

# BANCO HIPOTECARIO S.A.

EARNINGS RELEASE – FULL YEAR 2023





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Banco Hipotecario cordially invites you to participate in its  
Full Year 2023 conference call

**Friday, February 23<sup>rd</sup>, 2024, 09:00 AM EST**

If you would like to participate, the hyperlink is:

<https://us06web.zoom.us/j/87914062338?pwd=ybqYwCe0cBrSjA9HLYMb1bMUj35b1w.mvhSZ1eBYBIF-SZr>

Access code: 551047

Meeting ID: 879 1406 2338

Or you can dial in:

U.S.A: +1 646 558 8656

+1 646 931 3860

Preferably 10 minutes before the call is due to begin.

The conference will be held in English.

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**Contacts:**

**Juan Altuna**  
**Marcos Longo Elia**  
Capital Markets  
Tel. (54-11) 4347- 5967/5986  
Fax (54-11) 4347-5874  
Buenos Aires, Argentina  
jmaltuna@hipotecario.com.ar  
mlongoelia@hipotecario.com.ar

**Martín Diez**  
CFO  
Tel. (54-11) 4347-5759  
Buenos Aires, Argentina

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## FULL YEAR 2023 CONSOLIDATED RESULTS

The Bank began reporting results applying Hyperinflation Accounting, in accordance to IFRS rule IAS 29 ( "IAS 29" ) as established by the Central Bank as of Q1 2020. Therefore, every result and variation described in this report is expressed in constant currency as of December 31<sup>st</sup>, 2023. Also, the provisioning model of IFRS 9 section 5.5 was applied, as established by the Central Bank.

### HIGHLIGHTS

#### EXECUTIVE SUMMARY

- Net income attributable to owners of the parent company for the year was Ps. 56,565.2 million, compared to Ps. 18,855.1 million of last year. Net income attributable to owners of the parent company for the quarter was Ps. 35,946.5 million, compared to Ps. 2,968.4 million of last quarter and Ps. 4,368.3 million of same quarter last year.
- ROAE for FY2023 was 31.1% compared to 13.1% for FY2022, while ROAA for the same periods were 4.1% and 1.1%, respectively.
- Net operating income for the year was Ps 376,681.2 million, compared to Ps. 269,555.5 million of last year, which represents an increase of 39.7% YoY. Net operating income for the quarter was Ps. 151,053.9 million, compared to Ps. 76,543.7 million of last quarter and Ps. 67,528.6 million of same quarter last year.
- Operating income for the year was Ps. 194,999.8 million, compared to Ps. 75,150.1 million of last year. Operating income for the quarter was Ps. 93,957.3 million, compared to Ps. 32,653.5 million of last quarter and Ps. 19,813.1 million of same quarter last year.
- Loans to the non-financial private sector and foreign residents decreased 40.6% YoY and 18.0% QoQ. Deposits increased 22.7% YoY and decreased 2.6% QoQ. Capital markets debt decreased 14.6% YoY and increased 10.9% QoQ.
- NPL decreased from 4.8% in Q4 2022 to 3.1% in Q4 2023; while NPL in the consumer portfolio increased from 2.5% to 2.9% and commercial NPL decreased from 8.0% to 3.5% during the same period. Coverage ratio increased from 61.9% to 109.2% for the period.
- Total capital ratio as a percentage of RWA as of December 31<sup>st</sup>, 2023, was 38.5%, compared to 25.3% of last quarter and 23.1% of same quarter of last year.
- On February 19<sup>th</sup> the Bank issued the senior unsecured notes Series VII for Ps. 10,401,000,000.
- In December 2023 the Bank signed the deed of transfer of ownership and assignment of rights of the fixed asset the "Edificio del Plata" as a contribution to the EDP Trust in order to carry out the Conversion Project in the property.
- Inflation in Argentina during FY2023 was of 211.4%.

Buenos Aires, February 22<sup>nd</sup>, 2024





## I. BANCO HIPOTECARIO'S CONSOLIDATION

Banco Hipotecario S.A. has consolidated line by line its balance sheet and income statement with the financial statements of its subsidiaries: BACS Banco de Crédito y Securitización S.A. and BHN Sociedad de Inversión S.A. The consolidated financial statements as of December 31<sup>st</sup>, 2023 were prepared under IFRS according to Central Bank's convergence plan (Communication "A" 5541 and its modifications). Also, provisions under IFRS 9 (5.5) and inflation accounting were implemented starting on January 1<sup>st</sup>, 2020 (Communications "A" 6430, "A" 6651, "A" 6778 and "A" 6847).

