

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



**BANCO
REPÚBLICA**

**ANNUAL REPORT
2022**

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

1 Board of Directors Senior Management



1

BOARD AND
SENIOR MANAGEMENT

2

MESSAGE FROM THE PRESIDENT

3

REVIEW OF 2022

4

PRESENTATION OF THE BANK
AND CORPORATE GOVERNANCE

5

MACROECONOMIC
ENVIRONMENT

6

COMPETITIVE BANKING
ENVIRONMENT

7

MANAGEMENT REPORT

• Financial situation

• Financial performance

• Finance Area

• Corporate Area

• Retail Area

• Online Banking

• International Area

• Anti-Money Laundering

• Risk Policies and Control

• Human Resources Department

8

FINANCIAL STATEMENTS

9

RELATED ORGANIZATIONS

10

BRANCH NETWORK

1

Board of Directors

Senior Management



► Cr. Pablo SITJAR, Cra. Mariela ESPINO, Dr. Alejandro LAFLUF, Ec. Salvador FERRER, Cr. Max SAPOLINSKI, Dr. Leandro FRANCOLINO and Dr. Roberto BORRELLI.

Board of Directors



Ec. Salvador FERRER
President



Dr. Alejandro LAFLUF
Vice President



Cr. Max SAPOLINSKI
Vice President



Cr. Pablo SITJAR
Director



Dr. Leandro FRANCOLINO
Director

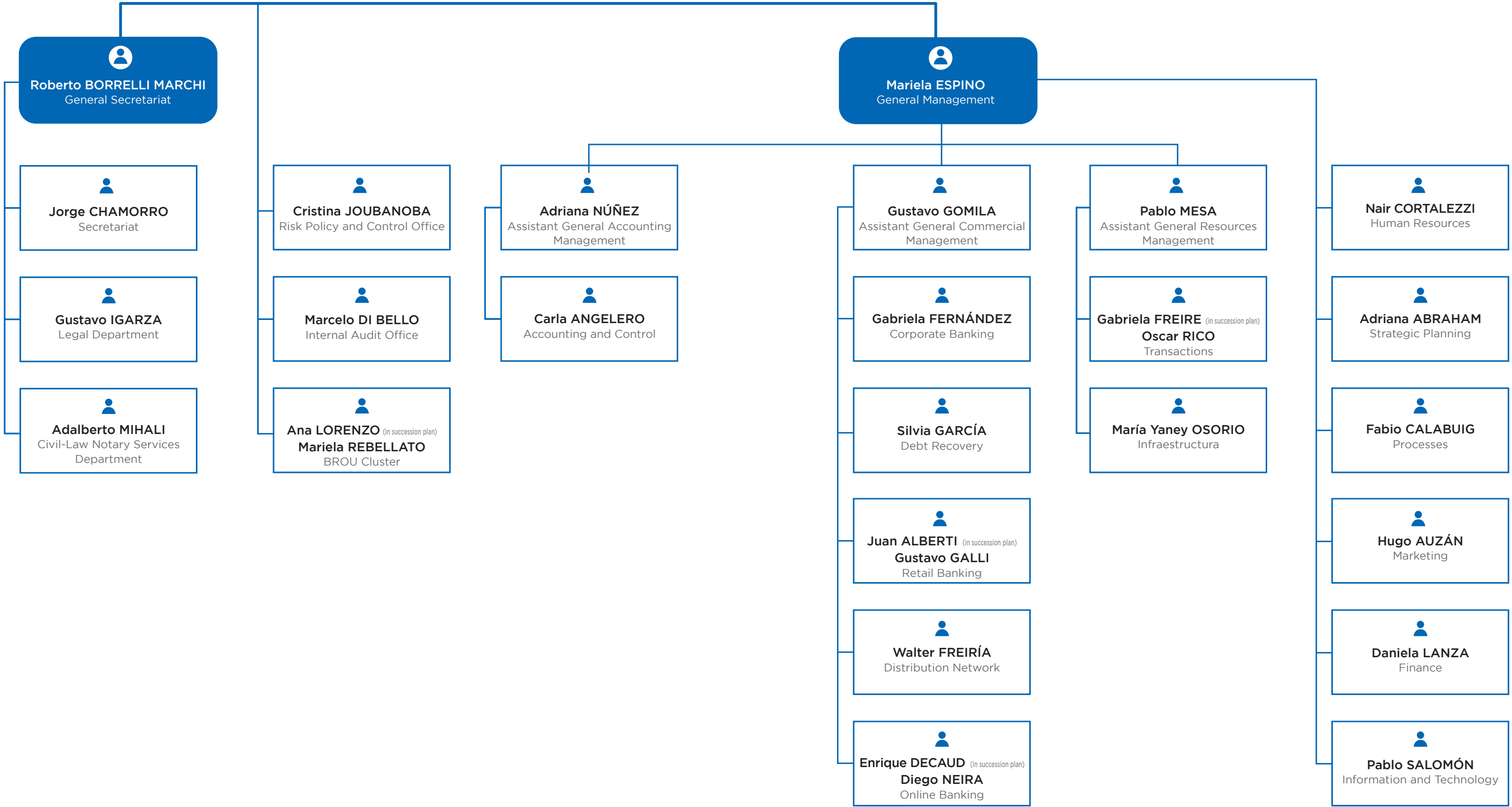


Dr. Roberto BORRELLI MARCHI
General Secretariat



Cra. Mariela ESPINO
General Management

Senior Management



1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

2 Message from the President



1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

2

Message from the President

Dear readers, once again, and for the third consecutive year, in this brief letter, which is part of our institution's Annual Report, I will present a summary of the path taken, the challenges faced and the achievements along the journey which Banco País has been traveling, building its history day by day and accompanying the economic development of Uruguay, in accordance with its institutional mandate.

2022 was not without its difficulties. Even though we were leaving the health pandemic behind, the worst historical drought in the last 100 years meant that we ended the year in the midst of an agricultural emergency. In addition, we also faced a dramatic increase in digital fraud; (in the next section this issue will be addressed in detail) and additionally, we had to face a number of setbacks associated with instabilities in our computer systems.



► Young Horseman Ahijuna, Bronze José Belloni, Gral. Flores Branch, Montevideo.

In the context of these difficulties, and because we cannot build strong foundations on the basis of excuses, Banco País has continued to move forward, for which I am pleased to present the Annual Report for the 127th financial year of the Banco de la República Oriental del Uruguay (BROU), from January 1 to December 31, 2022.

I think it is worth starting by reporting the pride of Banco País having received recognition as the company with the best reputation in Uruguay in the opinion of clients¹. I cannot imagine a better recognition than that of those who we strive to serve. Therefore, first of all, a very special thanks to each and every member of the Bank, without doubt the driving force of this institution.

I am convinced that it is an acknowledgment that is based on the pillars of Banco País: a mandate that combines business vision with the sensitivity necessary to exercise the role of a development bank and provider of solutions for those who need them most, the historical solidity of the institution, the commitment of its team, from senior management to those who are the visible face of the bank in every corner of the country, and a Board of Directors that, beyond its natural differences, acts with close dialogue and responsibility.

Without a doubt, we will continue to face challenges and, as mentioned, 2022 was clearly a year full of them, but this recognition represents an award for the way in which we dealt with them: with transparency, honesty, sensitivity and realism, and with clear communication. We will all continue working every day to improve what we do, correct mistakes or shortcomings, and take the next step to evolve.

When things do not go well, we are the first to suffer and find a way to resolve them, and that attitude surely has a lot to do with the explanation of this recognition.



► Economist Salvador FERRER, Chairman of the Board of Banco República.

In a very competitive business environment for the corporate sector, we have sustained the growth of our business portfolio by taking advantage of our balance sheet strengths, by offering competitive rates and terms to our clients, pushing the market at the time when rates drop, or tempering their rise when the time came for an upward rate correction at the international level, as well as stretching the financing terms, for example, regarding the purchase of fields or financing irrigation.

At the same time, we have been recovering lost ground in everything related to the financing of infrastructure projects, offering financial support for the enormous dynamism that we are currently seeing in the development of our country's road infrastructure.

In a year marked by record exports, we have been, as the Bank has historically been, a good partner to the agro-industrial export sector. At the same time, we have contributed to the development of the foreign exchange hedging business for our main public companies, which demand foreign currency, in a market where the export supply has significantly pushed down the exchange rate.

With regard to the development of business that supports individuals and families, in addition to the launch of Simple Loan ("Préstamo Fácil") we have been expanding our customer base, traditionally more concentrated in public employees and retirees and what has been our traditional "social credit".

This has allowed the best product in the market in terms of consumer credit to reach an ever larger number of people. Moreover, we continue to reposition ourselves in the credit card market hand-in-hand with the growth of Mastercard Recompensa, and our support for the "Celeste" (Uruguay's national football team) on the way to the World Cup was an important link in the chain of success that has allowed Banco País to become a benchmark in the credit card market.

The digitization process is another of the lines of work that we have been strongly promoting. In addition to the Bank's digital platforms developed in previous years (eBROU and AppBROU), this year we added the digital "onboarding" process "MI BROU", a product aimed at young people, which is also very much in line with the Bank's need to renew and update its client portfolio, reaching out to young people in an ever better way.

¹ Merco 2022 Ranking: Reference monitor in Iberoamerica that evaluates the reputation of companies. Study and ranking carried out by the Analysis and Research group according to the Standard ISO 2025, and with the methodology audited by KPMG.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

At the same time, we are leading the drive in the market for “instant payments”, as the first step towards new digital transaction solutions, in a payment system in need of modernization.

This entire business plan has been promoted in parallel with Banco País’ role as a development bank. Maintaining our territorial presence and making progress on the pilot plan for the installation of ATMs in localities that we perceive to be neglected are clear signs of the vision that we understand to be the essence of our institution. The focus on attention to critical situations such as, for example, that of the former Citrícola Salteña, a company that is not only emblematic but very significant for its environment, which, while in the process of liquidation, we were able to guide with clear prospects for the future, hand-in-hand with new entrepreneurs who have been in charge of reactivating the business potential; or the case of Frigorífico Florida, which we were also able to reactivate at the hands of new entrepreneurs, generating renewed expectations for employment in its area of influence.

A special mention also goes to the continuity of financing to companies that have experienced difficulties thanks to SiGa, as a guarantee instrument, and in its different modalities (SMEs, Emergency, Tourism, etc.). It is a type of financing that has proven to be an efficient solution to support companies with difficulties, but with reasonable prospects for the future, and which has managed to become the appropriate support for sectors or companies in need without generating a deterioration in their portfolios.

During 2022, the profit generated by Banco País was USD 229m after taxes. Furthermore, the expected contribution to general revenues during 2023, as a consequence of this management, may be of the order of USD 353m (USD 183m that will be contributed as dividends; 50% or USD 114m corresponding to general revenue, and an additional USD 69m that the Bank may be contributing as the additional 30% that the law has established that the Executive Branch may require, destined for “funds”, as they were during the pandemic with the Coronavirus Fund). And, on the other hand, approximately USD 170m will be applied as direct taxes (corporate income tax and net wealth tax).

BROU continues to be a very important generator of value for the government, and this contribution is in line with the estimate of contributions to the state for the five-year period 2020-2025 of around USD 500 million per year, which, for reference, more than doubles the contribution of Banco País during the previous five years.

It is worth mentioning that in order for Banco País to continue maintaining the role of supporting economic development that it has been fulfilling, in line with what its mandate establishes, and for it to continue being an important generator of resources, it is essential to maintain a solid Bank.

And in this sense, the capitalization level (Tier 1 Capital / Minimum Capital Requirement) that BROU maintains exceeds the regulatory requirements by 87%.

Another characteristic of these years is the significant process regarding personnel turnover, which goes hand-in-hand with the high percentage of retirements scheduled for this period.

This challenge, which we have taken as an opportunity to update the talent of our teams, has been progressing well and we can say that we have maintained a focused, efficient, solid and profitable Bank, while complying with the strategic mandate given in the Bank’s charter to support economic development.

We continue to focus on the three basic lines of action that we have drawn up, and which, in line with the historical mandate of our Bank, run through the growth of the business aligned with that essential role of supporting national economic development, the promotion of the digitization process of our institution, giving solutions in line with what modern times mean for our clients, and maintaining the role of development bank that corresponds to Banco País.

Within these general guidelines, in 2023 we will focus on a couple of relevant aspects: the best repositioning in the SME sector, hand-in-hand with processes associated with Multi-acquirer and the opportunities that this may imply for businesses in particular; and the improvements that we hope to continue promoting in the development of the payment system, essential for the development of the banking business in the future.

We want our clients to continue choosing us because they prefer our solutions and services, and the recognition obtained motivates us to redouble our efforts in a competitive market.

We intend to continue being supportive so that companies and individuals can go further, fulfilling the mandate of our charter, to continue helping them fulfill their dreams, as the Bank has been doing throughout its history.

Uruguayans can rest easy: we have a solid, profitable Bank that fulfills the strategic mandate given by its charter to support economic development.

We still have a lot to do, but the feeling is that we are on the right track, and the recognition we have received is a good indication of this.

Let’s keep moving forward.



Ec. Salvador FERRER



► Executive Tower Microbank, Montevideo.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

3 Review of 2022



► Online Bankging Area, *Montevideo*.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



Review of 2022

Within the significant number of activities carried out in 2022, there are some that deserve special mention.

Regarding commercial activities, the corporate portfolio increased by 17% when compared to the previous year. Extending terms and improving product conditions, such as the financing of land purchases and infrastructure works, were key to consolidating this growth.

Additionally, we expanded the supply of products aimed at clients through “Crédito Fácil” (Easy Credit), which simplifies the conditions of access to credit with the best prices and terms on the market for workers of companies without agreements, and with “MI BROU” (My BROU) that allows our younger customers to open an account with debit card and ebrou user through an entirely digital process, and identity validation through facial biometrics.

Internally, we had to face challenges related to maintaining operational continuity, associated with the Bantotal technology ecosystem, which experienced slowdowns and partial interruptions in periods of high transactional demand. This difficulty, which occurred at specific times, was managed by the bank’s technical team in coordination with technology providers and an action plan is being executed to ensure optimal levels of operational continuity, quality, and scalability.

Another issue that required our special attention, as for the rest of the financial industry, was the increase in fraud carried out against clients based on the appropriation of their credentials (usernames and passwords) by third parties through different forms of social engineering. In a world where digital transactions are growing exponentially, cybercrime -fraud committed against the user or client- is a growing concern.



► Libertad Branch, San José.



► Automated Transactional Unit, Montevideo Shopping, Montevideo.

During 2022, fraud cases increased significantly both in the number of cases, which practically quadrupled compared to the previous year, and in the amount involved (which doubled).

This is based on the number of cases reported to BROU, which is the information that we know about and on which we can speak, knowing that this is not an exclusive problem of BROU, nor of the Uruguayan banking system, but rather a global problem.

Although the volume of fraudulent transactions or “scams” is marginal when considering the enormous volume of digital transactions processed by the Bank, of course this is not the case for the customer affected, so the issue obviously generates great sensitivity and concern. Banco País has taken this matter very seriously, both in terms of case-by-case analyses, and in everything related to the permanent adoption of new preventative measures within the current legal and regulatory framework in order to stop these fraudulent transactions from taking place.

It is also worth noting the enormous amount of work done by the various areas of the Bank involved in the prevention and management of fraudulent situations, which has led to the recovery and repayment to the clients affected of more than 60% of the amounts involved in fraudulent transactions.

Several measures are being studied by parliament to help to provide the financial system with more tools to support clients affected.

It is important to highlight that the bank’s computer systems meet the highest security standards, and that none of these situations was due to security aspects or the operation of the bank’s computer systems, but rather to confidential customer data being obtained through various types of deception and data theft.

In addition to the actions described above, communication campaigns were carried out, both in the mass media, as well as on social networks and on our institutional and transactional portal, on the safeguards that must be taken in the handling of confidential information such as passwords and codes.

Finally, with regard to one of the most important resources available to the Bank, its employees, we continue to make progress in the generational turnover of our workforce, with the joining of 342 assistants (10% of the workforce) and significant mobility throughout the structure due to the coverage of vacancies generated by retirements and promotions. In this context, the key challenge was training and transmitting knowledge that allows for the development of skills to carry out the duties of these new positions.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

4 Presentation of the Bank and Corporate Governance



► Colonia Branch, Colonia.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none"> Financial situation Financial performance Finance Area Corporate Area Retail Area Online Banking International Area Anti-Money Laundering Risk Policies and Control Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

4

Presentation of the Bank and Corporate Governance

The Banco de la República Oriental del Uruguay (BROU), created by Law No. 2480 on August 4, 1896, as a universal bank in the form of a corporation, is currently an autonomous entity in the commercial domain of the State governed by sections xi, xiii and xiv of Uruguay's Constitution.

Its current institutional charter was approved by Law No. 18716 of December 24, 2010, and is an updated, extensive and pragmatic set of regulations that covers all the operations of a universal, commercial and development bank simultaneously, all within the current legal and constitutional framework, in addition to that of the central bank.

The law was regulated by the Executive Branch under Decree No. 100/013 of April 2, 2013 which was published in the Official Gazette on April 10, 2013. This regulation addressed the main aspects of the administrative organization of the Bank and its responsibilities, while establishing the various roles and duties of the highest ranking officials and administrative areas. Consequently, the legislation is appropriate for the present day and that considers, for example, the use of new technology available to the legislative bodies, which has been so unquestionably useful in the last few years during which the pandemic made it necessary to hold meetings remotely on several occasions.



► Old accounting ledgers, Cerro Branch, Montevideo.

MISSION

Contributing to the productive, economic and social development of the country, providing efficient financial solutions to public and private enterprises, families and individuals, combining the necessary business profitability with the fulfillment of our social commitment and maintaining the confidence of the depositors who trust us with their savings.

VISION

As *Banco País*, Uruguay's flagship bank, having the dual role of being a commercial and development bank, we operate in a competitive market, offering solutions through a combination of our extensive network of branches and online services.

Our activities are focused on our clients, and we always aim to maintain a balance between the interests of our employees, shareholders, regulators and the community in which we operate when making our decisions.

CORPORATE VALUES

Service

- Provide financial services that promote financial inclusion, and the economic and social development in Uruguay.
- Offer top quality products and services that meet the needs of clients.

Equity

- Ensure that clients, suppliers, associates and employees are treated fairly, equally and ethically, while eliminating all discriminatory attitudes and policies.
- Strict adherence to the provisions of the Code of Ethics.



► Head Office, Staircase of Honor, Montevideo.

Transparency

- Cultivate the sense of duty and desire to report within the framework of current legal restrictions, on the basis that correct, adequate and extensive information contributes to increasing confidence in the organization while generating greater organizational self-control.
- Make transparency in management a true competitive advantage.

Social Responsibility

- Ensure a strong commitment to the community through social, environmental, ethical and human management considerations, in both business transactions and operations.
- Establish a strong commitment to corporate social responsibility, by defining policies and procedures for workers, suppliers, clients, competitors and society in general.

Ethical Performance

- Observe ethical principles in both personal and institutional actions as a cornerstone of the development of the Bank's activities.

Corporate Governance

- Turn the quality of the Bank's Corporate Governance into a source of growth and added value.

Teamwork

- Promote a work philosophy that encourages cohesive teamwork, leading to a common vision of the Bank.
- Maximize the synergies that arise when working as a team, both within the areas and in interactions between them that require the combined commitment of the different business areas of the Bank.

Professional Management

- Work professionally, trying to ensure the highest level of quality in everything that we do.

Mutual Respect

- To act always upon the logic of solidarity, dismissing confrontations that could give rise to paralyzing conflicts and fiefdoms.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

CORPORATE GOVERNANCE

The Board of Directors is responsible for the governance and management of the Bank. The Board comprises a president and four directors, appointed by Uruguay's President in agreement with the Council of Ministers, and with the prior approval by the Senate of the proposals made by the Executive Branch. These proposals are based on the personal, functional and technical characteristics of the candidates. Those appointed remain in their posts until their successors are appointed using the same process.

When the board comes into office, it appoints a First Vice President who acts as chairman in the event of the President's absence, resignation or any form of impediment to performing duties; and a Second Vice President in the event of absence, resignation or any form of impediment to performing duties of the President and First Vice President. In addition, if maintaining a good level of service requires it, the president may delegate their powers to the Vice President.

The President, assisted by the Secretary General, represents the Bank in corporate matters; and in terms of the Bank's capital, the President and the General Manager act jointly as the Bank's representatives.

The Board of Directors has broad powers to carry out its mandate. In order to make decisions, a minimum quorum of three members is required, with a simple majority vote needed, except in those cases where the law or regulations require special quorums and majorities.

Similarly, in order to provide management with the flexibility demanded by present-day organizations, the Bank's Charter authorizes the President, under exceptional circumstances, to make decisions rapidly where the law does not impose special majorities. Those decisions are then considered by the Board of Directors in its next meeting.

With the same purpose of allowing the Bank to be flexible and efficient, the Board of Directors has delegated part of its decision-making power to various committees, comprising members of the Board of Directors, the General Manager and the executive managers of those areas directly involved. These committees are detailed below.

Administration Committee

This committee adopts final resolutions in all administrative matters that exceed the powers of each service, provided that the proposed measures do not require a special majority of the Board of Directors.

Asset Recovery Committee

Decides on final resolution in matters related to the recovery of assets that do not require special majorities.

It has the authority to grant deductions in the amount of delinquent loans.

It may authorize releases from guarantees, lifting of attachments, assignments and/or subrogations of loans and payment agreements, and determine, within its authority, the currency and amount for repayment.

Audit Committee

Among other duties, this committee is responsible for reviewing and approving the annual plan of the Internal Audit Office, and its degree of compliance, analyzing the opinions issued by such Office and monitoring the implementation of the recommendations made by such Office and the external auditor for modifying procedures.

Additionally, it is responsible for coordinating the internal and external control functions that interact within the Bank, and for supervising the financial reporting process. Furthermore, it is responsible for monitoring the proper functioning of the integrated internal control system, as well as reviewing the Bank's policies established relating to compliance with laws and regulations, ethical standards, conflicts of interest and investigations for disciplinary infractions and fraud.

Risk Monitoring Committee

The main responsibilities of this committee are: to analyze risk strategies, by type of risk and at an aggregate level, and issue recommendations to the Board of Directors; to review risk policies, including the risk appetite of the Bank and of the companies of the group, and issue recommendations to the Board; to monitor the application of the risk appetite statement in the Bank and in the subsidiary companies, as well as oversee the capital and liquidity management strategies.

Anti-Money Laundering and Counter-Terrorism Financing Committee

Within the framework of the comprehensive Anti-Money Laundering and Counter-Terrorism Financing system, this committee regularly evaluates the appropriate functioning of that system. It also analyzes and approves the plans and reports prepared by the Anti-Money Laundering Unit on these matters.

Other Aspects of Corporate Governance

The Bank has a hierarchical organizational structure in which the Secretary General and the General Manager report to the Board of Directors.

The General Secretariat Office, Civil-Law Notary Services Department and Legal Department report to the Secretary General. The assistant general managers in the Commercial, Accounting and Resource Management Areas report to the General Manager, as do the Finance, Processes and IT Areas.



► Aguada Branch, Montevideo

The Corporate Banking, Debt Recovery, Retail Banking, Distribution Network and Online Banking Areas report to the Assistant General Commercial Management. The Accounting & Control and Budget Areas report to the Assistant General Accounting Management; and concerning staff functions, so do the Information Systems Area and the Corporate Information Coordination Unit. The Operations and Infrastructure Areas report to Assistant General Resources Management. Additionally, the Human Resources, Strategic Planning and Marketing Areas report directly to General Management with line and staff functions. In turn, the following areas report directly to the Board: the Anti-Money Laundering Unit, the Risk Policy and Control Office, Internal Audit Office and the BROU Cluster Unit (which coordinates with the remaining entities of the BROU Group).

Due to its special dual status as a commercial bank and a State-owned entity, BROU's management is under the supervision of the Central Bank of Uruguay (BCU) and, in particular, of the Superintendency of Financial Institutions. It is similarly under the supervision of Uruguay's National Accounting Office (*Tribunal de Cuentas*) which, among other responsibilities, controls the financial management of the Bank and the legality of the expenses and payments.

In terms of credit risk within the non-financial sector, the Bank must respect the limits established by central bank regulations, as well as those established by its own Charter, which are, in general, even more restrictive.

The limit for loans to individuals or legal entities was set at 5% of total equity (USD 80,700,000 for 2022), except in the case of loans to public sector industrial and commercial entities (referred to in Article 221 of Uruguay's Constitution), in which case the limit is 10% of total equity (USD 161,450,000 for 2022).

Likewise, if any of these individuals, companies or entities belong to an economic group, the above mentioned limits will remain, but the total amount of credits or loans to the group may not exceed those limits by more than 50%.

Notwithstanding the above, and in order to minimize the impact that exchange rate volatility may have on the limits measured in US dollars, the Board of Directors usually sets lower limits than the maximum legally authorized ones.

For granting qualified loans, and following the best practices of Corporate Governance, resolutions are adopted by corporate professional bodies in order to ensure greater security and objectivity.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

In this sense, and without prejudice to the loans or credits which the Board of Directors is legally required to approve due to the amount or the special number of votes required, the rest of the decisions are made by committees, with a unanimous vote required. If a unanimous decision cannot be reached, the matter is escalated to a higher level.

The main committee at a higher level is the Credit Committee, comprising the General Management, those responsible for the Commercial Area, the Corporate Banking Area, the Risk Control and Policy Office, and the senior managers in Human Resources, Finance and/or the Distribution Network, when the matter is related to them.

The Credit Committee has the final say on loans up to USD 2,000,000 and which exceed the authority of the Commercial Area or Corporate Committee. However, when dealing with matters presented by the Credit Committee from the Buenos Aires branch, the authorized limit is USD 400,000.

Under article 24 of the Bank's Charter: "the State is directly responsible for the deposits and transactions carried out by the Bank."

