to evolve in 2020. PSA Finance believes this approach will provide the company with a strong competitive position. Therefore, digital growth will remain one its main goals in 2021.

## Volkswagen Financial Services Compañía Financiera S.A.

Volkswagen Financial Services Compañía Financiera S.A. (VWFS) is primarily engaged in the business of granting secured loans for the purchase of new Volkswagen cars and offering wholesale financing to the VW Group's dealers for the purchase of cars from the manufacturers. VWFS is also engaged in financing the purchase of second-hand vehicles and in providing financed maintenance, all within the territory of the Argentine Republic.

On the one hand, the car market ended the year 2020 with a 26% decline vis-a-vis 2019 due to the pandemic-related restrictions, while also experiencing growth in terms of % of total financed units, with a 20.4% share. For 17th consecutive year, the VW Group has again positioned as the market leader, experiencing a lower decline than the market as a whole (-17% vs. the previous year). Compared to 2019, the percentage of financed units increased from 17.4% to 18.6%.

In the retail business, VWFS increased its share in the sale of VW Group's financed units by 5 p.p., to 77% (including trucks), while also increasing its share in VW Group's total sales by 2.1 p.p., to 15.1%. The foregoing was the result of the strong cooperation with the brand and the Group's dealers, offering campaigns at subsidized rates with attractive conditions to customers, despite the high level of benchmark rates in the financial market.

The wholesale business ended the year 2020 with a healthy portfolio, due to the ongoing monitoring of the Group's dealers and the joint efforts with the brand.

During the year, advertising efforts were primarily focused on the leasing product, the corporate sales channel, and financed sales of second-hand cars. On the other hand, VWFS did not offer the UVA-linked product due to the freeze on loan instalments mandated by the Central Bank.

As part of its ongoing improvement approach, VWFS enhanced the service quality to dealers through communication, training and good response levels by VWFS, as reflected in the positive outcomes of the relevant satisfaction survey. In-house, the company conducted several training programs for employees in order to attain efficiency gains and improve service levels to retail customers.

VWFS believes it is adequately capitalized for the development of its business. Moreover, during the year, VWFS increased its sources of funding from other commercial banks, with total credit facilities amounting to \$ 12.55 billion.

During 2020, VWFS successfully completed two issues and placements of corporate bonds. The first one was completed in February for an aggregate principal amount of Ps. 750 million, at 9 months and variable rate (Badlar). The second issue was completed in September in two series, one of them for an aggregate amount of \$ 650 million, at 12 months and at fixed rate, and the other one for UVA-equivalent \$ 300 million at 30 months and fixed rate, to match the UVA-indexed pledge loan portfolio. All the above-mentioned was possible thanks to the existing strategic relationship with the main commercial banks, healthy financial statements, and shareholders' support.

During 2020, the Volkswagen Group had a 17.28% share in the car market, again ranking first in terms of sales volume, which rose from 15.6% in 2019. Amidst a very competitive environment, the company had a 77% share in the Group's financed sales (an increase of 5 p.p. compared to 2019), as a result of a new commercial policy and actions that fostered loyalty among the official network of dealers.

VWFS gained a 15.1% share (including trucks) in the Group's total sales, i.e., an increase of almost 3 p.p. vis-a-vis the previous year and of 2 p.p. relative to the forecasts.

During 2020, the main goal was offering competitive financing products and services to customers, underpinned by a commercial policy aimed at fostering loyalty among dealers. In 2020, the company settled a total of 9,280 secured loans, representing a 2% decline year-on-year.

Profit after income tax for the year ended December 31, 2020 amounted to \$ 65.7 million, equivalent to an almost 50.12% decrease relative to the previous year's restated after-tax profits. The decline was primarily attributable to an extension of the wholesale loan portfolio maturities allowing dealers to maintain healthy financial statements, the setting up of a provision for the UVA-indexed loan portfolio in the retail business as a conservative approach for customers with instalment deferrals, and the recognition of a loss resulting from the freeze imposed by the Central Bank on the installments due under UVA-indexed loans.

During 2021, the car market is expected to reach 300,000 new registrations, which is a decline compared to 2020. Rates are expected to grow in 2021, due to the expected increase in the inflation rate and the current gap between the official and the unofficial exchange rates.

The company's goal for 2021 is defending its share in sales of financed units, with origination of retail loans expected to decline compared to 2020, in line with the outlook for the car market, while maintaining the wholesale portfolio at current levels. With a view to ensure sustainable development in the long term, the company plans to carry out strategic projects in 2021, which are aimed at providing better service quality for customers and enhanced processes with dealers, all of which in support of the industry growth in the long term.

In order to fund its secured loan portfolio, the company plans to continue diversifying its sources of funding with its main business partner, other commercial banks and the issuance of corporate notes.

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

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

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

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

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



In addition, on October 19, 2009, the General Extraordinary Shareholders' Meeting of Consolidar A.F.J.P. S.A. approved a voluntary reduction of the company's capital stock by \$ 75 million. The IGJ approved such capital reduction on January 11, 2010 so that on January 19, 2010, capital contributions were transferred to the shareholders, pursuant to the aforementioned reduction.

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

On December 7, 2010, Consolidar A.F.J.P. S.A. filed a complaint for damages against the National Government and

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

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

As of December 2020, the case is awaiting judgment, and the intervening Court asked to have the evidence recertified.

## Joint Ventures and Associates



### **Rombo Compañía Financiera S.A.**

Rombo Compañía Financiera S.A (RCF) is the main finance company of Renault's network of dealers, both for new and second-hand vehicles. During 2020, Renault had a 13.2% share in the car market, down from 14.4% in 2019, ranking third in terms of sales volume. Nissan had a 3.9% market share, vis-a-vis 3.8% in 2019. Amidst strong competition, the company managed to improve its market share and positioning, thanks to the substantial contribution of secured loans from its finance company.

In 2020, RCF's contribution to Renault's and Nissan's sales increased to 29.0% from 21.8% in 2019 for Renault, and to 25.3% from 17.9% in 2019 for Nissan. Despite the prevailing economic conditions taking their toll on the industry as a whole, RCF experienced strong commercial performance, primarily focused on maintaining the network's loyalty.

RCF remains the industry leader in the ranking of loans and loyalty among brand captive companies, closing the year with an average of 96.8% (credits granted by RCF over total credits for the sale of Renault vehicles) (Source: AFIMA). Renault Argentina and Nissan strongly supported the company's lending activities, providing important commercial tools (subsidized rates) both for new and second-hand vehicles.

With this support, RCF financed 15,586 Renault and Nissan new vehicles in 2020 (compared to 16,823 in 2019) and 2,847 second-hand vehicles (compared to 2,702 in 2019). Accordingly, the total amount of capital lent under financing arrangements as of December 31, 2020 amounted to \$ 8.06 billion, i.e., a 12.5% or \$ 9.07 billion decline relative to December 31, 2019.

Risk and portfolio quality indicators have remained steady compared to the previous year. In this regard, it should be noted that in order to cope with the crisis unleashed by the COVID-19 pandemic, the Central Bank enacted several regulations providing that unpaid loan instalments are to be deferred until the end of the loan, resulting in an improvement in these ratios. The non-performing loan ratio increased from 1.9% in December 2019 to 1.92% at the end of 2020 (average), due to a deterioration in economic conditions, the above-mentioned regulations enacted by the Central Bank, and the considerable decline in the portfolio.

In terms of financing, during the year 2020 the company issued two series of corporate notes for an aggregate principal amount of \$1.59 billion, with the total balance of corporate notes at December 31, 2020 amounting to \$1.81 billion. The amount of the current program is \$ 6.00 billion, and has been rated "raAA" by Fix SCR S.A. Agente Calificadora de Riesgo.

As of December 31, 2020, profit for the year was \$ 167.6 million—i.e., an increase compared to the loss of \$ 293.5 million posted the previous year.

### **BBVA Seguros S.A.**

BBVA Seguros S.A. operates in the following lines of business: Fire, Comprehensive and Combined Household Insurance, Theft, Personal Accidents, Group Life Insurance, Credit Life Insurance, Funeral and Other Coverage.

All figures are stated in constant currency.

During 2020, written premiums amounted to \$ 6.00 billion, accounting for a 0.78% increase compared to the previous year.

The business strategy combines a broad product offering with multiple distribution and service channels, all based on the segmentation of customers' and prospects' needs. Paid losses amounted to \$ 1.21 billion, or 20.29% of written premiums.

Net income for the year was \$ 923 million, while stockholders' equity amounted to \$ 3.63 billion.

The minimum capital surplus was \$ 2.48 billion.

On June 5, 2020, the Argentine Bureau of Insurance (SSN) passed Resolution SSN No. 147/2020 RESOL-2020-147-APN-SSN#MEC concerning the inflation adjustment, providing, among other things, that:

- Technical reserves and outstanding losses calculated on the basis of accounting records should be stated in constant currency.

- Temporarily until June 30, 2021, the minimum capital requirement based on premiums, surcharges and losses should be calculated on the basis of historical costs, increasing the limits applicable to certain assets for purposes of calculating underwriting ratios.
- The percentage of financial income that can be allocated to calculate the technical reserve for insufficient premiums (known in Spanish as RTIP) was increased.
- The liabilities indexation rate was modified, with the CPI gaining more weight.  
On July 1, 2020, the SSN passed Resolution IF-2020-42010661-APNGE#SSN, as supplemented by Resolution IF-2020-51295872-APN-GE#SSN dated August 5, 2020, providing certain clarifications and accounting criteria to be followed in presenting financial statements adjusted for inflation. The most relevant points are detailed below:
- It defines the order of implementation of the inflation adjustment rules (Resolution 147 SSN, IF-2019-64632649-APN-SSN#MHA dated July 17, 2019; Resolution 118 SSN dated February 2, 2019; IF-2019-17698428-APN-SSN#MHA dated March 22, 2019; Technical Pronouncement No. 6; the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) guidance; while ratifying Resolution No. 28,873 dated August 6, 2002 to be relied upon for issues that are not addressed by the above-described rules).
- It changes the transition date (from July 1, 2018 to July 1, 2019); accordingly, the statement of profit or loss and the statement of changes in equity for the previous year's comparative period will not be restated in the measuring unit current at the reporting period end, and comparative information will only be presented for the statement of financial position and its exhibits.
- Changes in the statement of changes in equity will be stated at historical cost, with the adjustment to each item being reported in a separate line - It provides that up to and including June 30, 2021, entities may choose to report their financial income in nominal or real terms (indicating the selected option in notes to the financial statements). For periods/years beginning on July 1, 2021, financial income will be required to be reported in real terms, with no exception.

- The resolution further states that disaggregation of the implicit financial components of transactions could be omitted, to the extent such omission does not have a material impact on the reported information.

For 2021, BBVA Seguros plans to continue growing its value proposition with new insurance products that meet the actual needs of its customers, while making additional channels available to facilitate the simulation, hiring and management process. BBVA Seguros' goal is achieving growth that, in the medium and long-term, will translate into an increase in business volumes boosting shareholders' returns, while delivering a distinct and outstanding customer service by trained employees, aligned with the company's goals.

### **Interbanking S.A.**

As a member and shareholder of Interbanking S.A., together with seven other leading Argentine banks, the Bank offers an electronic communications system which enables its customers to optimize their banking transactions. BBVA Argentina's corporate customers can connect to the service from their personal computers at any time and review their accounts at any member bank, send messages, transfer funds, make electronic wage payments, supplier payments and tax payments, and display market data. Through Interbanking, the Bank offers distinct electronic products for each segment of its corporate customer base and processes online transfers, allowing debit and credit transactions to be settled automatically and to be reflected in the relevant accounts in real time. As a result of the BBVA Argentina's equity interest in Interbanking S.A., on June 30, 2020, the Bank received \$142.3 million in dividends.

### **Play Digital S.A.**

Play Digital S.A., a company in which BBVA Argentina owns a 13.001% interest, was incorporated in 2020 to be primarily engaged in any of the following businesses, on its own account and/or on account and behalf of, or in association with, third parties, within or outside Argentina, namely:

- Providing electronic payment services;
- Administering and operating transfers by means of mobile communication devices and/or any other electronic support, as well as electronic payment services and/or collections on account and behalf of third parties, accepting and executing agency agreements to make and receive collections and/or payments on account and behalf of third parties, in all cases through electronic transfer systems;
- Operating Internet-based electronic money transfer systems and/or any other digital or online means of payment. In addition, the company can provide technology or IT support services related to financial activities. Play Digital S.A. has full legal capacity to fulfill its corporate purpose, being able to acquire rights and assume obligations, and carry out all such acts not otherwise prohibited by applicable laws or its by-laws. The activities governed by the Financial Institutions Law No. 21,526, with its amendments and implementing regulations, are excluded from the company's purpose.

This start-up, which is supported by most banks comprising the Argentine financial system, is currently developing and marketing MODO—a payment solution directly linked to the banking system. This new “fintech” will aim at becoming a strong player in the digital payment segment.

The platform (MODO) will allow to make money transfers from users' existing accounts, using their mobile phone numbers as ID, without the need for using a CBU (uniform banking key). The new platform will basically be a means of payment aggregator. Users will be able to input all their bank accounts and means of payment (debit and credit cards, etc.).

The platform also seeks to facilitate money transfers between people. With this platform, users will be able to transfer money to and from their several bank accounts or to third parties, choosing the intended recipient directly from their lists of contacts using their phone numbers. Besides, after completing each transfer, a Whatsapp notification will be sent to the recipient.

The company also plans to enable payments at brick-and-mortar stores using QR codes scanned from mobile devices.

The Board of Directors of Play Digital is comprised of 10 directors, 5 of whom designated by the private entities and the other 5 by the public entities. The four private entities holding the largest stakes in the company will be assigned one Board seat each, while the fifth seat will be designated by majority by the other parties.

Since BBVA Argentina is the third largest shareholder of Play Digital S.A., it currently has a designated director at the company's board.

## ■ Earnings Distribution Policy

BBVA Argentina has an earnings distribution policy consistent with its mission of generating sustained profitability for the shareholders, while contributing to the favorable evolution of the Entity's equity to drive business and activity growth- all of which maintaining adequate liquidity and solvency levels, in compliance with applicable laws and regulations.

