

BANCO HIPOTECARIO S.A.

EARNINGS RELEASE – FULL YEAR 2022





Banco Hipotecario cordially invites you to participate in its
Full Year 2022 conference call

Monday, February 28th, 2023, 09:00 AM EST

If you would like to participate, the hyperlink is:

<https://us06web.zoom.us/j/84370354929?pwd=dXMyT1RWUzhVOWU5dkQzQytXNWpOUT09>

Access code: 749173

Meeting ID: 843 7035 4929

Or you can dial in:

U.S.A: +1 646 558 8656

Argentina: +54 112 040 0447

Preferably 10 minutes before the call is due to begin.
The conference will be held in English.





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FULL YEAR 2022 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 31th, 2022. 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. 6,054.8 million, compared to Ps. (8,183.7) million of last year. Net income attributable to owners of the parent company for the quarter was Ps. 1,402.7 million, compared to Ps. 735,9 million of last quarter and Ps. 1,058.4 million of same quarter last year.
- ROAA for FY2022 was 1.1% compared to (1.5)% for FY2021, while ROAE for the same periods were 13.1% and (17.3)%, respectively.
- Net operating income for the year was Ps 86.514,3 million, compared to Ps. 53.029,3 million of last year, which represents an increase of 63.1% YoY. Net operating income for the quarter was Ps. 21,639.0 million, compared to Ps. 21,017.7 million of last quarter and Ps. 17,911.4 million of same quarter last year.
- Operating income for the year was Ps. 24,132.4 million, compared to Ps. (3,987.1) million of last year. Operating income for the quarter was Ps. 6,362.4 million, compared to Ps. 6,482.5 million of last quarter and Ps. 2,237.5 million of same quarter last year.
- During the 4th quarter of 2022, Liquidity Coverage Ratio (LCR) was 126.0%, Net Stable Funding Ratio (NSFR) was 186,1% and liquid assets to deposits ratio was 86.0%.
- Loans to the non-financial private sector and foreign residents decreased 32.3% YoY and 2.7% QoQ.
- Deposits decreased 47.5% YoY and increased 18.6% QoQ. Capital markets debt decreased 63,6% YoY and 66.3% QoQ .
- On a consolidated basis, NPL decreased from 13.4% in Q4 2021 to 4.8% in Q4 2022; while NPL in the consumer portfolio decreased from 3.0% to 2.5% during the same period. Coverage ratio decreased from 89.1% to 61.9% for the period.
- Total capital ratio as a percentage of RWA as of December 31st, 2022 was 23.1%, compared to 22.2% of last quarter and 16.4% of same quarter of last year.
- On February 2nd, 2023, there was a partial cancellation of USD 8,953,191 corresponding to a secured commercial loan that was in arrears as of December 31st, 2022. If the payment had been made before the end of the 2022 fiscal year, the NPL would have been 2.9% and the coverage ratio 103.7%.





Buenos Aires, February 27th, 2023

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 31th, 2022 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 1st, 2020 (Communications "A" 6430, "A" 6651, "A" 6778 and "A" 6847).

II. YEAR 2022 CONSOLIDATED RESULTS

Net income attributable to owners of the parent's company for the year was Ps. 6,054.8 million, compared to Ps. (8.183.7) million of last year.

Regarding profitability ratios, ROAA for 2022 was 1.1% compared to (1.5)% for 2021, while ROAE for the same periods were 13.1% and (17.3)%, respectively.

Comparative consolidated income statement (in millions of pesos)	12 month period ended		Variation (%)
	12/31/2022	12/31/2021	YoY
Interest income	89,494.4	88,633.8	1.0%
Adjustments income	2,721.6	1,775.1	53.3%
Interest expense	(104,872.5)	(88,470.7)	18.5%
Adjustments expense	(1,170.5)	(1,667.4)	(29.8)%
Net interest income	(13,827.1)	270.7	N/A
Fee and commission income	10,767.9	12,809.5	(15.9)%
Fee and commission expense	(740.2)	(751.5)	(1.5)%
Net fee and commission income	10,027.8	12,058.0	(16.8)%
Net Income from financial instruments at fair value through profit or loss	75,539.0	29,341.8	157.4%
Income from asset derecognition measured at amortized cost	8.9	3.5	158.2%
Gold and foreign currency exchange rate differences	197.0	(1,433.7)	(113.7)%
Other operating income	16,376.6	17,986.5	(9.0)%
Loan loss provision	(1,807.9)	(5,197.5)	(65.2)%
Net operating income	86,514.3	53,029.3	63.1%
Personnel expenses	(22,292.4)	(20,910.4)	6.6%
Administrative expenses	(10,281.7)	(10,679.8)	(3.7)%
Depreciation and impairment of non-financial assets	(1,769.3)	(2,105.5)	(16.0)%
Other operating expenses	(28,038.6)	(23,320.6)	20.2%
Operating income	24,132.4	(3,987.1)	N/A
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	N/A
Gain (loss) on net monetary position	(10,692.0)	(4,492.6)	138.0%
Income before income tax from continuing operations	13,440.4	(8,479.7)	(258.5)%
Income tax	(7,521.8)	186.1	N/A
Net income (loss) for the period attributable to non-controlling interests	(136.2)	(109.8)	23.9%
Net income (loss) for the period attributable to the parent's company	6,054.8	(8,183.7)	(174.0)%





Net interest income for the year was Ps. (13,827.1) million, compared to Ps. 270.7 million of last year. The sum of Net Interest Income, Net Income from financial instruments at fair value through profit or loss, Income from asset derecognition measured at amortized cost and Gold and foreign currency exchange rate differences for FY2022 was Ps. 61,917.8 million, compared to Ps. 28,182.3 million of last year, which represents an increase of 119.7%.