Additionally, like all other financial institutions, deposits with our Bank are also guaranteed by the Guarantee Fund for Bank Deposits, created by Article 45 of Law No. 17613, dated December 27, 2002, and which is managed by the Bank Savings Protection Corporation.

In terms of transparency, it should be noted that the Bank also has a Corporate Information Coordination Unit. Within the limits of the legal framework relating to bank secrecy and confidentiality, this unit is responsible for exchanging information with external organizations in order to guarantee the fundamental rights of people to access public information, as well as personal data protection, and promote transparency in the management of our Bank.

It also coordinates the preparation of the information to be incorporated into the reports required by the Central Bank, primarily the Corporate Governance annual report, and also responds to the questionnaire within the framework of the CERT evaluation process, where supervisors analyze the following components: corporate governance; economic-financial evaluation; risk management system; technology, etc.

Furthermore, the BROU Cluster Unit was created by a resolution of the Board of Directors on July 2, 2015, in line with Corporate Governance best practices.

This Unit's main objective is to support the Board in the coordinated, professional and integrated management of the different companies and organizations that make up the BROU Group.

Finally, in accordance with the provisions of the Central Bank of Uruguay in article 184.11 of the Securities Market Regulations, since BROU is permitted to issue publicly offered securities, this report includes the information required by that provision. In this regard, according to the legal framework in force, the remuneration of the President and other members of the Board of Directors is the same as the Ministers and Undersecretaries of State had, respectively, at Jan 1, 2010, adjusted by the percentage increases applicable to the salaries of the Central Government. The resulting amounts are reported by the Planning and Budget Office (OPP). The salaries of the rest of the Bank's employees are regulated based on a single standard scale applicable to all public banks.

Additionally, in accordance with the provisions of the Staff Regulations and current collective bargaining agreements, staff may receive up to two months' additional salary as a reward, provided that certain conditions are met:

- a) that the result of the financial year is positive, that the capital remains constant with respect to the previous financial year and that the total payment of said bonuses does not affect the integrity of the Bank's equity;
- b) meeting the goals established in the strategic plan referring to institutional, divisional and personal objectives, which are approved by the Board of Directors before the start of the financial year, and if their design and compliance do not meet with objections from the OPP.

The following changes in senior staff took place in 2022:

- By resolution of the Board of Directors on April 28, 2022, the functions of Executive Manager of the Legal Department were assigned to Dr. Gustavo Igarza, JD due to the retirement on Jan 1, 2022 of the then Executive Manager, Dr. María Rosa Parafita, JD.
- On May 12, 2022, Mr. Gustavo Galli, CPA was appointed Executive Manager of the Retail Banking Area, following the succession plan, before the retirement of the Executive Manager, Mr. Juan Alberti, due in early 2023.
- On July 14, 2022, Mr. Diego Neira, CPA, was appointed Executive Manager of Digital Banking, following the succession plan, before the retirement of Executive Manager, Mr. Enrique Decoud, Programming Analyst, due in early 2023.
- On July 28, 2022, the functions of Manager of the Cluster Unit were entrusted to Executive Manager Ms. Mariela Rebellato, CPA, before the retirement of the Manager, Ms. Ana Lorenzo, CPA, due in early 2023.
- On December 8, 2022, Mr. Oscar Rico, Economist, was appointed the Executive Manager of Operations, following the succession plan, before the retirement of Executive Manager, Ms. Gabriela Freire, Programming Analyst, due in early 2023.



► Av. Uruguay Branch, Montevideo.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

5 Macroeconomic environment



1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



Macroeconomic environment

The global economy slowed down significantly throughout 2022, after the recovery seen the previous year, at the end of the pandemic.

Risks which had been anticipated since mid-2021 became a reality, and were exacerbated by new factors, such as the Russian invasion of Ukraine, deepening the global downturn.

Consequently, the level of global activity slowed, growing by just 2.9% in 2022, which represented a considerable slowdown compared to the previous year, a trend that touched all parts of the globe.

At the regional level, the Latin American economy was no exception, aligning itself with the global cooling, growing by around 3.6%, about half the previous year's figure.








Globally, the expansive measures adopted to promote recovery after the pandemic led to excess demand that was reflected in the increase in global inflationary pressures. With the Russian invasion of Ukraine, this phenomenon worsened, mainly due to the upward impact on food and energy prices.

Along with this, the lower growth in China -the result of the zero-COVID policy which led to the confinement and closure of industries and businesses in the event of an outbreak- caused a weakening of consumption and cuts in supply chains, exacerbating inflationary pressures and leading to reduced global activity.

In this context, inflation increased significantly in most of the world, reaching unprecedented levels in the United States; the highest in four decades.

In response to this, the central banks and, in particular, the Federal Reserve, began a process of tightening monetary policy, which led to a pace and magnitude of increase in interest rates that was much more sudden than expected and previously observed, with the consequent negative effect on global growth capacity.

In 2023, the global economy is expected to continue slowing down, with an estimated rise of just 1.7%, the result of a new cooling in the advanced economies, offset by a rebound in the Chinese economy.

GLOBAL ECONOMY				
GDP Annual Variation	2008 / 2019 average	2020	2021	2022
 Global economy	3.4 %	-3.2 %	5.9 %	2.9 %
 US	1.7 %	-2.8 %	5.9 %	1.9 %
 Eurozone	0.8 %	-6.1 %	5.3 %	3.3 %
 China	8.0 %	2.2 %	8.1 %	2.7 %
 Latin America	1.8 %	-6.2 %	6.8 %	3.6 %
 Brazil	1.6 %	-3.3 %	5.0 %	3.0 %
 Argentina	0.9 %	-9.9 %	10.4 %	5.2 %

• THE URUGUAYAN ECONOMY

The Gross Domestic Product (GDP) of Uruguay grew by 4.9 % in 2022, favored by the extraordinary international prices of the country's main export products, investment, and the recovery of the sectors which were most affected during the pandemic.

On the demand side, growth was also widespread in 2022. In this sense, once again the economic impact of the export of goods and fixed investment stood out.

Final consumption also grew, led by the increase in private consumption, while the recovery in public consumption was less.

Against the backdrop of increased activity, imports also rose steadily, albeit at a slower rate than exports.

With regard to supply, most of the sectors of activity grew in 2022, mainly due to the full reopening of activities affected by the restrictions during the pandemic, which were still impacted during 2021.

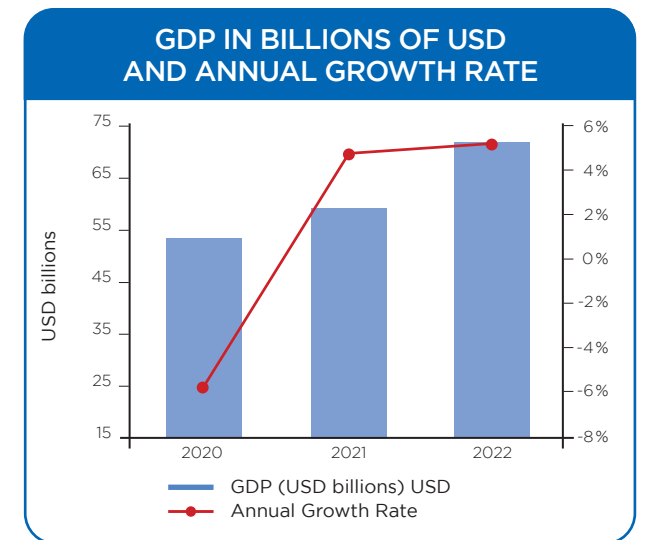
This was reflected in the completion of the recovery process in sectors such as commerce, housing, food and beverages, professional activities, and other services linked mainly to tourism, leisure and entertainment; while health and transportation also showed a significant increase in 2022.

Finally, construction continued to show an upward trend, primarily driven by the work related to the UPM 2 plant.

However, in the second half of the year there were signs of a slowdown associated with the global external context and the measures taken to contain inflation. In 2023, the economy is expected to continue growing, although at a slower rate, with an estimate of around 1.8%.



► Agricultural activity.



GROSS DOMESTIC PRODUCT VARIATION RATE OF PVI IN %			
Type of economic activity	2020	2021	2022
Primary industries	-0.4 %	5.0 %	-2.9 %
Manufacturing	-5.6 %	6.7 %	0.1 %
Electricity, gas and water	-12.5 %	3.5 %	0.4 %
Building	1.8 %	6.0 %	7.0 %
Trade, repairs, restaurants and hotels	-9.1 %	7.0 %	10.4 %
Transport and communications	-6.5 %	4.1 %	9.7 %
Financial services	-0.4 %	5.0 %	2.7 %
Professional activities and leases	-10.6 %	5.2 %	6.2 %
Public administration activities	-0.5 %	0.0 %	-1.1 %
Health, education, real estate and other services	-7.0 %	1.9 %	5.6 %
Gross Domestic Product	-5.9 %	4.4 %	4.9 %

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

Foreign Trade

Exports of goods and services from Uruguay totaled USD 18,805 million in 2022, an annual increase, measured in dollars, of 23%, as a result of the strength of the commercial flows of goods and the recovery of exports of services that overcame restrictions in movement.

Exports of goods² totaled USD 13,356 million in 2022, an increase of 16.5% over the previous year, reaching a historical record.

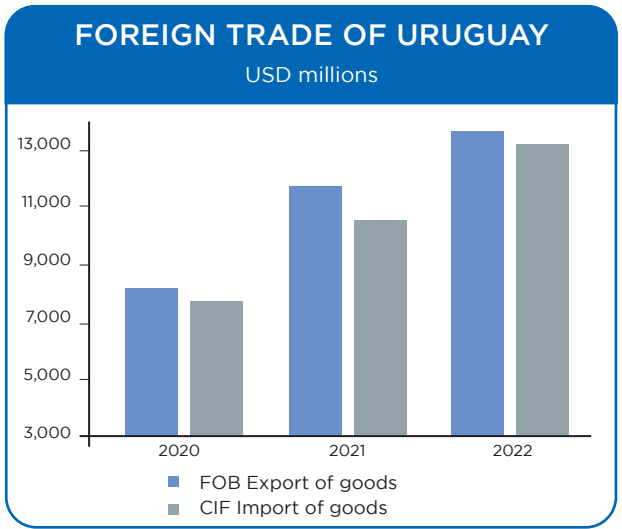
The main export item was Beef, with total sales of USD 2,557 million, 19% of total exports of goods, and an increase of 5% compared to the previous year.

The second largest export item was Soybeans, with an export value of USD 1,922 million, an increase of 116% compared to 2021. Pulp sales ranked third, also with a significant annual increase.

In terms of specific destinations, China continued to rank first with a value of USD 3,675 million, which represented 28% of total exports, and an increase of 12% compared to the previous year. In second place, Brazil represented 14% of the total, and an increase of 3% compared to 2021.

CIF imports totaled USD 12,973 million in 2022, an increase from the previous year of 26%.

2 Exports from free trade zones included.



GOODS EXPORTED FROM URUGUAY			
FOB in USD million			
Main Export Products	2020	2021	2022
Beef	1,585	2,449	2,557
Soybeans	748	892	1,922
Pulp	1,101	1,575	1,818
Dairy	648	735	889
Wood	347	569	560
Other	3,646	5,329	5,610
Total	8,075	11,549	13,356

The increase in imports was broad in nature, with the highest incidence being that related to the acquisition of intermediate goods. However, imports of consumer and capital goods also increased compared to the previous year.

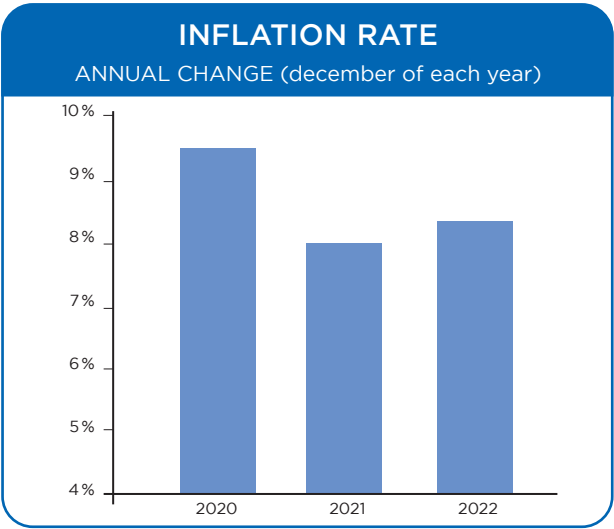
As a result of the performance of exports and imports (FOB values), in 2022 the trade balance of goods declined slightly in relation to the previous year.

Prices and income

Inflation in 2022 was 8.3%, higher than that recorded in 2021. After the significant acceleration during a large part of the year, within the context of the global situation, inflationary pressures eased slightly towards the end of the year.

In this context, monetary policy tightened noticeably in the second half of the year, with successive increases in the interest rate, which closed the year at 11.5%.

The interbank US dollar rate at the end of the year was 40.07 Uruguayan pesos per US dollar, a 10% appreciation of the local currency during the year. The nominal average wage index (IMS) grew by 8%, which, considering inflation for the period, meant a decrease in real wages of 0.6%. In terms of the labour market, the unemployment rate decreased to an average of 7.6% for 2022.



URUGUAY			
MAIN SOCIO-ECONOMIC INDICATORS			
Indicator	2020	2021	2022
Population (thousands of inhabitants)	3,540	3,546	3,561
Gross Domestic Product (USD million)	53,627	59,319	71,177
GDP per capita in USD	15,149	16,729	19,989
GDP growth (PVI annual change)	-5.9 %	4.4 %	4.9 %
Annual export of goods (FOB, USD million)	8,075	11,549	13,356
Annual import of goods (CIF, USD million)	7,564	10,320	12,973
Current account balance, BoP (% of GDP)	-0.6 %	-1.8 %	-3.2 %
Gross debt (% of GDP)	74 %	71 %	67 %
Annual inflation rate	9.4 %	8.0 %	8.3 %
Annual depreciation rate	13.4 %	5.6 %	-10.3 %
USD exchange rate at the year end	42.34	44.70	40.07
Inflation-indexed unit rate at the year end	4.7846	5.1608	5.6023

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

6 Competitive banking environment



► Aguada Branch, Montevideo.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

6

Competitive banking environment

At the end of 2022, the Uruguayan financial system consisted of one public commercial bank, nine private commercial banks, one public mortgage bank and three non-bank financial institutions.

The total assets of the financial system totaled USD 49,138 million at the end of 2022, an increase of 6% when measured in US dollars, which equated to 69% of GDP.



Filing cabinet, Cerro Chato Branch, Treinta y Tres.

COMMERCIAL BANKING SYSTEM

The assets of the commercial banking system amounted to USD 46,919 million in 2022, an increase of 10% measured in dollars, while in BROU the increase was 11%.

BROU is the main financial institution in the country, and its share of the assets was 46% of the total banking system, slightly higher than a year ago.

Gross lending to the non-financial sector totaled USD 18,665 million at the end of 2022, representing 40% of the assets of the commercial banking system.

During the year there was a 22% increase in the balance when measured in dollars.

The delinquency rate of the banking system as a whole stood at 1.6%; a very slight increase when compared to the value in 2021.

Gross lending to the resident non-financial private sector totaled USD 17,444 million, 23% more than the 2021 figure when measured in dollars, showing a general increase in dollars in terms of currencies and destinations; local currency loans grew 14%, while foreign currency loans increased by 19%. In turn, loans to families (measured in Uruguayan pesos) increased by 18%, while corporate lending also increased by 18%, measured in dollars.

Liabilities of the commercial banking system reached a balance of USD 43,004 million in 2022, an annual increase of 10% when measured in dollars.

At the end of 2022, bank liabilities were mainly deposits from the non-financial sector, which represented 94% of total liabilities.



Las Piedras Branch, Canelones.

URUGUAY: COMMERCIAL BANKING SYSTEM ACTIVITY LEVEL INDICATORS				
	2020	2021	2022	% 2022
Gross loans to the non-financial sector (% GDP)	26 %	26 %	26 %	
Gross loans to the non-financial sector (USD million)	13,926	15,311	18,665	
BROU	4,577	4,664	5,683	30 %
Private banks	9,349	10,647	12,983	70 %
Non-financial sector deposits (% GDP)	62 %	61 %	57 %	
Non-financial sector deposits (USD million)	33,615	37,043	40,324	
BROU	15,577	17,017	18,802	47 %
Private banks	18,038	20,026	21,522	53 %

COMMERCIAL BANKING SYSTEM INDICATORS			
Indicators	2020	2021	2022
Return on Equity (ROE)	23.6 %	17.5 %	12.5 %
Return on Assets (ROA)	2.2 %	1.5 %	1.0 %
Delinquency rate	2.8 %	1.5 %	1.6 %
Solvency- Tier 1 Capital / Minimum Capital Requirement	1.69	1.54	1.60

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

The share of BROU's liabilities in total bank liabilities was 45%, practically the same level as at the end of the previous year.

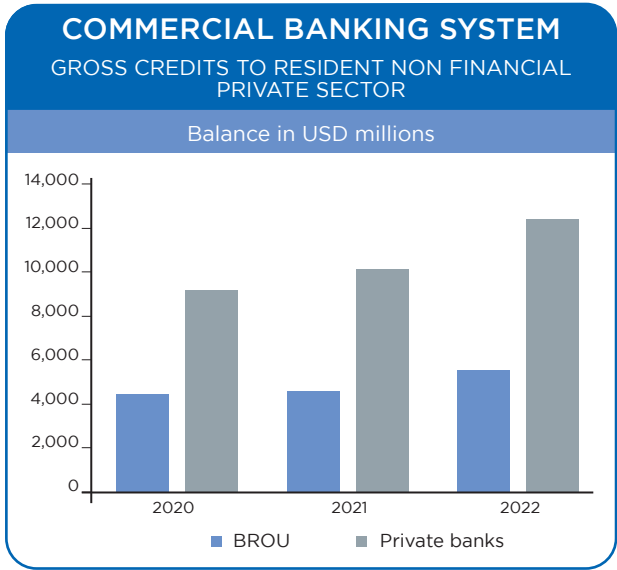
The balance of the non-financial sector deposits as of December 2022 totaled USD 40,324 million, an annual increase of 9% when measured in dollars.

Deposits from the resident non-financial private sector totaled USD 34,823 million, 8% higher than in 2021, with deposits in US dollars representing 74% of this amount.

This increase was mainly due to an increase in foreign currency deposits, while national currency deposits performed poorly in the year. Term structure continued to show a stronger concentration in short-term deposits, as 88% are made for less than 30 days.

The equity of the commercial banking system measured in dollars totaled USD 3,914 million at the end of 2022, an increase of 14% in the year, but with a fall of 6% in real terms.

The Bank's share decreased compared to 2021, at 51% of the total equity of the banking system.

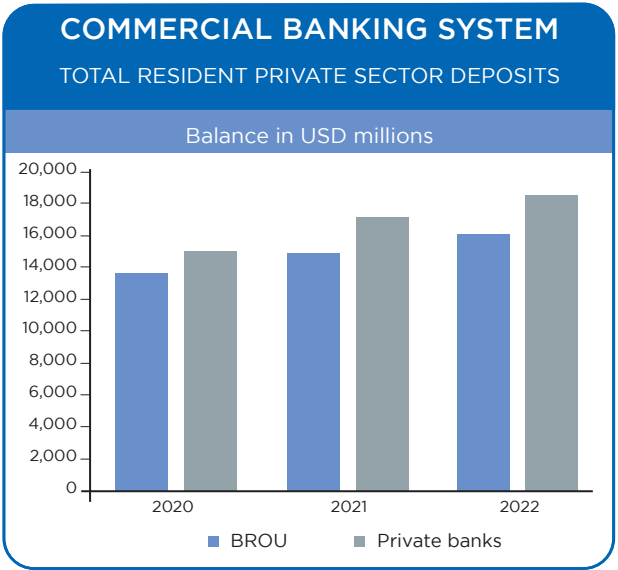


The solvency of the banking system remained at a very good level, which was reflected in the fact that the TIER 1 Capital of the banking system was 60% above the minimum required by the regulators. The ratio was 1.87 times for BROU and 1.43 times for private banks.

The annual operating income of the commercial banking system was USD 903 million in 2022, USD 175 million higher than that of the previous year, with the Bank's annual operating income representing 57% of the overall figure.

The annual profit of the commercial banking system in 2022 was USD 476 million, USD 117 million below that of the previous year. The decrease was mainly due to the loss generated by the decrease in the value of the dollar, and to the higher tax burden. BROU recorded an annual profit in 2022 of USD 229 million, the highest in the system in individual terms.

In terms of profitability, the rate of return on equity (ROE) of the banking system was 12.5%, while the rate of return on assets (ROA) was 1.0%. The efficiency ratio, in turn, was 52% at the end of 2022, an improvement compared to 2021.



FINANCIAL SYSTEM OF URUGUAY							
ASSETS, LIABILITIES AND EQUITY AS OF DECEMBER 31, 2022							
In millions of USD and % of share							
Type of institution	N.º	Assets	%	Liabilities	%	Equity	%
Commercial banking system	10	46,919	95 %	43,004	97 %	3,915	79 %
BROU	1	21,738	44 %	19,734	45 %	2,004	40 %
Private banks	9	25,181	51 %	23,270	53 %	1,911	39 %
Other financial intermediaries	4	2,219	5 %	1,185	3 %	1,034	21 %
Mortgage bank (BHU)	1	2,127	4 %	1,115	3 %	1,012	20 %
Credit unions	1	26	0.1 %	22	0.0 %	4	0.1 %
Credit companies	1	43	0.1 %	29	0.1 %	14	0.3 %
Savings associations	1	23	0.0 %	19	0.0 %	4	0.1 %
Total	14	49,138	100 %	44,189	100 %	4,949	100 %



► UAM Branch, Montevideo.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

7 Management report



► 19 de Junio Branch, Montevideo.



Management report

The 2022 financial statements for the Bank have been prepared in compliance with Communication 2022/232 of the BCU and, in cases where something was not covered by this communication, the International Financial Reporting Standards (IFRS) were applied.

Likewise, the Conceptual Framework for Financial Reporting adopted by the International Accounting Standard Board was observed when relevant.

FINANCIAL SITUATION

As of December 31, 2022, BROU's assets amounted to USD 21,738 million and increased by 11%, when expressed in dollars, compared to the end of 2021.

Cash and cash equivalents and financial investments totaled USD 15,626 million and represented 72% of total assets; net non-financial sector investments (private and public) accounted for 25% and the remaining 3% were fixed assets, investments and other assets.

Assets increased by USD 2,083 million, there were increases in cash and financial investments (USD 1,033 million), in net non-financial sector lending³ (USD 952 million), in other assets (USD 42 million), fixed assets (USD 30 million) and investments (USD 25 million).

Financial investments reached USD 10,497 million and increased by USD 590 million.

95% of financial investments corresponded to investment securities.

Net loans to the non-financial sector⁴ amount to USD 5,353 million (USD 5,790 million of general loans⁵ less USD 437 million of provisions).

Gross investments increased by USD 1,026 million compared to December 31, 2021, with increases in the private sector⁶ of USD 997 million and in the public sector of USD 29 million. 96% were private sector loans and 4% public sector loans.

Gross lending to the private sector residents (excluding trusts) amounted to USD 5,398 million, a growth of USD 970 million in 2022.

The balance of loans to the Public sector excluding the Ministry of Economy and Finance (MEF) agreement (USD 63 million) decreased slightly by USD 0.2 million.

Non-performing loans in the non-financial private sector (excluding trusts) amounted to USD 148 million (USD 110 million in 2021), 2.7% of the gross amount. This index is higher than that registered at the end of 2021 (2.5%), mainly due to the increase in non-performing loans.

There were no significant changes in the other asset categories.

Liabilities amounted to USD 19,734 million and was made up of 82% deposits⁷ from the resident private sector, 10% from the public sector and 3% from abroad the foreign sector⁸.

5% Corresponded to other liabilities and various obligations sundry liabilities.



► Fray Bentos Branch, *Río Negro*.

Resident and non-resident private sector deposits grew by 8% (USD 1,220 million).

Balances in foreign currency increased (USD 805 million), mainly in savings accounts (USD 674 million) and current accounts (USD 87 million); and in local currency (USD 334 million in pesos and USD 81 million in inflation-indexed units), in savings accounts USD 248 million, fixed term USD 127 million, current accounts USD 20 million and other demand accounts USD 19 million.

The products with greater liquidity (savings and current accounts) accounted for 86% of the total deposits in the sector (76% in savings and 10% in current accounts), while fixed-term accounted for 11%.

Regarding currencies: deposits in foreign currency grew by 7% and in local currency they increased by 18% in inflation-indexed units and 11% in pesos.

The percentages of deposits of resident private sector depositors were as follows: foreign currency 77%, Uruguayan pesos 19% and inflation-indexed units 3% (similar percentages to those of 2021).

Public sector deposits had a balance of USD 2,062 million which was an increase of 38% (USD 563 million) as compared to December 31, 2021, mainly in current accounts (USD 472 million), fixed term deposits (USD 91 million) and other demand accounts (USD 26 million) but with a decrease in savings accounts (USD 26 million). 81% of the total variation (USD 457 million) was in local currency.

In 2022, the Bank's equity measured in dollars was USD 2.004 million, an increase of 9% (USD 165 million). The increase was due to the 2022 profit of USD 229 million and the revaluation in US dollar terms in the initial equity giving a rise of USD 167 million⁹, offset by transfers to the MEF and the National Development Agency (ANDE) of an equivalent of USD 245 million¹⁰.

The Tier 1 capital (RPN) was 87% above the minimum capital requirement, similar to that of December 31, 2021.

The impairment of total gross non-performing loans amounted to 83.27% (72.06% as of December 31, 2021), while the Bank's non-performing loan coverage was 79.15 times those loans (57.86 in 2021).

3 Temporary overdrafts not included. These loans do not include the balance of debtors for accrued financial products (included in other assets).

4 Temporary overdrafts not included. These loans do not include the balance of debtors for accrued financial products (included in other assets). Trusts included, which are considered financial instruments by the BCU.