## II. YEAR 2023 CONSOLIDATED RESULTS

Net income attributable to owners of the parent's company for the year was Ps. 56,565.2 million, compared to Ps. 18,855.1 million of last year.

Regarding profitability ratios, ROAA for 2023 was 4.1% compared to 1.1% for 2022, while ROAE for the same periods were 31.1% and 13.1%, respectively.

Comparative consolidated income statement (in millions of pesos)	As of		Variation (%)
	31/12/2023	31/12/2022	YoY
Interest income	613,198.5	278,692.4	120.0%
Adjustments income	13,488.3	8,475.1	59.2%
Interest expense	(674,447.6)	(326,581.0)	106.5%
Adjustments expense	(1,092.5)	(3,645.1)	(70.0)%
Net interest income	<b>(48,853.3)</b>	<b>(43,058.6)</b>	<b>13.5%</b>
Fee and commission income	29,539.5	33,532.2	(11.9)%
Fee and commission expense	(1,942.3)	(2,305.0)	(15.7)%
Net fee and commission income	<b>27,597.1</b>	<b>31,227.2</b>	<b>(11.6)%</b>
Net Income from financial instruments at fair value through profit or loss	377,379.8	235,234.1	60.4%
Income from asset derecognition measured at amortized cost	(8,016.1)	27.8	N/A
Gold and foreign currency exchange rate differences	(19,526.4)	613.5	N/A
Other operating income	53,236.5	51,141.2	4.1%
Loan loss provision	(5,136.4)	(5,629.8)	(8.8)%
<b>Net operating income</b>	<b>376,681.2</b>	<b>269,555.5</b>	<b>39.7%</b>
Personnel expenses	(74,056.4)	(69,420.3)	6.7%
Administrative expenses	(33,095.0)	(32,017.9)	3.4%
Depreciation and impairment of non-financial assets	(4,711.0)	(5,509.7)	(14.5)%
Other operating expenses	(69,819.0)	(87,457.5)	(20.2)%
<b>Operating income</b>	<b>194,999.8</b>	<b>75,150.1</b>	<b>159.5%</b>
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	N/A
Gain (loss) on net monetary position	(128,034.6)	(33,295.7)	284.5%
<b>Income before income tax from continuing operations</b>	<b>66,965.2</b>	<b>41,854.4</b>	<b>60.0%</b>
Income tax	(9,314.5)	(23,423.4)	(60.2)%
Net income (loss) for the period attributable to non-controlling interests	1,085.4	(424.0)	N/A
<b>Net income (loss) for the period attributable to the parent's company</b>	<b>56,565.2</b>	<b>18,855.1</b>	<b>200.0%</b>





Financial margin, measured as the sum of Net Interest Income, Net Income from financial instruments at fair value through profit or loss, Income from asset derecognition and Gold and foreign currency exchange rate differences for FY2023 was Ps. 300,984.0 million, compared to Ps. 192,816.9 last year, which represents an increase of 56.1% YoY.

Financial Margin	For the period ended on		Variation (%)
	12/31/2023	12/31/2022	YoY
Net interest income	(48,853.3)	(43,058.6)	13.5%
Net Income from financial instruments at fair value	377,379.8	235,234.1	60.4%
Income from asset derecognition measured at amortized cost	(8,016.1)	27.8	N/A
Gold and foreign currency exchange rate differences	(19,526.4)	613.5	N/A
<b>Financial Margin</b>	<b>300,984.0</b>	<b>192,816.9</b>	<b>56.1%</b>

Net interest income for the year was Ps. (48,853.3) million, compared to Ps. (43,058.6) million last year.

Interest income for the quarter was Ps. 626,686.7, representing a 118.2% increase YoY. This does not include income from Central Bank notes (Leliq), which are reflected in net income from financial instruments at fair value through profit and loss.