### Earnings Distribution

According to the applicable Central Bank's rules on “earnings distribution,” in calculating distributable earnings, entities are required to make certain off-balance sheet deductions from the addition of balances carried in the account “Unappropriated Retained Earnings,” and in the optional reserve for future distribution of dividends.

The Central Bank eliminated the additional 75% requirement for the payment of dividends for financial institutions and, in line with Basel III, replaced it with:

- A capital conservation buffer equal to 2.5% of risk-weighted assets.
- An additional buffer equal to 1% of risk-weighted assets for entities qualifying as Domestic Systemically Important Banks ("D-SIBs"), as defined by the Central Bank.
- A countercyclical buffer currently set by the Central Bank at 0%. However, the Central Bank may increase such buffer to 2.5% of risk-weighted assets, based on its own assessment of the systemic risk.

Entities are required to pay in these buffers exclusively out of their core tier 1 capital (CON1). An entity's failure to pay in these buffers may have several implications, including progressive restrictions on dividend distributions, share buybacks, payments on other equity instruments, or payment of certain bonuses to employees.

Among its interim provisions, Communication "A" 6464 establishes that, until March 31, 2020, financial institutions which, for purposes of calculating their distributable earnings, have not increased by 1 percentage point the ranges of Tier 1 (CON1) Capital, net of deductions (CDCON1), set out in the tables of paragraphs 4.1.4. and 4.2.4. of the rules on "Earnings Distribution," shall require the previous authorization of the Office of the Superintendence of Financial and Exchange Entities (SEFyC) to distribute earnings. On the other hand, financial institutions will be allowed to distribute dividends provided that such financial institutions: (i) are not subject to the terms of Article 34 "Conformance and turnaround" and Article 35 bis "Restructuring of a financial institution to safeguard bank loans and deposits" of the Financial Institutions Law (Law No. 21,526); (ii) are not receiving financial assistance from the Central Bank; (iii) are not in arrears or have not infringed the reporting requirements established by the Central Bank; and (iv) are compliant with minimum capital and cash requirements.

Furthermore, the Central Bank issued Communication "A" 6768 which sets forth that, effective since August 30, 2019, financial institutions will be required to have the Central Bank's previous authorization to distribute earnings ("A 6768"). As part of the authorization process, the Office of the Superintendent of Financial and Foreign Exchange Institutions will consider, among other things, the potential effects of the adoption of International Financial Reporting Standards, as per Communication "A" 6430 (paragraph 5.5. of IFRS 9 – Impairment of Financial Assets) and the restatement of financial statements required under Communication "A" 6651.

On the other hand, the Central Bank, by means of Communication "A" 6939, suspended earnings distribution until June 30, 2020. Subsequently, through Communication "A" 7035 the monetary authority extended the suspension until December 31, 2020, and then again until June 30, 2021, by means of Communication "A" 7181.

The Board of Directors of BBVA Argentina, in view of its net income for the year, has resolved to propose the payment of cash dividends in the amount of \$ 7.00 billion.

## Directors' Fees and Compensation Policy

In Argentina, the Board of Directors' remuneration is governed by the Argentine General Companies Law and by the CNV rules. According to such rules, the remuneration payable to directors must be approved by a majority of shareholders, gathered at the annual shareholders' meeting. Besides, total fees and other compensation payable to directors may not exceed 25% of an entity's realized and liquid profits, to the extent such entity has distributed dividends. In this regard, the CNV establishes a calculation formula, which is capped at 25% of the entity's liquid and realized profits, and would hence require a dividend distribution equal to 75% of liquid and realized profits. If no dividends are distributed to shareholders, then the total remuneration payable to the Board is limited to 5% of the entity's profits, as provided for in the Argentine General Companies Law.

## ■ Directors' Profile

### María Isabel Goiri Lartitegui

#### Chairman

Born in Bilbao, Province of Vizcaya, Spain, in 1958. She has been the Bank's Chairman since April 2019. She is also a member of the Board of Directors at Gescobro S.A. and Divarian S.A., and member of the Board of Directors and Vice-chairman at BBVA Uruguay S.A. Previously, she held several executive positions at BBVA, including: Chief Risk Officer at Garanti Bank, Turkey. Chief Corporate Risk Management Officer at BBVA in Madrid, Chief Financial Officer at BBVA Compass, Birmingham, USA, Chief Investor Relations Officer at BBVA in Madrid, and Chief Investment Officer at BBVA Asset Management in BBVA, Madrid. She completed her courses of study at the University of London, Birkbeck College (BA Honors First Class In Literature and Classical Studies) and completed an MBA at the University of London's Imperial College.

### Jorge Delfín Luna

#### 1st Vice-chairman

Born in Mar del Plata, Province of Buenos Aires, in 1958. He has been 1st Vice-chairman of BBVA Argentina since April 2019, and Regular Director since March 2017. Mr. Luna is also a Regular Director at Rombo Compañía Financiera S.A.; Regular Director at PSA Finance Argentina Compañía Financiera S.A., and Board of Directors' Vice-chairman at BBVA Banco Francés S.A.'s Foundation. Previously, he held several positions, including Chief Commercial Officer at BBVA Banco Francés; member of the Management Committee at BBVA Banco Francés; Chief Corporate Banking and Foreign Trade Officer; General Manager and Vice-chairman at BBVA Banco Uruguay; General Manager at Easy Bank (BBVA Banco Francés), and Regional Manager at local branches.

### Alfredo Castillo Triguero

#### 2nd Vice-chairman

Born in Spain in 1957. He has been 2nd Vice-chairman at BBVA Argentina since April 2019, and 1st Vice-chairman since November 2016. Previously, he held several positions, including Chief Risk Officer and Chief Audit Officer at BBVA Bancomer; Executive Vice-chairman, Finance Area, at BBVA Banco Provincial de Venezuela; member of the Boards of Directors at several companies of the Financial Group BBVA Bancomer and BBVA Colombia; Executive Vice-chairman of the Finance Area at BBVA Banco Ganadero de Colombia. He has a Bachelor Degree in Economic and Business Sciences.

### Juan Manuel Ballesteros Castellano

#### Regular Director

Born in Guadix Granada, Spain, in 1963. He has been a regular director at BBVA Argentina since November 2016. Mr. Ballesteros Castellano also held the position of Chief Organization Officer at Banco Bilbao Vizcaya Argentaria; and Human Resources Director at Banco Bilbao Vizcaya Argentaria. He has bachelor's degree in Biological Sciences from Universidad Complutense de Madrid and a master's degree from IESE Business School.

### Oscar Miguel Castro

#### Regular Director

Born in Buenos Aires, in 1945. He has been a Regular Director at BBVA Argentina since April 2003. Mr. Castro is also a Regular Director at Molino Agro; Regular Director at Zurich Argentina Cia. de Seguros; Regular Director at Zurich Argentina Cia. de Reaseguros, and Regular Director at Volkswagen Financial Services Cia. Financiera. Previously, he had been an International Partner to Arthur Andersen, Pistrelli Díaz y Asociados for 20 years; Partner in charge of the Financial Services division in Argentina and Latin America, and member of the Financial Services Executive Committee at Arthur Andersen at a global level.

### Gabriel Eugenio Milstein

#### Regular Director

Born in the City of Buenos Aires, in 1958. He has been a Regular Director at BBVA Argentina since April 2016. Mr. Milstein is also a Director at PSA Finance Argentina Compañía Financiera S.A.; Director at Rombo Compañía Financiera S.A.; member of the Banco Francés Foundation, and Deputy Director at Volkswagen Financial Services Compañía Financiera S.A. Mr. Milstein also held several positions, including Media Director and Human Resources and Services Director at BBVA Banco Francés. He is an Industrial Engineer graduated from the University of Buenos Aires.

### Adriana María Fernández de Melero

#### Regular Director

Born in the Autonomous City of Buenos Aires, in 1961. She has been a Regular Director at BBVA Argentina since April 2019, after having been an Alternate Director since March 2017. Previously, she held several positions, including Advisor to the Office of the Chairman at Banco



Provincia de Buenos Aires; Chief Corporate Development and Transformation at BBVA Banco Francés; member of the Steering Committee at BBVA Banco Francés; Business Development Manager; Organization and Productivity Manager at BBVA Francés; Structures and Productivity Manager at BBVA Banco Francés; Human Resources Administration Manager at BBVA Banco Francés; and Human Resources Development and Planning Manager at Banco de Crédito Argentino. Mrs. Fernández de Melero is a Bachelor in Business Administration graduated from UMSA (Buenos Aires).

### Francisco Javier Perez Cardete Alternate Director

Born in Valencia, Spain, in 1961. He has been an Alternate Director at BBVA Argentina since April 2016. Previously, he held several positions, including Head of Risks in Valencia; Territorial Director for the Southern and Eastern Regions at Banco Bilbao Vizcaya Argentaria; Area Director at Banco Bilbao Vizcaya Argentaria, and Head of Risks in Valencia. He is a lawyer graduated from the Universidad Central de Barcelona, Spain, and completed a Master Degree in Tax Law.

### Gustavo Alberto Mazzolini Casas Alternate Director

Born in Mendoza in 1967. He has been an Alternate Director at BBVA Argentina since March 2017. He is also the Chief Financial Officer of BBVA. Previously, he held several positions, including Financial Staff Country Monitoring at BBVA; Chief Strategy and Finance Officer at BBVA; Chief Financial Officer at Banco Provincial BBVA Group; Head of the Finance Area Coordination Department for the Latam Group at BBVA; Chief Financial Planning Officer for Credilogros Compañía Financiera at BBVA, and Chief Financial Officer at Corp Banca Argentina.

### Gabriel Alberto Chaufán Alternate Director

Born in the City of Buenos Aires, in 1966. He has been an Alternate Director at BBVA Argentina since April 2019. Mr. Chaufán is also Chairman at BBVA Consolidar Seguros S.A. and Regular Director at BBVA Uruguay S.A. Previously, he held several positions, including Chairman of AVIRA; member of the Management Committee at BBVA Banco Francés; Chairman and General Manager at Consolidar ART, Consolidar Seguros, Consolidar Salud, Consolidar Retiro and Consolidar AFJP (the latter undergoing liquidation). Manager of the Pension and Insurance Business; Head of the Pension Business and all insurance lines (Life, P&C, Life Annuities, Health), and Underwriting Manager for the Group. He is an Actuary graduated from the University of Buenos Aires.

## Code of Corporate Governance

### Main Guidelines of the Code of Corporate Governance

The principles comprising BBVA Argentina's Corporate Governance System are enshrined in: (i) our corporate by-laws; (ii) applicable laws; (iii) the internal rules of operation of the several Committees; and (iv) the Code of Corporate Governance (CCG), which govern Directors' and Senior Management's rights and duties.

In this regard, the CCG—whose latest version was approved by the Bank's Board of Directors in December 2020,—contains the most recent Corporate Governance

recommendations given by the Argentine Securities Commission (CNV) and the Argentine Central Bank. In addition to allocating duties to the Board of Directors, Senior Management and Committees, clearly establishing their respective roles and operation, the CCG primarily seeks to protect the investing community's rights, in that it prevents or restricts the potential for disseminating asymmetric information, and defines internal and external risks and controls.

## Independent Directors

As established in the CCG, the Bank's Board of Directors must be comprised by a sufficient number of independent Directors to make up the Committees that require their participation.

Independence requirements are established in Article 11, Chapter III of the CNV Rules, and are in line with international standards, in particular, the Rules of Corporate Governance handed down by the New York Stock Exchange (NYSE), following the indications of the United States Securities and Exchange Commission (SEC), which set out directors' independence eligibility criteria.

The independent status of each director shall be reported by each shareholder proposing a candidate at the respective Shareholders' Meeting.

In addition, the independent or non-independent status of each Director shall be disclosed in the Bank's Annual Report and Financial Statements, and in other required documents. According to General Resolution No. 730/2018 handed down by CNV, an independent director is defined as any director designated by reason of their personal or professional qualifications who may freely discharge their duties without being influenced by their relationship with the company, its significant shareholders or executives. In particular, any person falling under any of the following assumptions may not be regarded as an independent director:

a) individuals who are also members of the Board of Directors of the parent or other company belonging to the same business group as the issuer, due to an existing relationship at time of their appointment, or which has ceased during the three years prior to their appointment.

b) Individuals who are related to the issuer or to the issuer's shareholders owing, directly or indirectly, "significant interests" or to companies in which they also own, directly or indirectly, "significant interests" or if they have had an employment relationship with these companies during the last three (3) years.

c) Individuals having a professional relationship with, or belonging to, a company or professional association customarily having a professional relationship of a such a nature and in such relevant volume with, or receiving salaries or fees from (other than the fees related to the duties discharged at the Board) the issuer or to the issuer's

shareholders owing, directly or indirectly, "significant interests" or companies in which they also own, directly or indirectly, "significant interests." This prohibition encompasses professional or ownership relationships during the last three (3) year prior to the director's appointment as such.

d) Individuals, directly or indirectly, owing five per cent (5%) or more of the voting shares and/or capital stock in the issuer or in a company in which the issuer owns a "substantial interest."

e) Individuals who, directly or indirectly, sell and/or deliver goods and/or services, other than those set out in paragraph c), customarily and of a relevant nature and volume, to the issuer or the issuer's shareholders owing, directly or indirectly, "significant interests", for amounts substantially higher than those received as compensation for the duties discharged as members of the Board of Directors. This prohibition encompasses business relationships that may have existed for the last three (3) year prior to the director's appointment as such.

f) Individuals who may have been directors, managers or key executives at non-for-profit organizations having received funds for amounts in excess of those described in paragraph l), Article 12 of UIF Resolution No. 30/2011, as amended, from the company, its parent company, and other companies of its business group, as well as from the key executives of any of them.

g) Individuals who receive any form of payment, including any form of profit sharing in stock option plans or arrangement, from the company or the companies comprising its business group, other than the fees earned by reason of their duties as directors, excepting the dividends those individuals are entitled to in their capacity as shareholders, under the terms of paragraph d) and the consideration set out under paragraph e).

h) Individuals who have been directors at the issuer, its parent company or other company of the same business group for more than ten (10) years. The status of independent director is recovered after a period of no less than three (3) years has elapsed from expiration of their term in office.



i) Spouses or domestic partners, and relatives up to the third degree of consanguinity or second degree of affinity of individuals who, if they were part of the Board of Directors, would not meet the independence eligibility requirements set out in these rules.