5 "General loans" includes gross loans, overdraft, Agreement with the Ministry of Economy and Finance -MEF, by its Spanish acronym-, and financial trusts.

6 Nonresident loans included.

7 These deposits do not include the credit balance for accrued financial costs not paid, such balance has been included under other liabilities.

8 Deposits in branches overseas, of USD 3.6 million in the Private sector included, an increase of USD 0.2 million in this sector during the fiscal year.

9 Resulting from the decrease in the US dollar exchange rate in the period (10.3%).

10 As per Article 11 of BROU Charter, and Art. 40 of Law 18,716.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

• FINANCIAL PERFORMANCE

In 2022, BROU made a profit equivalent to USD 229 million, USD 162 million less than the previous year. The drop was mainly due to lower gains from valuation adjustments and higher costs from net bad debt charges cost of risk¹¹, operating costs and corporation tax (IRAE), offset by an increase in the net interest income, commissions earned and operating exchange differences.

The net interest income before cost of risk reached USD 830 million and increased by 24% (USD 158 million), due to a USD 170 million (24%) increase in financial income.

The net interest income after cost of risk (USD 706 millions) increased by 7%.

There was a loss of USD 125 million in 2022 for net bad debt charges¹², compared to a loss of just USD 10 million in 2021. This loss was due to statistic-based provisions (USD 64 million) and lower reversals of general provisions (USD 3 million). In the previous year these provisions generated gains from reversals of USD 37 million and USD 27 million respectively. There was a decrease in charges due to specific provision for bad debts (from USD 103 million in 2021 to USD 92 million¹³ in 2022) and an increase in the gains from the recovery of written-off debt (from USD 29 million in 2021 to USD 31 million in 2022).



► Console / Counter to sign checks, Paso de los Toros Branch, Tacuarembó.

11 Cost of risk or net bad debt charges definition: expense derived from the creation of specific, statistic-based and general provisions for bad debts, plus revenue derived from reversing such provisions and from recovering written-off loans.

12 As of 2022, BCU allows for the Automatic Cancellation upon Death Fund created to cover the expected losses associated with Social Credit loans with said feature to receive the accounting treatment stipulated in § 2(A) of BCU's Accounting Standards. This change in criteria lead to accounting a loss owing to the creation of the 2022 provision of UYU 1,487,771,641.42 (equivalent to the sum of USD 36 million).

13 Regarding currency of origin, fees increased in foreign currency and in pesos and decreased in inflation-indexed units. The cumulative average exchange rate per US dollar in the fiscal year dropped 5.5% (from UYU 43,562 to UYU 41,169 per USD), affecting the measurement of national currency in US dollars.

14 "Valuation Adjustments" include: "Exchange rate differences from assets and liabilities held," "Adjustment for Changes in the Exchange Rate of Inflation-indexed Units" and "Currency Translation of Results." This last item is the difference between results in Uruguayan pesos translated at the closing exchange rate, and results obtained in national currencies arbitrated at the average exchange rate.

Net income from services (commission income less commission expense plus operating exchange rate difference) reached USD 195 million, an increase of 30% compared to the previous year.

Income from services (USD 169 million), of which 73% was generated in local currency, increased by 23% when measured in dollars.¹⁴ Expenses from services (USD 73 million) increased by 34%.

Gain from operating exchange rate differences increased by 46% (USD 100 million).

The gross operating profit (net interest income less net bad debt charges plus net income from services) amounted to USD 901 million, an increase of 11% (USD 88 million).

The net operating profit before tax (gross operating profit minus operating expenses and other expenses) amounted to USD 431 million, 4% higher than the previous year.

The valuation adjustments increased by USD 22 million, and included: gains from adjustments due to price changes of inflation indexed units (USD 141 million), from conversion of results (USD 5 million), and losses from exchange rate differences in the valuation of foreign currency (USD 124 million). Costs due to corporation tax amounted to USD 176 million, an increase of 28%. The net wealth tax (USD 48 million) was similar to that of 2021 (USD 49 million).

The efficiency ratio (prepared by the Economic Analysis Advisory Services) was 45%, an improvement when compared to 2021 (49%).

The indicators of average return on equity (ROE) and on average return on assets (ROA) were 11.56% and 1.07% respectively (in the previous year the ROE was 21.39% and the ROA 2.11%).

The income statement considers the split of profit margins and the conversion criteria of the results in foreign currency used in the business management reports.

The institutional agreement between MEF and BROU has been included in the Corporate Area loans balance since 2019. Investments in the unassigned category of the non-financial sector correspond to loans which are not assigned to any business area. Investments in the non-financial sector include trusts.



► Costa Urbana Branch, Canelones.

INCOME STATEMENT			
USD million			
	2020	2021	2022
Interest income	730	696	866
Interest expense	-34	-26	-32
Changes in fair value of financial instruments	-1	2	-3
Net interest income before net bad debt charges	695	672	830
Cost of Risk	-70	-10	-125
Net interest income after net bad debt charges	625	662	706
Commission income	127	137	169
Operating exchange rate differences	58	69	100
Commission expense	-41	-55	-73
Net income from services	144	151	195
Gross operating profit	769	813	901
Operating expenses	-372	-373	-416
Other expenses	-26	-27	-55
Net operating profit before tax	371	414	431
Corporation tax (IRAE)	-82	-137	-176
Net wealth tax (IP)	-49	-49	-48
Valuation adjustments	261	163	22
Inflation adjustments	0	0	0
Profit for the year	500	391	229
Average UYU/USD rate	42,013	43,562	41,169

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

BALANCE SHEET LIABILITIES AND EQUITY USD million						
	2020	2021	2022	2022		
	Total	Total	Total	UYU	Inflation indexed units (IU)	For. curr.
Deposits	15,624	17,077	18,804	4,514	716	13,574
Private sector	13,716	14,910	16,163	3,233	524	12,406
Foreign sector	590	600	566	12	2	552
Public sector	1,259	1,500	2,062	1,261	190	611
Banking sector	59	68	12	7	0	5
Sundry liabilities	331	325	316	4	0	312
Other liabilities	472	414	615	497	6	111
Total liabilities	16,427	17,817	19,734	5,015	723	13,997
Equity	1,911	1,838	2,004	-992	1,794	1,201

BALANCE SHEET ASSETS USD million						
	2020	2021	2022	2022		
	Total	Total	Total	UYU	Inflation indexed units (IU)	For. curr.
Cash and financial investments	13,356	14,593	15,626	2,108	508	13,010
Financial sector investments	0	0	0	0	0	0
Non-financial sector investments	4,285	4,401	5,353	1,339	1,992	2,021
Corporate area	2,645	2,621	3,073	210	730	2,133
Retail area	1,996	2,137	2,712	1,259	1,433	20
Unassigned	6	4	5	1	0	5
Others - Impairment	-362	-363	-437	-130	-170	-136
Fixed assets	166	197	227	222	0	5
Investments	158	155	181	127	0	54
Other assets	373	309	352	227	16	108
Total assets	18,338	19,655	21,738	4,023	2,516	15,198
The institutional agreement between MEF and BROU has been included in the Corporate Area loans balance since 2019. Investments in the unassigned category of the non-financial sector correspond to loans which are not assigned to any business area. Investments in the non-financial sector include trusts.						

FINANCIAL INVESTMENTS USD million						
	2020	2021	2022	2022		
	Total	Total	Total	UYU	Inflation indexed units (IU)	For. curr.
Cash and cash equivalents	4,367	4,686	5,129	1,117	0	4,012
Financial investments	8,989	9,907	10,497	991	508	8,998
Total	13,356	14,593	15,626	2,108	508	13,010



Mercedes Branch, Soriano.

FINANCIAL INVESTMENTS USD million			
	2020	2021	2022
Foreign currency	11,410	12,254	13,010
Cash	192	223	210
Central Bank of Uruguay	2,917	3,248	3,463
Deposits in local financial institutions	0	0	1
Overseas branches	0	0	0
Investment securities	7,229	7,907	8,539
Foreign sector	1,072	877	797
Other	0	0	0
Local currency and inflation-indexed units (IU)	1,946	2,339	2,616
Total	13,356	14,593	15,626

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	• Financial situation
	• Financial performance
	• Finance Area
	• Corporate Area
	• Retail Area
	• Online Banking
	• International Area
	• Anti-Money Laundering
	• Risk Policies and Control
	• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

• FINANCE AREA

The mission of the Finance Area is to manage the activities related to the administration and profitability of assets that are not used in the commercial operations, in order to maximize the operating profit within the parameters defined by BROU, while also contributing to the care of the Bank's customers through by providing expertise in the area.

The business model approved is implemented, adapted and monitored by this area, which operates in a business environment where decision making is fully integrated in terms of operations, risk management and human resources. The main responsibilities include:

- Manage the financial resources of the Bank in the local and international markets.
- Generate profits through financial mediation and contribute to the design and creation of financial products, in addition to advising on and distributing them to defined segments
- Provide relevant information for corporate decision-making in areas defined by the Bank for the management of assets and liabilities.

At the end of 2022, financial assets being managed by this area amounted to USD 15,575 million,¹⁵ having increased by USD 1,096 million (7.57 %) during the year, a lower growth than that of the previous year.¹⁶

The variation of financial assets in the year occurred mainly in foreign currency -73% of the amount- with investment securities representing 71% of the growth (USD 777 million).

Assets in local currency (Uruguayan pesos plus inflation-indexed units) grew by 12% compared to the previous year (equivalent to USD 298 million), explaining 29% of the increase, in a year where the Uruguayan peso strengthened 10.35% over the course of the year.

Given the above, the percentage share of financial assets in foreign currency was somewhat reduced compared to the previous year, at 82.7%.¹⁷

In net terms, financial investments represented 47% of the uses of funds in 2022, almost matching the use in gross investments (46%)¹⁸.

The increase in deposits was the main source of the period (80%). Breaking this down by currency, financial assets in foreign currency accounted for 69%, financed by an increase in US dollar deposits (80%).

In local currency, gross investments were the main use (64%) followed by financial placements (22%), coming mainly from the increase in deposits (77%).

The 30-day and 91-day liquidity ratios (source: BCU) as of December 31, 2022, were lower compared to those at the end of the previous year, and were more pronounced in the private system. In the case of BROU, the figures changed from 94% and 92% respectively to 93% and 90%, while in the private system they went from 62% and 63% to 58.8% and 58%.

Regarding the Liquidity Coverage Ratio (LCR), BROU far exceeded the limits required by the regulator, reaching values of 251% in local currency and 420% in foreign currency at the end of the year. The Net Stable Funding Ratio (NSFR) rose 2 percentage points, ending the year at 112%.

During 2022, the Bank continued servicing its debt and obligations arising from the two financial transactions in dollars agreed with foreign entities in 2015 (a multilateral development entity and an international private financial institution) to strengthen the term financing structure of the balance sheet.

At year end, the local currency long-term public offering certificates of deposits, issued in inflation-indexed units in 2014, remained in effect, and as of December amounted to IU 157 million.

FINANCIAL ASSETS						
USD million						
	2020	2021	2022	2022		
	Total	Total	Total	UYU	Inflation indexed units (IU)	For. curr.
Cash and cash equivalents	4,267	4,627	4,927	1,103	0	3,823
Financial investments	8,986	9,852	10,649	1,031	555	9,062
Total	13.254	14,479	15,575	2,135	555	12,886

15 This amount only includes the financial assets managed by the Finance Area. It should be noted that this does not coincide with that reported by Management Control (USD 15,625 million), because the latter reports total financial investments, also including those managed by foreign branches (USD 200 million difference) (source: Individual balance sheet). The amount reported in this document also includes USD 150 million corresponding to Debtors for Financial Products, reported by Management Control under the heading Other Assets.

16 USD 1,225 million growth in 2021 compared to 2020, equivalent to 9.24%.

17 Compared to 83.5% in 2021.

18 In 2021, financial investments represented 81% of the year's use of funds, followed by gross investments with 6%.

Assets abroad amounted to USD 8,305 million, representing 53% of total financial investments and 66% of financial assets in foreign currency; growing by approximately USD 427 million in relation to 2021 (5%). At the end of 2022, 64% of these funds were investment securities, 28% deposits in the New York branch, and the rest in other international financial institutions.

Each portfolio is managed in accordance with limits established in terms of amount, duration and Value at Risk, with the corresponding levels of risk appetite and tolerance, and consistent with the cross-cutting ceilings by counterparty, country risk, groups of countries and by credit ratings.

This is all done within the framework of the business models defined by applying the International Financial Reporting Standard (IFRS) 9, applicable in Uruguay since January 2018.

Regarding financial investments, the New York branch reports to the Finance Area, which coordinates investment plans and controls the centrally approved metrics and risk limits.

Regarding the management of financial investments, credit quality, counterparty risk assessment and the degree of liquidity are prioritized, all while maintaining a broad diversification both geographically and in terms of instruments and issuers.



► Desk flag stand, Tala Branch, Canelones.

FINANCIAL ASSETS BY TYPE			
USD million			
	2020	2021	2022
Foreign currency	11,245	12,088	12,886
Cash and cash equivalents	3,327	3,686	3,823
Central Bank of Uruguay	0	0	0
Overseas branches	2,296	2,341	2,365
Investment securities	4,799	5,396	6,172
Foreign sector	755	603	450
Debtors for accrued financial instruments	69	62	76
Local currency and inflation-indexed units	2,009	2,391	2,690
UYU	1,691	1,956	2,135
Cash	316	291	325
Central Bank of Uruguay	625	649	779
Securities and shares	702	948	897
Private banks - Fixed-term loans	1	26	76
Debtors for accrued financial instruments	48	40	58
Inflation-indexed units (IU)	318	435	555
Central Bank of Uruguay	0	0	0
Securities and shares	303	423	539
Debtors for accrued financial instruments	15	12	16
Total	13,254	14,479	15,575

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

This occurs within a conservative framework of internal controls, with constant monitoring and coordinated actions based on the market situation.

In 2022, the total volume traded on the Electronic Stock Exchange (BEVSA) in foreign exchange, money and securities markets – purchases plus sales – amounted to the equivalent of USD 129,400 million (6.9% more than in 2021, equivalent to USD 8,381 million), with BROU being responsible for 5.20% (5.63% in 2021).

In the US dollar spot foreign exchange market, the Bank's share was 14.44%, ranking third by volume traded. The total spot foreign exchange market increased by 2.11%.

BROU went from transacting USD 1,595 million to USD 1,432 million.

Regarding the forex futures cleared transactions (in Spanish, *Operativa Compensada a Término*), in total they decreased by 18% compared to 2021, 7% of the total was operated by BROU.

Money market transactions increased 3.62% in 2022, with the Bank's participation remaining stable at 8%, occupying fourth place in this market.

It is noteworthy that the largest player is the Central Bank of Uruguay, with 37.8% of the transactions in BEVSA.

The secondary securities market increased by 26% in total, in which BROU's share was 6%.

In addition to operating in the international market, the Bank also transacts on the Montevideo Stock Exchange (BVM), although the volumes are lower.

The objectives defined for the year were met, according to the established guidelines.

In addition to the profitability of the assets managed, these focused on growing the Treasury's business activity, especially in meeting the needs of corporate clients with regards to derivative instruments, an increase in trading activity and the active management of their overall foreign currency positions.

The money market desk's trading operations in local currency instruments increased by 126% in 2022, compared to 2021, significantly exceeding the goal established at the beginning of the year.

The goals set at the beginning of the year for hedging volumes with derivatives for clients were exceeded, driven by carefully-coordinated activities to establish this business and generate client contacts, while carrying out the analysis, internal coordination and necessary contracts.

19 34% of the total nominal value traded was transacted with professional clients who operate by direct rate bidding with the Treasury, and which do not generate commissions, but rather the profit for the bank is obtained by rate spread, which does not form part of this figure.

Beyond the usual setting of asset rates, we worked very closely with the Corporate Area to provide tailor-made solutions for large projects with complex structures and longer terms or strategic quotas with special treatment, while actively participating with clients and co-financers.

During 2022, the total nominal value of the purchase, subscription and sale of securities was USD 3,771 million.

That amount grew by 123% compared to the previous year, the highest values since the service has been provided.

The high local and international rates and the end of the pandemic meant that clients turned more to the financial instruments market.

Commissions obtained from the purchase and sale of securities were USD 2,684,155, doubling the amount from 2021.¹⁹

Additionally, commissions for custodial financial services amounted to the equivalent of USD 823,098, an increase of almost 10% compared to 2021.

94% of the volume traded with clients corresponds to individuals, with treasury bills being the instrument which was most in demand, with 95% of the total volume traded, and which generated 61% of the total commissions.

64% of customer operations were handled by the Treasury-money market desk, generating 25% of commissions, almost exclusively from large corporate treasuries.

The rest was managed by offices specializing in investment products using a comprehensive service model, and the sale of bank products and services mainly to individuals, but also companies solely for the sale of securities.

These offices are staffed by externally certified personnel and who receive periodic training.

The Department of Financial Products and Clients provides technical and operational support regarding investment products (a role shared with the Treasury's money market desk).

In an environment of high staff turnover caused by promotions and retirements throughout the Bank, emphasis is placed on systematization and transfer of knowledge, as well as training and coordinating with other business and support areas, in order to ensure continuity of operations and make progress towards the strategic objectives. It is worth noting that in 2022, six promotion processes were initiated with significant involvement of the management of each department to fill vacancies in a structure that currently has a total staff of 47 people.

CORPORATE AREA

The objective of the Corporate Area is to provide quality services to agricultural, industrial, trading and service companies, prioritizing support for production, investment and foreign trade, and promoting economic growth in the form of continuous service that consolidates our profile of a reliable, self-sufficient and competitive bank.

Its mission is to manage the activities related to the commercial strategy and to deliver the products and services in its sector, in accordance with the Bank's strategic guidelines and the established risk parameters.

As a member of a universal and competitive bank, the Corporate Area is a market leader, combining profitability, social advancement and environmental care in the definition of business, by promoting investment, exports and financial inclusion.

Its strategy is to ensure the profitability of customers by generating proposals tailored to their needs in order to improve their business, preferably through remote channels, and be customer focused in order to improve their experience.

The balances invested measured in dollars increased compared to 2021 in 452 million US dollars (17%), mainly due to the 15% increase (USD 279 million) of loans in US dollars and 25% (USD 146 million) of loans in inflation-indexed units. Investments in Uruguayan pesos increased by 15% (USD 27 million).

The corporate portfolio consists of 69% of investments in dollars.

Of the investments in local currency, 24% corresponds to inflation-indexed units and the remaining 7% to Uruguayan pesos.

At the end of 2022, the corporate portfolio non-performance rate was 1.91%, a slight decrease in relation to the end of 2021 (that was 2.2%).

The balance invested as of December 2022 in refinancing, including both agreements and debt restructuring, was around USD 476 million, a decrease of USD 24 million compared to the end of 2021.

The Corporate Area manages 15,688 lending clients, 0.7% more than at the end of 2021 (15,585 clients). The balances invested, measured in dollars, in the private sector correspond to agricultural activities (39%), services (19%) and industry (22%).²⁰

Regarding deposits, the year-end balance in demand accounts and fixed term accounts was USD 5,127 million deposited in 271,419 accounts.

The balances of fixed term loans were around 6%, representing 1% of the accounts.

Main activities carried out in 2022

Considering the importance of providing financial support in times of difficulty to producers with temporary liquidity problems, special financial assistance was authorized for agricultural enterprises in the livestock and dairy sectors (including sheep farming) affected by the water shortage. This assistance focused on the affected regions and included a payment schedule specially designed to address the situation.

With the aim of providing the best financial solutions to our clients and contributing to the productive and economic development of the country, the available commercial supply of financial services was reformulated, incorporating renewed financing proposals to meet various needs identified for corporate business.

20 The information corresponding to 2021 was restated in 2022, based on the classification criteria applied in information presented to the Central Bank of Uruguay.



1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

Regarding the purchase of land, the SME Program proposal was improved, by extending the term, increasing the limits and considering more appropriate rate options.

In this way, agricultural microenterprises and small producers are now able to finance up to 90% of the required investment in a period of up to 30 years and with a fixed rate in US dollars.

Another improvement introduced was the increase in the maximum number of hectares that can be financed per producer, which increased to 300.

These improvements are in addition to those already introduced in 2021, for which the terms for purchase of land by clients of medium and large enterprises were also extended (to 15 years).

This product for the purchase of land has been in great demand and is available throughout the country.

A promotional campaign known as “Water for your land” (“*Agua para tu parcela*”) was launched to encourage dairy and livestock farmers from micro, small and medium-sized enterprises to invest in water resources.

The campaign included more favorable conditions regarding terms, percentages financed and rates.

This product allows for financing of up to 80% of the investment, includes extended terms of up to 10 years, a one-year grace period for the repayment of capital and discounted rates.

A specific financial assistance proposal was generated for construction companies, within the framework of the Ministry of Housing and Land Planning (MVOT) “Between Us All” (“*Entre Todos*”) Program.

The commercial offer allows companies that have the approval of the Technical Evaluation and Assessment Commission (CETA) of the program to have access to finance for the direct costs of a housing investment project, both for working capital or investment capital, with terms of up to 4 years, and using the specific “National Guarantee System (SiGa) Between Us All” (“*SiGa Entre Todos*”) line of guarantee.

Infrastructure financing was increased, with the financing of three Public-Private Partnership (PPP) projects for the construction of roads, and work has been carried out on the possibility of financing CREMAF (contract for design, construction, rehabilitation, maintenance and financing of road infrastructure) modality projects, while having finalised the financing of two projects, which will represent the purchase of CIP payment certificates for more than USD 200 million, while others are also in the process of negotiation.

With a focus on the client experience, we continued to expand the operation of “online” loan disbursements to predefined groups, both in central business units in Montevideo and in the rest of the country.

Taking into account the variability inherent in agricultural cycles, we introduced changes in the way we calculate the operating amounts granted to agricultural producers in the “Agrocredit” line of credit, a product intended to cover working capital needs and, temporarily, investment needs.

Regarding active interest rates, as the *Banco País* and so taking into account our dual role as both commercial and development bank, Finance and the Risk Policy and Control Office work together to adapt the rates, both fixed and variable, at competitive figures.

CORPORATE LOANS BY CURRENCY			
	USD million		
	2020	2021	2022
UYU	232	183	210
Inflation-indexed units (IU)	568	584	730
Foreign currency	1,844	1,854	2,133
Total	2,645	2,621	3,073

Includes certificates of participation in fiduciary ownership. Source: Management Control.

CORPORATE AREA		
	USD million	Number of accounts
Savings accounts	1,681	121,792
Current accounts	2,791	51,382
Other demand accounts	336	96,036
Fixed term	319	2,209
Total	5,127	271,419

Source: Management Control.



► The Chairman of the BROU Board of Directors, Economist Salvador FERRER, in his speech at the 2022 Export Effort Recognition Ceremony.

Regarding the management and promotion of rural businesses, which represent a significant source of income for the area, we continued to attend to the management and financing of auctions and livestock fairs, both at the events throughout the country, as well as online. In conjunction with Plaza Rural in Montevideo. Specifically, and focused on the harvest of calves, extraordinary short-term assistance was authorized to grant advances to vendors through the BROU Livestock Trust. During 2022, there was a significant increase in commission income.

The Bank enhanced its participation in numerous exhibitions; fairs; and agricultural, trade, and service conferences throughout the country, where personalized advice was provided to companies from all segments, with a focus on the creation of new businesses.

As occurs every year, BROU and the Union of Exporters of Uruguay gave awards to companies for their export efforts in a ceremony held on November 30 in the grand hall of BROU Headquarters. The award-winning companies obtained their prize as the largest general or sectoral exporters, or as BROU export clients. Similarly, the export of services in the areas of tourism, logistics and audiovision was recognized. Awards were given to sustainable exports and to the three main export destinations: China, Brazil and Argentina.

Commercial complementarity agreements were signed so that corporate clients can access credit with better terms and conditions, taking advantage of the synergies generated with the different institutions.

An agreement was signed with the National Institute of Viticulture and a promotional campaign was authorized to grant financial assistance with discounted rates for working capital to wine and grape producers from all segments, as well as for the renovation of agricultural machinery and equipment for the industry.

An agreement was reached with the Uruguayan Chamber of Agricultural Machinery Manufacturers (CUFMA) to enhance the strengths that each of the organizations brings to their activity, increasing business and collaborating with the development of national production.

Under the terms of this agreement, agricultural companies will be able to buy machinery that is produced or marketed by companies associated with CUFMA under beneficial conditions.

An agreement was also signed with *Plan Agropecuario* (Agriculture and Livestock Farming Plan) with the aim of promoting access to finance for livestock producers, collaborating with the development of national production.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

Financial assistance was widespread for the initiatives: “early weaning means better pregnancy and more calves” and “water on the plot for rational grazing and greater meat production per hectare”.

With advice from McKinsey, and in coordination with branches and various areas of the Bank, work was undertaken to address the challenges involved in the authorization of multi-acquiring (in regards to credit card payments) to provide solutions to retail businesses, prioritizing both customer retention and working with new small businesses and clients with greater flows.

The use of the BROU Livestock Trust continued to be promoted. This is a system of guarantees aimed at promoting and facilitating the granting of credits for the agricultural sector and which is particularly attractive for clients who do not have sufficient guarantees and thanks to this instrument are able to gain access to funding under more favorable conditions. Information about this guarantee, and the financial assistance associated with it, was disseminated both internally and externally. In 2022, there was a considerable increase in clients and the animals it covered, more than 50% of the value of this guarantee.

An agreement was reached with the National Meat Institute on the form to be submitted by companies registered in the National Registry of Meat Companies for the purpose of establishing a guarantee by the Ministry of Economy and Finance, according to the provisions of Decree No. 35 /021 and INAC Resolution No. 21/042.

As a result of the Digital Folder Project, a new tool was implemented for the digital folder of corporate credit clients from all sectors. The implementation of the new system was phased in, incorporating branches at different stages.