Interest and adjustments income (in millions of pesos)	12 month period ended		Variation (%)
	12/31/2023	12/31/2022	YoY
Interest on cash and due from bank	471,731.8	114,842.3	N/A
Interest on loans to the financial sector	299.6	531.7	(43.7)%
Interest from public and corporate securities	36,721.7	66,349.2	(44.7)%
Interest on overdrafts facilities	4,928.7	2,725.8	80.8%
Interest on promissory notes	10,889.6	10,087.3	8.0%
Interest on pledge loans	19.2	68.8	(72.1)%
Interest on financial leases	1,737.6	1,276.0	36.2%
Interest on other loans	12,288.8	12,063.5	1.9%
Interest from commercial loans	29,863.9	26,221.3	13.9%
Interest on consumer loans	11,795.3	12,802.5	(7.9)%
Interest on credit card loans	30,592.3	29,195.0	4.8%
Interest from consumer loans	42,387.6	41,997.5	0.9%
Interest on mortgage loans	3,841.5	5,464.9	(29.7)%
Interest on other receivables from financial operations	35.7	6.5	N/A
Income from CER, CVS, UVA and UVI adjustments	41,791.0	31,492.5	32.7%
Interest from mortgage loans	45,668.2	36,963.9	23.5%
Others	13.9	261.6	(94.7)%
<b>Total</b>	<b>626,686.7</b>	<b>287,167.5</b>	<b>118.2%</b>

Interest and adjustments expense for the year was Ps. 675,540.1 million, compared to Ps. 330,226.1 million of last year, which represents an increase of 104.6%.





### Interest and adjustments expense

(in millions of pesos)

	12 month period ended		Variation (%)
	12/31/2023	12/31/2022	YoY
Interest on current accounts deposits	(410,017.5)	(123,518.5)	231.9%
Interest on saving accounts deposits	(178.0)	(159.4)	11.7%
Interest on time deposits	(253,446.7)	(180,303.3)	40.6%
Interest from deposits	(663,642.2)	(303,981.1)	118.3%
Interest on other liabilities resulting from financial transactions	(5,524.5)	(12,694.2)	(56.5)%
Expense for CER, CVS, UVA and UVI adjustments	(5,791.9)	(12,943.7)	(55.3)%
Interest from corporate bonds	(11,316.3)	(25,638.0)	(55.9)%
Interest on interfinancial loans received	(43.1)	(467.6)	(90.8)%
Others	(538.4)	(139.5)	286.0%
<b>Total</b>	<b>(675,540.1)</b>	<b>(330,226.1)</b>	<b>104.6%</b>

Net fee and commission income for the year was Ps. 27,597.1 million, compared to Ps. 31,227.2 million of last year, which represents a decrease of 11.6%.

### Net fee and commission income

(in millions of pesos)

	12 month period ended		Variation (%)
	12/31/2023	12/31/2022	YoY
<b>Fee and commission income</b>			
Fee charged on consumer clients	19,570.5	25,037.5	(21.8)%
Linked to liabilities	8,922.4	7,367.9	21.1%
Others	1,046.6	1,126.9	(7.1)%
<b>Total</b>	<b>29,539.5</b>	<b>33,532.2</b>	<b>(11.9)%</b>
<b>Fee and commission expense</b>			
Credit related fees	(912.6)	(967.4)	(5.7)%
Debt placement charges	(805.0)	(1,119.7)	(28.1)%
Others	(224.8)	(217.9)	3.2%
<b>Total</b>	<b>(1,942.3)</b>	<b>(2,305.0)</b>	<b>(15.7)%</b>
<b>Net fee and commission income</b>	<b>27,597.1</b>	<b>31,227.2</b>	<b>(11.6)%</b>

Net income from financial instruments at fair value through profit or loss for the year was Ps. 377,379.8 million, compared to Ps. 235,234.1 million of 2022, which represents an increase of 60.4%.

### Net income from financial instruments at fair value through profit or loss

(in millions of pesos)

	12 month period ended		Variation (%)
	12/31/2023	12/31/2022	YoY
Income from government securities	332,795.2	226,170.4	47.1%
Income from other corporate securities	18,716.5	6,016.1	211.1%
Income from other securities	25,868.2	3,047.7	N/A
<b>Total</b>	<b>377,379.8</b>	<b>235,234.1</b>	<b>60.4%</b>

Other operating income for the year was Ps. 53,236.5 million, compared to Ps. 51,141.2 million of 2022, which represents an increase of 4.1%.