Directors who, following their appointment, fall under any of the above-described circumstances, shall immediately notify so in writing to the issuer, and the issuer shall give notice to the CNV or the markets in which its securities are listed, upon occurrence or immediately after becoming aware of such event.

All references in this section to “significant interests” shall be understood as references to individuals owning shares representing less than five per cent (5%) of the capital stock and votes, or lesser amount if entitled to elect one or more directors per class of shares, or if having governance and administration agreement with other shareholder in respect of the company in question, or its parent company. References to “business group” shall be understood within the meaning set forth in paragraph 3 e), Section 5, Chapter V, Title II of the CNV Rules (N.T. 2013, as amended).

### Appointment of Directors

Directors are appointed at the Shareholders’ Meeting, which is the Bank’s governance body, abiding by the minimum and maximum number of members set out in the Corporate By-laws, and appointing deputy directors for an equal or lower number than regular directors, and for the same term in office to fill potential vacant seats.

Shareholders proposing candidates to regular or deputy directors shall give notice to the Shareholders’ Meeting whether such candidates are independent or not.

Directors’ eligibility requirements will be subject to no limitations other than those set forth in the Argentine Companies Law, the Financial Institutions Law, with its amending and related provisions, the rules handed down by the CNV, the SEC, and the CCG.

### Discharge of Directors’ Duties

According to the Corporate By-laws and as prescribed by law, BBVA Argentina’s Board of Directors is, *stricto sensu*, the entity’s representation, administration, management and control body. As such, the Board of Directors shall (i) watch for the Bank’s liquidity and solvency; (ii) review and guide the corporate strategy, the most significant action plans, the risk monitoring policies, and the annual budgets and plans; (iii) fix the Bank’s goals and watch for their execution and fulfillment, at the corporate and managerial levels; and (iv) oversee the Bank’s main capital allocations, divestitures and acquisitions.

Directors are required to discharge the duties set forth in applicable laws and in the By-laws, in the best of the Bank’s interests. Directors shall engage in all discussions and debates that may arise on the issues submitted to their consideration and shall be provided with sufficient information to be able to form a judgment on the issues within the purview of the Bank’s corporate bodies, being entitled to ask for such additional information or advice as might be deemed required to discharge their duties.

On the other hand, depending on the relevance of the issues to be dealt with, directors may resort to external subject-matter experts for advice.

Every year, the Board of Directors approves the Bank’s annual report which contains an overview of their actions and performance during the year, taking into consideration, among other things, the goals set at the beginning of each fiscal year. The annual report is submitted to the shareholders with sufficient time ahead for their consideration and approval at the Annual Shareholders’ Meeting.

### Directors’ Fees

Directors’ fees shall be governed by applicable laws, including the provisions of the Corporate By-laws, the Argentine Companies Law, and the rules handed down by the Central Bank and the CNV.

The Audit Committee (CNV) shall render an opinion on the fairness of the fees and stock options proposed by the Appointment and Remuneration Committee for the Bank’s directors and managers, and shall submit that report to the Board.

The information on the fees payable to the Board's members is made available to the shareholders gathered at the Bank's General Shareholders' Meeting.

### Conflicts of Interest

The Code of Corporate Governance details the potential situations that may pose a conflict of interest between a "Director" and BBVA Argentina, and the manner in which Directors are expected to act in each case to prevent conducts contrary to the Bank's best interests. In addition, at a meeting held on February 24, 2020, the Board of Directors approved a General Conflicts of Interest Policy.

These rules are meant for Directors to display an ethical conduct, according to applicable laws and BBVA Argentina's values.

### Incompatibilities

In discharging their duties, Directors shall be subject to the incompatibilities set out in applicable laws at each time and, in particular, to those established in the Argentine Companies Laws, and in the rules handed down by the Argentine Central Bank.

Upon forfeiting the condition of BBVA Argentina's Director, then such Director shall have to resign to such other management positions at the Bank's subsidiaries or investees discharged by reason of such condition.

### Directors' Removal from Office

Directors shall be removed from office upon the termination of the term for which they were appointed, unless reelected. Furthermore, based on the good faith principle, Directors shall tender, and formally acknowledge, their resignation to the Board, upon occurrence of any of the assumptions described in the CCG and transcribed below:

- Upon falling within any of the incompatibility or disqualification assumptions set out in applicable laws or in the Corporate By-laws.
- Upon the occurrence of a significant change in their professional situation or in the condition by reason of which they were appointed directors.

- Upon a serious breach of their duties as Directors.
- Upon an event attributable to a Director's fault while acting in his/her capacity as such, causing serious damages to the Company's assets, or resulting in such Director's losing the required business or professional standing to act in the capacity as BBVA Argentina's Director.

### Relations with Shareholders and Markets

Pursuant to the transparency principle that should guide the Bank's actions in financial markets, and which is enshrined in the CCG, the Board of Directors will establish appropriate mechanisms to ensure BBVA Argentina's disclosure of all such information that might be relevant to shareholders and investors, as well as the accuracy and truthfulness of the information so disclosed. The Board of Directors may also suggest mechanisms to improve the relationship and communication with BBVA Argentina's shareholders.

In this regard, BBVA Argentina has an Investor Relations area, under the purview of the Finance department, which is primarily tasked with the duty of representing the Bank before shareholders, investors and analysts, making institutional filings concurrently with the submission of its financial statements. To such end, the Bank periodically arranges informational meetings (roadshows, conferences, and other meetings) with shareholders to discuss the course of the Bank's business and other topics of interest, addressing their individual comments and questions.

Furthermore, shareholders accounting for, at least, 2% of the Bank's capital stock may request for informational meetings and/or give feedback or make proposals in respect on the course of the Bank's business.

### General Shareholders' Meeting

The issues relating to the operation of the Shareholders' Meeting and shareholders' rights are governed by the Corporate By-laws and applicable laws and regulations, including: The Argentine General Companies Law, the

CNV rules, BYMA's Listing Rules and Regulations, and the Central Bank's Rules.

Shareholders' meetings are called for by the Board of Directors or by the Supervisory Committee in such cases prescribed by law, or may otherwise be convened at the request of shareholders representing no less than 5% of capital stock.

The notice of call to the meeting and the meeting agenda are published in the Official Gazette and in a local newspaper of wide circulation, no less than twenty days and no more than forty five days before the scheduled date for the meeting.

At least twenty days before the meeting scheduled date, shareholders shall receive all relevant information concerning the meeting, the documents that will be discussed therein, and the Board of Directors' proposals.

To be able to exercise their rights at the shareholders' meeting, shareholders shall submit evidence of their respective shareholdings in the form of a certificate issued by the depository institution (Caja de Valores) or other authorized institution, for registration in the book of attendance, no less than three business days before the meeting scheduled date.

Once the meeting quorum has been constituted and before commencing the discussion of the meeting agenda, the Board of Directors' Secretary will inform the present shareholders the voting system to be used at the Shareholders' Meeting.

In particular, shareholders may exercise their voting rights for or against the several proposed items comprising the agenda, in person or by proxy.

In the latter case, shareholders shall deliver a power of attorney by means of a public or private document. The Bank's directors, supervisory committee members, managers and other employees are not allowed to act as a proxy.

The Board of Directors has an Investor Relations area and a Secretary, tasked with facilitating the communication during the course of a general shareholders' meeting, in addition to a specific web site that can be freely accessed.

## Schedule IV to CNV General Resolution 797/19

### 2020 Corporate Governance Report

#### CNV GENERAL RESOLUTION 797/19

##### A) THE ROLE OF THE BOARD OF DIRECTORS



#### Principles

I. The company should be headed by a professional and qualified Board tasked with laying the necessary foundations to ensure the company's sustainable success. The Board is the guardian of the company and watches for its shareholders' rights.

II. The Board shall frame and foster the corporate culture and values. In discharging its duties, the Board shall ensure compliance with the highest standards of ethics and integrity, based on the company's best interest.

III. The Board shall ensure a strategy inspired on the company's vision and mission, aligned with its corporate values and culture. The Board shall be constructively involved with management to ensure the Company's strategy is appropriately developed, executed, monitored, and amended.

IV. The Board shall monitor and oversee the company's management on an ongoing basis, ensuring that managers take actions addressed at executing the business strategy and plan approved by the Board.

V. The Board shall have all such necessary mechanisms and policies for it and each of its members to be able to discharge their duties efficiently and effectively.

## 1. The Board inspires an ethical workplace culture and establishes the company's mission, vision and values.

The Entity follows the recommended practice. According to Section 12.1 of the CCG, directors are bound by a loyalty duty, having to discharge the duties set forth in applicable laws and in the Corporate By-laws, acting in the best interests of the Bank. Directors shall also display an ethical conduct in accordance with regulatory requirements applicable to individuals discharging management and administration duties at corporations, particularly, at financial institutions, acting in good faith and pursuant to the principles encompassing the values of BBVA Argentina S.A. In this regard, our Code governs all aspects concerning conflicts of interests that might arise between a Director's and his/her relatives' and the Bank or its Group, as well as incompatibility assumptions to fill the position of Director, among other aspects.

The Bank has a Code of Conduct or Ethics in place, approved by the Board of Directors on December 18, 2003 and amended on August 25, 2015, which is applicable to all employees and addresses issues concerning conflicts of interest and human rights, embraces the 10 principles of the UN Global Compact, and also takes into account the International Labor Organization's agreements.

The Code of Conduct sets forth the behavioral guidelines which, according to BBVA Group's principles, guide actions in alignment with the Entity's internal values. Accordingly, all our members are expected to act in accordance with applicable laws and regulations, in an upright and transparent manner and, with the prudence and professionalism levels required by the social impact of the financial business and the trust shareholders and customers have placed on BBVA.

This Code is available to the general public at the corporate website and to the Bank's employees at the intranet. In addition, on November 27, 2018, the Bank's Board of Directors approved an Anti-corruption Policy which enshrines the principles and guidelines primarily set out in paragraph 4.3 of the Code of Conduct, approved by the Board of Directors at the meeting held on August 25, 2015. Such policy was revised by the Board of Directors on July 28, 2020. **The policy reflects the spirit of national and international anti-corruption standards, considering the recommendations from international anti-corruption organizations and those established by the International Organization for Standardization (ISO).**

Among its duties, the Compliance Committee is tasked with fostering and monitoring the operation and efficiency of the Reporting Channel and dealing with the most significant cases. The Compliance area must ensure that complaints are addressed diligently and promptly, guaranteeing that investigations remain confidential and that good faith reports are free from any form of retaliation or other adverse consequences.

The Bank's Internal Audit Committee and Audit Committee (Law No. 26,831, as amended) are also empowered to handle these reports, to the extent related to issues within their respective purviews. The Audit Committee (Law No. 26,831, as amended) is tasked with reviewing and approving conflicts between related parties.

## 2. The Board sets the Company's overall strategy and approves the strategic plan developed by management. In doing so, the Board takes into consideration environmental, social and corporate governance factors. The Board oversees the strategy execution by using key performance indicators, taking into account the company's best interests and its shareholders' rights.

The Entity follows the recommended practice. Section 11 of the CCG sets forth the Board's powers and responsibilities, including the approval of policies and strategies. In particular, the Board of Directors shall approve the following policies and strategies:

i) Strategic Plan: Annual budgets, encompassing the Bank's strategic financial and business plans, as well as its management and financing goals. The Board of Directors reviews performance on a monthly basis.

The Board of Directors approves the Business Plan on an annual basis.

The assessment of compliance with goals and objectives is carried out by monitoring the annual budget. To such end, in October each year, the Bank prepares a zero-base budget, built upon goals set by management to the several business and support areas. Then, the business and support units prepare a "bottom-up" budget encompassing completion of the stated goals. Once the annual budget is approved, the budget is monitored by submitting the respective reports to management and the pertinent incumbent areas.

Goal completion is monitored on an annual basis; however, the budget contains a schedule which reflects, on a monthly basis, the quantitative targets to be reached by the several business areas in order to meet the aforementioned goals. The Board of Directors reviews the Bank's performance on a monthly basis, by approving the management report.

On the other hand, the Board of Directors, at a meeting held on July 30, 2019, signed the Sustainable Finance Protocol, to guide our business model through triple-impact goals, pursuing returns, while also seeking to generate social impact and protect the environment, ensuring long-term sustainability.

The global boom of triple-impact financial instruments that has occurred in recent years was reflected at a local level by means of the issuance of the first green and sustainable bonds and loans by sub-national governments and financial institutions. In line with this emerging market, in March 2019, the capital market regulatory authority published the "Argentine guidelines for the issuance of social, green and sustainable securities."

Accordingly, the entities signatories to this protocol developed this voluntary initiative in order to start building a sustainable finance strategy in Argentina and, to such end, have subscribed the Argentine Sustainable Finance Protocol.

The Sustainable Finance Protocol is intended to facilitate and encourage the adoption of international best practices and policies by Argentine financial institutions, fostering integration among economic, social and environmental aspects, to move towards Sustainable Development.

This Protocol is a framework agreement, meant to be a starting point for signatory entities to identify and elaborate on specific topics that will be agreed upon, considering the individual status of each entity in particular.

### **3. The Board oversees management and ensures managers develop, deploy and maintain an adequate internal control system, with clear reporting lines.**

The Entity follows the recommended practice. The Board's obligation is detailed in paragraph ii) of the CCG which establishes that the Board will approve the internal control model.

On September 24, 2019, the Board of Directors approved a Comprehensive Risk Management Model, which sets out the levels and types of risks we are willing to undertake to carry out the strategic plan, with no relevant deviations from established limits, even under stress conditions and always within the regulatory framework established by the Central Bank.