To accompany the process, training was provided to technical users, functional administrators and end users.

In order to promote and bolster digital transfers and payments, to the detriment of the use of checks and cash, the rate for sending transfers through the Interbank Payment System was modified, which contributed to a reduction in costs for companies for transfers of amounts greater than 75,000 inflation-indexed units.

In conjunction with Business Data Analytics and the Distribution Network, periodic exchanges were carried out with the commercial teams of the various branches in the country, following up on the goals and actions of the corporate business and distributing the updated commercial proposals.

From the work carried out with the Training Area, the virtual course Recruitment, Placement and Services Products was designed, available to all employees in the sales force through the ePA platform.

In relation to the training activities of the Area's employees, internal and external courses were arranged aimed at improving the skills required to properly carry out their duties.

The promotion process was completed to fill positions as Zonal Coordinators in Corporate Business; account executives, those responsible for attending to large corporate loan clients throughout the country; and corporate product executives.

The organizational structure of the Corporate Area was modified, with changes being made to seek greater efficiency and better use of available resources.

Affirming its commitment to sustainable development, considering the growing importance of the issue at the national and international level, and in view of the creation of the Sustainable Finance Table by the Central Bank of Uruguay and the MEF, the Working Group on Sustainable Finance was created, in which representatives of the Corporate Area participate along with representatives from the Strategic Planning Area and the Risk Policy and Control Offices. In this context, training was given on the following: Sustainable Finance for Public Policies; Financing of renewable energy projects; and Workshop on Sustainable Finance and the Private Sector.

Regarding the launch of the Renewable Energy Innovation Fund (REIF) -a joint initiative of the United Nations and the Government of Uruguay, whose purpose is to support and promote the second energy transition in Uruguay- BROU has expressed its intention of being a private co-financer, based on the conviction that the financial system is a key player in achieving the Sustainable Development Goals.



CORPORATE LOANS BY SECTOR		
USD million		
	2021	2022
Private sector	2,417	2,839
Agriculture	986	1,119
Industry	380	454
Construction	70	151
Tradeing	238	232
Services	615	729
Trusts	125	151
Others	4	3
Public sector	204	234
Total	2,621	3,073

The balances in the table do not include interest receivable. Source: Management Control.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

• RETAIL AREA

Analytics and Client Vision Department

During 2022, the department led the second phase of the Digital Onboarding Project, with a focus on creating the “MI BROU” (My BROU) service, available both through Onboarding (App) and on e-BROU.

This commercial service is aimed at the youth segment, defined as between 14 and 29 years of age, which was an increase in the segment’s age range in relation to the previous year, in order to benefit a broader sector of the population.

The proposal includes a free Savings Account in Uruguayan pesos, the possibility of opening a savings account in US dollars under the same conditions, a free Visa debit card with the possibility of home delivery, instant access to e-BROU and exclusive benefits such as a free three-month *Rappi Plus* subscription that includes membership to HBO Max and YouTube Premium.

Digital Onboarding through the e-BROU App was designed to be a 100% digital experience, which was enabled by the inclusion of identity controls using Uruguay’s National Bureau of Civil Identification (DNIC) services, OCR technology and artificial intelligence in biometric and anti-spoofing controls.

Moreover, as members of the Customer Experience Committee, the sector also worked transversally to identify improvements focused on Customer Experience, in order to optimize and generate more beneficial and valuable propositions for customers.

A survey was carried out in an attempt to incorporate initiatives that best suit their needs and reduce the number of negative aspects in the relationship.

In turn, it also took an active part in two transversal innovation initiatives, which consisted of looking deeper into the needs and preferences of clients regarding credit proposals for the youth segment, as well as the development of joint actions with *República Microfinanzas* (MicroFinancing) within the framework of the digital transformation.

Lending and Deposit Department

• Loans

Consumer loans for individual customers is a traditional loan offered by BROU.

The purpose of this credit line is to allow Uruguayan families to finance their consumption in the most advantageous conditions in the market.

Even today it is popularly known as ‘Social Credit’ and the Bank makes it available in Uruguayan pesos, inflation-indexed units and US dollars.

With this service, different segments are served in several ways, such as: loans to retirees, loans to active workers, salary advances, loans against fixed-term deposit contracts and pawn loans.

Likewise, loans with a high social impact are also offered through the Lending and Deposit Department -the area that commercially manages consumer lending -with the purpose of not only providing financing under beneficial conditions, but also enabling access to credit for sectors of the population, such as people that have been affected by unusual situations such as climatic events; people with disabilities who require access to motor vehicles or adaptation systems that improve their social integration; etc.

In the course of 2022, two adverse climatic situations occurred in different areas of the country, with severe storms and significant flooding. It was because of these events that the Bank enabled special lines of credit, with improved conditions, to help the families affected by them.

With regard to traditional consumer credit lines, throughout 2022 the Bank substantially improved the conditions in which it granted credit, benefiting its borrowers, while maintaining the Bank’s position as market leader in terms of rates for this sector.

The figures for this unit were USD 2,509 million at the end of 2022, with a total of 438,473 clients.

These figures are an increase of USD 493.9 million, a growth in that currency of 24.5% when compared to 2021 (5.6% in real growth and the rest caused by variations in the exchange rate).

RETAIL LENDING						
USD million						
	2020	2021	2022	Breakdown by currency		
	Total	Total	Total	UYU	Inflation indexed units (IU)	For. curr.
Consumer Social Credit	1,851.0	1,947.8	2,436.5	1,075.5	1,359.8	1.2
Mortgages (Social Credit)	74.3	67.7	73.0	0.0	73.0	0.0
Total Loans	1,925.4	2,015.6	2,509.5	1,075.5	1,432.8	1.2



Once again, during the months of September and October, a mass campaign aimed at active clients was designed and carried out, offering them the possibility of renewing their loans without prior repayment requirements.

Furthermore, the Loan Campaign for Senior Citizens was brought forward again for the month of November and was extended until the end of the year.

As happens every year, throughout this campaign all retirees and pensioners from all pension institutions can access loans under more beneficial conditions. During the 2022 campaign, 150,681 loans were granted, 50% of which were managed through the e-BROU web platform. In general, considering the total for the year and all the segments, 70% of the loans were granted online.

• Deposits and Services

Activities were carried out aimed at increasing the benefits of opening fixed-term deposits through e-BROU. Two promotions were implemented with improvements in passive interest rates for inflation-indexed units for all terms, launched in the months of June and December (with triple and double the regular rates respectively).

Additionally, and with the aim of facilitating the ability of the youth segment to access the “My Account” (“*Mi Cuenta*”) product, the upper age limit was extended from 25 to 29 years.

With regard to interbank transfers, taking into account the increase in online transactional capability and in order to stimulate customer access to this service, in 2022 BROU decreased its rates.

FOREIGN AND PRIVATE SECTOR DEPOSITS (RETAIL BANKING)			
USD million			
Type of deposit and currency	2020	2021	2022
UYU	1,867	2,039	2,294
Sight deposits	22	23	23
Savings accounts	1,623	1,788	1,996
Fixed term deposits	222	228	274
Inflation-indexed Units (IU)	301	328	440
Foreign currency	9,549	10,206	10,786
Sight deposits	149	152	156
Savings accounts	8,334	9,011	9,571
Fixed term deposits	1,065	1,043	1,059
Total	11,717	12,573	13,519

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

Cards and Online Business Department

Credit cards

During 2022, the number of transactions carried out with our credit and prepaid cards was 17 million and the total volume exceeded 750 million US dollars.

In 2022, significant growth was achieved both in transactions and in business volume compared to previous years, with improvements in the use of the Recompensa (Reward) product by cardholders.

Some of the actions to highlight in 2022 were:

The strengthening of the Mastercard BROU Recompensa program:

For 2022, the Bank once again set goals for purchases using the cards linked to the program. With respect to the advantages and characteristics of the program, its loyalty program continued to be promoted as customers are encouraged to take advantage of its benefits, as a motivator to use these cards.

Improvements to security: For VISA Credit and Prepaid Cards:

The 3DS protocol was implemented, called Verified By Visa in its initial version, and then Secure Visa in the improved version, with the aim of providing greater security to our clients in e-commerce transactions.

Multi-acquirer openings:

In the means of payment market for Uruguay, the multi-acquirer facility for VISA was arranged in September 2022, already available for Mastercard. For this milestone, BROU had to make significant technological adjustments to its systems, which were completed within the corresponding dates.

Debit cards

As regards the number of debit cards, BROU continues to be the market leader.

In 2022 there was an improvement in the volumes of purchases and transactions compared to the previous year, evidence of a recovery that has continued since 2021.

Substantial improvements can also be seen in the use of debit as a means of payment, particularly for purchases made abroad.

Online Business

During 2022, digital payment and transfer services continued to play a major role.

We worked to improve the customer experience and provide digital services with better features and solutions for our customers.

Important milestones were reached in several of the products and services managed by the sector, such as an extension of the time availability of immediate transfers, the incorporation of important services in Multipagos (Multi-payments), the inclusion of new functionalities in tuapp, etc.

With regard to immediate transfers, there was significant growth throughout the year, with several financial institutions added, ending the year with a total of 242,250 transfers sent and 330,220 transfers received, representing a significant growth compared to 2021 (operations began in April) in which 79,504 transfers were sent and 107,874 received.

Similarly, fees were adjusted for both sent and received interbank transfers, to the benefit of customers who use the service.

TOTAL CREDIT CARD TRANSACTIONS		
	Number of transactions	Amount in currency of transaction
Total transactions UYU	14,809,552	25,555,759,796
Total transactions USD	2,192 ,585	1,298,869,587
Grand Total USD	17,002,137	752,528,598

DEBIT CARD PURCHASES				
	2021		2022	
	Number of transactions	Amount	Number of transactions	Amount
Local purchases UYU	129,460,414	155,320,504,948	161,178,925	186,037,035,765
Local purchases USD	1,165,529	136,108,878	1,204,184	154,905,089
Overseas purchases USD	688,173	20,091,543	983,638	33,116,744
Total purchases UYU	129,460,414	155,320,504,948	161,178,925	186,037,035,765
Total purchases USD	1,853,702	156,200,421	2,187,822	188,021,833



Regarding Multipagos, this service is one of the fastest growing within the e-BROU platform.

Today, this service is another means of payment for e-commerce, leaving behind the image that it is only useful for paying bills.

Among the services that have been incorporated into Multipagos, we would like to highlight that we now have all of the country's municipalities included (through e-BROU or their own websites), allowing our customers to pay a wide range of invoices and taxes.

Other services should be mentioned, such as the possibility of making payments in a variety of leading businesses within our market, as well as educational and health institutions, that are added every day to be able to collect their fees and provide other services.

In relation to tuapp, voucher exchange services continued to be provided to officials of the Ministry of National Defense and the AFAM-PE social plan was incorporated into the tool in 2022, with the advantage for beneficiaries of a full VAT refund when they make purchases in some of the more than 3,000 affiliated businesses.

Through the app, users of the AFAM-PE (MIDES) plan have the added benefit of being exempt from value added tax (under and agreement with the MEF), and are allowed to enter an account accreditation that also maintains this benefit, thus being able to make deposits through Multipagos, collection networks, from accounts of other financial institutions or in the main supermarket chains.

In this sense, progress is being made in terms of the social role of our institution, social plans are operational through tuapp, and from September 2022 to the end of the year it accounted for a total volume of exchanges of UYU 2,050,815.70.

ONLINE BUSINESS*				
	2019	2020	2021	2022
Transactions	12,609,003	16,588,834	21,780,136	28,574,421
Amount USD	4,512,794,123	4,653,702,972	5,580,430,964	6,980,833,627
* Data arising from Multipagos and electronic wallets transactions (tuapp and postpaid STM) are included. SPI transaction data is not included. Tuapp voucher transactions and operating volume are not included. Credit cards: Central Bank of Uruguay monthly average was used.				

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

Business Management Department

During 2022, we continued to make progress on the Mastercard BROU Recompensa credit card product, with placement and consumption being driven through various campaigns and commercial agreements, which contributed to strengthening the competitive image of this product in the market. Our Mastercard BROU Recompensa cards continued to offer benefits throughout 2022 in supermarkets, pharmacies and service stations, which are highly valued benefits for our customers.

With regard to Visa cards, campaigns for Visa co-branding cards continued to be carried out in the country's coastal shopping malls, Costa Urbana Shopping and Las Piedras Shopping, via telephone calls, which allowed us to expand and offer the product to customers who are regular users of those malls.



In addition, we continued to improve the delivery process through correspondents, optimizing post-sale management and monitoring.

Regarding the management of campaigns and points of sale; communication and training were optimized in order to achieve more efficient results.

With the goal of continuing to promote the use of the main means of payment in the area, various commercial campaigns were conducted during the year, such as: "Ice Cream Parlours", "Back to School", "Mother's Month", "Father's Month", and "Entrepreneur Space".

The benefits in the hotel and food services sectors were also continued with the "Winter Tourism" and "Summer Tourism" campaigns, and benefit actions were taken in several high-demand items, while always maintaining a strong presence in the country's mass-attendance cultural, sporting, and traditional events.

Likewise, the "BROU Benefits along the Coast" campaign was implemented in the municipalities of Artigas, Salto, Paysandú, Rio Negro, Soriano and Colonia; encouraging internal consumption in the category "Supermarkets, and medium and small grocery stores" given the competitive nature of border trade.

With regard to the management of companies associated with the Bank, during 2022, 21 new openings were approved, which gave access to credit to approximately 1,717 employees.

CAMPAIGN	METHOD OF PAYMENT	DISCOUNT %
Fuel with BROU Recompensa	Mastercard BROU Recompensa Cards	5
Pharmacies with BROU Recompensa	Mastercard BROU Recompensa Cards	10
Supermarkets with BROU Recompensa	Mastercard BROU Recompensa Cards	10
Summer Tourism: Hotels and Food services	Visa debit, credit and prepaid; Mastercard	Up to 20
	BROU Recompensa credit and prepaid; and tuapp	
Ice cream parlours	Visa debit, credit and prepaid Cards; Mastercard	Up to 50
	BROU Recompensa credit and prepaid Cards; and tuapp	
Back to school	Visa debit, credit and prepaid Cards; Mastercard	Up to 20
	BROU Recompensa credit and prepaid Cards; and tuapp	
Mother's month	Visa debit, credit and prepaid Cards; Mastercard	Up to 20
	BROU Recompensa credit and prepaid Cards; tuapp. and Multipagos	
Winter tourism: Hotels and food services	Visa debit, credit and prepaid Cards; Mastercard	Up to 20
	BROU Recompensa credit and prepaid Cards; and tuapp	
Father's month	Visa debit, credit and prepaid Cards; Mastercard	Up to 20
	BROU Recompensa credit and prepaid Cards; tuapp. and Multipagos	
ANDE: Entrepreneur Space	Visa debit, credit and prepaid Cards; Mastercard	Up to 15
	BROU Recompensa credit and prepaid Cards; and tuapp	
BROU Benefits along the coast	Mastercard BROU Recompensa	Up to 30

ONLINE BANKING

During 2022, the main effects of the pandemic started to diminish, but while it lasted it led to changes that are here to stay in the needs and expectations of financial services clients. This situation presents a challenge that makes the switch to online services not just an option, but a necessity.

Relying on technological tools has two major impacts: from the external point of view, improving the experience of our clients ("appearing online") and from the internal point of view, generating efficiency in the processes ("being online").

In this sense, Online Banking continues to focus on meeting the needs of increasingly demanding clients by expanding the range of online services and optimizing internal processes to improve response times. BROU, through a series of initiatives that will be discussed below, aims to lead this digital transformation, and Online Banking actively participates in the different projects and develops its capacities to continue to adequately manage online channels, as well as sales and post-sales of the Bank's products.

Online Branch management

Improving the customer experience is essential in an increasingly competitive environment, where new players constantly appear and offer innovative financial services.

The evolution of customers and their needs has increased the use of assistance through the Contact Center, as a result of the greater demand for this type of service.

During 2022, there were various staff promotion opportunities, thus filling the vacancies in the supervision and analysis positions, as a result of the change in structure during the previous year.

The Online Branch Management department consists of two sectors: Digital Platform and Contact Center. Below are some of the highlights of the year in each sector.

Digital Platform

The Digital Platform section provides internal support and advice on the e-BROU Platform at the operational level, and is the accounting support for the online branch.

Among many highlights within the section, the culmination of the migration of company users to the new Omnichannel platform stands out. This included public entities and large companies -constituting the greatest operational complexity within the platform- with the focus of reducing the impact on the clients.

With respect to customer complaints for unrecognized transactions, actions were carried out to mitigate the impact through continual institutional communications aimed at reducing the occurrence of these cases, while also contributing to the financial education of the public in general.

Security measures were also incorporated to reinforce the robustness of the system.

Finally, the monthly trend of users and account transactions carried out in e-BROU for the period January-December 2022 is detailed below, where the milestone of exceeding the million customer threshold is highlighted.



1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none"> Financial situation Financial performance Finance Area Corporate Area Retail Area Online Banking International Area Anti-Money Laundering Risk Policies and Control Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

• [Contact Center](#)

Three major goals were defined for the Inbound Calls sector in 2022, which were implemented consecutively: the first was to make progress in the implementation of a quality management plan, which involved an exhaustive review and redesign of the operator Selection, Onboarding and Training processes.

Secondly, an analysis was carried out on internal processes that could be modified in order to raise efficiency and effectiveness levels. In order to do so, resources were redistributed and new procedures were designed, which had a significant impact on the decrease in customer request management times.

Finally, work continued on the automation of solutions whose purpose is to provide a better response to the client, with extended hours and a degree of self-management according to the nature of the request.

For the Loan Scheme for Senior Citizens campaign in November and December, the lending consultation process was made available to clients through self-managed online tools, which was a significant change.

In the case of requests for contact via WhatsApp, a maximum waiting period was established, which led to the sustained growth of this communication channel, positively affecting the customer experience.

The objective of making management more professional continued through various training courses, aimed at improving knowledge of contact center management, technological tools that support digital transformation and analysis tools. This training covered all contact center levels.

Some highlights of the year for the WhatsApp channel include: being involved in more than half of the credit card applications, the first stage of onboarding for clients in the youth segment, support for the migration of e-BROU companies and the filing of claims.

The Outbound Calls section supported the institutional objectives, collaborating with the increased distribution of MasterCard BROU Recompensa cards, exceeding 170,000 cards in total.

Likewise, throughout the year there were campaigns to increase the benefits and number of Visa cards used in the coastal shopping malls and RedBROU Visa cards that enter through the different online channels.

We began to work with new tools for mass contact with clients whose accounts and/or cards were potentially vulnerable.

Another important milestone to improve the customer experience was the development and start-up of a new service channel via video calls.

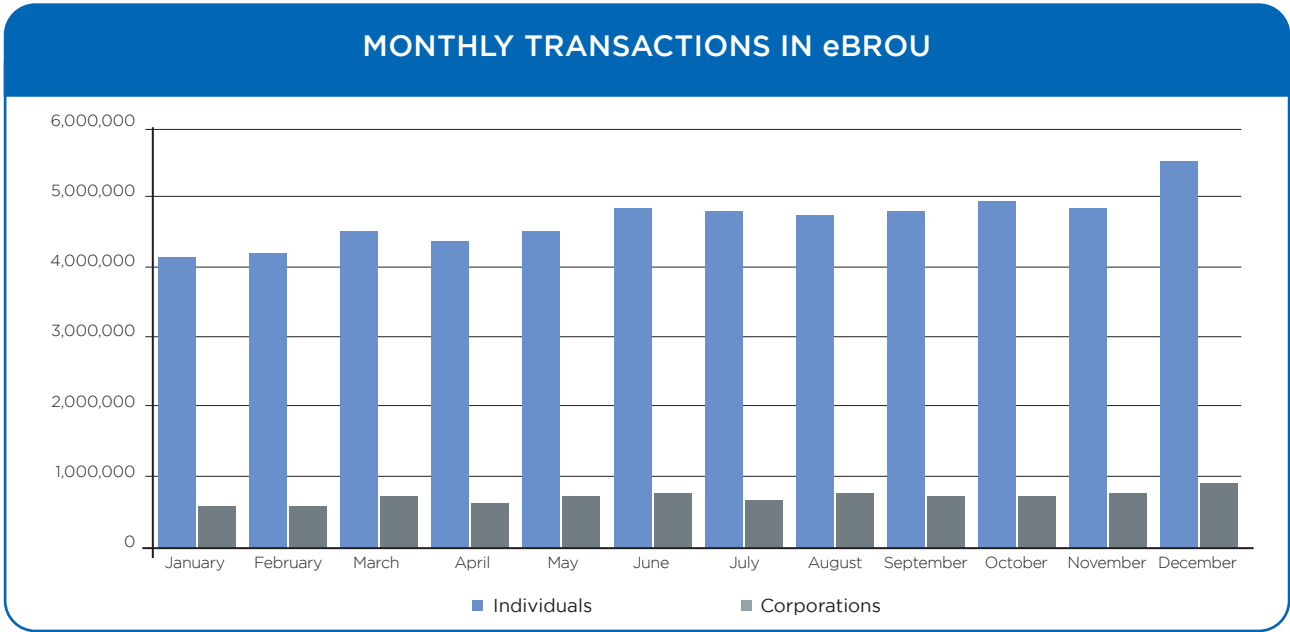
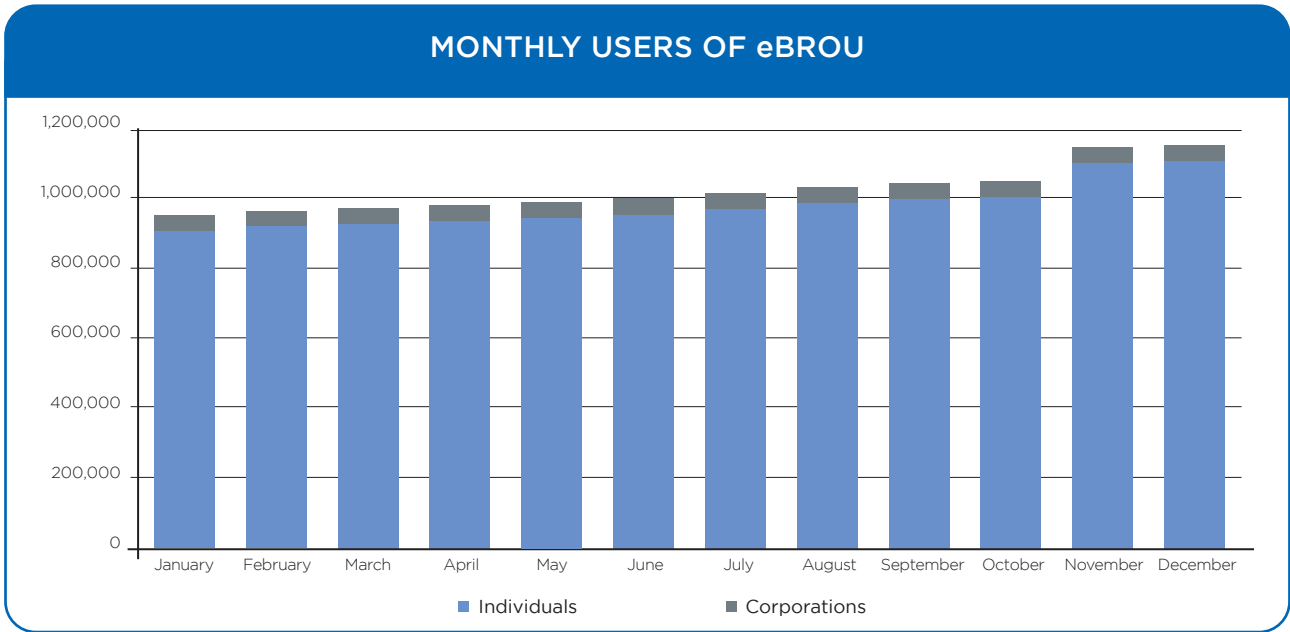
In September 2022, after an internal process and listening to clients, we began to provide this service to the customers who requested this new channel, with the specific requirement that they reside or are travelling abroad.

The video calls made this year were accompanied by satisfaction surveys, with excellent customer ratings, and this channel has great potential when thinking in terms of customer experience.

We supported the process of the strategic onboarding project, put into practice on November 20, in the delivery of the MI BROU card for the younger segment and the registration of new clients under 29 years of age.

It culminated with the drafting of the procedures and instructions for the new tasks and a thorough review of the existing ones.

We carried out satisfaction surveys for our clients who are users of the digital channels, with the results being a great input for future improvements taking customer suggestions into account.



1

BOARD AND SENIOR MANAGEMENT

2

MESSAGE FROM THE PRESIDENT

3

REVIEW OF 2022

4

PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE

5

MACROECONOMIC ENVIRONMENT

6

COMPETITIVE BANKING ENVIRONMENT

7

MANAGEMENT REPORT

Financial situation

Financial performance

Finance Area

Corporate Area

Retail Area

Online Banking

International Area

Anti-Money Laundering

Risk Policies and Control

Human Resources Department

8

FINANCIAL STATEMENTS

9

RELATED ORGANIZATIONS

10

BRANCH NETWORK



► New ATM in Toledo, Canelones.

ATM and Correspondent Banking Department

Geographic coverage

The RedBROU ATM network has 713 active ATMs, located in 147 different locations. 38.5% of these are located in Montevideo, and the remaining 61.5% in the rest of the country.

There are also 2,188 financial correspondents authorized by BROU, in 399 different locations, in which there are 3,958 Mini-ATM type terminals. 28% of the correspondents work in Montevideo, and 72% operate outside the capital.

ATM infrastructure

During 2022, 25 ATMs were installed, of which eight were installed in places that did not have the service (Carlos Reyles, Fomento, Ismael Cortinas, Toledo, Tupambaé, Villa Constitución, Mariscala, Car One), another two were installed permanently in places that previously had a summer service (Punta del Diablo and La Coronilla) and the rest are included in the continuous renewal of the equipment.