### Other operating income

(in millions of pesos)

	12 month period ended		Variation (%)
	12/31/2023	12/31/2022	YoY
Loan servicing	4,789.9	5,403.3	(11.4)%
Borrowing transactions commissions	2,013.9	2,340.4	(13.9)%
Income from Procrear services	931.5	646.2	44.2%
Other income from services	17,150.9	18,407.9	(6.8)%
Penalty interest	499.2	564.6	(11.6)%
Loans recovered	1,105.7	2,005.5	(44.9)%
Net Income from non current assets held for sell measured at fair value	6,440.3	-	N/A
Premium and income from insurance activity	27,041.5	32,876.1	(17.7)%
Others	(6,736.4)	(11,102.8)	(39.3)%
<b>Total</b>	<b>53,236.5</b>	<b>51,141.2</b>	<b>4.1%</b>

Provision for loan losses for the year was Ps. 5,136.4 million, compared to Ps. 5,629.8 million of last year, which represents a decrease of 8.8%.

Personnel expenses for the year were Ps. 74,056.4 million, compared to Ps. 69,420.3 million of last year, which represents an increase of 6.7%.

### Personnel expenses

(in millions of pesos)

	12 month period ended		Variation (%)
	12/31/2023	12/31/2022	YoY
Salaries	(37,942.7)	(36,082.1)	5.2%
Vacation bonus	(4,469.1)	(3,848.8)	16.1%
Social security expenses	(5,819.3)	(8,668.8)	(32.9)%
Severance and bonus expenses	(22,766.6)	(17,865.8)	27.4%
Other personnel expenses	(3,058.7)	(2,954.7)	3.5%
<b>Total</b>	<b>(74,056.4)</b>	<b>(69,420.3)</b>	<b>6.7%</b>

Administrative expenses for the year were Ps. 33,095.0 million, compared to Ps. 32,017.9 million of last year, which represents a decrease of 3.4%.

### Administrative expenses

(in millions of pesos)

	12 month period ended		Variation (%)
	12/31/2023	12/31/2022	YoY
Directors' and statutory auditors' fees	(6,732.4)	(3,842.0)	75.2%
Fees and compensation for services	(11,513.7)	(13,362.9)	(13.8)%
Advertising, promotion and research expenses	(1,923.3)	(1,469.3)	30.9%
Taxes and duties	(3,809.6)	(3,585.7)	6.2%
Maintenance and repairs	(2,268.5)	(2,298.7)	(1.3)%
Electricity, gas and telephone services	(1,991.4)	(2,192.9)	(9.2)%
Others	(4,856.2)	(5,266.4)	(7.8)%
<b>Total</b>	<b>(33,095.0)</b>	<b>(32,017.9)</b>	<b>3.4%</b>

Other operating expenses for the year were Ps. 69,819.0 million, compared to Ps. 87,457.5 million of last year, which represents a decrease of 20.2%.





### Other operating expenses

(in millions of pesos)

	12 month period ended		Variation (%)
	12/31/2023	12/31/2022	YoY
Turnover tax and others	(40,935.7)	(24,339.9)	68.2%
Contribution to the deposit insurance fund	(1,444.3)	(2,111.3)	(31.6)%
Loan servicing	(12,837.3)	(13,682.3)	(6.2)%
Charges for other provisions	(6,855.5)	(6,401.5)	7.1%
Debit card, credit card & loan rebates	(1,345.4)	(1,845.7)	(27.1)%
Others	(6,400.7)	(39,076.9)	(83.6)%
<b>Total</b>	<b>(69,819.0)</b>	<b>(87,457.5)</b>	<b>(20.2)%</b>

Loans to the non-financial private sector and foreign residents totaled Ps. 144,490.0 million as of the end of 2023, compared to Ps. 243,384.6 million as of the end of 2022, which represents a decrease of 40.6%.