Besides, the Bank is working on the implementation of a non-financial risk monitoring model. Non-financial risks include operational, reputational, business, strategic, and model risks. Operational risk is defined as the risk of loss resulting from human errors, inadequate or failed internal processes, and system failures, as a consequence of external events, including legal risks. Such loss can take several forms, including direct impact on the profit & loss account, sanctions imposed by the regulatory authority, reputation damages, lost profits, loss of efficiency, etc.

In order for operational risk management to be effective, BBVA provides for a monitoring model with three independent lines of defense, according to its non-financial risk management and monitoring policy, recommendations from several regulatory authorities and supervisors, and industry standards.

The performance of the CEO is annually assessed at the Shareholders' Meeting. The Board of Directors annually attests that the CEO is not included within the disqualifications set out under the Financial Institutions Law, and that he or she has a track record that supports his/her skills, integrity, experience in the financial business, and eligibility for the position. The CEO's performance is assessed by the Talent & Culture area.

**4. The Board designs the corporate governance structures and practices, appoints the individuals responsible for their execution, monitors the effectiveness of such structures and practices, and suggests changes, as needed.**

The Entity follows the recommended practice. The Board has the following committees in place, namely: Management Committee; Audit Committee (Law No. 26,831); Nomination and Remuneration Committee; Internal Audit Committee; Anti-money Laundering and Terrorist Financing Committee; Information Technology Committee; Disclosure Committee; Risk Committee; Corporate Assurance Committee; Compliance Committee, and Assets and Liabilities Committee, according to the several topics to be addressed and the pertinent knowledge area. Pursuant to the terms of Section 20 of the CCG, the utmost authority of BBVA Argentina's Legal Services area will be entrusted the legal and administrative affairs for the normal operation of the Board of Directors and shall see to the compliance with applicable laws and regulations, and will discharge the duty of Board of Directors' Secretary.

The Board of Directors annually reviews the Code of Corporate Governance to ensure it remains suitable to the Bank's profile, based on its relative size, complexity, and importance within the financial system.

**5. The Board's members have sufficient time to discharge their duties in a professional and efficient manner. The Board and its committees have clear and documented operating and organizational rules, which are disclosed through the Company's website.**

The Entity follows the recommended practice. The Board members engage the necessary time and efforts to address the issues submitted for its approval, follow-up, and monitoring. The Board of Directors' members receive the agenda detailing the business to be transacted at the meeting five days before the scheduled date, to ensure efficient decision making.

Chapter III of the CCG set out the Board's operating rules and Chapter V of the CCG establishes the composition and operation of the several Board committees. Besides, the Bank's website contains a detail of the Board committees, indicating their respective composition and functions.

**B) BOARD CHAIRMAN AND CORPORATE SECRETARY**



**Principles**

VI. The Board Chairman shall watch for the effective discharge of the Board's duties, and shall lead its members. The Chairman shall encourage a positive workplace dynamics and foster the constructive engagement of its members, while ensuring that they are equipped with the necessary information and elements for decision-making. This also applies to the Chairperson of each of the Board Committees, to the extent of their respective duties.

VII. The Board Chairman shall lead processes and establish structures seeking members' commitment, objectivity and competence, as well as the best operation of the Board as a whole, and its evolution according to the Company's needs.

VIII. The Board Chairman shall ensure that the entire Board is involved in and accountable for the Chief Executive Officer's succession.

**6. The Board Chairman is responsible for the good organization of the Board meetings, and shall prepare the meeting agenda, ensuring the collaboration from the other members and that they receive the necessary materials with sufficient time ahead for an efficient and informed participation at meetings. The Chairpersons of the Board Committees shall have the same responsibilities in respect of their meetings.**

The Entity follows the recommended practice. The Board Secretary call for and arranges the Board of Directors' and its several Committees' meetings.

The Board of Directors' members receive the agenda describing the business to be transacted at the meeting five days before the scheduled date, together with the documents that will be discussed at that time, such that all attendants have the required information available to review in advance the business to be transacted at meetings.



Subsequent to each meeting, draft minutes are distributed among directors for consideration, reflecting the discussion and resolutions passed at such meetings.

**7. The Board Chairman watches for the appropriate internal operation of the Board, by implementing formal appraisal processes on an annual basis.**

The Entity follows the recommended practice. Section 12.6 of the CCG provides for a self-assessment of Board members. An annual self-assessment is completed, evaluating the Board's performance as governance body, as well as the individual performance of each member. Such assessment is completed by filling out a questionnaire including some questions on the management, frequency and structure of Board meetings, and other questions about the Board's self-assessment.

**8. The Chairman inspires a positive and constructive workplace for all of the Board's members, ensuring that they receive ongoing training to stay current and be able to discharge their duties effectively.**

The Entity follows the recommended practice. This obligation is included in Section 3 of the CCG, which sets forth that, prior to their meetings, directors shall receive sufficient information to encourage active discussions and involvement at meetings. The Board of Directors' Chairman enables an orderly environment conducive to dialogue and constructive criticism, where all members have the necessary documents to express their views. In this regard, the Board of Directors' members receive the agenda detailing the business to be transacted at any given meeting five days before the scheduled date, together with the documents that will be discussed at that time.

In addition, the Bank has an annual continuing education and training program in place targeted at the Board of Directors' members and managers. Such program comprises several training courses on regulatory issues, including anti-money laundering, stock exchange conduct, personal data protection, and information security policies, as well as the code of conduct.

**9. The Office of the Corporate Secretary supports the Board Chairman in ensuring the effective administration of the Board, and cooperates with the communication among shareholders, the Board, and management.**

The Entity follows the recommended practice. Section 20 of the CCG provides for the creation of the Office of the Board of Directors' Secretary in charge of pursuing legal and administrative efforts to ensure the Board of Directors' normal operation. Some of its main duties include ensuring that all such relevant information for the decision-making process is made available to the Board of Directors, with sufficient time ahead, taking into consideration the relevance of the matters to be addressed.

The utmost authority of BBVA Argentina's Legal Services area, with the cooperation of the Legal Services Institutional Area, shall be entrusted with the legal and administrative affairs for the normal operation of the Board of Directors and shall see to the compliance with applicable laws and regulations. The Board of Directors' secretary is in charge of preparing the meeting agenda, which is handed out among Board of Directors' members 5 days before the scheduled date, along with all documents supporting the topics to discuss at the meetings. The Board of Directors' secretary is in charge of arranging shareholders' meetings, ensuring the attendance of all directors and distributing all relevant information with sufficient time ahead for review, and also provides assistance with annual sustainability reports, such as the Integrated Report. The Board of Directors' secretary is also responsible for the due maintenance of books of minutes reflecting the development of Board of Directors' meetings, keeping adequate record of corporate documents.

**10. The Board Chairman ensures the engagement of all of its members in the development and approval of a succession plan for the Company's CEO.**

The Entity follows the recommended practice. The Nomination and Remuneration Committee, at a meeting held on October 19, 2018, approved the senior management succession plan. On February 17, 2020, such committee approved the succession plan for the Bank's CEO. The plan was approved by the Board of Directors of BBVA Argentina. The plan design is in charge of the Business Partner from the Global Key Role Management area.

The plan encompasses proposing suitable candidates as potential successors, who shall be considered jointly with candidates from other geographic locations of BBVA Group. The plan will be focused on the early identification and development of the most suitable candidates, in order to train the best-suited individuals to be considered as potential successors of the vacant position. To such end, we will rely upon the tools and processes available at T&C: Appraisal of Performance, Skills and Potential, Talent Map, and People Review.

### C) BOARD COMPOSITION, NOMINATION, AND SUCCESSION



#### Principles

IX. The Board shall have sufficient levels of independence and diversity so as to be able to make decisions in the Company's best interest, avoiding groupthink and decision-making by dominant individuals or groups within the Board.

X. The Board shall ensure that the Company has formal procedures in place to propose and nominate candidates to fill seats at the Board, within the framework of a succession plan.

#### **11. The Board has, at least, two independent members, according to the then-current criteria set out by the Argentine National Securities Commission (CNV).**

The Entity follows the recommended practice. The Bank's Board of Directors is comprised by 7 Regular Directors and 3 Alternate directors. In compliance with the CNV's recently enacted rules, the Bank has 3 independent Directors, none of whom discharge executive duties.

Therefore, the Bank has the necessary number of independent Directors (as required by the rules set out by the CNV and the Central Bank) to make up its several committees.

On the other hand, according to Communication "A" 6111 issued by the Central Bank, the Bank may not have directors discharging executive duties at the entity.

#### **12. The Company has a Nomination Committee made up of, at least, three (3) members and chaired by an independent director. If the Board Chairman presides over the Nomination Committee, then he/she shall not be engaged in the discussion to appoint his/her own successor.**

The Entity follows the recommended practice. The Entity has a Nomination and Remuneration Committee in place, made up of 3 members, one of whom is independent, to enable a more adequate operation of the Committee, and ensure objectivity and independence.

#### **13. The Board, through its Nomination Committee, develops a succession plan for its members which guides the short-listing of candidates to fill vacant seats, and contemplates the non-binding recommendations of its members, the CEO, and the shareholders.**

The Entity follows the recommended practice. The Board of Directors resembles gender diversity, and is made up of two female directors, one of whom chairs the Board, thus ensuring diversity and an inclusive culture, enriching the analysis, discussion, and decision-making processes.

On an annual basis, the Nomination and Remuneration Committee attests that the members of the Board and senior management do not fall within the disqualifications set out in the Financial Institutions Law, and that they maintain the legal capacity, qualifications, skills, integrity, experience in the financial industry, and eligibility for the position that were assessed by the Argentine Central Bank at the time of granting its consent for them to hold such offices. Besides, the Nomination and Remuneration Committee has developed a succession plan for senior management and for the CEO. It is responsible for identifying potential candidates to fill positions at the Board of Directors to be proposed at the Shareholders' Meeting. Some alternate directors will be the natural successors to the incumbent directors, upon resignation, death or inability of the latter.



#### **14. The Board implements an onboarding program for its newly elected members.**

The Entity follows the recommended practice. According to Section 1 of the CCG, in order for new directors to get acquainted with the Bank and its corporate governance standards, the Bank will deliver an onboarding and support program, notwithstanding the assistance such Directors may from time to time require in this regard.

For new members, the Secretary of the Board of Directors will onboard them to the Board, arrange meetings with peers, and schedule interviews with key personnel, and will also send all necessary information for the discharge of their duties, and submit the necessary documents before a meeting scheduled date, in order to improve the decision-making process.

#### **D) REMUNERATION**



##### **Principles**

XI. The Board shall create compensation-linked incentives to cause management – headed by the CEO – and the Board itself to be aligned with the Company's long-term interests in such manner as all directors comply with their duties towards all shareholders in an equal and fair manner.

#### **15. The company has a Remuneration Committee made up of, at least, three (3) members. Its members are all independent or non-executive directors.**

The Entity follows the recommended practice. The Nomination and Remuneration Committee complies with this requirement, according to Section 27 of the CCG. It is made up of 3 non-executive members, one of whom is independent.

#### **16. The Board, through its Remuneration Committee, sets a remuneration policy for the CEO and the Board's members.**

The Entity follows the recommended practice. The Nomination and Remuneration Committee complies with this requirement, according to Section 27 of the CCG. Accordingly, one of its duties is keeping the Board of Directors informed on the entity's Remuneration policy, with a detail of union arrangements or other general adjustments which may have an impact on the Bank's salary structure.

In Argentina, the Board of Directors' remuneration is governed by the Argentine General Companies Law and by the CNV rules. According to such rules, the remuneration payable to directors must be approved by a majority of shareholders, gathered at the annual shareholders' meeting. Besides, total fees and other compensation payable to directors may not exceed 25% of an entity's realized and liquid profits, to the extent such entity has distributed dividends. In this regard, the CNV establishes a calculation formula, which is capped at 25% of the entity's liquid and realized profits, and would hence require a dividend distribution equal to 75% of liquid and realized profits. If no dividends are distributed to shareholders, then the total remuneration payable to the Board is limited to 5% of the entity's profits, as provided for in the Argentine General Companies Law.

#### **17. The Board determines the Company's risk appetite, while also overseeing and ensuring that a comprehensive risk management system is in place to identify, assess, cope with and monitor the risks the Company is exposed to, including, without limitation, environmental, social, and business-inherent risks, in the short and long term.**

The Entity follows the recommended practice. Pursuant to the terms of Section 29.4 of the CCG, the Bank has a Risk Committee in place, tasked with defining and approving the strategies, manuals, policies, practices and procedures required to identify, evaluate, measure and manage the risks to which the entity is exposed (credit, market, structural, liquidity, operational risk, etc.). Besides, on September 24, 2019, the Board of Directors approved the Overall Management and Risk Control Model, approving the strategy and policies for the several risk types, Risks Committee as the management area in charge of their execution and development.

Concerning the climate change risk, as a leader Bank in terms of sustainability, we are developing methodologies to understand and embed such risk in our business models.

Therefore, Wholesale Banking analyzes the impact of climate changes; if favorable, to empower the Bank's lending business, and if negative, to mitigate potential losses. We conduct our analysis from the point of view of the business and the asset or assumed risk subject to the impact.

Generally, mapping is performed in respect of the activity impacted by the situation, compared to the rest of the market. In 2018, the test case was the analysis of the draught impact on agricultural customers with exposure to these regions.

**18. The Board monitors and reviews the effectiveness of the work done by independent internal auditors and ensures the necessary resources for the execution of an annual risk-based audit plan and a direct reporting line to the Audit Committee.**

The Entity follows the recommended practice. e. The Bank has an Audit Committee governed by Law No. 26,831, as amended, and by the CNV rules.

The Audit Committee conducts an annual assessment of the Internal Audit function, overseeing the work done during fiscal year 2020, in compliance with the terms of Communication "A" 5042 concerning minimum internal control standards, including, without limitation, reviewing all monthly reports, and assessing the observations on the internal control system.

In particular, the Internal Audit Department shall define and formalize specific procedures for each phase encompassing its activities. Such procedures shall be outlined in the Manual of Audit Procedures, including planning, audit execution, communication of findings, follow-up on recommendations, and monitoring of management and quality. These procedures shall be consistent with generally accepted principles (IIA's Standards).