Additionally, five mobile ATMs were installed in towns on the coastline, to meet the demand of the summer season.

Lastly, the unit located at the Rural del Prado stand remained operational during fairs and exhibitions.

The average availability of the ATMs in the network was 96.95% for the period January to December 2022.

The monthly variation of this indicator is shown in the following graph.

The interconnection agreements signed with the Banred national network, with the Argentine networks Link and Banelco, and with the international Cirrus network remain in force.

Internal processes and incident management

The improvements in the effectiveness, efficiency and security of internal processes implemented in 2021 were consolidated, while new improvements were also made.

An incident follow-up procedure was designed and implemented with the aim of reducing turnaround time. This initiative involved, among other things, producing a periodic report which could be produced and delivered automatically using the Cognos BI tool. This follow-up is carried out for requests referred to external, internal or branch technicians.

A special effort was made to improve the performance of our deposit receiving terminals, with and without envelopes. In addition to the monitoring and follow-up efforts applicable to all ATMs, deposit takers were specifically targeted using the following initiatives:

- Improvements to the predictive report in Cognos, built in the previous year, which indicates with a high degree of certainty the possible existence of failures in a terminal.
- Continuous communication with branches, transmitting the steps to follow when receiving this type of alert.
- Analysis of the trends in the number, volume and average amount of deposits, in order to obtain information for service improvements.

In the 2022 period, 24,030 incidents and scheduled jobs were processed through the GMant tool. One incident was recorded for every 1,728 operations in BROU ATMs.

Financial Correspondents

There are correspondent contracts through five different correspondent administrators: ABITAB S.A., NUMMI S.A. (RedPagos), POS S.A. (ScannTech), RESONANCE URUGUAY S.A. and EFAMAR S.A. (UruPagos).

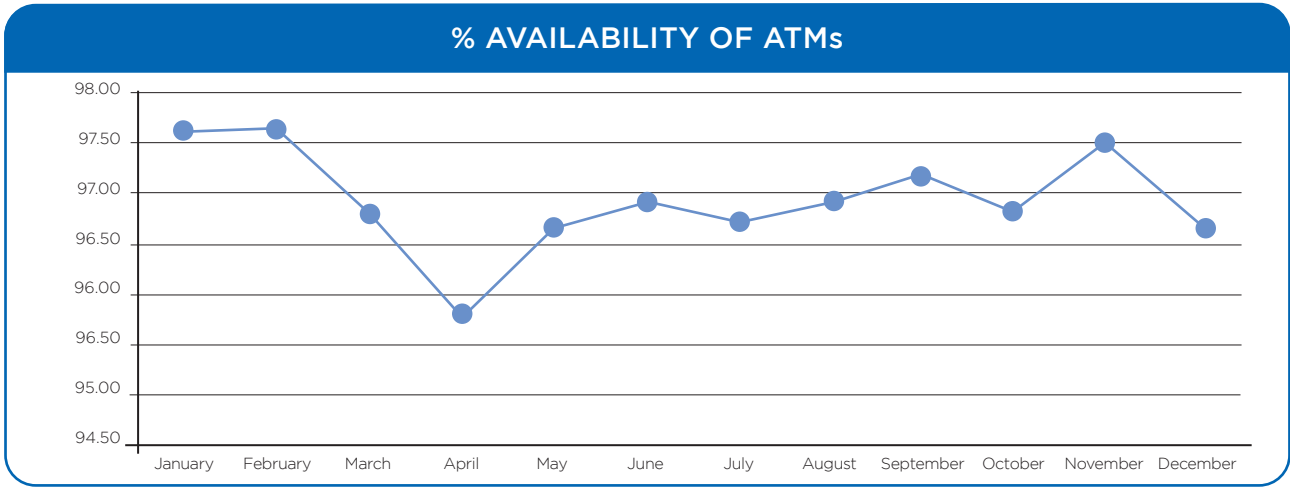
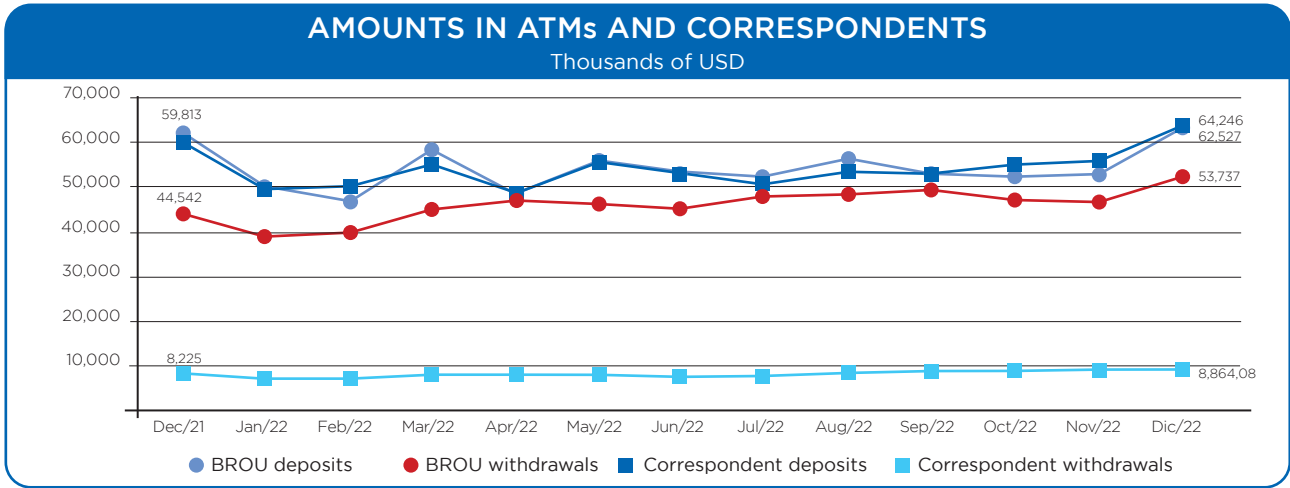
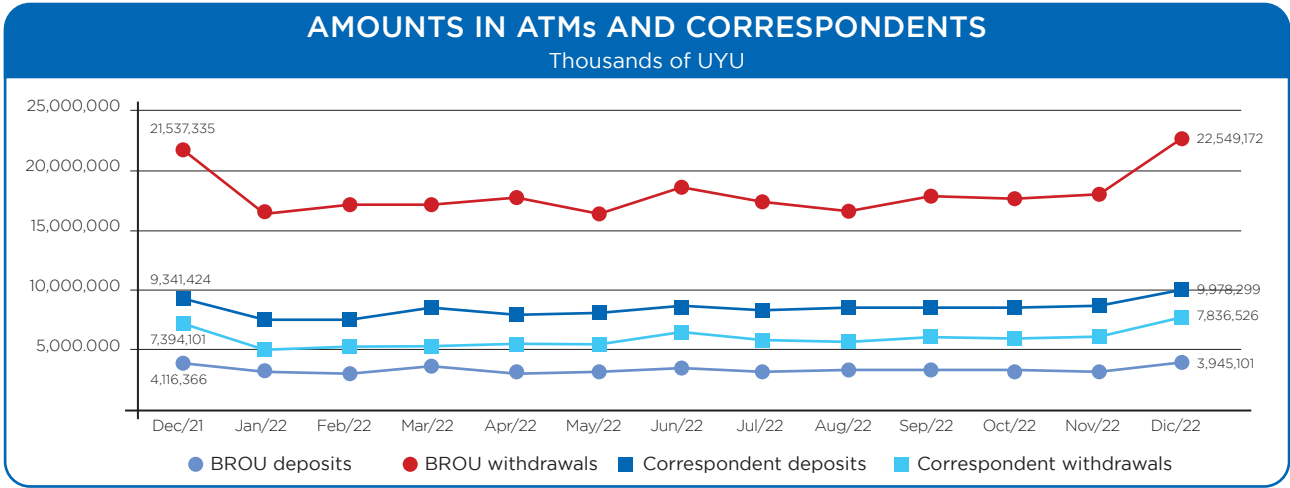
The Correspondent Unit carried out quality and compliance controls on the operations in the correspondents, in coordination with other areas such as the Money Laundering Prevention Unit (UPLA), the Corporate Area and the Commercial Network.

Progress was made in defining an action protocol to be executed each time non-compliance on the part of the correspondents is detected, the implementation of which was agreed with the ABITAB and REDPAGOS networks.

While this protocol is put into operation, progress will be made in carrying out similar operations with the other agent managers.

Total amount of operations per channel

The graphs below show the total amount of cash deposit and withdrawal operations carried out in financial correspondents and in our own ATMs.



1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

Online Experience

The dynamics brought about by the digital transformation and the consequences of the pandemic have been reflected in the Online Banking Development Section since the beginning of the 2022 financial year, with new challenges arising directly related to the customer experience.

Since online channels are preferred by our customers, it is necessary to ensure that the interaction with BROU through them provides the expected solutions quickly, simply and safely and, in addition, meets their expectations, leading to a better overall experience.

This caused the unit to be restructured. Online Banking Development was renamed Online Experience, defining new objectives, modification of tasks and new roles that meant, in the last quarter of the year, adopting new work modalities both within the section and in its relationship and coordination with the rest of the Online Banking Units and the other areas of the Bank.

In addition to continuing to monitor and test new developments in online channels and improvement proposals that are still in the implementation stages, the unit began to expand its objectives by incorporating customer experience and satisfaction into each of the interactions with the Bank. This requires creativity, innovation and research to get to know the clients, their characteristics and their behaviours in order to generate new solutions that exceed their expectations.

- Research and development

Research and analysis of online solutions, as well as participation in the monitoring of the different proposed developments, are the central tasks of this unit.

The client is the starting point when initiating change, so it is necessary to know the different characteristics according to the segment they belong to, as well as their behaviour. For this purpose a detailed analysis of the cases entered in CRM was carried out, in all modalities: requests, claims, suggestions, queries and complaints, with the aim of identifying recurring problems and other situations that revealed relevant needs to be addressed by the Bank.

This analysis was the starting point for improvement proposals, with the coordinated work with the other sectors of Online Banking, the business and operational areas of BROU, IT and Processes Area.

In the same sense, Online Experience participated in projects such as:

- Onboarding: review of contracts, WhatsApp flows and tests.
- Innovation Cell.
- ATM installation plan in areas of production outside Montevideo

- Monitoring of plans to replace ATMs due to obsolescence
- ATM +1 plan
- Installation plan for cash recycling ATMs in the remote countryside, which dispenses the money deposited by our clients, reducing support and logistic resources
- Building management plans for branch renovations that include the installation of ATMs
- Participation in the working group convened by the BCU in reference to the modification of the law on checks and the regulation of electronic checks and digitized checks.

Similarly, and with the objective of increasing operational efficiency and improving the customer experience, the following were implemented:

- Inclusion on the Bank's website of the location and list of ATMs with software for the blind
- Usability corrections in e-BROU Companies and Individuals
- Modification of options in WhatsApp, for example travel news.
- User management in the Information Centre and maintenance of the tool on which this system is based
- Access in e-BROU to the last 12 statements of credit and prepaid cards
- Training

During the year we worked with IT to produce new manuals for uploading salary and supplier payment files, updating the screens and workflows based on the migration to Omnichannel.

Similarly, we collaborated with Marketing by providing modified screenshots within the e-BROU Companies environment for the subsequent correction of the tutorials available on YouTube.

Within the framework of the restructuring and definition of new objectives for the Online Experience Unit, training was received through courses and workshops on topics related to Customer Experience, Online Transformation, Design and Usability, as well as the management of training which was shared with all areas that are members of the Customer Experience Committee.

Along the same lines, we carried out a survey of the needs for task documentation and detection of updates needed for processes and procedures, which contribute to the quality and continuous improvement of the unit's performance.

Additionally, Online Banking Development was part of the team that conducted the induction training for new officials, and the talks for those who entered the "I Study and Work" ("Yo Estudio y Trabajo") Program.



► Lobby of Julio H. y Obes, Montevideo.

- Reports and indicators

Within the framework of the supervision plan defined by the Superintendence of Financial Services at the Central Bank of Uruguay, the Comprehensive Evaluation was carried out in BROU (CERT).

This evaluation included the review of regulatory reports, of which the "Statistical Information -Payment Methods- Non-Financial Entities" and the "Statistical Information Report on the Claims Support Function" are the responsibility of Online Experience. As a result of this evaluation, improvements were made in terms of the documentation of the controls that are carried out on each report.

- CRM Administrative Support

General Management assigned Case Management to Online Banking and, within that area, Online Banking Development is the unit responsible for support and administrative management of the CRM tool.

The following tasks have been incorporated into the section that contribute to the monitoring and control of cases:

- Preparation and delivery of the Weekly Monitoring Report of expired and expiring cases, input for case management for the various areas of BROU.
- Incorporation of fields to expand the responses provided to customers for complaints or claims entered, providing personalized responses, improving the customer experience.
- Inclusion of dates in the different stages of case management, which improves traceability both when responding to audits and for users of the tool in their interaction with clients.

- Reports were automated, providing greater efficiency when preparing them and ensuring better accuracy, quality and speed of the information presented.
- Improvement in the presentation of the case notes, with a versatile design. Allows the user to group the notes in the form of a grid.
- Online experience unit and Customer Experience Committee

This unit, in its current definition of Online Experience, began to participate actively in the Customer Experience Committee, responding to requests from the various areas and seeking solutions to situations that negatively affect the customer experience when interacting with the Bank.

Initiatives were generated to be evaluated by the Customer Experience Committee in coordination with the Business Transformation Committee and the Analysis Desk, where they will be prioritized to be developed and subsequently implemented. In this regard, the following steps have already been taken:

- Survey of various initiatives presented by different sectors.
- Discussion of each of the initiatives, with the participation of all the areas involved.
- Assessment of 40% of the initiatives. The assessment is expected to be completed by March 2023.

Once the Customer Experience Committee identifies the problems regarding customer experience, and the initiatives are prioritized, it will refer them to the Online Experience Unit so that possible solutions can be designed, taking into account the characteristics, behaviour and expectations of the customer segment.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

INTERNATIONAL AREA

The international area currently comprises branches in New York and Buenos Aires. Below are the main highlights of 2022.

New York Branch

The branch's total assets have remained stable for the past three years, above USD 2,500 million.

The portfolio of fixed-income securities –its business focus, allocating funds provided by Head Office – consists of bonds issued by counterparties of recognized prestige in the market, following the guidelines established at the corporate level. Investments are distributed among developed countries, mainly the United States, Canada, Australia and France.

The ladder investment strategy implemented makes it possible to achieve the desired balance between liquidity and a steady flow of income in the medium term.

The interest rate hike cycle that began in 2022 eroded the valuation of financial assets (partially affecting the branch's equity) while giving greater profitability to reinvestments.

Despite the persistent inverted yield curve, throughout the year the portfolio's returns were higher than the overnight rates (averages).

In 2022, the net income of this branch again exceeded USD 6 million (45% growth), supported by higher interest rates and lower costs (especially taxes). Both the cost-to-revenue ratio (31% efficiency ratio) and the ROE (6%) returned to their historic levels.



NEW YORK BRANCH - SITUATION AND MANAGEMENT RESULTS				
	USD million			
	2020	2021	2022	
Assets	2,551	2,588	2,583	
Liabilities	2,440	2,478	2,479	
Equity	111	110	104	
Income for the year	6.1	4.3	6.2	
ROE	6 %	4 %	6 %	
Efficiency	34%	40%	31%	



Buenos Aires Branch

The Buenos Aires Branch acts as a commercial bank, providing a wide range of services, specifically focused on companies and individuals linked to Uruguay and Uruguayans, covering the areas of Foreign Trade, Loans, Deposits, Foreign Currency Exchange and Payment of Pension benefits to Uruguayan retirees and pensioners residing in Argentina.

Representation services are also provided to meet the various needs of BROU clients in Uruguay who reside in Argentina, which meant that face to face service was maintained during 2022.

In this sense, efforts were made to continue advancing in the extension of the services provided by the branch to the customers it serves.

The Argentinean recession continued during 2022 and, subsequently, so did the demand for credit.

However, and in order to develop the customers' experience and our relationship with them, all Mastercard credit cards were renewed to dual technology cards (contactless and chip), in order to provide greater security to cardholders.

BUENOS AIRES BRANCH - SITUATION AND MANAGEMENT RESULTS				
	USD million			
	2020	2021	2022	
Assets	4.2	4.3	5.8	
Liabilities	3.3	3.6	4.2	
Equity	0.9	0.7	1.6	
Income for the year	-1.0	-1.6	-2.4	
Efficiency	237%	462%	807%	

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

• ANTI-MONEY LAUNDERING

Focusing on best practice in the industry and in compliance with national regulations, the Bank has developed a system in order to prevent it from being used for money laundering and terrorist financing, made up of an organic structure, an operational structure, policies and procedures.

The organizational structure for the Prevention and Detection of Money Laundering and Terrorist Financing is made up of the following bodies:

- The Board of Directors, the highest authority in the Bank in matters of prevention of money laundering and terrorist financing.
- The Anti-Money Laundering Commission, made up of two directors, the General Manager and the Compliance Officer.
- The AML Operational Committee, comprising the Compliance Officer, the Assistant General Manager of the Commercial Area and the Executive Management of the areas involved in the issues to be discussed.
- The Anti-Money Laundering Unit, whose Executive Manager is the Compliance Officer, who designs the policies, procedures and controls necessary to manage the risk of asset laundering and terrorist financing through the Bank's business structure.

The Compliance Officer is appointed by the Board of Directors and belongs to the Bank's senior management, and their appointment is communicated to the BCU, which regulates the national financial system.

The operational structure for the prevention and detection of money laundering and terrorist financing consists of:

- System for Anti-Money Laundering and Terrorist Financing Risk Management (SARLAFT).
- Customer acceptance policies.
- Customer due diligence policies and procedures.
- Transaction Monitoring System.
- Process for reporting unusual and/or suspicious transactions.
- Report of financial transactions to the BCU.
- Policies and procedures regarding correspondent banks.
- Policies and procedures regarding suppliers.
- Policies and procedures regarding the staff.
- Independent review of the Prevention System.
- Prevention Manuals.

In 2022, the Bank continued to work on strengthening the effectiveness and efficiency of the money laundering and terrorist financing prevention system through improvements in management, training, external support, and greater inter-relationship between lines of security prevention.

In relation to asset laundering prevention procedures, the risk-based approach was improved, with improvements to the client database as well as the use of data analytics for client monitoring.

On January 19, 2023, the Board of Directors approved the Prevention of Money Laundering and Financing of Terrorism (PLAFT) Policy Manual, updated from the previous year. Modifications were also made to the Consolidated Text for the Prevention of Money Laundering and Financing of Terrorism (TOPLAFT), and in the processes for accepting and updating clients, with the aim of optimizing contact in order to know more about them.

With respect to foreign branches, the controls were primarily carried out remotely. However, visits were made to the Buenos Aires and New York branches in order to verify the control system.

Significant progress was also made in complying with the BCU Minimum Management Standards with respect to the BROU Cluster, leading to substantial improvements in coordination for the supervision and prevention in the companies that make up the group.

On 21 July, 2022, a new structure for the Money Laundering Prevention Unit was approved with the aim of improving strategic analysis and research activities, in accordance with the new challenges and best practice in the industry.

The area will have a more appropriate hierarchical distribution, which will contribute to maintaining the necessary functional profiles and allow for better management of new technologies applicable to strategic analysis and research on PLAFT.

Training was also carried out for new officials, managers, supervisors and the Anti-Money Laundering Unit (UPLA) nominated staff in the branches of the Distribution Network and the Business Areas.

This tool continued to be developed on the platform, with an online course for those who participate in the customer acceptance process and other key courses for officials in general for the prevention of money laundering. In this regard, we participated in the main seminars and conferences on the subject held in the country during the year, and the officials of the Anti-Money Laundering Unit received remote training both from Uruguay and abroad.

• RISK POLICY AND CONTROL

The Risk Policy and Control Office's mission is to identify, evaluate and monitor risks which are inherent in the Bank's activities, while closely controlling the design of specific policies and controls and adopting an integrated approach which is aligned with the mission and strategic objectives of the Bank.

The Bank has a comprehensive Risk Management Framework which is intended to be a common action guide to be used as a reference and minimum standard for regulating the basic rules for risk management.

This framework establishes general policies, guidelines and responsibilities for the appropriate management of risks and is applicable throughout the entire Bank.

Credit Risk

The Credit Risk Unit is responsible for identifying, measuring, monitoring and mitigating credit risk in the non-financial sector.

This unit is actively involved in the development and promotion of best practice, as well as the design and implementation of information systems to control and analyse the loan portfolio.

Regarding the acceptance of risks, this office is also represented in all the various credit committees, where loans over USD 400,000 are approved. If the loan is not approved based on the informed opinion of this office, it must be assessed by a higher authority.

The office also verifies that the credit risks accepted adhere to the limits established by both the Financial System Regulation and Control Rules and internal regulations.

The office regularly prepares reports for the Board of Directors and the Risk Committee on the Bank's larger credit exposures and portfolio by sector.

Regarding the non-financial sector portfolio, different approaches are used for the analysis which examine, among other aspects, concentration, volume of loans, risk categories, provisions and guarantees. In addition to this, controls of the credit risk limits of the non-financial sector, established in the Credit Manuals and in the Risk Appetite documentation, are carried out on a monthly basis. A series of reports is also issued on: special credit granting operations; wholesale, retail and housing portfolios; simulation of stress scenarios and studies of possible impacts, among others.

Regarding credit monitoring, this office monitors the largest clients who are failing to meet their contractual obligations, as well as those who are identified as potentially delinquent based on a set of warning signs, and then reports on these matters.

As in the previous financial year, the Bank continued with the policy of assisting various productive sectors, supporting economic activity, as well as attending to specific needs by designing new products and promoting commercial agreements.

The non-financial sector portfolio has been diversified, both in terms of the number of clients and industry sectors. 48% of this portfolio is fragmented, as it comprises mainly retail lending (personal loans and cards).



► Tacuarembó Branch, *Tacuarembó*.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



► Nueva Palmira Branch, Colonia.

Regarding the wholesale portfolio, loans with an outstanding balance lower than USD 100,000 represent 83% of wholesale clients. There is no concentration within any sector; the main clients are linked to the livestock agriculture sector.

The credit risk performance of the non-financial sector portfolio in 2022 remained at a similar level to the previous year, with 82% of the balances in this portfolio being lent to clients in lower risk categories (up to 2B).

The delinquency indicator of the non-financial sector portfolio, defined as the ratio of gross credits which are 60 days or more overdue (overdue credits, collection in process and delinquent) to total gross credits, has fluctuated over the last twelve months, and stood at 2.61% in December 2022, slightly higher than at the end of the previous financial year.

During 2022, the Corporate Credit Analysis Office was incorporated into the Risk Policy and Control Office, thus strengthening the Bank's comprehensive risk management system.

Operational and Compliance Risk

The Operational Risk Unit is responsible for identifying, measuring, monitoring and controlling operational risk, defined as the risk that the Bank's profits or assets will be affected by losses resulting from processes, personnel or inadequate or defective internal systems, or by external events, and includes compliance risk, defined as the present and future risk that Bank's profits or assets will be affected by violations of the laws, regulations, industry standards and practices or ethical standards. This

includes compliance with domestic laws and the Bank's own regulations.

During 2022, there was a greater focus on assessing risk in processes, products, services and some related projects. There was ongoing training in the development of the role of Risk Knowledge Leaders through a specific online course aimed at employees who were designated by their respective managers to carry out that role.

Likewise, progress was made in improving the quality of the information in the database in the event of a loss, with a focus on reducing cash differences in transactions.

Work continued on the implementation of the Business Continuity Management System, with a focus on the processes and operations associated with the chain of payments, and some tests were carried out in order to ensure that certain processes during a contingency were functioning correctly.

Reputational Risk

In this period there was improved monitoring and control, and the information base was extended for the issuance of reports through the Risk Committee, generating specific indicators and creating a Reputational Risk Matrix which allows us to monitor the impact of public opinion on the Bank. Deeper analysis was carried out on digital media and social networks, improving the information system that allows us to be more aware of the opinions of interest groups and take proactive steps to maintain the image and brand, and mitigate reputational risk, more rapidly and effectively.

Information Security

The mission of the Information Security Area is to design and implement the strategies and actions deemed necessary to mitigate information security risks, complying with the general requirements of the Bank. These actions and strategies must incorporate the principles of confidentiality, integrity and availability of information resources within the comprehensive risk management framework and the defined processes.

During 2022, previous work in various areas was continued and extended, including preventive aspects: updating the Security Policy, carrying out risk analysis and providing advice to various business areas; as well as detective aspects: expanding information security monitoring, especially at the level of systems which are defined as critical for the Bank; management of technological vulnerabilities and information security incidents and the implementation of the Strategic Information Security Plan (Plan Estratégico de Seguridad de la Información or PESI).

Additionally, a Governance, Risk and Compliance (GRC) tool was incorporated that will facilitate comprehensive and centralized management of information security.

A risk inventory was prepared that will allow the management of information security risks to be systematized.

Given the significant increase in the number of Social Engineering attack attempts (especially in the form of phishing) suffered by users of the financial system who were not outside clients of the Bank, various awareness, prevention and mitigation activities were developed and carried out.

Market, Liquidity, Country and Credit Risks in the Financial Sector

The Market and Liquidity Risk Unit is responsible for identifying, measuring, monitoring and controlling the following risks: liquidity, interest rate, exchange rate, price, adjustment, credit in the financial sector and country risk. It employs common industry techniques and practices to provide analytical support for corporate decision-making related to the design of policies and control of the main financial risks. The unit also promotes risk management by incorporating traditional measures such as gap analysis, duration and Value at Risk (VaR), with specific limits for each financial portfolio, as well as others that complement them relating to the assessment of specific credit risks. There are several sources of information for this purpose, as well as the analytical support provided by three international rating agencies that are widely recognized both in the global financial industry and in the areas of supervision, in particular in domestic regulation in Uruguay, to issue international ratings.