### Loans to the non-financial private sector and foreign residents

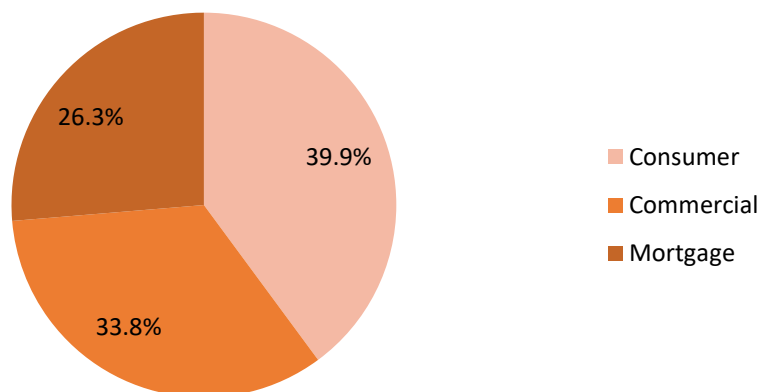
(in millions of pesos)

	12 month period ended		Variation (%)
	12/31/2023	12/31/2022	YoY
Overdraft facilities	2,986.7	4,180.0	(28.5)%
Promissory notes	11,919.2	34,640.5	(65.6)%
Mortgage loans	36,505.4	52,311.0	(30.2)%
Pledge loans	15.4	106.8	(85.6)%
Consumer loans	7,782.4	19,808.8	(60.7)%
Credit cards	49,849.5	76,701.8	(35.0)%
Financial leases	1,464.2	4,485.7	(67.4)%
Loans to entity's personnel	1,520.2	2,461.4	(38.2)%
Unallocated collections	(9.4)	(46.0)	(79.5)%
Others	31,911.8	46,128.8	(30.8)%
Accrued interest and quotation differences receivable	3,074.3	6,154.5	(50.0)%
Documented interest	(2,529.5)	(3,548.7)	(28.7)%
<b>Total</b>	<b>144,490.0</b>	<b>243,384.6</b>	<b>(40.6)%</b>

BH's non-financial private sector and foreign residents' loan portfolio composition as of December 31<sup>st</sup>, 2023 was 66.2% of retail financing and housing loans (39.9% consumer and 26.3% housing) and 33.8% of corporate loans, providing a highly diversified client base.

### Non-financial Private Sector and Foreign Residents' Loan Portfolio Diversification

YEAR 2023







On a consolidated basis, NPL decreased from 4.8% in Q4 2022 to 3.1% in Q4 2023, while coverage ratio was 109.2% for the period. Meanwhile, NPL in the commercial portfolio decreased from 8.0% to 3.5% during the same period.

### Non-performing loans

(in millions of pesos)

	As of	
	12/31/2023	12/31/2022
<b>Consolidated level</b>		
Non-performing loans	5,147.6	12,349.5
Total portfolio	164,904.3	258,472.3
Allowances (total)	5,622.0	7,640.5
Non-performing loans / Total portfolio	3.1%	4.8%
Allowances (total) / Non-performing loans	109.2%	61.9%
<b>Consumer portfolio</b>		
Non-performing loans (consumer)	2,731.1	3,757.9
Consumer portfolio	95,627.7	151,415.5
Allowances (consumer)	4,169.3	5,239.0
Non-performing loans (consumer) / Consumer portfolio	2.9%	2.5%
Allowances (consumer) / Non-performing loans (consumer)	152.7%	139.4%
<b>Commercial portfolio</b>		
Non-performing loans (commercial)	2,416.6	8,591.7
Commercial portfolio	69,276.6	107,056.7
Allowances (commercial)	1,452.8	2,401.5
Non-performing loans (commercial) / Commercial portfolio	3.5%	8.0%
Allowances (Commercial) / Non-performing loans (commercial)	60.1%	28.0%

Deposits totaled Ps. 1,130,083.6 million, representing a 22.7% increase YoY, while capital markets debt totaled Ps. 38,320.6 million, representing a 14.6% decrease YoY.

### Funding

(in millions of pesos)

	12/31/2023				12/31/2022		Variation (%) YoY	
	Ps.		%		Ps.			%
Deposits	1,130,083.6	96.7%	921,025.2	95.4%	22.7%			
Local capital markets debt	12,987.2	1.1%	18,920.5	2.0%	(31.4)%			
International capital markets debt	25,333.3	2.2%	25,926.0	2.7%	(2.3)%			
Unsubordinated Senior Notes	38,320.6	3.3%	44,846.5	4.6%	(14.6)%			
<b>Total</b>	<b>1,168,404.2</b>	<b>100.0%</b>	<b>965,871.7</b>	<b>100.0%</b>	<b>21.0%</b>			