The Audit Committee has a set of rules of operation which were approved by the Board of Directors at a meeting held on May 27, 2003, and subsequently endorsed at

the Shareholders' Meeting held on April 22, 2004. Such rules of operation were registered with the IGJ under number 8297, book 25 of corporations (sociedades por acciones), on July 6, 2004, and subsequently amended and approved by the Board of Directors at a meeting held on October 30, 2018.

**19. The internal auditor or members of the Internal Audit department are independent and highly trained.**

The Entity follows the recommended practice. The Bank has an Audit Committee pursuant to Law No. 26,831, as amended, comprised by three highly qualified Directors, most of whom are independent. Its members are knowledgeable in financial, business and accounting issues in order to be able to discharge their duties effectively, comprehensively and independently. The Committee has its own separate budget.

**20. The Board has an Audit Committee whose actions are guided by a set of rules. The Committee is mostly comprised and chaired by independent directors, excluding the CEO. Most members have professional experience in finance and accounting.**

The Entity follows the recommended practice. The Bank has an Audit Committee pursuant to Law No. 26,831, comprised by three Directors, most of whom are independent. Most members are independent. The Audit Committee approves an Annual Plan primarily containing the following information, in addition to the Internal Audit annual assessment:

- An assessment of the External Audit function. To such end, the Audit Committee conducts an assessment to determine the external auditors' independent status, and reviews the tasks developed by such auditors during the year and the respective outcomes, as well as the fees invoiced to the Bank. In particular, the Audit Committee considers the scope, planning and outcomes of the external auditors' engagements, assessing the fairness of their work in light of the Bank's activities.
- An assessment of compliance with the reporting requirements from several regulatory authorities.

- A review of situations posing conflicts of interest and transactions with related parties.
- The verification and supervision of the work done by Compliance in connection with the adequate dissemination of the Bank's Code of Ethics and Market Code, and compliance by the Bank's employees with the provisions of such codes and all applicable statutory and regulatory standards.

**21. The Board, in consultation with the Audit Committee, approves the external auditors' selection and monitoring policy, which establishes the criteria to be relied upon when recommending, at the time of the Shareholders' Meeting, whether to keep or replace the external auditors.**

The Entity follows the recommended practice. Some of the duties of the Audit Committee set forth in Section 11, paragraph x) of the CCG include:

The Board of Directors shall exercise due diligence in the external auditors' retention process and in monitoring their work, based on the previous opinion of the Audit Committee. The work done by external auditors will be monitored on an annual basis, as required by Law No. 26,831, as amended, ensuring access to the information and documents required to discharge their duties. As required in its internal rules, the functions of the Audit Committee (CNV) include giving an opinion on the Board of Directors' proposal for the designation of the external auditors to be retained by the company and watching for their independence and transparency, and also on the revocation of such external auditors' designation. Every year, the Audit Committee prepares a management report assessing the external audit's function, holds meetings with the external auditors in order to determine their independent status, and reviews their work plan and tasks developed during the year and the respective outcomes, as well as the fees invoiced to the Bank. In particular, the Audit Committee considers the scope, planning and outcomes of the external auditors' engagements, assessing the fairness of their work in light of the Bank's activities.

**22. The Board approves a Code of Ethics and Conduct reflecting ethical and integrity values and principles and the Company's culture. The Code of Ethics and Conduct is distributed among and applicable to all of the Company's directors, managers and employees.**

The Entity follows the recommended practice. Section 11, paragraph iv) of the CCG sets forth the Board's powers and responsibilities, including the approval of the Code of Conduct. The Code of Conduct shall be fulfilled by all of the Bank's personnel, and such compliance shall be monitored by the internal auditors. The Board of Directors has approved a Code of Ethics.

The Bank has a Code of Conduct or Ethics in place, approved by the Board of Directors on December 18, 2003 and amended on August 25, 2015, which is applicable to all employees and addresses issues concerning conflicts of interest and human rights, embraces the 10 principles of the UN Global Compact, and also takes into account the International Labor Organization's agreements.

The Code of Conduct sets forth the behavioral guidelines which, according to BBVA Group's principles, guide actions in alignment with the Entity's internal values. Accordingly, all our members are expected to act in accordance with applicable laws and regulations, in an upright and transparent manner and, with the prudence and professionalism levels required by the social impact of the financial business and the trust shareholders and customers have placed on BBVA.

This Code is available to the general public at the corporate website and to the Bank's employees at the intranet. In addition, on November 27, 2018, the Bank's Board of Directors approved an Anti-corruption Policy which enshrines the principles and guidelines primarily set out in paragraph 4.3 of the Code of Conduct, approved by the Board of Directors at the meeting held on August 25, 2015. The policy was revised by the Board of Directors on July 28, 2020. The policy reflects the spirit of national and international anti-corruption standards, considering the recommendations from international anti-corruption organizations and those established by the International Organization for Standardization (ISO).

Among its duties, the Compliance Committee is tasked with fostering and monitoring the operation and efficiency of the Reporting Channel and dealing with the most significant cases. The Compliance area must ensure that complaints are addressed diligently and promptly, guaranteeing that investigations remain confidential and that good faith reports are free from any form of retaliation or other adverse consequences.

There is an annual training plan at the on-line E-campus platform completed by the Bank's employees and directors. Notices are also published on the intranet.

The Bank's Internal Audit Committee and Audit Committee (Law No. 26,831, as amended) are also empowered to handle these reports, to the extent related to issues within their respective purviews.

BBVA Argentina has a Reporting Channel accessible by e-mail and/or over the phone and available on a 24/7/365 basis. BBVA also has a corporate reporting channel directly available to all employees from all jurisdictions where the Group has a presence.

**23. The Board establishes and periodically reviews an Ethics and Integrity Program, based on the Company's risks, size and financial capacity. The plan is clearly and ostensibly supported by management, by designating one among them who shall be responsible for developing, coordinating, overseeing and assessing the program effectiveness on a periodical basis. The program encompasses: (i) regular ethics, integrity and compliance training delivered to directors, managers and employees; (ii) internal channels to report irregular situations, open to third parties and adequately communicated; (iii) a policy to protect whistleblowers against retaliation, and an internal investigation system which respects the investigation subjects' rights and imposes effective punishments in case of infringements to the Code of Ethics and Conduct; (iv) a policy of integrity in tender processes; (v) mechanisms for the periodical analysis of risks, monitoring and assessment of the Program; and (vi) procedures to see to the integrity and track record of third parties or business partners (including due diligence to detect irregular situations, unlawful acts, or existing vulnerabilities in corporate reorganizations and acquisitions), including suppliers, distributors, service providers, agents and intermediaries.**

The Entity follows the recommended practice. The Bank has a Code of Conduct in place which sets out behavioral guidelines to be followed by all employees to ensure their conduct conforms to BBVA Argentina's values. Accordingly, our employees are expected to act in accordance with applicable laws and regulation, in an upright and transparent manner and, with the prudence and professionalism levels required by the social impact of

the financial business and the trust our shareholders and customers have placed on them. The Code of Conduct contains a procedure to accept gifts or personal benefits from customers or suppliers of the Bank or the Group's companies.

Among its duties, the Compliance Committee is tasked with fostering and monitoring the operation and efficiency of the Reporting Channel and dealing with the most significant cases. The Compliance area must ensure that complaints are addressed diligently and promptly, guaranteeing that investigations remain confidential and that good faith reports are free from any form of retaliation or other adverse consequences. The Bank has two communication channels with its employees, customers and suppliers to report violations to the Code of Conduct. Any concern in this regard can be reported to the Compliance Unit through the reporting channel in Argentina by e-mail at [cconducta-arg@bbva.com](mailto:cconducta-arg@bbva.com) or by calling 4346-4466, extension 14466, or otherwise through the corporate reporting channel by e-mail at [canaldenuncia@bbva.com](mailto:canaldenuncia@bbva.com), or calling (34)915377222.

Among its duties, the Compliance Committee is tasked with fostering and monitoring the operation and efficiency of the Reporting Channel and dealing with the most significant cases. The Compliance area must ensure that complaints are addressed diligently and promptly, guaranteeing that investigations remain confidential and that good faith reports are free from any form of retaliation or other adverse consequences.

There is an annual training plan at the on-line E-campus platform completed by the Bank's employees and directors. Notices are also published on the intranet.

**24. The Board ensures that formal mechanisms are in place to prevent and deal with conflicts of interest. Concerning related-party transactions, the Board approves a policy which establishes the role of each corporate body and how transactions detrimental to the company or to certain investors only should be identified, administered and disclosed.**

The Entity follows the recommended practice. This obligation is envisaged in Section 12 of the CCG, which sets forth that Directors shall refrain from attending or being engaged in such cases that might give rise to a conflict of interest with the Bank.

Directors shall not be present in the discussions of the corporate bodies such Directors are part of, concerning businesses in which such Directors may have an interest, either directly or indirectly, or that might affect individuals related to them, pursuant to applicable laws.

In addition, Directors may not directly or indirectly engage in personal, professional or business transactions with the Bank or its Group's companies, other than ordinary banking business, unless such transactions are subject to a contracting procedure that ensures transparency, with competitive bids and at market prices.

Directors shall also refrain from being directly or indirectly engaged in businesses or companies in which the Bank or its Group's companies have a stake, unless such Director owned such an interest before becoming a Director, or before the Group had acquired an interest in the entity at issue, or otherwise unless the company is listed in domestic or international stock exchanges, or otherwise with the Board of Directors' previous consent.

Directors may not avail of their position at the Bank to gain a financial advantage, or to take advantage, for their own benefit, indirectly, or otherwise for the benefit of individuals related to such Directors, of a business opportunity that may have come to their knowledge as a consequence of that Director's activities at the Bank, other than business opportunities that had been previously offered to the Bank, and that the Bank had decided to reject and provided the Board of Directors has given its consent to take that opportunity.

Directors shall disclose to the Board of Directors any direct or indirect conflict of interest they may have with the Bank, any interest such Directors may own in any company engaged in a similar or supplementary business to the Bank's corporate purpose, and any position or duty they may discharge in such company, as well as their involvement, either on such Directors' own account or on behalf of third parties, in the same business as, or in a business similar or supplementary to, the Bank's corporate purpose.

The Bank has a Code of Conduct in place that includes a section on how to address conflicts of interest. In addition, at a meeting held on February 26, 2019, the Board of Directors approved a Conflicts of Interest Policy which enshrines the principles and guidelines primarily set out in paragraph 3.10 of the Code of Conduct, approved by the Board of Directors on August 25, 2015.

The purpose of this policy is setting a course of action for BBVA Argentina to identify, prevent, manage and, if applicable, disclose to the customer, with sufficient time ahead, any conflict of interest that may arise in rendering its services.

On May 29, 2018, the Board of Directors approved the last version of the Internal Code of Conduct in Capital Markets, establishing general courses of action to preserve market integrity, including standards aimed at preventing market abuse and ensure market transparency and competition. These rules are published on the Bank's website, [www.bbva.com.ar](http://www.bbva.com.ar), under the caption "Investor Relations."

**25. The Company's website discloses financial and non-financial information, affording timely and equal access to all Investors. The website has a specialized area to address Investors' questions and inquiries.**

The Entity follows the recommended practice. According to Section 11, paragraph XIII of the CCG, the Board of Directors shall make available to the market such financial information which the Bank, as a listed company, is required to make periodically public.

Directors, abiding by the transparency principle that should guide the Bank's actions in financial markets, will establish appropriate mechanisms to ensure the Bank's disclosure of all such information that might be relevant to shareholders and investors.

The Bank has a General Policy on Communications and Contact with Shareholders and Investors intended to ensure ongoing transparency in disclosures to and relations with shareholders. In particular, the policy seeks to define and establish the principles and criteria that should guide the actions and contact with our shareholders, providing them with the necessary information to assess the effectiveness of the Board of Directors' and senior management's efforts, while helping them monitor the Entity's strength and solvency.

To such end, the Bank has a freely accessible website which disclosures abide by the highest standards of confidentiality and integrity, seeking to ensure the preservation and maintenance of information.

Within the section entitled “Investor Relations” of its web site, the Bank publishes financial information (Annual Report, Financial Statements, and 20F); Responsible Banking Report; Information on the Bank’s Shares of Stock and Notes; Material Events; Corporate Governance (By-laws, Composition of the Board, Senior Management, Committees) and institutional filings, code of conduct, and Internal Code of Conduct in Capital Markets, and General Policy on Communications and Contact with Shareholders and Investors, among others.

The web site has a contact section in which shareholders may leave their questions, which are answered by our dedicated Investor Relations area.

**26. The Board shall ensure that a process is in place to identify and classify stakeholders and a communication channel available to them.**

The Entity follows the recommended practice. This process is governed by Section 11, paragraph x) of the CCG. The Bank’s website has a Contact section to receive shareholders’ questions, which are taken care of by the Chief Investors Relation Officer.

The Bank has an Investor Relations area, primarily tasked with the duty of representing the Bank before shareholders, investors and analysts, and making institutional presentations. To such end, meetings with local shareholders are arranged in order to keep them abreast of the Bank’s strategy and its evolution.

In addition, this area is in charge of making quarterly press releases about the Bank’s performance.

**27. Prior to a Shareholders’ Meeting, the Board submits to the Shareholders an “interim information package” which allows Shareholders, through a formal communication channel, to make non-binding comments and share diverging opinions from the Board’s recommendations. In turn, the Board, when submitting the final information package, shall render opinion on the comments so received, as deemed necessary.**

The Entity follows the recommended practice. The Bank has a web site in which it publishes financial and non-financial information. The Bank also has an Investors Relation officer who is responsible for ensuring that corporate gov-

ernance information is up-to-date, disclosing corporate information, and receiving and answering questions. The web site features a communication channel through which shareholders may ask questions, which are answered by the Investors Relation officer. Every year, the Bank makes available to shareholders its annual report, notices of call to shareholders’ meetings, meeting minutes, and corporate governance information, which are published at its web site.

At the time of calling for a Shareholders’ Meeting, the Board of Directors makes proposals in respect of each item of the meeting agenda, except for such cases that may pose a potential conflict of interest. All the supporting information of the business to be transacted at the meeting is made available to all shareholders with sufficient time ahead, for them to review it and then be able to vote accordingly.