Operations within an international context observed throughout the year have revealed high market volatility, which was reflected in metrics like VaR. However, the definition of limits based on the duration of the portfolio while monitoring VaR – Monte Carlo for interest rate risk in financial instrument portfolios, and VaR RiskMetrics variants through the generation of random numbers for the exchange rate risk – was decisive for monitoring sustainability of the level of risk consistent with the Bank's strategic appetite for risk. The Bank also has complementary analytical tools such as, depending on the case, the CVaR and the Scenario Analysis Technique, among others.



► La Paz Branch, Canelones.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



► Mercedes Branch, Soriano.

In terms of the VaR for exchange rate risk, the model used by the Bank in its Backtesting Report – measuring the accuracy of the methodology used to calculate the Value at Risk – shows that the losses observed that would fall outside the confidence interval remain at a low level. The model remains in the so-called “green zone” under the best practice standards for risk set by the Basel Risk Framework. Management of the general position in foreign currency has been guided by the established annual strategic objective and the amount has risen slightly since the second half of the year. Regarding volatility (10-day, UYU/USD), there was a sustained decrease from August to November, while in December there was a considerable increase. As a result, the VaR based on UYU as of December 2022 shows an estimated maximum loss of UYU 2,104,138,110, which equates to USD 52,510,247, a value that is above the monthly average for the VaR in second half of the year (USD 47 million).

Similarly, compliance with the rules on minimum capital requirements established by the Central Bank of Uruguay provide calculations that are also useful in terms of corporate risk management. As of December 2022, BROU had to maintain, at an individual level, minimum capital requirements for exchange rate risk equivalent to USD 28,368,642 and Commodity Risk to USD 79,754, while for interest rate risk, the equivalent rose to USD 19,202,931. In accordance with the provisions of the International Financial Reporting Standards (IFRS), and in particular IFRS 9, given the defined institutional business model, the securities portfolio in the financial sector was predominantly recorded at amortized cost, requiring individual capital for credit risk equivalent to USD 207,583,444.

Regarding interest rate risk, the Bank uses traditional measurements such as duration, as well as other approaches that are more complex such as VaR and CVaR, which it also monitors and controls using robust methodological safeguards. The Bank stresses the metrics according to the volatility of the variables at global, regional and national levels of competitive markets, with differing probability of occurrence and impact, in order to ensure that there are multiple scenarios for the analysis and measurement of this risk. Based on these metrics, simulations and forecasts, limits are reviewed and established for each portfolio being managed (investment, liquidity, collateral, high quality), thus ensuring continuous monitoring. These are considered in light of the credit perspective underlying the interrelation with specific market risks. Likewise, following industry benchmarks in this area, the Bank continually assesses the methodology implemented for the estimation of the expected loss of financial instruments in the portfolios that are recorded at amortized cost, checking the appropriate performance of the estimation methodology.

Relevant information is also provided on the management of Structural Interest Rate Risk, not only in identifying risks in the balance sheet from accounting and economic perspectives, but also in generating sensitivity tests from rate curves taken as a reference. After applying industry standards, the Bank performed remarkably well in terms of impact on equity and on gross financial margin. The simulated scenarios are diverse due to the introduction of events with different probability of occurrence and impact, in order to adjust to the practice and reality of the market.

The process above provided support for the analytical base, from both accounting and economic perspectives, that feed into the limits set for Structural Interest Rate Risk proposed by the Risk Policy and Control Office to the Board of Directors, and subsequently approved by the Board for the respective planning horizon at the time it considered the Comprehensive Statement of Risk Appetite.

In relation to the liquidity risk monitoring and control process, there is a way of working that allows the Bank’s cash flow to be displayed from various analytical perspectives, with the ability to access the information at the level of each transaction. The analysis has been supplemented by the ability to generate stress scenarios for that flow, guided by the Basel design for that purpose.

During 2022, the levels required by the Basel LCR and NSFR were met, in terms of both regulatory liquidity requirements as well as those established internally by the Bank.

The Market and Liquidity Risk Unit also provides the rating of financial institutions, notably the rating of multiple counterparties in the financial sector with whom the Bank has a regular relationship. It also supports and reviews a matrix design that incorporates country risk into the other risks, while also updating discount factors based on permitted exposures.

The support methodologies make it possible to monitor the country risk performance and are the basis for corresponding forecasts, given the significant scale of the Bank’s financial investments.

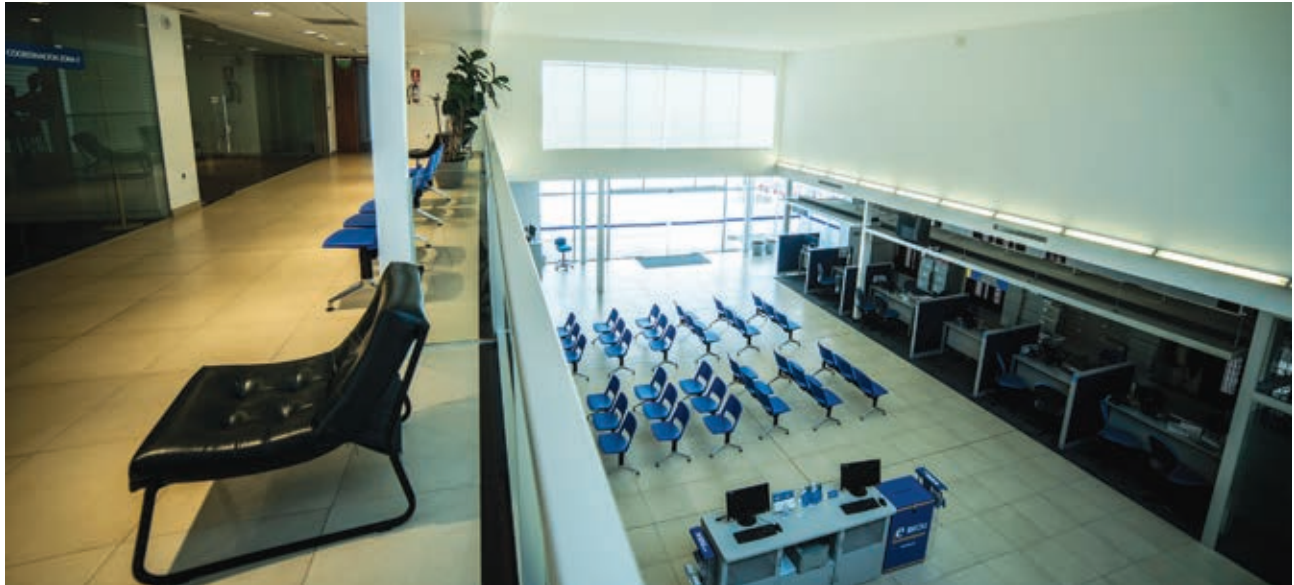
During 2022, the set of financial risks and their inter-relationships were monitored and assessed, with noteworthy safeguards to maintain a prospective vision and special attention paid to changes in the global economy, which was characterized by a general slowdown and the highest rate of inflation recorded for several decades.

This was largely explained by the cost of living crisis, the tightening of financial conditions in most parts of the world, Russia’s invasion of Ukraine and the persistence of Covid-19. Sustaining an analytical, robust and interdisciplinary intra-period process allowed us to end 2022 with a revised analytical and comprehensive formulation with regard to limits, criteria and other elements of the general and specific framework, guided by the Comprehensive Statement on Risk Appetite that will be in force when planning for 2023-2024.

The evolution of the rules and provisions in force is managed by the Market and Liquidity Risk Department and is available online in the Regulatory Compendium, giving access to and knowledge of the appropriate services.

Continuous analytical support has been provided to the Assets and Liability Committee, with specific ratios, indicators and tests on liquidity and interest rate risk following the Basel III recommendations. Through forming interdisciplinary teams with the objective of generating consistent responses in terms of competitive advantage, and with continuous monitoring of the different segments defined by the business model, the continuous review of the tools available in the management of assets and liabilities is promoted to give better decision-making support for the Bank’s strategy. Additionally, systematized information on the matrix of inter-related risks has been provided to the Risk Committee regarding the determinants of the relevant financial risk indicators, reporting their performance, as well as to the Risk Supervision Committee in line with the established agenda applicable to this area.

Consistent with the frequency and treatment of the above-mentioned matrix, a new report on financial risks has been submitted to the Risk Committee which, together with those already provided, will provide a broader and more integrated vision of the risks of the activity.



► Florida Branch, Florida

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

• HUMAN RESOURCES DEPARTMENT

Within the framework of the strategic guidelines, the Human Resources Department faces the challenge of contributing to organizational sustainability through its different lines of work. In 2022, job opportunities were opened, the organizational structure was adapted, knowledge management, training and development was carried out with the aim of implementing the generational change that the Bank is going through, incorporating best business practice and strengthening the skills of the workforce.

In the period, 342 auxiliary workers joined the Bank, as a result of the job openings from 2021, and two new external positions were made available for the Admission Assistant position, one of which was aimed at people with disabilities. After the pre-selection, there were 4,276 and 248 applicants respectively.

There were also 253 participants in the first stage of the selection process for job openings for information technology specialists.

The selection process considers affirmative action laws and a priority list was made to fill future vacancies.

Of 100 internal promotion processes, 68 were finalized, covering 330 vacancies. Scholarships from the “I Work and Study” (“*Yo Estudio y Trabajo*”) Program were provided for an annual internship in service support tasks as a first work experience.

Regarding the organizational design, modifications were made to the organization chart to align the structure with the strategy and promote better performance in a challenging environment.

Focusing on the client experience, the functions, positions and personnel of the Corporate, Operations, Marketing, Finance, Digital Banking and Accounting areas were analyzed, with certain designs approved with the aim of enhancing the strength of the Bank.

The responsibilities of the Anti-Money Laundering Unit were reviewed, developing greater specialization in functions and positions, as well as an optimization of operational management, aligned with the definitions of regulatory bodies.

AGE DISTRIBUTION	
Age	Number
<40	1,385
40-49	398
50-59	1,272
>59	258
Total	3,313

In support of the management of the online transformation and in response to new risks that arise from the incorporation and mass use of online banking, it was decided that the Information Technology Area would report directly to the General Manager.

In compliance with budgetary efficiency guidelines, an analysis of all areas of the Bank was carried out in order to estimate and adjust personnel, considering the impact of automation and synergies between areas.

The training that took place complied with the sectoral indicators of the 2022 Strategic Plan and provided support for the Bank's projects.

The design of the induction process for joining the Bank was updated to favour the incorporation of culture and procedures through semi-online training with new content and methodologies.

We continued to develop knowledge management activities in various formats, promoting the internal transfer of knowledge in cases of leavers from or promotion to priority positions.

The training plan included in-person, blended, and online modes -synchronous and asynchronous- designed internally or contracted via a third party.

The predominance of the online mode (89% of the total number of places) remained the same.

There was total of 18,071 training activities during the year. Of this total, 16,080 were online, 1,876 were in person, 55 blended, and 60 hybrid (simultaneously in person and online) and 91% was internal training.

Supporting the organizational transformation in a planned manner, and in order to promote a good work environment, we continued to accompany the institutional project teams, providing advice and follow-up on change management and internal communication.

The 4th edition of the Management and Communication Skills Development Program was led by Mr. Pablo Heinig BSc, a renowned international speaker, and addressed the managers and coordinators of branches of the Distribution Network, of the Corporate Area, HR, Collections and Online Banking, and their respective executive managers.

The application of the performance evaluation system by competencies corresponding to the previous years was carried out with four evaluation roles: self-evaluation, evaluation by a supervisor, collaborators and peers.

The peer role was implemented on a pilot basis in the Distribution Network Area.

Together with strategic planning, the BROU 2025 pillars and the indicators of the remuneration system for achieving goals were distributed internally.



► Libertad Branch, San José.

Promoting a life free of gender-based violence, in-person activities were carried out with national experts on the topic of prevention and approach to sexual, moral and psychological harassment.

In terms of labour relations, the following are noteworthy: the signing of the pre-agreement act for the renewal of the Collective Bargaining Agreement for a period of three years; the approval and notification of a new Code of Ethics, as well as the regulation of the operation of its committee, the appointment of its members and the design of a course on the Code to promote an ethical environment within the Bank.

In addition, an update of the Code of Good Practice was approved.

The Occupational Health team provided advice to care for the health of the personnel, with special emphasis on the Covid-19 protocol.

By the end of 2002, BROU had a workforce of 3,313 people. 64% work in Montevideo and a similar percentage in management and business activities. 53% are women and 46% of the workforce is 50 years of age or older, which provides the challenge of the timely achievement of the generational change and the development plans of the new staff.

NUMBER OF STAFF								
	2015	2016	2017	2018	2019	2020	2021	2022
WORK TYPE								
Management and Business	2,691	2,694	2,720	2,581	2,528	2,231	2,060	2,129
Support	1,367	1,191	1,099	1,223	1,238	1,287	1,220	1,184
Total	4,058	3,885	3,819	3,804	3,766	3,518	3,280	3,313
LOCATION								
Montevideo	2,604	2,533	2,431	2,391	2,441	2,310	2,147	2,121
Outside Montevideo	1,454	1,352	1,388	1,413	1,325	1,208	1,133	1,192
Total	4,058	3,885	3,819	3,804	3,766	3,518	3,280	3,313
GENDER								
Female	1,739	1,702	1,730	1,810	1,834	1,731	1,645	1,767
Male	2,319	2,183	2,089	1,994	1,932	1,787	1,635	1,545
Trans								1
Total	4,058	3,885	3,819	3,804	3,766	3,518	3,280	3,313

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

8

Financial statements





SEPARATE FINANCIAL STATEMENTS REPORT

Unqualified opinion

We, the National Audit Office, have audited the separate financial statements of Banco de la República Oriental del Uruguay (BROU), including the Separate Financial Statement as of December 31, 2022, the corresponding Separate Income Statements, Comprehensive Income, Cash Flows and Equity Changes for the period ended on that date, the notes on significant accounting policies, and other explanatory notes.

In the opinion of this National Audit Office, the separate financial statements referred to above present fairly, in all material respects, the financial position of BROU as of December 31, 2022, its operating results and cash flows for the period then ended, in accordance with the accounting standards for the preparation of financial statements defined by the Superintendence of Financial Services of the Central Bank of Uruguay (BCU), contained in Communication No. 2022/232.

Opinion regarding compliance with applicable legal regulations

The existence of non-compliance with the applicable standards was not found during our audit.

Basis for this Unqualified opinion

Our audit was conducted in accordance with the Fundamental Principles of Public-Sector Auditing (ISSAI 100 and 200) and the Financial Audit Standards (ISSAI 2200-2810) of the International Organization of Supreme Audit Institutions (INTOSAI). The responsibility of our Office for the audit of the financial statements under these standards is more thoroughly described in the Responsibility section of the National Audit Office. Our Office is independent of BROU and has complied with the provisions of our Code of Ethics, developed in line with the INTOSAI Code of Ethics. The audit evidence obtained is considered sufficient and appropriate to provide a reasonable basis for this opinion.



Board responsibility for the financial statements

The Board of Directors of BROU is responsible for the preparation and fair presentation of the separate financial statements in accordance with the accounting standards for the preparation of financial statements defined by the Central Bank of Uruguay (BCU) Superintendence of Financial Services, contained in Communication No. 2022/232, in relation to valuation and rating requirements, as stated in Note 2.1. As appropriate, BROU management is responsible for applying the criteria set forth by Regulation No. 89 of the National Audit Office and for the internal control deemed necessary by the entity management to allow the preparation of financial statements free of material misstatements, whether due to fraud or error.

The Board is responsible for monitoring the preparation process of BROU separate financial statements.

Responsibility of this National Audit Office for the audit of the financial statements

The purpose of the audit is to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatements, whether due to fraud or error, and to issue an audit report including the resulting opinion. Reasonable assurance is a high level of security, but it does not ensure that an audit will always identify material misstatements where they exist. Misstatements may be due to fraud or errors and are considered material if, individually or in the aggregate, they can reasonably be expected to influence economic decisions made by users based on the financial statements.

As part of an audit, in accordance with the ISSAI referred to in the Basis for Unqualified Opinion section, the professional judgment of this National Audit Office is applied, and professional skepticism is used during the audit process. Also:

- The risk of material misstatement in the financial statements, whether due to fraud or error, is identified and assessed; audit procedures to address those risks are designed and performed, and sufficient

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



appropriate audit evidence is obtained to provide a basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from an error, since fraud can involve collusion, falsification, intentional omissions, intentional misrepresentations or deviations from internal control.

- An understanding of internal control relevant to the audit is obtained for the purpose of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- The adequacy of accounting policies adopted is assessed, as well as the reasonableness of accounting estimates and related disclosures made by Management.
- The overall presentation, structure and contents of the financial statements are assessed, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that provides a true and fair view.

We, the National Audit Office, contacted the Board regarding, among other matters, the scope and timing of the audit procedures, including significant audit findings, if any, and significant deficiencies in internal control identified during the audit.

Montevideo, August 17, 2023.

CPA Olga Santinelli Taubner
Secretary General



Deloitte S.C.
Victor Soliño 349, Piso 16
Montevideo, 11300
Uruguay

Phone: +598 2916 0756
www.deloitte.com/uy

Report of the independent auditor on the summary separate financial statements

To the Board of Directors of
Banco de la República Oriental del Uruguay (BROU)

Opinion

The summary separate financial statements (expressed in thousands of U.S. dollar), which comprise the summary separate balance sheet as at December 31, 2022 and the summary separate income statement for the year then ended, and related notes, are derived from the audited separate financial statements of Banco de la República Oriental del Uruguay for the year ended December 31, 2022.

In our opinion, the accompanying summary separate financial statements are consistent, in all material respects, with the audited separate financial statements, in accordance with the accounting standards for financial institutions issued by the *Superintendencia de Servicios Financieros* of the Central Bank of Uruguay.

Other matter

The translation of the amounts in Uruguayan pesos into U.S. dollar in the summarized separate financial statements has been made in accordance with the basis stated in the header of each financial statement and is presented solely for the convenience of readers outside Uruguay.

Summary separate financial statements

The summary separate financial statements do not contain all the disclosures required by the accounting standards for financial institutions issued by the *Superintendencia de Servicios Financieros* of the Central Bank of Uruguay. Reading the summary separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited separate financial statements and the auditor's report thereon. These summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 28, 2023. That report also includes:

- An *Emphasis of matter* paragraph, which describes that the differences between the audited separate financial statements to those that could have been prepared in accordance with International Financial Reporting Standards have not been determined nor quantified.
- The communication of other key audit matters was also included. Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current period.

Management's responsibility for the summary separate financial statements

Management is responsible for the preparation of the financial statements in accordance with the accounting standards for financial institutions issued by the *Superintendencia de Servicios Financieros* of the Central Bank of Uruguay.

Deloitte refers to Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, its network of member firms and their related entities, each of which is a legally separate and independent entity. Please see www.deloitte.com to learn more about our global network of member firms.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

Auditor’s responsibility

Our responsibility is to express an opinion on whether the summary separate financial statements are consistent, in all material respects, with the audited separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements.

September 13, 2023



BANCO DE LA REPÚBLICA ORIENTAL DEL URUGUAY
SEPARATE BALANCE SHEET

as of December 31, 2022

Figures in thousands of US dollars / Exchange Rate: UYU 40,071 / USD 1

ASSETS		
Asset		21,738,126
Cash on hand and Cash equivalents		896,454
Central Bank of Uruguay		4,241,872
Financial assets at fair value through profit or loss		61,629
Financial assets at amortised cost		15,280,874
Financial assets at fair value through other comprehensive income		647,861
Equity instruments at fair value through other comprehensive income		-
Non-current assets held for sale		4,408
Investments in other companies		139,998
Fixed assets		261,990
Intangible assets		42,468
Deferred Tax Assets		105,371
Sundry assets		55,198
Other assets		3
LIABILITIES		
Liabilities		19,734,441
Financial Liabilities at amortised cost		19,130,689
Portfolio at fair value through profit or loss		2,119
Other financial liabilities		17,329
Other provisions		327,621
Deferred Tax Liabilities		38,838
Other liabilities		217,845
EQUITY		
Equity		2,003,685
Capital		1,978,583
Paid-in capital	1,285,612	
Reserves	221,777	
Retained earnings	242,276	
Net income for the year	228,917	
Anticipated profits	0	
Valuation adjustment		25,102
Total Liabilities and Equity		1,738,126

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



► VCV (Securities Sales and Safe Custody), Montevideo.

BANCO DE LA REPÚBLICA ORIENTAL DEL URUGUAY SEPARATE STATEMENT OF PROFIT OR LOSS	
from 1 January to 31 December, 2022	
Figures in thousands of US dollars / Exchange Rate: UYU 40,071 / USD 1	
CONTINUING OPERATIONS	
Financial Gains from interest and adjustments	1,120,310
Financial Expenses from interest and adjustments	(121,172)
Gross financial margin	
Impairment of Financial Assets	(160,262)
Gains for written-off portfolio	26,353
Financial margin	865,229
Revenues for Services	172,766
Expenses for Services	(74,917)
Margin for services	97,849
Results from entities valued by the equity method	14,228
Revenues from equity instruments	709
Result from financial transactions	(3,115)
Exchange rate differences from assets and liabilities held	(127,385)
Exchange rate differences	102,875
Gross profit	950,390
Wages and social charges	(314,912)
General Expenses	(236,541)
Other operating results	(435)
Operating income	398,502
Impairment of other assets	1,576
Result of non-current assets held for sale	220
Other operating results	8,201
Income from continuing operations before income tax	408,500
Income tax expense related to continuing operations	(180,365)
Income from continuing operations after income tax	228,135
DISCONTINUED OPERATIONS	
Income from discontinuing operations before income tax	782
Income Tax expense related to discontinued operations	-
Net discontinued operations income	782
NET INCOME FOR THE YEAR	228,917

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

NOTES TO THE FINANCIAL STATEMENTS

A) Consideration by the Board

These Financial Statements were approved by a resolution of the Board of BROU dated February 9, 2023.

No shareholders’ meeting is held because BROU is a government-owned financial institution.

B) Basic information on the Financial Intermediation Company

B.1) Legal status

- The Banco de la República Oriental del Uruguay (BROU) is a government-owned Financial Institution incorporated by Law dated August 4, 1896.
- As an Autonomous Entity, it is governed by the provisions of Sections XI, XIII and XIV of the Constitution of Uruguay, and by Law No. 18,716 (Bank Charter). As a financial intermediation company, BROU operates under the legal system set by Law No. 15,322 as amended.

B.2) Basis for the preparation of the Financial Statements

- These separate financial statements have been prepared in accordance with the accounting standards for financial statement preparation defined by the Superintendence of Financial Services of the Central Bank of Uruguay (contained in Communication 2022/232), effective as of December 8, 2022
- In everything not covered by the standards mentioned above, the International Financial Reporting Standards (IFRS) apply.
- The financial statements included in this report are summarized; the complete audited financial statements are available on the BCU and BROU websites.

B.3) Branches abroad

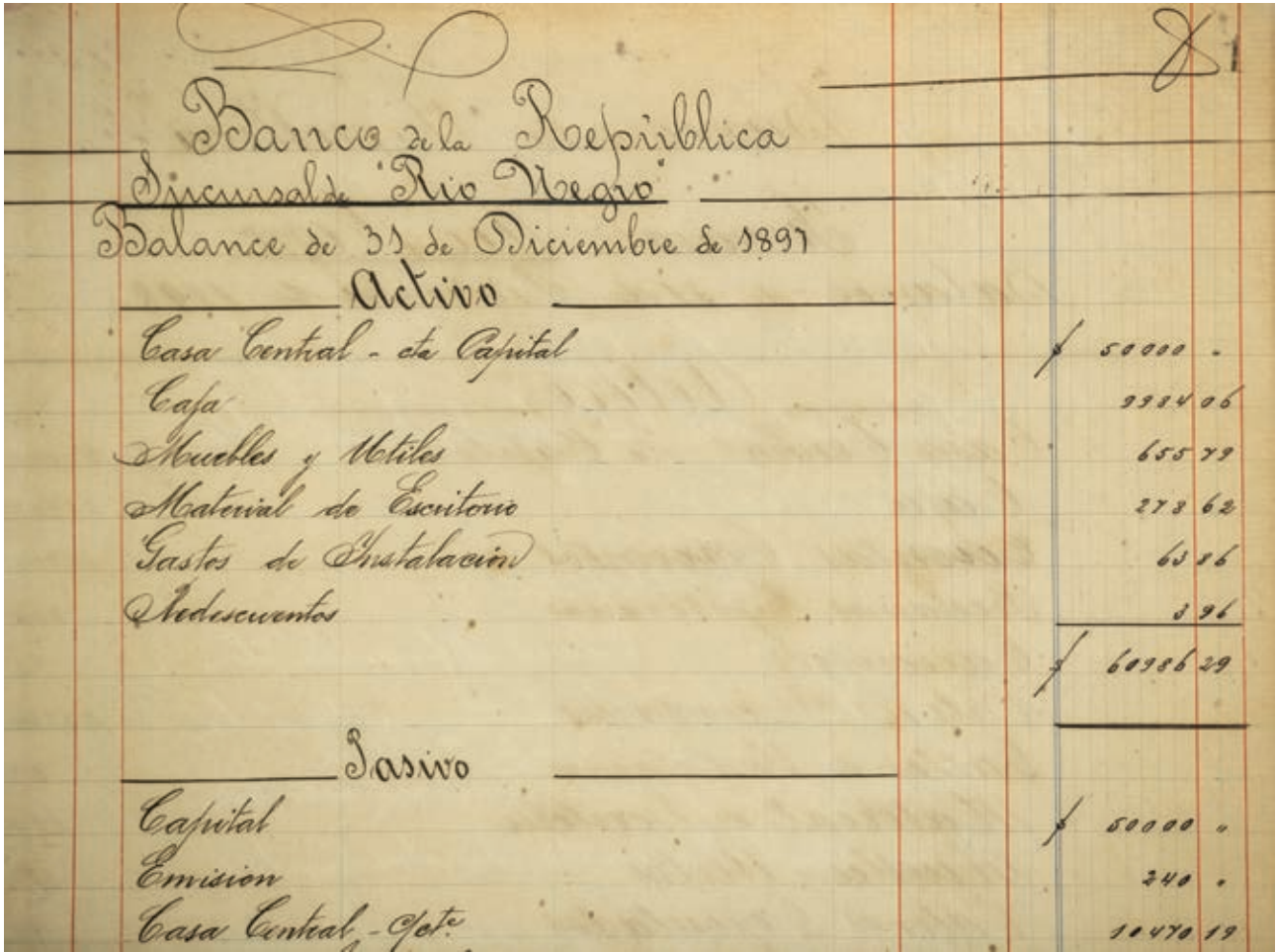
- The Head Office net investment in branch offices abroad, at December 31, 2022, amounts to:

Branch	Currency	Amount
New York	USD	104,293
Buenos Aires	ARG.\$	289,570

Figures in thousands in the original currency



Vichadero Branch, Rivera.