Comparative consolidated balance sheet (in millions of pesos)	As of		Variation (%)
	31/12/23	31/12/22	YoY
<b>Assets</b>			
Cash and due from banks deposits	98,793.6	86,250.5	14.5%
Debt securities at fair value through profit or loss	143,884.0	399,176.7	(64.0)%
Derivatives	402.8	225.7	78.5%
Repo transactions	950,133.5	305,748.3	210.8%
Loans and other financing	35,762.4	32,668.5	9.5%
Non-Financial Public Sector	-	-	N/A
Financial Sector	3,757.1	759.4	N/A
Non-Financial Private Sector and Foreign Residents	144,490.0	243,384.6	(40.6)%
Allowances	(5,366.4)	(7,406.1)	(27.5)%
Loans, net of allowances	142,880.8	236,738.0	(39.6)%
Other debt securities	35,012.9	97,484.8	(64.1)%
Financial assets in guarantee	18,510.0	13,207.4	40.1%
Investment in subsidiaries, associates and joint ventures	32,005.0	-	N/A
Property, plant and equipment	40,026.5	39,839.9	0.5%
Others	18,258.9	43,056.7	(57.6)%
<b>Total Assets</b>	<b>1,515,670.4</b>	<b>1,254,396.4</b>	<b>20.8%</b>
	-	-	
<b>Liabilities</b>			
Deposits	1,130,083.6	921,025.2	22.7%
Liabilities at fair value through profit or loss	27,630.0	-	N/A
Derivatives	-	0.5	(100.0)%
Repo transactions	-	-	N/A
Other financial liabilities	49,476.5	76,203.7	(35.1)%
Financing received from Argentine Central Bank and other financial institutions	2,752.7	919.0	199.5%
Unsubordinated Senior Notes	38,320.6	44,846.5	(14.6)%
Current income tax liabilities	3,258.5	2,075.6	57.0%
Subordinated Senior Notes	-	-	N/A
Provisions	3,075.9	3,438.9	(10.6)%
Deferred income tax liabilities	11,580.5	8,710.3	33.0%
Other non financial liabilities	33,565.8	39,209.0	(14.4)%
<b>Total Liabilities</b>	<b>1,299,744.2</b>	<b>1,096,428.6</b>	<b>18.5%</b>
Shareholders' Equity attributable to non-controlling interest	5,733.9	4,340.6	32.1%
<b>Shareholders' Equity attributable to parent's shareholders</b>	<b>210,192.3</b>	<b>153,627.1</b>	<b>36.8%</b>
Total Shareholders' Equity	215,926.2	157,967.7	36.7%





## Statistic data and comparative ratios

For the period ended on

12/31/2023      12/31/2022

<b>Profitability</b>		
ROAA (return on average assets)	4.1%	1.1%
ROAE (return on average equity)	31.1%	13.1%
Net financial margin*	22.3%	11.4%
Efficiency**	37.0%	49.6%
<b>Capital</b>		
Shareholders' Equity / Total Assets	13.9%	10.2%
CET I Ratio	38.4%	22.6%
Tier 1 Ratio	38.4%	22.6%
Total Capital Ratio	38.5%	23.1%
<b>Liquidity</b>		
Liquid Assets / Deposits	108.6%	96.5%
LCR	141.0%	126.0%
NSFR	222.0%	186.1%
Loans / Deposits	12.6%	25.7%

\* (Net interest income + Net Income from financial instruments at Fair Value through profit and loss + Difference in quoted prices of gold and foreign currency) / Average Assets

\*\* (Personnel expenses + administrative expenses + depreciation and impairment of assets) / (Net Interest Income + Net Fee Income + Net Income from financial instruments at Fair Value through profit and loss + difference in quoted prices of gold and foreign currency + other items included in income and operating expenses)





### III. FOURTH QUARTER 2023 CONSOLIDATED RESULTS

The attributable net income for the quarter was Ps. 35,946.5 million, compared to Ps. 2,968.4 million of last quarter and Ps. 4,368.3 million of the same quarter last year.

Regarding profitability ratios, the ROAA for Q4 2023 was 4.1%, compared to 2.0 for last quarter and 1.1% for Q4 2022, while ROAE for the same periods were 31.1%, 16.8% and 13.1%, respectively.