In order to maintain an ongoing and smooth dialog with its shareholders, not only at the time of convening a shareholders’ meeting, the Bank makes available the following channels: (i) the communication channel referred to in Practice 25 of this Corporate Governance Report; (ii) the investors relation area receives and handles shareholders’ concerns; (iii) teleconferences are held at each quarter-end to report quarterly earnings and interact with the area; and (iv) attendance of Board of Directors’ members and Investors Relation manager at shareholders’ meeting, to answer questions not only on each item of the meeting agenda, but also general management questions, after having duly discussed the meeting agenda.

**28. The Company’s by-laws provide that Shareholders may receive information packages for Shareholders’ Meetings by electronic means, and remotely attend Shareholders’ Meetings by using electronic communication means enabling the simultaneous transmission of sound, video or voice, always ensuring the attendants’ equal treatment right.**

The Entity follows the recommended practice. The Entity does not follow the recommended practice. This aspect is not addressed in our by-laws. If deemed required, we will have to amend our by-laws to include this issue. Anyhow, ADRS holders receive all information that will be discussed at the respective meeting with sufficient time ahead, and their questions are addressed by the Investors Relations officer. Holders of our ADRS (American Depositary Shares)



are represented at the annual shareholders' meeting by their proxy (The Bank of New York Mellon). Furthermore, the proposals referred to in the preceding paragraph are made available to shareholders and the investing community in general through the communication channels required by applicable regulatory authorities (ByMA, CNV, SEC). As mentioned above, the Bank has enabled several channels to maintain an ongoing and smooth dialog with its shareholders during the year.

**29. The Dividend Distribution Policy is aligned with the strategy and clearly establishes the criteria, frequency and conditions governing dividend distribution.**

The Entity follows the recommended practice. This obligation is addressed in Section 11, paragraph 2 of the CCG. It is the Board of Directors' intention to distribute dividends for the year among shareholders, according to the percentages and under the conditions set out by the oversight authorities. To such end, the Board of Directors may approve a dividend and treasury stock policy and, particularly, set the limits to such policy.

BBVA Argentina has an earnings distribution policy consistent with its mission of generating sustained profitability for its shareholders, while contributing to the favorable evolution of the Entity's equity to drive business and activity growth, and, in turn, maintaining strong liquidity and solvency standards, in compliance with applicable laws and regulations.

According to the applicable Central Bank's rules on "earnings distribution," in calculating distributable earnings, entities are required to make certain off-balance sheet deductions from the addition of balances carried in the account "Unappropriated Retained Earnings," and in the optional reserve for future distribution of dividends.

The Central Bank eliminated the additional 75% requirement for the payment of dividends for financial institutions and, in line with Basel III, replaced it with:

- A capital conservation buffer equal to 2.5% of risk-weighted assets.
- An additional buffer equal to 1% of risk-weighted assets for entities qualifying as Domestic Systemically Important Banks ("D-SIBs"), as defined by the Central Bank.
- A countercyclical buffer currently set by the Central Bank at 0%. However, the Central Bank may increase such buffer to 2.5% of risk-weighted assets, based on its own assessment of the systemic risk.

Entities are required to pay in these buffers exclusively out of their core tier 1 capital (COn1). An entity's failure to pay in these buffers may have several implications, including progressive restrictions on dividend distributions, share buybacks, payments on other equity instruments, or payment of certain bonuses to employees.

Among its interim provisions, Communication "A" 6464 establishes that, until March 31, 2020, financial institutions which, for purposes of calculating their distributable earnings, have not increased by 1 percentage point the ranges of Tier 1 (COn1) Capital, net of deductions (CDCOn1), set out in the tables of paragraphs 4.1.4. and 4.2.4. of the rules on "Earnings Distribution," shall require the previous authorization of the Office of the Superintendence of Financial and Exchange Entities (SEFyC) to distribute earnings. On the other hand, financial institutions will be allowed to distribute dividends provided that such financial institutions: (i) are not subject to the terms of Article 34 "Conformance and turnaround" and Article 35 bis "Restructuring of a financial institution to safeguard bank loans and deposits" of the Financial Institutions Law (Law No. 21,526); (ii) are not receiving financial assistance from the Central Bank; (iii) are not in arrears or have not infringed the reporting requirements established by the Central Bank; and (iv) are compliant with minimum capital and cash requirements.

Furthermore, the Central Bank issued Communication "A" 6768 which sets forth that, as from August 30, 2019, financial institutions will be required to have the Central Bank's authorization to distribute profits. As part of such authorization process, the Office of the Superintendent of Financial and Foreign Exchange Institutions will consider, among other things, the potential effects of the adoption of International Financial Reporting Standards, as per Communication "A" 6430 (paragraph 5.5. of IFRS 9 - Impairment) and the restatement of financial statements required under Communication "A" 6651.

The Central Bank, by means of Communication "A" 6939, suspended earnings distribution for financial institutions until June 30, 2020. Subsequently, through Communication "A" 7181 the monetary authority extended the suspension until December 31, 2020, and then again until June 30, 2021, through Communication "A" 7181.

# Principles for Responsible Banking

BBVA Argentina reports on the progress made in complying with the UNEP FI's Principles for Responsible Banking through the following Self-Assessment Template. As part

of its Integrated Report, BBVA Argentina also presents the year's milestones concerning its efforts to respond to the principles.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to <b>highlighted</b> items)	Reference(s)/ Link(s) to bank's full response/relevant information
<b>Principle 1: Alignment</b> We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant national and regional frameworks.		
<b>1.1</b> Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	Since 1886, BBVA Argentina has been one of the leading financial institutions in Argentina. In 1996, Bilbao Vizcaya Argentaria S.A. became its majority shareholder, which proved a competitive advantage for the entity in the local banking sector, due to its parent company's global experience, relationships, learning opportunities, and the technological platform offered by the Group at a global level. BBVA Argentina offers financial services in three main lines of business: Retail, SMEs, and Corporate.	19-22, 59-70
<b>1.2</b> Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	BBVA Argentina has a Responsible Banking Model in place which is aligned with the UN Sustainable Development Goals (SDG) in which it generates the most significant impact. Its purpose is bringing the opportunities of this new era to everyone, always abiding by its corporate values, and seeking to generate a positive impact on people's lives, businesses and the society as a whole. This commitment is supported and implemented through the Bank's General Sustainability Policy and Enterprise Social Responsibility Policy. Both policies define and establish the general principles and the main management and control goals and guidelines followed by the BBVA Group. In 2020, sustainability was at the core of the Bank's business, including it as one of its six strategic priorities. The Bank also defined its 2025 Commitment—a climate change and sustainable development strategy aligned with the Paris Agreement, which seeks to finance and mobilize capital, manage environmental and social risks, and engage stakeholders.	79-80, 118



Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to <b>highlighted</b> items)	Reference(s)/ Link(s) to bank's full response/relevant information
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## Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

### 2.1 Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- Scope: The bank's core business areas, products/services across the main geographies that the bank operates in, as described under 1.1., that have been considered in the scope of the analysis.
- Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

(Your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has

- identified and disclosed its areas of most significant (potential) positive and negative impact;
- identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts.

**BBVA Argentina relies on a materiality analysis to identify its impacts, detecting the most relevant issues for the business to contribute to sustainable development. In this regard, BBVA Argentina also relies on a General Risk Management Model, which measures the levels and types of risks the entity is willing to assume, including the social and environmental aspects of the activity, in credit facilities and financial products. In 2020, the materiality analysis was updated, and applied to BBVA Group's strategic planning.**

**Furthermore, the Bank has a local Eco-efficiency Plan in place, aligned with the Global Eco-efficiency Plan, which seeks to measure, analyze and reduce the negative impact of the business on the environment. Consumption and achievements are strategically measured in terms of their impact on climate change.**

88-91, 119-124

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

The Bank analyzes its business impacts by means of its comprehensive risk management practices and the materiality analysis it conducts as part of the Integrated Report.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to <b>highlighted</b> items)	Reference(s)/ Link(s) to bank's full response/relevant information
<p><b>2.2 Target Setting</b></p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analyzed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p><b>BBVA Argentina sets targets to contribute to the SDGs and the Paris Agreement under its Global Eco-efficiency Plan, which seeks to reduce BBVA's environmental footprint, as part of its commitment to responsible banking. In 2020, the Bank endeavored to achieve the stated targets concerning environmental management and sustainable construction, energy and climate change, water consumption, and use of paper and waste. The Bank has also established a 2025 Commitment, which defines BBVA Group's climate change and sustainable development strategy, in alignment with the Paris Agreement. In particular, the target is reducing BBVA Group's electricity consumption by 8% across all its geographies, while covering 80% of its power demand with renewable energies.</b></p>	118-124
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.		
The Bank participates in the selection of the Group's strategic indicators based on the Group's strategic vision, business goals, and other identified material issues.		
<p><b>2.3 Plans for Target Implementation and Monitoring</b></p> <p>Show that your bank has defined actions and milestones to meet the targets set.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the targets set. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p><b>In order to ensure the fulfillment of the set targets, the Bank monitors management efforts and the indicators related to the targets proposed under its 2016-2020 Global Eco-efficiency Plan.</b></p>	119-124
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.		
In order to ensure compliance with the business goals and the identified targets, the Bank defines areas in charge of developing actions and measuring performance.		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to <b>highlighted</b> items)	Reference(s)/ Link(s) to bank's full response/relevant information
<p><b>2.4 Progress on Implementing Targets</b></p> <p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (Where feasible and appropriate, banks should include quantitative disclosures)</p>	<p><b>This year, the Bank has made progress against a new materiality analysis to learn about relevant business issues and impacts in relation to its contribution to sustainable development, and set targets and goals for 2020 under its 2016-2020 Global Eco-efficiency Plan and its 2025 Commitment.</b></p>	118-124
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.		
Indicators are reviewed on an annual basis pursuant to the business strategy and are reported through the Annual Integrated Report.		
<p><b>Principle 3: Customers</b></p> <p>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p><b>3.1</b></p> <p>Provide an overview of the policies and practices your bank has in place and/ or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programs and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>BBVA Argentina's aspiration is ensuring that all products offered to its customers, whether large corporations, institutions, SMEs or individuals, provide a sustainable solution. To this end, the Bank raises awareness on its commitment to sustainability from the design of its products, as well as through communication proposals, and financial inclusion and education programs.</p>	60, 63-64, 79-80, 83-87, 108-114
<p><b>3.2</b></p> <p>Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>BBVA strives to develop innovative and sustainable financial solutions. Argentina's first loan certified as sustainable, and the environmental and social impact loans designed amidst the COVID-19 pandemic.</p> <p>BBVA Argentina has also been a local pioneer in offering recycled-plastic cards, which are 85.5% made up of PVC (polyvinyl chloride), which is a waste of other plastic materials.</p>	60, 63-64, 83-87, 125

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to <b>highlighted</b> items)	Reference(s)/ Link(s) to bank's full response/relevant information
<b>Principle 4: Stakeholders</b> We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.		
<b>4.1</b> Describe which stakeholders (or key groups/agents) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	<p>BBVA Argentina has a Responsible Banking Model in place, which encompasses its General Sustainability Policy and Enterprise Social Responsibility (ESR) Policy. Both policies are aligned with the expectations of the Bank's stakeholders and strategy.</p> <p>In order to foster a close dialogue, BBVA Argentina establishes and maintains communication channels with its stakeholders, in order to build long-lasting trust relationships and raise awareness on its commitment to sustainable development.</p> <p>Besides, in 2020 the Bank updated its materiality analysis, for which it has actively consulted with stakeholders to select the relevant issues.</p>	32-33, 79-80, 88-91
<b>Principle 5: Governance &amp; Culture</b> We will implement our commitment to these Principles through effective governance and a culture of responsible banking.		
<b>5.1</b> Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	<p>BBVA Argentina's corporate governance is involved in sustainability aspects. It approves the Strategic Business Plan, following the Corporate Governance and Enterprise Social Responsibility Policies, pursuant to the guidelines of the Code of Corporate Governance. It also approves the Responsible Banking Report and, since 2021, the Integrated Report. In 2020, the BBVA Group created the Global Sustainability Office (GSO), tasked with fostering and coordinating its sustainability initiatives. In Argentina, Institutional Relations is in charge of arranging the agenda, commitments and sustainable products. This area drives and coordinates local initiatives, while managing those driven by the holding company.</p>	29-31, 79-80
<b>5.2</b> Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.	<p>BBVA Argentina trains its employees on and keeps them abreast of sustainability and business development.</p> <p>In 2020, the Bank, in association with Fundación Vida Silvestre, delivered training to 50 middle-level managers at BBVA Argentina on Sustainable Finance in the Banking System</p>	99-102

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to <b>highlighted</b> items)	Reference(s)/ Link(s) to bank's full response/relevant information
<p><b>5.3 Governance Structure for Implementation of the Principles</b></p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> <li>a) target-setting and actions to achieve targets set,</li> <li>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</li> </ul> <p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p> <p>Since becoming a signatory to the PRB in September 2019, the Bank's Chairman has fully committed to the principles, together with the Board of Directors and the Strategic Management area, which are in charge of the decision-making leading to the fulfilment thereof. On the other hand, the Bank's Sustainability area ensures that the Principles are implemented transversally across the organization.</p>	<p><b>In 2020, the BBVA Group created the Global Sustainability Office (GSO), tasked with fostering and coordinating its sustainability initiatives. In Argentina, Institutional Relations is in charge of arranging the agenda, commitments and sustainable products. This area drives and coordinates local initiatives, while managing those driven by the holding company.</b></p>	<p>29-31, 79-80</p>
<p><b>Principle 6: Transparency &amp; Accountability</b></p> <p>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p> <p><b>6.1 Progress on Implementing the Principles for Responsible Banking</b></p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practices.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p> <p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking.</p> <p>During these first months, the Bank has reviewed the PRB in light of the Group's strategic vision and business goals, in order to map compliance management, programs and indicators to the six Principles, and keep contributing to sustainable development within the framework of the SDGs and the Paris Agreement.</p>	<p><b>Since becoming a signatory to the PRB in September 2019, the Bank has continuously reinforced its commitment to the SDGs and the Paris Agreement, by setting environmental and social targets related to its business under the 2016-2020 Global Eco-efficiency Plan and the Responsible Banking Model.</b></p> <p><b>All processes, programs and actions carried out in this regard are presented in BBVA Argentina's 2020 Integrated Report.</b></p>	<p>79-80, 119-124</p>

# 2020 Communication on Progress

BBVA Argentina has locally joined the UN Global Compact since 2019. Accordingly, the Bank strives to accomplish the 10 principles related to human rights, labor rights, environment, and anti-corruption. Besides, the Bank publishes annual accountability reports to give an account of its progress in this regard.