Balance of the year 1897, Fray Bentos Branch, Río Negro.

B.4) Investment in other companies

- BROU has interests in the following entities:

Entity	Condition	Currency	Amount	%
República AFAP S.A.	Controlled	UYU	1,808,266	5.00
República AFISA	Controlled	UYU	855,280	100.00
Republica Microfinanzas S.A.	Controlled	UYU	1,891,637	100.00
República Negocios Fiduciarios S.A.	Controlled	UYU	24,389	100.00
BROU BRASIL ADMINISTRACAO DE BENS PROPRIOS LTDA	Controlled	Reales	76,764	100.00
Sistarbank S.R.L.	Join Venture	UYU	95,169	63.56
Corporación Nacional para el Desarrollo (CND)	Related	UYU	208,531	5.58
Compañía Uruguaya de Medios de Procesamiento S.A. (VISANET)	Related	UYU	2,705	9.04
Bolsa Electronica de Valores S.A. (BEVSA)	Related	UYU	16,767	7.69
SWIFT	Related	Euros	44	0.01
Banco Latinoamericano de Exportaciones (BLADEX)	Related	USD	4,257	0.43
Fideicomiso Orestes Fiandra	Controlled	USD	4,334	85.00
Fideicomisos BROU	Controlled	USD	3,800	100.00
Fideicomiso tuapp	Join Venture	USD	6,543	50.00
Fideicomiso de Garantía p/ Instituciones de Microfinanzas -RNF SA	Join Venture	UYU	20,780	50.00

Figures in thousands in the original currency

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

- BROU also prepared and issued a separate consolidated balance sheet with its subsidiaries as mandated by Article 509 of the Compilation of Regulation and Control Standards of the Financial System.
- Equity as of December 31, 2022 amounts to USD 2,003,685 thousand, composed of: USD 1,285,612 thousand paid up capital, USD 25,102 thousand valuation adjustments, USD 221,777 thousand reserves, USD 242,276 thousand retained earnings, and USD 228,917 thousand income for the year.
- International bonds measured at amortized cost for a nominal value of USD 5,000 thousand, according to Federal Reserve provision, managed by the New York Branch.
- Two cash deposits are maintained in JP Morgan Chase for a value of USD 12,421 and USD 3,579, deposited to secure Visa International transactions.
- Argentine pesos 19,121 thousand deposited in the Central Bank of Argentina, affected to the operative of the Buenos Aires Branch.
- Deposits in the Bank Central of Uruguay for Eur 5, USD 77 and Uruguayan pesos UYU 2,765 thousand to secure the operative of banking transferences.
- Fixed-term deposit in the Bank Central of Uruguay for USD 300 thousand as guarantee for the compensation of VISA International.
- Banknotes damaged or contaminated were kept, worth USD 1,776 thousand and Uruguayan pesos UYU 238,826 thousand out of circulation.

C) Information concerning Assets and Liabilities

C.1) Balances in foreign currency

- Assets and Liabilities in foreign currencies are translated into USD using the arbitrages and exchange rates of the Forex Trading Desk of the BCU at year end. The amounts in USD so determined are stated in national currency by applying the closing average exchange rate set by the BCU as of December 31, 2022 (UYU 40,071/USD 1).

C.2) Position in foreign currencies

- At year end, the Bank has a long position in foreign currency that converted into USD amounts to USD 1,201,385 thousand.

C.3) Limitations to the free disposition of assets or equity and restrictions to property rights

- International bonds measured at amortized cost for a nominal value of USD 271,000 thousand to secure a Citicorp loan for USD 200,000 thousand.

*OUTSANDING CREDITS AND FINANCIAL LIABILITIES AT AMORTIZED COST AS OF 31.12.22				
Concept	Maturity terms			Total
	Less than 1 year	1 to 3 years	More than 3 years	
Outstanding credits - Financial sector	794,910	-	-	794,910
Outstanding credits - Non-financial sector	1,274,745	1,143,400	3,116,418	5,534,562
Total	2,069,655	1,143,400	3,116,418	6,329,473
Liabilities - Financial sector	(19,116)	(161,903)	(133,348)	(314,367)
Liabilities - Non-financial sector	(18,665,385)	(147,376)	(3,533)	(18,816,295)
Total	(18,684,501)	(309,280)	(136,881)	(19,130,662)



Ecilda Paullier Branch, San José.

Communication 2023/021 of January 24, 2023, establishes that the extension of terms will operate without modifications in the accounting classification of the operations, nor in the classification into debtor risk categories, being applicable exclusively to credits classified as Current to 12/31/2022 according to the Accounting Framework.

The extensions must have prior agreement with the client, except in the case of debtors with indebtedness up to the equivalent of 1,500,000 IU (one million five hundred thousand indexed units) and the bank resolved not to charge interest, in which case the communication to the debtor will be enough so that he can express his refusal.

For those cases in which there must be prior agreement, the deadline for the request by the client will be 03/31/2023 or the expiration date of the first installment if it is later.

An additional mandatory provision is established: for customers rated 1C for the difference to Category 2B -Debtors with the ability to pay with potential problems, and for customers rated 2A and 2B for the difference to Category 3-Debtors with compromised payment capacity. This additional must be accounted as “General Provisions”, and could be reversed at the time of a new debt restructuring or after 180 days since the original payment schedule is resumed.

At the moment, the amount of the impact on the financial statements of this provision, if it occurs, is highly uncertain, since it depends on the progress of the agricultural emergency and its specific consequences for each debtor of the items included in the aforementioned Resolution.

- In March 2023, instability in the financial sector of the United States banking system occurred due to a crisis of confidence, which led to the intervention of several banking institutions by the regulatory authorities.

To face these challenges, the financial authorities of the United States, including the Department of the Treasury, the Federal Reserve and the Federal Deposit Insurance Corporation (FDIC), implemented diverse measures to support the financial system. One of these politics was the exemption of systemic risk for intervened banks and an increase in deposit insurance coverage. In addition, a new program was established to provide additional liquidity to financial institutions.

Despite the measures implemented, Credit Suisse experienced a considerable impact, which led to a context of uncertainty and volatility in the financial markets. In response to this situation and to restore confidence in the markets, the Swiss government promptly reached an agreement with UBS for the absorption of that entity. Simultaneously, the Federal Reserve (FED) and the main central banks of the world announced coordinated actions in order to provide liquidity in dollars to the international financial system.

This situation is being monitored with the aim of maintain an adequate counterparty risk management strategy at the Securities Portfolio level. In this matter, the counterparty rating perspectives comes quickly to internalize the aforementioned announcements, arriving to positive signals. These events will continue to be closely monitored and their potential impact evaluated beyond the prospective simulation scenarios maintained in the current context and information, which are assumed to be of low impact.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

9 Related Organizations



Related Organizations

• REPÚBLICA ADMINISTRADORA DE FONDOS DE INVERSIÓN S. A. (REPÚBLICA AFISA)

This company was formed as a public limited company in December 2003 with the objective of managing the Bank's category IV and V receivables portfolio, through the management of the First Financial Trust for BROU Portfolio Recovery.

Subsequently, it incorporated the management of other BROU portfolio recovery trusts, as well as the portfolio of the former Banco de Crédito and the portfolios included in the Bank Asset Recovery Funds managed by the Central Bank of Uruguay, which was acquired by BROU in 2009.



The objective of República AFISA is to provide fiduciary services, through trusts or investment funds, in order to obtain financing for projects, manage and recover assets, and assist clients in the structuring and/or management of their operations.

The company has remained strongly involved in the structuring, issuing of securities (debt and equity) and administration of trusts in various sectors of economic activity. It participates in trusts related to the expansion of rural electrification throughout the country, the Vehicle Revenue Collection System (SUCIVE), financing of projects by departmental governments, state entities and the national government, debt restructuring, real estate sales, construction of low-income housing, wind farm projects, private financing, the health sector, infrastructure funds, etc.

In 2022, six new trusts were added:

- 1) With the Municipality of Maldonado to finance the relocation of the Kennedy Settlement.
- 2) With the Municipality of San José to finance acquisitions of machinery and vehicles.
- 3) With the Municipality of Canelones to finance projects and acquisitions.
- 4) With the Municipality of Montevideo to finance projects and acquisitions.
- 5) With UNIDO, a United Nations agency, to finance projects aligned with that organization's objectives.
- 6) With a private company to finance investments.

As of December 31, 2022, the trusts administered by República AFISA had issued securities for a total of approximately USD 3,500 million.

The public offerings carried out in recent years by the trusts structured and managed by República AFISA have contributed to the development of the capital market in Uruguay, allowing for a number of new production, real estate and public infrastructure projects.

The Bank owns 100% of the share capital.



► República AFISA, Montevideo.

• REPÚBLICA NEGOCIOS FIDUCIARIOS S. A.

This company was created as a public limited company in February 2013 with the objective of participating in trust business within the framework of the provisions of Law No. 17.703 and other regulatory and supplementary provisions, with the exception of financial trusts.

Its mission is to provide fiduciary services through administration and guarantee trusts, and to manage assets, assisting clients in the structuring and/or management of their operations.

The company has remained strongly involved in trusts for road works, housing construction, acquisition of machinery for departmental governments, administration of the collection for credits added to the STM card (Metropolitan Transportation System), the administration of guarantee trusts for private and public companies, microfinance institutions, cooperative construction projects and, in general, for the administration of funds and other assets of public and private entities.

In 2022, twenty new trusts were added, among which is an administration trust with the Congress of Mayors for the refurbishment of its new headquarters, an investment trust with the Ministry of Housing and Planning (MVOT) within the framework of the *Entre Todos* program, two management trusts for the Ministry of Transport and Public Projects (MTO), a guarantee trust with the Ministry of Livestock, Agriculture and Fisheries (MGAP), the FONDES-INACOOOP management trust and ten trusts transferred by BROU, within the framework of the provisions of the Bank's Board of Directors regarding the consolidation of the trust activity in the specialized companies of the BROU Cluster.

The Bank owns 100% of the share capital.

• REPÚBLICA MICROFINANZAS S.A.

República Microfinanzas S.A. (RMSA) is a public limited company owned by BROU, incorporated in 2008, with the main objective of promoting the development and economic and social growth of small economic units and low-income entrepreneurial sectors in Uruguay, by making customised products and financial services available to them. It also provides contact center services, collections, promotions, back office and other support to the companies of the BROU Cluster, as well as to other companies and entities, through its Service and Contact Centre. The company began its operations in March 2010.

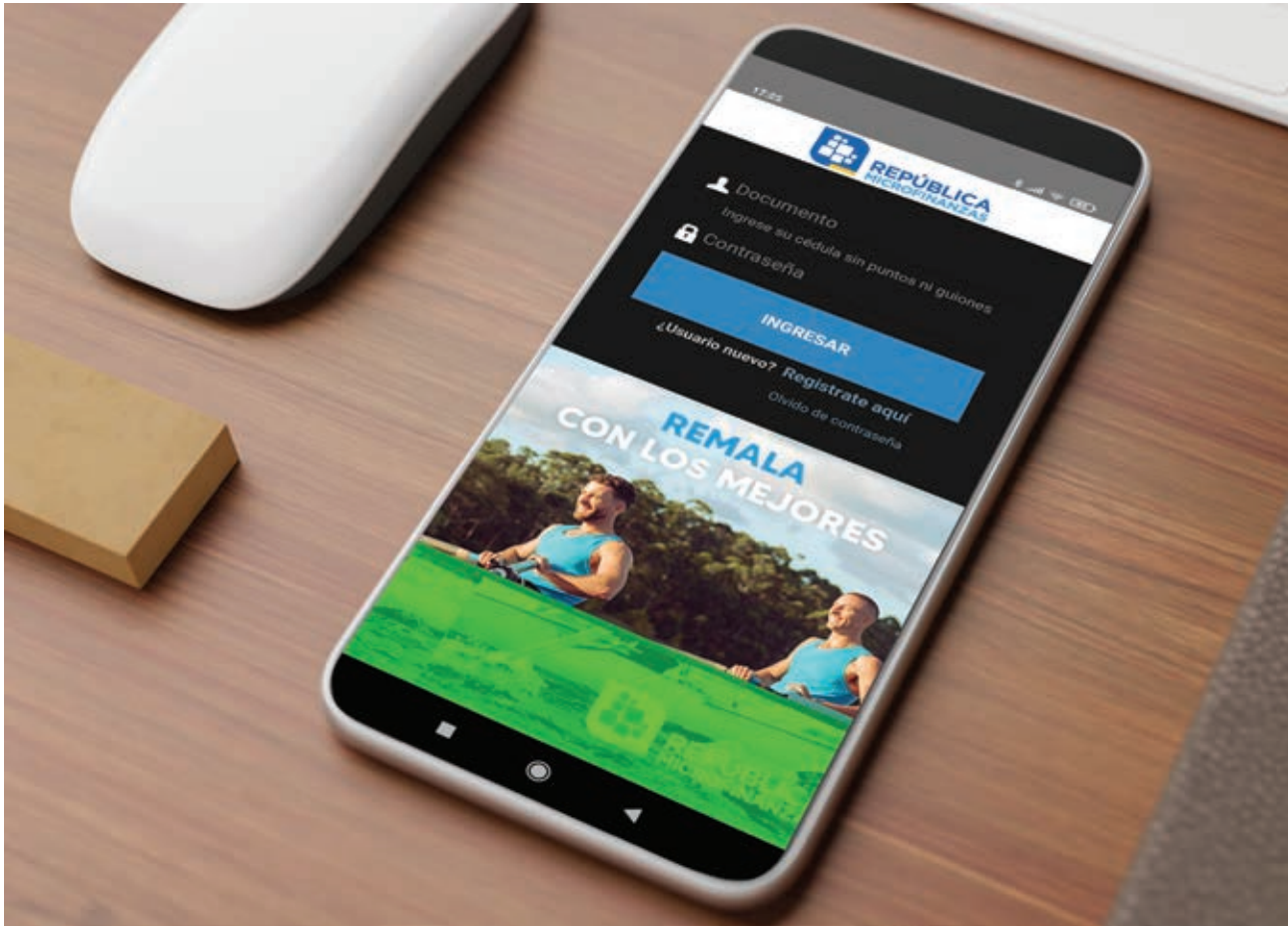
Credit transactions are carried out under agreements with agencies implementing public policies that require the specific microfinance technology and that facilitate the provision of services (loans, channeling funds, subsidies, emergencies, etc.) to vulnerable sectors or those who have difficulty accessing traditional banking.

These services are being incorporated through the signing of various agreements, for example, with the National Development Agency (ANDE), the Ministry of Livestock, Agriculture and Fisheries, the Ministry of Social Development SNC (National Care System), departmental governments and the Ministry of Tourism (MINTUR).

It is also important to highlight the collaboration agreements signed with other important players, such as municipal development departments, local development agencies and shopping centers.

All of this allows us to affirm the very important role that RMSA plays in the microfinance segment, making it a benchmark for the sector.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



From its headquarters, its offices at the Cerro Technological Park (PTI), the Belloni Bus Interchange and BROU’s own Costa Urbana branch, the company attends to the demands of microentrepreneurs in the Montevideo metropolitan area, which includes the capital and areas of the Canelones Department.

With regional offices, República Microfinanzas provides services in the departments of Artigas, Florida, Lavalleja, Maldonado, Rivera, Rocha, Salto, Colonia, Paysandú, San José, Durazno, Flores, Cerro Largo, Soriano, Rio Negro, Treinta y Tres and Tacuarembó, achieving the goal this year of being present throughout the whole country.

On September 30, 2022, the thirteenth fiscal year of RMSA ended. In general terms, in that period RMSA disbursed UYU 9,183,125,410 and granted a total of 209,755 loans to approximately 71,500 clients. 2022 presented the challenge of efficiently retaining and managing the extraordinary growth of the Microfinance loan stock, derived from the public policies implemented as a consequence of the pandemic emergency in 2020, which represented a 100% portfolio increase, in a very complex economic and social context, particularly for the customer segments served by RMSA.

As of September 30, 2022, a loan portfolio of UYU 1,944,002,668 had been reached, which, while constituting a new record for the company, is below the inflationary increase when compared to the previous year.

This result has been possible thanks to the continued support that the company has provided for the implementation of public policies focused on entrepreneurs, micro and small businesses, small rural products or low-income families, immersed in a reality which makes it very difficult for them to access traditional financial services.

When analyzing the results, it is worth noting that during the year the company, while not being able to achieve the results achieved during the previous period, has maintained positive results for the second consecutive year, which it had not been able to achieve previously throughout its history. A final result of UYU 25,000,000 was generated, and an operating result of UYU 42,000,000, with a variance of less than 8% compared to their respective budgets.

As part of its mission, RMSA has continued its efforts to provide financial education to the most vulnerable communities and those with significant lags in the understanding and assimilation of financial concepts, in order to ensure that they make responsible, informed, timely decisions, regardless of the criteria. Along the way, RMSA has contributed significantly to this objective, continuing with training even when faced with the complexities and challenges of the health emergency in recent years, reaching more than 4,000 people in 83 locations, the vast majority of whom live outside Montevideo.

The Bank owns 100% of the share capital.

FINANCIAL POSITION AND INCOME STATEMENT				
USD million				
	2019	2020	2021	2022
República AFISA				
Assets	21.68	20.62	21.30	23.66
Liabilities	2.81	2.31	2.51	2.36
Equity	18.87	18.31	18.79	21.30
Net income for the year	2.80	2.74	2.84	2.62
República NEGOCIOS FIDUCIARIOS				
Assets	0.65	0.66	0.60	0.73
Liabilities	0.15	0.12	0.09	0.13
Equity	0.50	0.54	0.51	0.60
Net income for the year	0.13	0.21	0.18	0.21
República AFAP				
Assets	70.00	70.31	75.00	84.44
Liabilities	8.00	7.42	7.00	8.34
Equity	62.00	62.89	68.00	76.10
Net income for the year	13.00	14.57	14.00	7.68
República MICROFINANZAS				
Assets	32.40	48.65	45.00	57.07
Liabilities	1.10	12.94	10.00	9.86
Equity	31.30	35.71	35.00	47.21
Net income for the year	0.90	0.07	1.00	-0.68
SISTARBANC				
Assets	31.61	28.30	28.88	39.42
Liabilities	30.42	26.88	26.85	35.58
Equity	1.19	1.42	1.43	3.33
Net income for the year	0.35	0.37	0.62	1.62
FUNDACIÓN BANCO REPÚBLICA				
Assets	0.61	0.45	0.46	0.65
Liabilities	0.01	0.01	0.01	0.01
Equity	0.60	0.44	0.45	0.65
Net income for the yearr	-0.08	-0.09	0.03	0.15
UYU/USD rate	37.308	42.340	44.695	40.071
In the case of República Microfinanzas, its financial year is from Oct 1 to Sep 30, so as of Dec 31 only one quarter is shown.				

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
	<ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

• **REPÚBLICA ADMINISTRADORA DE FONDOS DE AHORRO PREVISIONAL (REPÚBLICA AFAP)**

República AFAP is a pension fund administrator (AFAP) whose sole purpose is to manage the pension savings fund (FAP), owned by its affiliated members.

BROU owns 51% of the shares, while 37% belongs to the Banco de Prevision Social (BPS) and the remaining 12% to the Banco de Seguros del Estado (BSE).

In 2022, República AFAP stood out once again for being the market leader. By the end of the year, it had reached a total of 594,072 workers in its portfolio and managed a fund of USD 10,715.33 million (not counting the Special Reserve), representing 55.14% of the entire pension fund system's funds.

The system as a whole added 64,538 workers in the year, surpassing the levels of the previous year. Of this total, 18,425 workers joined República AFAP and 2,163 workers joined through a transfer process.

In 2022, República AFAP was placed second in the projected net profitability ranking over the last three years and first over the last five years.

The year was marked by a lack of activity in the issuance of public offerings of private sector instruments with an amount issued of around USD 100 million, the lowest since 2008. In contrast, there was a significant amount of fund integrations (more than USD 300 million) towards instruments that have capital calls to develop the project objectives, with infrastructure and agricultural sector trusts contributing the most to this figure.

The most notable transaction of the year was the issuance of the debt securities in the financial trust for the 500 Kv Transmission Line Closing Ring (Tacuarembó-Salto) for approximately USD 90 million. This trust was issued to finance part of the Northern Ring closure project, which consists of the construction and initiation of the Tacuarembó-Salto section. The infrastructure will provide greater flexibility to meet internal and external energy demand, ensuring the current and future reliability of the national electricity system. República AFAP participated in this issuance and, in general terms, continued to be involved in the analysis of operations of this type that contribute to the diversification of the pension savings fund and allow the channeling of AFAP resources towards the production sector.

Since the beginning of the system in 1996, the administrator has been committed to having the lowest commission in the market, always ensuring the best services and taking care to maintain a performance in line with the expectations of the shareholders. In 2022, it kept its administration commission rate at 4.30%; one third less than the average for the rest of the system.

The administration company ended its financial year with a profit of UYU 307,826,093, maintaining sustainability while also ensuring a reasonable return for shareholders.

During the year, a study of the opportunities for improvement was carried out by the evaluation team of the Ibero-American Award for Excellence in Management for 2020, resuming activities with organizations that allow it to align, when applicable, with the United Nations Sustainable Development Goals for 2030.

The company continued working on the path of excellence in management with the objective of maintaining the certifications in the Quality Management System under ISO 9001-2015 and the Information Security Management System (ISMS), in accordance with ISO 27001-2013 by LSQA.

As scheduled, the process of migrating the individual account management system to its new version continued, and the process of implementing a new fully integrated administrative ERP with better functionalities began, and it is expected to be fully operational by the end of 2023. Looking to the future, República AFAP signed an agreement in December 2022 to participate in +G, a program designed by LSQA and LIDECO to help organizations improve their governance practices in the areas of Compliance Management and Anti-bribery Management.

In 2022, the República AFAP campaign “te lo baja a tierra” was conducted, led by the administration's pension advisors. It was aimed at young people so, for that reason, it was channeled mainly through digital media, although content was also broadcast nationwide on radio and television. The campaign's objective was to spread the mixed pension system through the figure of the pension advisor as a reference. In addition, the technical cycle of AFAP Responds (República AFAP Responde) was carried out, in which the organization's collaborators responded to various topics of interest in the mass media, in order to bring the mixed pension system closer to the general public. In 2022, 676 broadcasts were made in 52 media outlets throughout the country, and in which 33 company collaborators participated.

2022 was a year marked by discussions on the reform of the pension system, and República AFAP was active in all stages of this process. It collaborated and provided information to the Commission of Social Security Experts, studied the suggestions that this commission prepared, attended the Special Commission of the Pension System of the Chamber of Senators, attended events as a speaker on the proposed pension reform, analyzed the draft and the bill that was presented to parliament and carried out studies of all the documents issued, evaluating their impact and including technical observations on the proposals.



• **CORPORACIÓN NACIONAL PARA EL DESARROLLO**

The National Development Agency (Corporación Nacional para el Desarrollo, CND) is a non-governmental entity. Created under article 34 of Law No. 18,602 in September 2009, the main objective of this entity is to act as licensee of public infrastructure projects and act as an administrator or trustee of projects related to the development and maintenance of infrastructure financed with public resources, loans or national or international donations, as well as providing professional and fund management services.

After the passing of Law No. 18,786 on July 19, 2011, the tasks related to the development, promotion, design and implementation of public-private partnership projects, and to the strengthening of capacities in this matter of contracting public administrations were added to the roles of the CND.

BROU is a minority shareholder of CND (5.58%).

• **BOLSA ELECTRÓNICA DE VALORES S.A. (BEVSA) (ELECTRONIC STOCK EXCHANGE)**

The objective of this entity is to create a transparent and professional capital market, providing financial agents with an anonymous and reliable electronic framework for transactions and settlements. Its strategy has been to introduce technological solutions related to automation and economies of scale for the financial system.

BROU is one of BEVSA's shareholders (7.69%) together with other banks and entities.

• **COMPAÑÍA URUGUAYA DE MEDIOS DE PROCESAMIENTO S. A. (VISANET)**

This company provides services to credit card issuers, that is, to all Visa credit card issuing entities in the country; among which is BROU.

The company's strategy has focused on increasing the number of businesses that accept credit cards and join the system, which has led to a significant increase in transactions.

BROU is a shareholder (9.0393%), with the number of shares directly related to its market share.

• **SISTARBANC SRL**

Sistarbanc SRL was created in 1981 and provides payment administration and processing services for: Visa and Mastercard cards; Mides Equity Plan; BPS Benefits and the Electronic Payment System (SPE).

In 2022, the company met the objectives outlined in the strategic plan and recorded higher profits than forecast.

At the operational level, functions and new procedures were added to the card management system, including the implementation, certification, and production of the changes to both systems and operations necessary to comply with Visa Multi-acquirer.