Income statement (in millions of pesos)	3 month period ended			Variation (%)	
	12/31/2023	9/30/2023	12/31/2022	QoQ	YoY
Interest and adjustments income	234,836.4	168,426.3	97,532.7	39.4%	140.8%
Interest and adjustments expense	(210,329.7)	(203,579.9)	(109,725.9)	3.3%	91.7%
<b>Net interest income</b>	<b>24,506.7</b>	<b>(35,153.6)</b>	<b>(12,193.2)</b>	(169.7)%	N/A
Fee and commission income	6,817.3	7,736.8	7,794.7	(11.9)%	(12.5)%
Fee and commission expense	(514.4)	(511.7)	(605.6)	0.5%	-15%
<b>Net fee and commission income</b>	<b>6,302.9</b>	<b>7,225.1</b>	<b>7,189.1</b>	(12.8)%	(12.3)%
Net income from financial instruments at fair value through profit or loss	115,036.3	110,823.7	56,587.7	3.8%	103.3%
Income from asset derecognition measured at amortized cost	105.9	-	(0.0)	N/A	N/A
Gold and foreign currency exchange rate differences	(8,641.6)	(9,123.9)	2,523.3	(5.3)%	N/A
Other operating income	15,141.9	11,978.9	11,498.6	26.4%	31.7%
Loan loss provision	(1,398.1)	(1,272.8)	1,923.2	9.8%	(172.7)%
<b>Net operating income</b>	<b>151,053.9</b>	<b>76,543.7</b>	<b>67,528.6</b>	97.3%	123.7%
Personnel expenses	(22,188.7)	(16,982.7)	(16,741.0)	30.7%	32.5%
Administrative expenses	(10,961.0)	(7,613.6)	(9,506.3)	44.0%	15.3%
Depreciation and impairment of non-financial assets	(1,219.2)	(1,217.5)	(1,335.5)	0.1%	(8.7)%
Other operating expenses	(22,727.7)	(18,076.5)	(20,132.8)	25.7%	12.9%
<b>Operating income (loss)</b>	<b>93,957.3</b>	<b>32,653.5</b>	<b>19,813.1</b>	187.7%	N/A
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	(57,486.4)	(31,238.7)	(12,051.0)	84.0%	N/A
Income tax	(53.5)	1,900.5	(3,558.4)	(102.8)%	(98.5)%
Net income of the period attributable to non-controlling interests	470.9	346.8	(164.6)	35.8%	N/A
<b>Net Income attributable to the parent's company</b>	<b>35,946.5</b>	<b>2,968.4</b>	<b>4,368.3</b>	N/A	N/A





#### IV. 2024 PERSPECTIVES

2024 perspectives for the Bank are based on:

- ✓ Continue with the high-quality standard of our operations.
- ✓ Maintain high liquidity and solvency levels in order to face volatility.
- ✓ Deepen the implementation of the digital strategy to enhance distribution capacity and increase client base profitability.
- ✓ Sustain a balanced asset and liability structure in order to hedge the different tenors and currencies.
- ✓ Continue with the development of sustainable housing solutions.
- ✓ Improve efficiency and continue with the rationalization of expenses.

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**Eduardo S. Elsztain**  
Chairman

Assets and liabilities denominated in foreign currency as of December 31<sup>st</sup>, 2023 were converted to Pesos at the exchange rate of Ps. 808.4833/USD1.00 and Ps. 893.9/EUR1.00, which was the reference exchange rate published by the Central Bank on such date.

Unless otherwise indicated, all figures are stated in millions of pesos.





## Disclaimer

Any comment made in this release in relation to future events is subject to many conditions and risks detailed and described in our Offering Memorandums and financial statements available at our website ([www.hipotecario.com.ar](http://www.hipotecario.com.ar) / Investor Relations).

The words “believe,” “may,” “will,” “aim,” “estimate,” “continue,” “anticipate,” “intend,” “expect” and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition.

This release is a summary analysis of Banco Hipotecario's financial condition and results of operations as of and for the period indicated, which might have certain reclassification from the Financial Statements. For a correct interpretation, this release must be read in conjunction with all other material periodically filed with the Comisión Nacional de Valores ([www.cnv.gov.ar](http://www.cnv.gov.ar)) and the Bolsa de Comercio de Buenos Aires ([www.bolsar.com](http://www.bolsar.com)). In addition, the Central Bank ([www.bcra.gov.ar](http://www.bcra.gov.ar)) may publish information related to Banco Hipotecario as of a date subsequent to the last date for which the Bank has published information.