Therefore, this Integrated Report constitutes the 2020 Communication on Progress, including a summary with the location of the principles within the document and, under the GRI content index, mapping to the 10 Principles, indicating the pages in which each one is addressed.

Categories	Principles	Pages
<b>Human Rights</b>	<b>Principle 1</b> Businesses should support and respect the protection of internationally proclaimed human rights.	35-41; 88-91; 107; 163-178
	<b>Principle 2</b> Make sure that they are not complicit in human rights abuses.	35-41; 88-91; 107; 163-178
<b>Labor</b>	<b>Principle 3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining..	76-77; 88-91; 102-104; 107; 163-178
	<b>Principle 4</b> The elimination of all forms of forced and compulsory labor.	88-91; 102-104; 107; 163-178
	<b>Principle 5</b> The effective abolition of child labor.	76-77; 88-91; 107; 163-178
	<b>Principle 6</b> The elimination of discrimination in respect of employment and occupation.	88-91; 102-104; 107; 163-178
<b>Environment</b>	<b>Principle 7</b> Businesses should support a precautionary approach to environmental challenges.	88-91; 117-124; 163-178
	<b>Principle 8</b> Undertake initiatives to promote greater environmental responsibility.	83-91; 117-125; 163-178
	<b>Principle 9</b> Encourage the development and diffusion of environmentally friendly technologies.	83-91; 117-124; 163-178
<b>Anti-Corruption</b>	<b>Principle 10</b> Businesses should work against corruption in all its forms, including extortion and bribery.	35-41; 76-77; 88-91; 139-155; 163-178

# GRI content index

This report has been prepared in accordance with the Essential option of the GRI Standards.

Advanced COP Reference

GRI Standard	Content	Page / answer	Reason for omission	Assurance
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## GRI 101: Foundation 2016

### General disclosures

#### GRI 102

General

Disclosures 2016

#### Organizational profile

102-1 Name of the organization	4	
102-2 Activities, brands, products, and services	19-22; 25-28; 59-70	
102-3 Location of headquarters	19-22	
102-4 Location of operations	19-22	
102-5 Ownership and legal form	19-22; 59-70	
102-6 Markets served	19-22; 59-70	
102-7 Scale of the organization	5; 19-22; 53-57; 59-70; 93-95	
102-8 Information on employees and other workers	Note 1	v
102-9 Supply chain	76-77	
102-10 Significant changes to the organization and its supply chain	Note 2	
102-11 Precautionary Principle or approach	45-48; 79-80; 83-87; 117-124; 156-161	
102-12 External initiatives	4; 80-87; 156-162	
102-13 Membership of associations	80; 107	

GRI Standard	Content	Page / answer	Reason for omission	Assurance
<b>GRI 102</b> General Disclosures 2016	Strategy			
	102-14 Statement from senior decision-maker	8-9		
	102-15 Key impacts, risks and opportunities	25-28; 45-48; 79-80; 88-91		
	Ethics and integrity			
	102-16 Values, principles, standards and norms of behavior	25-28; 35-41; 76-77; 79-80		
	102-17 Mechanisms for advice and concerns about ethics	35-41		
	Governance			
	102-18 Governance structure	29-31		
	102-19 Delegating authority	29-31; 79-80; 139-155		
	102-20 Executive-level responsibility for economic, environmental, and social topics	29-31; 79-80; 83-87		
	102-21 Consulting stakeholders on economic, environmental, and social topics	83-91; 139-155		
	102-22 Composition of the highest governance body and its committees	29-31; 138-155		
	102-23 Chair of the highest governance body	Note 3		
	102-24 Nominating and selecting the highest governance body	29-31; 139-155		
	102-25 Conflicts of interest	35-41; 76-77; 139-155		
	102-26 Role of the highest governance body in setting purpose, values, and strategy	29-31; 79-80; 139-155		
	102-27 Collective knowledge of highest governance body	83-87; 139-155		
	102-28 Evaluating the highest governance body's performance	29-31; 139-155		
	102-29 Identifying and managing economic, environmental and social impacts	29-31; 45-48; 79-80; 88-91		



GRI Standard	Content	Page / answer	Reason for omission	Assurance
<b>GRI 102</b> General Disclosures 2016	102-30 Effectiveness of risk management processes	35-41; 43-48; 83-87		
	102-31 Review of economic, environmental, and social topics	29-31; 79-80; 83-87		
	102-32 Highest governance body's role in sustainability reporting	Nota 4		
	102-33 Communicating critical concerns	35-41; 139-155		
	102-34 Total number and nature of critical concerns	35-41; 139-155		
	102-35 Remuneration policies	136-137; 139-155		
	102-36 Process for determining remuneration	102-104; 136-137; 139-155		
	102-37 Stakeholders' involvement in remuneration	102-104; 136-137; 139-155		
	102-38 Annual total compensation ratio		Note 5	
	102-39 Percentage increase in annual total compensation ratio		Note 5	
Stakeholder engagement				
	102-40 List of stakeholder groups	88-91		
	102-41 Collective bargaining agreements	102-104		
	102-42 Identifying and selecting stakeholders	88-91		
	102-43 Approach to stakeholder engagement	25-28; 32-33; 35-41; 76-77; 88-91; 96-104; 162		
	102-44 Key topics and concerns raised	35-41; 88-91; 96-98		
Reporting practice				
	102-45 Entities included in the consolidated financial statements	4; 127-136		
	102-46 Defining report content and topic boundaries	4; 88-91; Note 6		

GRI Standard	Content	Page / answer	Reason for omission	Assurance
<b>GRI 102</b> General Disclosures 2016	102-47 List of material topics	88-91		
	102-48 Restatements of information	Note 7		
	102-49 Changes in reporting	88-91		
	102-50 Reporting period	4		
	102-51 Date of most recent report	Note 8		
	102-52 Reporting cycle	4		
	102-53 Contact point for questions regarding the report	Note 9		
	102-54 Claims of reporting in accordance with the GRI Standards	163-178		
	102-55 GRI content index	163-178		
	102-56 External assurance	179		
Material topics				
Economic Performance 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	53-57; 79-82; 107		
	103-3 Evaluation of the management approach	53-57; 79-82; 107		
<b>GRI 201</b> Economic Performance 2016	201-1 Direct economic value generated and distributed	Note 10		✓
	201-2 Financial implications and other risks and opportunities due to climate change	45-48; 139-155		✓
	201-3 Defined benefit plan obligations and other retirement plans	Note 11		✓
	201-4 Financial assistance received from Government	Note 12		✓

GRI Standard	Content	Page / answer	Reason for omission	Assurance
Market Presence 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	25-28; 79-82; 107; 124		
	103-3 Evaluation of the management approach	25-28; 79-82; 107; 124		
<b>GRI 202</b> Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	102-104		
	202-2 Proportion of senior management hired from the local community	138-139		
Indirect economic impacts 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	25-28; 79-82; 107; 124		
	103-3 Evaluation of the management approach	25-28; 79-82; 107; 124		
<b>GRI 203</b> Indirect economic impacts 2016	203-1 Infrastructure Investments and services supported	107-115		
	203-2 Significant indirect economic impacts	25-28; 76-77; 79-80; 105; 107-115		
<b>Own indicator</b>	Monetary value of products and services designed to deliver a social benefit	6-7; 59-75; 80-82; 108-113; 156-161		
<b>Own indicator</b>	Digitization tools to favor accessibility	19-22; 59-75; 108-113		✓
Procurement Practices 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	76-77		
	103-3 Evaluation of the management approach	76-77; 88-91		
<b>GRI 204</b> Procurement Practices 2016	204-1 Proportion of spending on local suppliers		Note 13	✓

GRI Standard	Content	Page / answer	Reason for omission	Assurance
Anti-corruption 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	35-41; 76-77; 139-155; 162		
	103-3 Evaluation of the management approach	35-41; 76-77; 139-155; 162		
<b>GRI 205</b> Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	35-41		✓
	205-2 Communication and training about anti-corruption policies and procedures	35-41		✓
	205-3 Confirmed incidents of corruption and actions taken		Note 14	✓
Energy 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	79-87; 117-124; 156-161		
	103-3 Evaluation of the management approach	79-87; 117-124; 156-161		
<b>GRI 302</b> Energy 2016	302-1 Energy consumption within the organization	119-124		✓
	302-3 Energy intensity	119-124		
	302-4 Reduction of energy consumption	119-124		
	302-5 Reductions in energy requirements of products and services		Note 15	
Emissions 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	79-87; 117-124; 156-161		
	103-3 Evaluation of the management approach	79-87; 117-124; 156-161		

GRI Standard	Content	Page / answer	Reason for omission	Assurance
<b>GRI 305</b> Emissions 2016	305-1 Direct (Scope 1) GHG emissions	119-124		✓
	305-2 Energy indirect (Scope 2) GHG emissions	119-124		✓
	305-3 Other indirect (Scope 3) GHG emissions	119-124		✓
	305-4 GHG emissions intensity	119-124		
	305-5 Reduction of GHG emissions	119-124		
Environmental compliance 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	117-118		
	103-3 Evaluation of the management approach	117-118		
<b>GRI 307</b> Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	Note 16		✓
Employment 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	93-104		
	103-3 Evaluation of the management approach	93-104		
<b>GRI 401</b> Employment 2016	401-1 New employee hires and employee turnover	Note 17		✓
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	102-104; Note 18		✓
	401-3 Parental leave	Note 19		✓
Training and education 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	96-104; 139-155		

GRI Standard	Content	Page / answer	Reason for omission	Assurance
<b>GRI 103</b> Management Approach 2016	103-3 Evaluation of the management approach	96-104; 139-155		
<b>GRI 404</b> Training and education 2016	404-1 Average hours of training per year per employee	99-102		
	404-2 Programs for upgrading employee skills and transition assistance programs	96-104; Note 20		
	404-3 Percentage of employees receiving regular performance and career development reviews	102-104		

## Diversity and equal opportunity 2016

<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	25-28; 76-77; 93-98; 102-104; 139-155		
	103-3 Evaluation of the management approach	25-28; 76-77; 93-98; 102-104; 139-155		
<b>GRI 405</b> Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	29-31; 93-95; Note 21		✓
	405-2 Ratio of basic salary and remuneration of women to men		Note 5	✓

## Non-discrimination 2016

<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	25-28; 76-77; 93-98; 102-104; 139-155		
	103-3 Evaluation of the management approach	25-28; 76-77; 93-98; 102-104; 139-155		
<b>GRI 406</b> Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Note 22		

## Freedom of association and collective bargaining 2016

<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	76-77; 102-104		
	103-3 Evaluation of the management approach	76-77; 102-104		

GRI Standard	Content	Page / answer	Reason for omission	Assurance
<b>GRI 407</b> Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	76-77; 102-104		
Child Labor 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	76-77; 93-95; 104-105		
	103-3 Evaluation of the management approach	Note 23		
<b>GRI 408</b> Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Note 23		
Forced or compulsory labor 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	76-77; 102-104		
	103-3 Evaluation of the management approach	76-77; 102-104		
<b>GRI 409</b> Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Note 24		
Human rights assessment 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	35-41; 76-77; 102-104; 107		
	103-3 Evaluation of the management approach	35-41; 76-77; 102-104; 107		
<b>GRI 412</b> Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	35-41; 76-77; 102-104; 107		
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	76-77		

GRI Standard	Content	Page / answer	Reason for omission	Assurance
Local communities 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	79-80; 107-115		
	103-3 Evaluation of the management approach	79-80; 107-115		
<b>GRI 413</b> Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	79-80; 107-115		
<b>Own indicator</b>	Literacy and financial education improvement initiatives	107-113		
Customer health and safety 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	49-51		
	103-3 Evaluation of the management approach	49-51		
<b>GRI 416</b> Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	49-51		
Marketing and labeling 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	32-33; 42		
	103-3 Evaluation of the management approach	32-33; 42		
<b>GRI 417</b> Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	42		
	417-3 Incidents of non-compliance concerning marketing communications	Note 25		
Customer privacy 2016				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	49-51		



GRI Standard	Content	Page / answer	Reason for omission	Assurance
<b>GRI 103</b> Management Approach 2016	103-3 Evaluation of the management approach	49-51		
<b>GRI 418</b> Customer privacy 2016	418-1 Reclamaciones fundamentadas relativas a violaciones de la privacidad del cliente y pérdida de datos del cliente		Note 26	
Financial health and customer advice				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	59-75		
	103-3 Evaluation of the management approach	59-75		
<b>Own indicator</b>	Results of customer satisfaction surveys.	71-75		
Simplicity, agility and self-service for customers				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	19-22; 59-75		
	103-3 Evaluation of the management approach	19-22; 59-75		
<b>Own indicator</b>	Number of customers that used Digital Banking	19-22; 71-75		
<b>Own indicator</b>	Number of Digital Banking new users	71-75		
<b>Own indicator</b>	Transaction volume per digital channel	71-75		
<b>Own indicator</b>	Transactions per digital channel	71-75		
Coronavirus				
<b>GRI 103</b> Management Approach 2016	103-1 Explanation of the material topic and its boundary	25-28; 80-82; 88-91		
	103-2 The management approach and its components	6-7; 54-55; 59-75; 93-95; 102-105; 108-115		
	103-3 Evaluation of the management approach	6-7; 54-55; 59-75; 93-95; 102-105; 108-115		
<b>Own indicator</b>	Initiatives with stakeholders due to the coronavirus pandemic.	6-7; 54-55; 59-75; 93-95; 102-105; 108-115		✓

## Note 1

No significant part of the Entity's activities is carried out by non-employees.