The necessary changes were made for transition to the new version of Alignet's 3D Secure that issuers use for their insurance purchases via the internet. Another added function was one that enabled the payment of IMESI for Visa and Mastercard purchases at border service stations.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



► Fundación BANCO REPÚBLICA (BROU Foundation), Montevideo.

- Financial situation
- Financial performance
- Finance Area
- Corporate Area
- Retail Area
- Online Banking
- International Area
- Anti-Money Laundering
- Risk Policies and Control
- Human Resources Department

For the Electronic Payment System, the new Family Allowance (AFAM) and MDN food vouchers were implemented, and the business plans were achieved, with an increase in the income generated by the payment system of 48% compared to the previous year.

The annual PCI DSS and ISO 9001-2015 certification requirements were met.

Likewise, social actions to support Development of Young Entrepreneurs (DESEM) and Teletón were maintained.

The Bank currently owns 63.56% of the share capital.

• OTHER INTERESTS

Asociación Empretec Uruguay

The Empretec Program was established in Uruguay in 1989 from a United Nations Development Program (UNDP) initiative, with the support of BROU acting as a counterparty, providing the building infrastructure, equipment and office supplies. It is a non-profit organization established to promote and support the development of micro, small and medium-sized enterprises, applying the UNCTAD/ EMPRETEC methodology, a comprehensive tool for improving the ability to collaborate with national governments to create sustainable support structures for these companies.

After an extended period in which the Bank cooperated with the development of this organization, and led its actions, it was considered appropriate to transfer that leadership to other players associated with the project. For this reason, in 2015 the Chamber of Industries of Uruguay assumed the Presidency of that association, and the offices were moved to their premises.

Laboratorio Tecnológico del Uruguay - LATU (Technological Laboratory of Uruguay)

LATU was created in 1965 with the aim of increasing the quality of Uruguayan industrial production. It is a non-governmental public entity, and is managed by the Board of Directors, comprising a delegate from the government's Executive Branch, a delegate from the Chamber of Industries of Uruguay and a representative from BROU.

Its main activities include the strengthening of technological capacities, the transfer of technology through seminars and projects, the certification of export products and verifying the suitability of imported products, the generation of development and innovative projects and technological platforms.

Fundación BANCO REPÚBLICA (BROU Foundation)

Since its beginning in October 2013, the mission of this foundation is to generate, support, promote and sponsor actions of general interest in the fields of education, culture, health, sports, science, technology and the environment, with special emphasis on groups that are vulnerable.

Its policy is oriented towards the support and promotion of multidisciplinary activities.

• Cultural inclusion - Cultural Program

The Foundation's cultural program aims to preserve the Bank's cultural heritage and spread it through the cultural activities it carries out in its exhibition spaces, as well as in synergy with other institutions which may have a positive impact on people and society. It also participates in several activities from the national and departmental cultural public agenda, supporting activities that promote artistic and educational expression.

After the healthcare measures from the pandemic were lifted, a significant amount of cultural activities were carried out, with the 23rd Edition of the Plastic Arts Hall standing out.

Regarding the national cultural agenda, the foundation was present at the Criolla del Prado, the doors of the Great Hall of BROU's Head Office and of the Foundation Building were opened during the annual Heritage Weekend, and for the Museums at Night festival.

With renewed impetus, various exhibitions were inaugurated, covering different themes and techniques in support of various artists, including Marta Parma, Junior Santellán, Fernanda Pérez Pastorini, Teresa Olascuaga, Carlos Yapor and José Pelayo.

An exhibition of banknotes in homage to women of the world was also arranged, organized by the BCU, as well as the exhibition of the National Craft Award in conjunction with the Ministry of Industry, Energy and Mining (MIEM) and the Ministry of Education and Culture (MEC).

With the aim of highlighting the BROU's presence throughout the country, exhibitions were held in various cities (outside Montevideo) including an exhibition of artistic heritage, traditional silverware and numismatics.

There was a presence in the Bank's branches of the capital and exhibition halls in the following departments:

- During the Patria Gaucha in the MUART of Tacuarembó.

- In the Rivera Historical Museum.
- In the Historical Museum of Durazno, and the MAVEA in Florida.
- With a display of mates and bombillas, accompanying the Fiesta del Mate in San José.

Some of the cast of the Foundation, BancArte and RepubliCanto's theatre group also visited each town.

And in addition to offering functions for employees, clients and friends of the Bank as well as the general population, visited different institutions that work together within the community to provide an afternoon of alternative entertainment.

• Cultural inclusion - Library Service

The BROU Foundation Library offers a valuable service by providing its users and their close family with the necessary study books at school, high school, and university levels in several areas (mainly law and economics). This material is provided in the form of a home loan and is available in the whole country.

Regarding the recreational area, to give the beneficiaries greater participation in the choice of the material purchased, a survey was carried out in November asking for recommendations for titles to be considered for future purchases.

The register of books available for donation has been completed, and it is now possible to send applicants a list of available titles so that donations are aligned with their needs.



► Fundación BANCO REPÚBLICA Library, Montevideo.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

• Financial training

In 2022, in-person activities that were discontinued during the pandemic were resumed. They were aimed at high school students and young entrepreneurs, while the online course continued to be offered to adults in the general public.

Two in-person training courses were designed: “De la Galera” (Top Hat) Workshop and the Financial Autonomy Course for Entrepreneurs.

The De la Galera Workshop is intended for secondary school students and is taught during class hours in the study centres.

This workshop raises awareness of personal finances and an approach to the access and use of savings, credit and payment financial services.

The objective of the workshop is to incorporate concepts of income, expenses and savings, reflect on spending decisions, the importance of saving and the responsible use of financial services.

It lasts 90 minutes and encourages participation through role play.

17 workshops were given at educational institutions in Tacuarembó, Durazno, Maldonado, Salto, Villa Constitución, Florida and Colonia Nicolich. A total of 348 students between the ages of 15 and 18 participated.

The Financial Autonomy for Entrepreneurs course is aimed at young people with an entrepreneurial profile or for students with related technical diplomas from UTU Technical Schools.

The objective of the course is to focus on the need to set personal and business objectives before contracting financial services, and to internalize the importance of the budget and the savings plan as substantive tools for making financial decisions.

The course also intends to analyze the conditions for accessing and using credit savings products and payment services. It incorporates key financial concepts for making investment decisions (liquidity, risk and profitability), analyzes the different sources of finance, the cost of credit and the risk of over-indebtedness.

It lasts three hours and has a participatory methodology through the analysis of case studies of people faced with making daily financial decisions.

Four courses were given, two for students of Administration at UTU in Florida and two for young entrepreneurs who participated in the Germina fairs in Montevideo and Paysandú promoted by INJU. A total of 82 young people participated.

During the year we continued to offer the online Basic Finance course for decision making, which has been available since 2020. On this occasion, the course remained free for anyone who wanted to self-enroll. However, a very specific offer was made for the UTEC students who participate in the UTEC Innova Program. Based on the framework agreement that the Foundation maintains with UTEC, it was established that those who complete the entire course online and take a written test would gain access to a loan for their degree. The UTEC teaching team entrusted the design and correction of the test to the Forma Program.

The course is available on the Campus virtual learning platform. During 2022, 239 people self-enrolled in the course, 84 completed the course and obtained a completion certificate and a further 100 made some progress through the course modules.

Of the people enrolled, 164 were UTEC students, 38 managed to finish the online course and 22 also handed in the written test that allowed them to access a loan.



► Banco Latinoamericano de Comercio Exterior S. A. (BLADEX).

• Corporate social responsibility - Donations

Within the framework of the commemoration of Banco República Worker’s Day, a fundraising campaign for the following social organizations was started:

- Bella Unión Association of Parents of Special Youth (APJEBU) - Bella Unión, Artigas.
- Awakening Dreams Equestrian Rehabilitation Center - Dolores, Soriano.
- San Vicente de Paul Nursing Home - Tacuarembó, Tacuarembó.
- Conventuales University Residence - Montevideo.

The Foundation gives the entire sum of money collected by the officials to the selected institutions.

The management of various types of donations of computer equipment, furniture and bibliographic material in support of organizations throughout the country was carried out.

We continued to coordinate the collection and classification of paper for recycling at the request of various areas of BROU. The final result of this activity is intended to support the NGO Repapel, an organization that runs environmental education programs in public schools.

FOREIGN-BASED INSTITUTIONS
BROU owns share capital in:

- Banco Latinoamericano de Comercio Exterior S. A. (BLADEX)

The Latin American Bank for Foreign Trade (BLADEX) is a multinational bank specializing in the financing of foreign trade in the Latin American and Caribbean region.

Its mission is to channel capital to promote the development of the region and provide integrated solutions that promote foreign trade for member countries. BLADEX has more than 200 shareholder banks. BROU, which holds 0.4292% of its share capital, is one of the 23 that owns class

A shares, a category reserved for central banks, banks with majority state capital and other state entities.

- Society for Worldwide Interbank Financial Telecommunication (SWIFT SCRL)

SWIFT is a cooperative community, founded by and for the financial services industry.

It works globally with more than 11,000 organizations in more than 200 countries, including banks, market infrastructure organizations, insurance institutions, corporations, network providers, business partners and technology companies, to ensure that the financial world can carry out its business operations with certainty.

It offers the platform, products and services that allow its clients to connect and exchange secure and reliable financial information.

BROU holds 0.007132% of the shares.

Other interests

- Asociación Latinoamericana de Instituciones Financieras para el Desarrollo - ALIDE (Latin-American Association of Development Financing Institutions)

This international organization brings together institutions that finance development in Latin America and the Caribbean, and promotes the cohesion and strengthening of their actions and participation in the economic and social processes in the region.

Its objectives include sharing experiences and inter-institutional coordination, in order to optimize the use of available resources and support the institutions in the tasks they carry out to modernize their management structures. BROU is an active member.

The President of BROU, Mr. Salvador Ferrer Carámbula, Economist, is a member of the Board of Directors for the period May 2022 - May 2023.

During 2022, Ms. Lorena Sánchez Campanella, Economist, a BROU employee and the national coordinator of ALIDE for Uruguay, participated in the panel “Financing for the development and transition towards a greener and climate resilient economy”, within the framework of the annual assembly of the organization in Curaçao, while also attending the Buenos Aires meeting of chief economists of financial development institutions of Latin America and the Caribbean, organized by ALIDE. She was a panelist in the session “Financing the internationalization of production and integration of SMEs in value chains in Latin America and the Caribbean.”

Federación Latinoamericana de Bancos - FELABAN (Latin-American Federation of Banks)

A non-profit civil association created in 1965 with the aim of contributing to the coordination of criteria and the unification of banking uses and practices. BROU is one of the 18 active members of this organization made up of representatives from 17 countries, which brings together more than 600 banks and financial institutions in Latin America. For Uruguay, in coordination with BROU, the Association of Private Banks of Uruguay has also participated since 2020.

The President of BROU, Mr. Salvador Ferrer Carámbula, Economist, was a member of the Board of Directors for the period 2020-2022, and will continue for the period 2022-2024.

From 21-22 March, 2022, the ordinary and statutory meetings of the governing bodies of the Federation were held in Punta del Este, with the presence of representatives of the various countries, and with the president of the Central Bank of Uruguay, Mr. Diego Labat, Economist, and the Director of Economic Policy of the Ministry of Economy and Finance, Ms. Marcela Bensión, Economist, attending as guests.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">• Financial situation• Financial performance• Finance Area• Corporate Area• Retail Area• Online Banking• International Area• Anti-Money Laundering• Risk Policies and Control• Human Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

10 Branch network

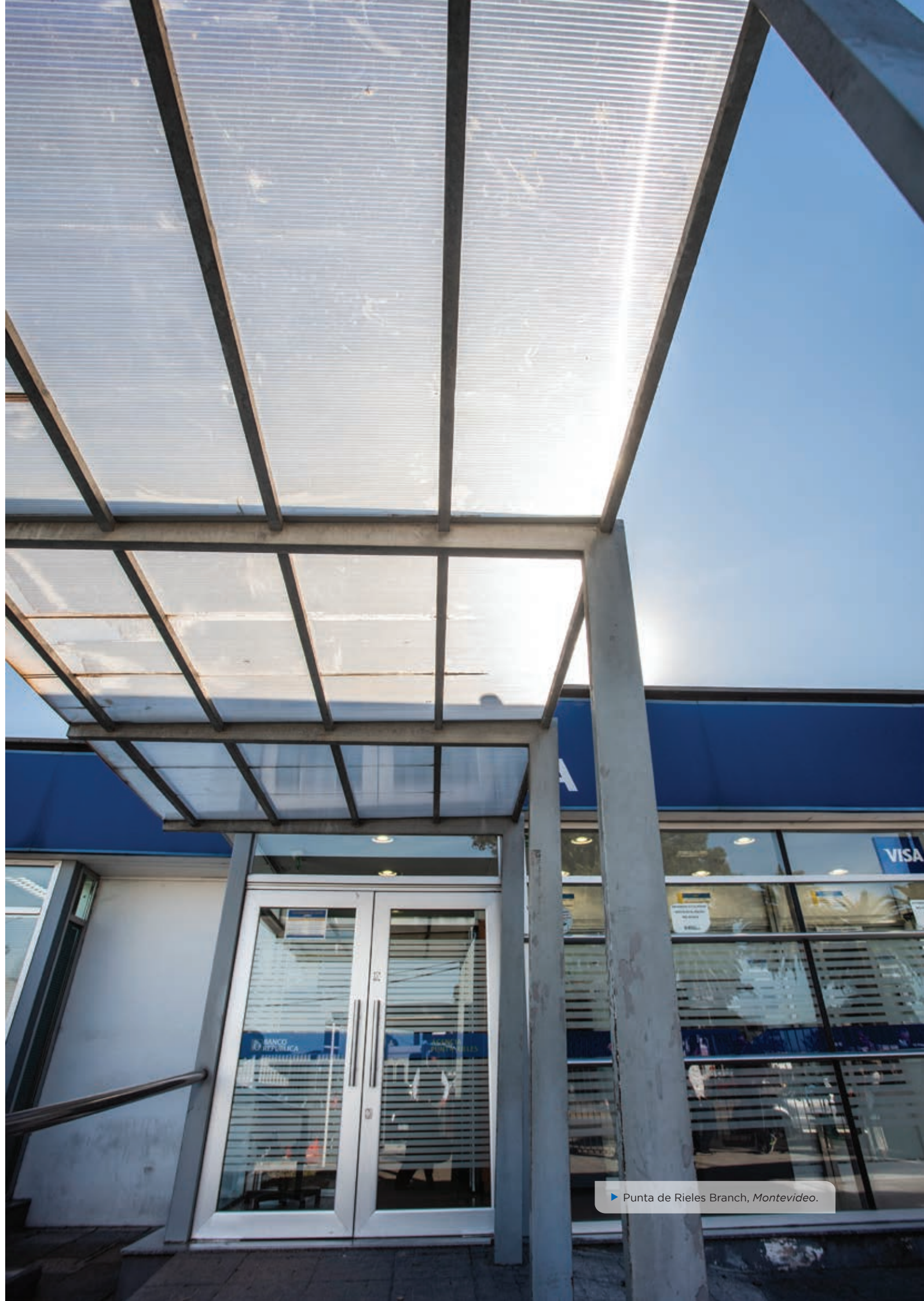


1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



Branch network

BRANCHES - DISTRIBUTION NETWORK		
Branch name	Address	Telephone
MONTEVIDEO		
19 de Junio	Avda. 18 de Julio 1670 (4 th Floor)	18965179
Aguada	Avda. Rondeau 1754	18965181
Anexo Avda. Italia	Avda. Italia 3778	18965191
Avda. Gral. Flores	Avda. Gral. Flores 2551	18965184
Avda. Gral. Rivera	Avda. Gral. F. Rivera 2700	18965198
Avda. Italia	Solferino 4098 cnr. Monzón	18965191
Avda. Uruguay	Avda. Uruguay 1002	18965178
Bvar. España Executive Investment Banking	Bvar. España 2912	18965194/831
Ciudad Vieja Executive Investment Banking	25 de Mayo 506	18967061/62
Montevideo Shopping Mall Executive Investment Banking	Luis A. de Herrera 1290, levels 1 & 1/2, store 501	18965177
Brazo Oriental	Avda. San Martín 3380	18965187
Carrasco	Avda. Arocena 1637	18965200
Centro	Avda. 18 de Julio 1271	18965188
Cerro	Ramón Tabárez 4321 cnr. Carlos Ma. Ramírez	18965182
Ciudad Vieja	Piedras 369	18965152
Colón	Avda. Eugenio Garzón 1864	18965197
Convención	Convención 1300	18965190
Bvar. Gral. Artigas Micro-branch	Bvar. Artigas 3821 cnr. Burgues	18965187
Nuevocentro Shopping Micro-branch	Avda. Luis A. de Herrera cnr. Bvar. Artigas, store 152	18965184
Prado Micro-branch	Joaquín Suárez 3781	18965185
Torre Ejecutiva Micro-branch	Ground Floor, Torre Ejecutiva Building - Plaza Independencia	18965190/831
Unidad Agroalimentaria	Luis Eduardo Pérez 6651 cnr. Route 5	18965185
Metropolitana Micro-branch	Nave Polivalente store C 002	
Montevideo Shopping Mall	Avda. Luis A. de Herrera 1290	18965177
Paso de la Arena	Avda. Luis Batlle Berres 6655	18965192
Paso Molino	Avda. Agraciada 3902	18965185
Piedras Blancas	Avda. José Belloni 4296	18965193
Pocitos	Avda. Brasil 3049	18965194
Portones	Bolonia (no number) near cnr. Avda. Italia - CIU Building (Uruguay Chamber of Industry)	18965157
Punta Carretas	Ellauri 350 - level 1, store 148 B	18965201
Punta de Rieles	Cno. Maldonado 6847	18965195
Unión	Avda. 8 de Octubre 3847	18965186
VCV (Securities Sales and Safe Custody)	Zabala 1531, Head Office, 1 st Basement	(02) 1896
Villa Biarritz	21 de Setiembre 2851	18965189



► Punta de Rieles Branch, Montevideo.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

ARTIGAS		
Artigas	Rincón 299	18965002
Baltasar Brum	Gral. Artigas 2	18965069
Bella Unión	Gral. Rivera 513	18965003
Tomás Gomensoro	Circunvalación 19 de Abril 417	18965003
CANELONES		
Atlántida	Calle 1 and Roger Balet	18965073
Canelones	Batlle y Ordóñez 601	18965004
Costa Urbana (Civic Center)	Avda. Giannattasio km 20,500, stores 24 and 01 B	18965083
La Paz	José E. Rodó 202	18965063
Las Piedras	Avda. Artigas 602	18965021
Microbanca Los Cerrillos	Zorrilla de San Martín (no number)	18965085
Migues	Gregorio Migues (no number)	18965077
Pando	Gral. Artigas 901	18965034
Parque Roosevelt	Avda. de la Playa and Avda. Giannattasio, store 003 Parque Roosevelt Commercial Center	18965087
San Bautista	Treinta y Tres (no number)	18965082
San Jacinto	Avda. Artigas (no number) cnr. María Vera	18965075
San Ramón	Avda. José Batlle y Ordóñez 1402	18965048
Santa Lucía	Dr. Antonio Legnani 527	18965049
Sauce	Cnel. Peirán 1550	18965062
Tala	18 de Julio and Ildefonso de León	18965054
CERRO LARGO		
Fraile Muerto	Gral. Artigas 1055	18965015
Melo	Aparicio Saravia 650	18965024
Microbanca Mauá	Virrey Arredondo 21	18965040
Río Branco	Gral. Artigas 301	18965040
COLONIA		
Carmelo	Zorrilla de San Martín 351	18965006
Colonia	Avda. Gral. Flores 151	18965010
Colonia Miguelete	Artigas (no number) cnr. 18 de Julio	18965084
Conchillas	David Evans (no number)	18965064
Juan Lacaze	Rodó cnr. José Campomar	18965066
Nueva Helvecia	Berna 1301	18965028
Nueva Palmira	Chile and Jacinto Laguna (temporary location for reform)	18965029
Microbanca Colonia Valdense	José Pedro Varela 1167	18965028
Ombúes de Lavalle	Zorrilla de San Martín 799	18965032
Rosario	Sarandí and Leopoldo Fuica	18965043
Tarariras	Roosevelt 2292	18965018
DURAZNO		
Carmen	Dr. Schunk (no number)	18965007
Durazno	Dr. Luis Alberto de Herrera 900	18965013
Durazno	Ruta 5 Ruta 5 and Ruta 14	18965013
La Paloma	Severino Cristiano (no number)	18965065
Sarandí del Yi	Sosa Bernadet 511	18965051
FLORES		
Trinidad	Treinta y Tres 601	18965058
FLORIDA		
Casupá	José Pedro Varela 968	18965072
Florida	Ituzaingó 551	218965014/600
Microbanca Independencia	Independencia 725	218965014/800
Sarandí	Artigas 901	18965050



► Durazno Branch, *Durazno*.

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK

LAVALLEJA		
José Batlle y Ordóñez	Rivera 44	18965019
José Pedro Varela	Gral. Artigas cnr. Rivera	18965068
Minas	25 de Mayo 478	18965026
Solís	Avda. Eduardo Fabini 798	18965052
MALDONADO		
Aiguá	Margarita Muniz 706	18965001
Campus Maldonado	Fco. Acuña de Figueroa and Burnet	18965086
Maldonado	Florida 774	18965023
Pan de Azúcar	Félix de Lizarra 751	18965033
Piriápolis	Rambla de los Argentinos 1405	18965037
Punta del Este	Avda. Gorlero cnr. 25	18965038
Punta Shopping	Punta Shopping Mall, store 252 - Parada 7 1/2 Roosevelt	18965092
San Carlos	18 de Julio 651	18965045
PAYSANDÚ		
Guichón	18 de Julio 353	18965017
Microbanca Río de los Pájaros	Bvar. Artigas 770, store 19 - Terminal Shopping Paysandú	18965036/831/832
Paysandú	18 de Julio 1047	18965036
Quebracho	Dr. Martini and 18 de Julio	18965039
RÍO NEGRO		
Fray Bentos	25 de Mayo 3375	18965016
Nuevo Berlín	18 de Julio (no number) cnr. Lavalleja	18965030
San Javier	Avda. Gral. Artigas cnr. B. Lubkov	18965071
Young	José Ugarte 1690	18965061
RIVERA		
Microbanca Frontera de la Paz	Sarandí 950 cnr. Agustín Ortega	18965041
Minas de Corrales	Avda. Dr. Davison cnr. Dr. Ros	18965027
Rivera	Sarandí 577 and 597	18965041
Tranqueras	18 de Julio 640	18965056
Vichadero	Bvar. Artigas 094	18965060
ROCHA		
Barrio La Paloma	Avda. Solari cnr. Titania	18965079
Castillos	Pedro E. Ferrer 1347	18965008
Chuy	Bernardo Ventura 542 cnr. Gral. Artigas	18965011
Lascano	Ituzaingó 1251	18965020
Rocha	Gral. Artigas 113	18965042
Velázquez	Gral. Artigas (no number)	18965076
SALTO		
Salto	Uruguay 509	18965044
Salto Ayuí	Avda. Batlle 2265, store 127	18965080
SAN JOSÉ		
Ecilda Paullier	Artigas (no number)	18965070
Libertad	25 de Agosto 1152	18965022
Microbanca Paco Espínola	25 de Mayo 500	18965047
Rafael Peraza	Ruta 1 km 72	18965078
Rodríguez	Avda. Santiago Rodríguez 980	18965074
San José	Artigas 601	18965047



► Guichón Branch, Paysandú.

SORIANO		
Cardona	Fructuoso Rivera 18	18965005
Dolores	Asencio 1548	18965012
José E. Rodó	Ruta 2 km 209,500	18965067
Mercedes	Colón 256	18965025
Microbanca Terminal Shopping Mercedes	Don Bosco cnr. Artigas	18965025
Palmitas	V. Orcoyen and C. Reyles	18965081
TACUAREMBÓ		
Microbanca Carlos Gardel	Joaquín Suárez 259 cnr. Treinta y Tres	18965053
Paso de los Toros	Sarandí 400	18965035
San Gregorio	Gral. Artigas 148	18965046
Tacuarembó	18 de Julio 251	18965053
Tambores	Fernández Lascano cnr. D. Villa	18965055
TREINTA Y TRES		
Cerro Chato	Julio Alberto Goday (no number)	18965009
Olimar	25 de Agosto and Miguel Echand	18965031
Treinta y Tres	Juan Antonio Lavalleja 1250	18965057
Vergara	Francisco Tajés cnr. Marcelo Barreto	18965059

1	BOARD AND SENIOR MANAGEMENT
2	MESSAGE FROM THE PRESIDENT
3	REVIEW OF 2022
4	PRESENTATION OF THE BANK AND CORPORATE GOVERNANCE
5	MACROECONOMIC ENVIRONMENT
6	COMPETITIVE BANKING ENVIRONMENT
7	MANAGEMENT REPORT <ul style="list-style-type: none">Financial situationFinancial performanceFinance AreaCorporate AreaRetail AreaOnline BankingInternational AreaAnti-Money LaunderingRisk Policies and ControlHuman Resources Department
8	FINANCIAL STATEMENTS
9	RELATED ORGANIZATIONS
10	BRANCH NETWORK



HEAD OFFICE

Cerrito 351, CP 11000
Montevideo, Uruguay
Telephone: + (598 2) 1896
2916 0062 / 2916 0070
Fax: (598 2) 1896 1574 / 1697
SWIFT: BROU UY MM
<http://www.portal.brou.com.uy/>

NEW YORK BRANCH

489 5th Avenue, Fl. 22, NYC, NY, 10017
New York, United States
Telephone: + (1 212) 307 9600 to 11
Fax: + (1 212) 307 6786
SWIFT: BROU US 33
ABA 026003324

BUENOS AIRES BRANCH

Esmeralda 111, CP C1035ABC
Buenos Aires, Argentina
Telephone: + (54 11) 4132 2000
buenos.aires@brou.com.ar
SWIFT: BROU AR BA