Employee Data <sup>37</sup>	2020		
	Men	Women	Total
By kind of contract			
Fixed-term agreements	12	15	27
Permanent	3,215	2,828	6,043
Interns	N.A.	N.A.	20
By Working Day			
Part-time	169	322	491
Full-time	3,046	2,506	5,579
Interns	N.A.	N.A.	20

Employee Data <sup>38</sup>	2020
By kind of contract and region	
Fixed-term agreements, Central areas	13
Fixed-term agreements, Branches in the City of Buenos Aires and Greater Buenos Aires	7
Fixed-term agreements, Branches in the provinces	7
Permanent employees, Central areas	3,175
Permanent employees, Branches in the City of Buenos Aires and Greater Buenos Aires	1,873
Permanent employees, Branches in the provinces	1,029
Interns	20

## Note 2

There were no significant changes to the structure, size, ownership or supply chain in 2020.

## Note 3

The Board of Directors' Chairman does not discharge executive duties within the Bank.

## Note 4

The Integrated Report is approved by the Board of Directors.

## Note 5

Confidentiality issues. Due to the local context where BBVA Argentina develops its activity, the information is confidential to ensure employees' safety.

## Note 6

The GRI standards to report on were selected as a result of the materiality analysis.

BBVA Material Issues	Related GRI Standard or own material issue
<b>Solvency and financial performance</b>	201: Economic Performance 2016
<b>Corporate governance and strong risk management</b>	Contents of GRI 102 Standard concerning Corporate Governance and Risk Management.
<b>Business ethics, culture, and customer protection</b>	205: Anti-corruption 2016 416: Customer health and safety 2016 417: Marketing and labeling 2016
<b>Financial health and customer advice</b>	<b>Own material topic:</b> Financial health and customer advice
<b>Simplicity, agility and self-service for customers</b>	<b>Own material topic:</b> Simplicity, agility and self-service for customers
<b>Cybersecurity (cyber-attacks, data theft, fraud)</b>	418: Customer privacy 2016
<b>Responsible data use (data privacy, responsible AI)</b>	418: Customer privacy 2016

37 Including: Banco BBVA Argentina, BBVA Asset Management S.A. SOC. GTE. Fondos Comunes de Inversión, BBVA Consolidar Seguros S.A. and BBVA Broker Argentina S.A.

38 Idem previous footnote.

BBVA Material Issues	Related GRI Standard or own material issue
<b>Employee loyalty and talent management</b>	202: Market Presence 2016 401: Employment 2016 404: Training and education 2016
<b>Diversity and Work-life Balance</b>	405: Diversity and equal opportunity 2016 406: Non-discrimination 2016
<b>Climate change: opportunities and risks</b>	302: Energy 2016 305: Emissions 2016 307: Environmental compliance 2016
<b>Human Rights</b>	407: Freedom of association and collective bargaining 2016 408: Child Labor 2016 409: Forced or compulsory labor 2016 412: Human rights assessment 2016
<b>Inclusive development (contribution to the society, entrepreneurship, financial inclusion and education)</b>	203: Indirect economic impacts 2016 204: Procurement Practices 2016 413: Local communities 2016
<b>Coronavirus</b>	<b>Own material topic:</b> Corona-virus

## Note 7

Any restated information is disclosed throughout the report.

## Note 8

The last BBVA Argentina's annual report available is for the year 2019.

## Note 9

rrii@bbva.com

## Note 10

ECONOMIC VALUE GENERATED AND DISTRIBUTED	2020	2019
(in millions of Argentine pesos)		
<b>Economic value generated</b>	<b>101,443.2</b>	<b>96,970.3</b>
Financial income	97,393.7	91,089.5
Other operating income, net	10,585.8	11,249.3
Other profits and losses, net	-6,536.3	-5,368.5
TOTAL (by products and services and other income)	101,443.2	96,970.3
<b>Economic value distributed</b>	<b>74,584.2</b>	<b>63,921.9</b>
Shareholders: Cash dividends	14,500.0	2,500.0
Suppliers and other administrative expenses (Transformation expenses minus Personnel expenses)	16,163.6	11,621.4
Employees: personnel expenses	15,843.7	13,534.5
Customers	23,246.6	28,062.2
Corporate (taxes)	4,830.3	8,203.7
<b>Economic value retained (Economic value retained=Economic value generated-Economic value distributed)</b>	<b>26,859.0</b>	<b>33,048.4</b>
Reserves	26,859.0	33,048.4

## Note 11

We do not have a separate fund for pension or retirement plans, but we do have resources to meet our pension obligations. The final annual value of social security charges for 2020 (January-December) was \$ 3,089,721,072.14. The rate used, in accordance with current regulations, was 26.4% and the minimum taxable amount was \$ 7,003.68. December's information will be enclosed, when available, upon making payment for social security charges for that month. We do not have transition assistance programs to facilitate continued employability and end-of-career management due to retirement or layoffs.

## Note 12

We have not received any financial assistance from the government. The Government is present in the shareholding structure of the company through the ANSES and its interest is 6.93%.

## Note 13

This information is not available at the moment. BBVA Argentina will continue working to have this information available in future reports.

## Note 14

This information is not available at the moment. BBVA Argentina will work to make progress in the disclosure of this metric in future fiscal years.

## Note 15

Not applicable. Due to the nature of BBVA Argentina's business, this indicator is not applicable.

## Note 16

No fines or penalties were imposed for non-compliance with environmental laws or regulations during 2020.

## Note 17

New hirings	2020	2019
New hirings (%)	2.9	8.6
New hirings	174	556
<b>New hirings by age</b>		
Under 30 years (%)	59.2	64.7
Under 30 years	103	360
Between 30 and 50 years (%)	38.5	34.4
Between 30 and 50 years	67	191
Above 50 years (%)	2.3	0.9
Above 50 years	4	5
<b>New hirings by gender</b>		
Women (%)	33.3	46.8
Women	58	260
Men (%)	66.7	53.2
Men	116	296
<b>New hirings by region</b>		
Central areas (%)	65.5	58.1
Central areas	114	323
Branches in the City of Buenos Aires and Greater Buenos Aires (%)	29.3	30.6
Branches in the City of Buenos Aires and Greater Buenos Aires	51	170
Branches in the provinces (%)	5.2	11.3
Branches in the provinces	9	63
New hirings that terminated their labor relationship during the year (%)	20.1	1.4
New hirings that terminated their labor relationship during the year	35	8

Turnover	2020	2019
Total turnover (%)	21.5	26.1
Total turnover	1,307	1,692
<b>Turnover by gender</b>		
Women (%)	45.0	46.2
Women	588	782
Men (%)	55.0	53.8
Men	719	910
<b>Turnover by age</b>		
Under 30 years (%)	26.9	40.3
Under 30 years	352	682
Between 30 and 50 years (%)	61.9	54.6
Between 30 and 50 years	809	923
Above 50 years (%)	11.2	5.1
Above 50 years	146	87
<b>Turnover by region</b>		
Central areas (%)	53.7	54.0
Central areas	702	913
Branches in the City of Buenos Aires and Greater Buenos Aires (%)	32.5	33.6
Branches in the City of Buenos Aires and Greater Buenos Aires	425	569
Branches in the provinces (%)	13.8	12.4
Branches in the provinces	180	210
New hirings that terminated their labor relationship during the year (%)	282.1	129.7
New hirings that terminated their labor relationship during the year	167	84

## Note 18

All Bank's employees receive the same benefits, regardless of their working hour schedule. .

- Raffles to win entertainment tickets.
- BBVA and LATAM Alliance.
- Newborns' trousseau.
- School kits.
- Children's day.
- Vacation days.

Length of service	Days under collective bargaining agreement	Days at BBVA Argentina
Up to 4 years	17	19
5 to 9 years	24	26
10 to 19 years	31	33
20 years and over	33	35

- Prepaid Healthcare.
- Birthday gift.
- Year-end gift.
- Seniority gift.
- Payment of tuition fees.
- Housing loans.

## Note 19

Parental leave	Men	Women
Number of employees entitled to parental leave (employees subject to organizational policies, agreements or contracts that contain parental leave entitlements)	100%	100%
Number of employees that took a parental leave during the year	79	120
Number of employees that returned to work after parental leave ended, whose leave began and ended during the year	78	70
Number of employees that used their parental leave during the year and were still on leave as of December 31 of that year	0	48
Number of employees that used their parental leave during the year and have neither returned to work nor are still on leave as of December 31 of that year	1	4
Number of employees that returned to work after parental leave ended during the year, whose leave began the previous year or before	2	51
Number of employees that should have returned to work after parental leave ended during the year, whose leave began the previous year or before and DID NOT RETURN	0	2
Number of employees that returned to work during the year before the current one (after a parental leave initiated in previous years). For instance: In 2020, report those who returned in 2019.	2	51
Number of employees that returned to work during the year before the current one (after a parental leave initiated in previous years) and remained 12 months on the job. For instance: In 2020, report those who returned in 2019 and remained 12 months on the job.	2	50
Return rate	99%	69%
Retention rate	100%	98%

## Note 20

We do not have transition assistance programs to facilitate continued employability and end-of-career management due to retirement or layoffs.

## Note 21

Percentage of employees by job category and age <sup>39</sup>	2020		
	Under 25 years old	Between 25 and 45 years	Above 45 years
Management Committee and Corporate Directors	0%	15.4%	84.6%
Management team	0%	24.6%	75.4%
Middle positions	0%	42.1 %	57.9%
Specialists	2.0 %	63.9%	34.1%
Sales force	2.2%	72.2%	25.6%
Base positions	4.6 %	65.5 %	29.9 %

## Note 22

During 2020, no discrimination cases were detected among our employees.

## Note 23

The Bank does not employ people under 18 years old, therefore, there is no child labor. Employment contracts are reviewed during audits carried out by the Ministry of Labor, or by the Banking Association, in exercise of its oversight powers.

## Note 24

No forced or compulsory labor exists at the Bank, as verified during audits carried out by the Ministry of Labor, or by the Banking Association, in exercise of its oversight powers.

## Note 25

No incidents of non-compliance concerning marketing communications were detected at the BBVA Argentina.

## Note 26

This information is not available at the moment. However, we will work to present it in future reports.

<sup>39</sup> Including: Banco BBVA Argentina, BBVA Asset Management S.A. SOC. GTE. Fondos Comunes de Inversión, BBVA Consolidar Seguros S.A. and BBVA Broker Argentina S.A.



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## **INDEPENDENT ACCOUNTANT'S LIMITED ASSURANCE REPORT ON THE ANNUAL INTEGRATED REPORT**

To the President and Directors of  
Banco BBVA Argentina S.A.  
Av. Córdoba 111  
City of Buenos Aires  
Taxpayer identification number (C.U.I.T.): 30-50000319-3

### **Information subject to review**

We have been engaged by the Management of Banco BBVA Argentina S.A. (hereinafter, the "Bank") to conduct a limited assurance engagement on the sustainability indicators reported in the section "Selected information" herein, which are included in the Bank's 2020 Annual Integrated Report for the fiscal year ended December 31, 2020 (hereinafter, the "Report").

### **Selected information**

The sustainability indicators under the limited assurance engagement are set out below:

- Clients
- Employees
- Company
- Suppliers
- Environment

### **1. Management's responsibility**

The Bank's Management is responsible for the preparation and presentation of the Report in accordance with the Standard Sustainability Reporting Guidelines of the "Global Reporting Initiative" (hereinafter, "GRI Standards").

In addition, the Bank's Management is responsible for:

- a) the information and statements contained in the Report;
- b) the determination of the Bank's objectives in relation to the sustainable development of results and for reporting purposes, including the identification of stakeholders and the significant matters;
- c) the design, implementation and maintenance of an effective internal control for the Report to be free from material misstatements, whether due to fraud or error, and
- d) keeping adequate records supporting the information process.





### **Auditors' responsibility**

Our responsibility is to conduct a limited assurance engagement in order to express a conclusion based on the work performed, in accordance with the instructions received from the Bank. We will not accept or assume any responsibility towards any third parties other than the Bank for our work, or the conclusions reached in the limited assurance report. We have performed our work in accordance with Technical Resolution No. 35 "Adoption of International Standards of Assurance Engagements and Related Services" issued by the Argentine Federation of Professional Councils of Economic Sciences (hereinafter, "FACPCE") in respect of the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". Such rules require that we comply with relevant ethical requirements, including independence requirements, and that we plan and perform our procedures to obtain reasonable assurance about whether the Report is free from material misstatements.

### **Procedures performed**

An engagement to prepare a limited assurance report on an annual sustainability report involves, primarily, making inquiries of the individuals responsible for preparing the information disclosed in such report, performing analytical procedures, and obtaining evidence by applying other procedures, where appropriate. The procedures include:

- Making inquiries of Management to understand the Bank's processes so as to identify all aspects relevant to the Bank's stakeholders.
- Holding interviews with Management in relation to the sustainability strategy, the policies applied to significant issues and their implementation.
- Holding interviews with the staff responsible for the preparation of the information included in the Report.
- In connection with the financial information included and specified with (#) in the Report, verifying whether it arises from the Bank's audited financial statements as of December 31, 2020.
- Inspecting documentation, on a selective test basis, to verify the representations made by Management.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement or an audit conducted in accordance with Technical Resolutions No. 35 and 32, respectively and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or a reasonable assurance engagement. Accordingly, we do not express an audit opinion or a reasonable assurance conclusion.

We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

This limited assurance report has been prepared to be used by the Bank for the purposes of assisting Management in determining whether the Bank has complied with the criteria of GRI Standards: Core option in the preparation of the Report and for no other purpose.

### **Independence**

In order to conduct our engagement, we have complied with the independence requirements of Technical Resolution No. 35 of the FACPCE.



*Translation from the original prepared in Spanish for publication in Argentina*



## **Conclusion**

Based on the professional work described in section "Procedures performed" of this report, there is no evidence indicating that the sustainability indicators reported in the section "Selected information", included in the Bank's Report as of December 31, 2020, have not been prepared, in all material respects, in accordance with the criteria of GRI Standards: Core option and with the records and files used as a basis for the preparation thereof.

City of Buenos Aires, September 8, 2021



**ANNUAL INTEGRATED REPORT**  
**2020**