Interest and adjustments income (in millions of pesos)	12 month period ended		Variation (%)
	12/31/2022	12/31/2021	YoY
Interest on cash and due from bank	36.878,4	49.663,3	(25,7)%
Interest on loans to the financial sector	170,7	325,8	(47,6)%
Interest from public and corporate securities	21.306,2	9.814,4	117,1%
Interest on overdrafts facilities	875,3	246,6	254,9%
Interest on promissory notes	3.239,2	2.002,1	61,8%
Interest on pledge loans	22,1	20,0	10,4%
Interest on financial leases	409,8	69,9	N/A
Interest on other loans	3.873,9	3.778,6	2,5%
Interest from commercial loans	8.420,3	6.117,3	37,6%
Interest on consumer loans	4.111,2	3.908,5	5,2%
Interest on credit card loans	9.375,2	10.396,5	(9,8)%
Interest from consumer loans	13.486,3	14.305,1	(5,7)%
Interest on mortgage loans	1.754,1	1.961,5	(10,6)%
Interest on other receivables from financial operations	2,9	1,5	100,5%
Income from CER, CVS, UVA and UVI adjustments	10.112,9	8.170,3	23,8%
Interest from mortgage loans	11.869,9	10.133,3	17,1%
Others	84,0	49,7	69,2%
Total	92.216,0	90.408,8	2,0%

Interest and adjustments expense for the year was Ps. 106,043.0 million, compared to Ps. 90.138,1 million of last year, which represents an increase of 18%.

Interest and adjustments expense (in millions of pesos)	12 month period ended		Variation (%)
	12/31/2022	12/31/2021	YoY
Interest on current accounts deposits	(39.664,6)	(30.313,8)	31%
Interest on saving accounts deposits	(51,2)	(29,6)	73%
Interest on time deposits	(57.899,4)	(44.484,1)	30%
Interest from deposits	(97.615,2)	(74.827,6)	30%
Interest on other liabilities resulting from financial transactions	(4.076,2)	(7.520,8)	-46%
Expense for CER, CVS, UVA and UVI adjustments	(4.156,5)	(7.749,1)	-46%
Interest from corporate bonds	(8.232,8)	(15.269,8)	-46%
Interest on interfinancial loans received	(150,2)	(29,1)	N/A
Others	(44,9)	(11,7)	284%
Total	(106.043,0)	(90.138,1)	18%

Net fee and commission income for the year was Ps. 10.027.8 million, compared to Ps. 12,058.0 million of last year, which represents a decrease of 16.8%.





Net fee and commission income 12 month period ended Variation (%)
 (in millions of pesos) 12/31/2022 12/31/2021 YoY

Fee and commission income			
Fee charged on consumer clients	8.040,1	10.228,2	-21,4%
Linked to liabilities	2.366,0	2.204,7	7,3%
Others	361,9	376,6	-3,9%
Total	10.767,9	12.809,5	-15,9%
Fee and commission expense			
Credit related fees	(310,6)	(379,7)	-18,2%
Debt placement charges	(359,6)	(301,5)	19,3%
Others	(70,0)	(70,3)	-0,5%
Total	(740,2)	(751,5)	-1,5%
Net fee and commission income	10.027,8	12.058,0	-16,8%

Net income from financial instruments at fair value through profit and loss for the year was Ps. 75,539.0 million, compared to Ps. 29.341,8 million of 2021, which represents an increase of 157.4%.

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

(in millions of pesos) 12 month period ended Variation (%)
12/31/2022 12/31/2021 YoY

Income from government securities	72.628,4	27.439,2	164,7%
Income from other corporate securities	1.931,9	1.244,0	55,3%
Income from other securities	978,7	658,6	48,6%
Total	75.539,0	29.341,8	157,4%

Income from government securities for the year was Ps. 72,628.4 million, compared to Ps. 27,439.2 million of last year, which represents an increase of 164.7%.

Other operating income for the year was Ps. 16,376.6 million, compared to Ps. 17,986.5 million of 2021, which represents a decrease of 9.0%.

Other operating income 3 month period ended Variation (%)
 (in millions of pesos) 12/31/2022 12/31/2021 YoY

Loan servicing	12.292,4	12.514,1	(1,8)%
Borrowing transactions commissions	751,6	798,9	(5,9)%
Other income from services	2.033,4	2.348,0	(13,4)%
Penalty interest	181,3	298,0	(39,2)%
Loans recovered	644,0	1.142,7	(43,6)%
Others	473,9	884,7	(46,4)%
Total	16.376,6	17.986,5	(9,0)%

Provision for loan losses for the year was Ps. 1,807.9 million, compared to Ps. 5,197.5 million of last year, which represents a decrease of 65.2%.

Personnel expenses for the year were Ps. 22,292.4 million, compared to Ps. 20,910.4 million of last year, which represents an increase of 6,6%.





Personnel expenses (in millions of pesos)	12 month period ended		Variation (%)
	12/31/2022	12/31/2021	YoY
Salaries	(11.586,8)	(11.541,7)	0,4%
Vacation bonus	(1.235,9)	(1.175,5)	5,1%
Social security expenses	(2.783,8)	(2.872,4)	-3,1%
Severance and bonus expenses	(5.737,1)	(4.517,8)	27,0%
Other personnel expenses	(948,8)	(803,1)	18,2%
Total	(22.292,4)	(20.910,4)	6,6%

Administrative expenses for the year were Ps. 10,281.7 million, compared to Ps. 10,679.8 million of last year, which represents a decrease of 3.7%.

Administrative expenses (in millions of pesos)	12 month period ended		Variation (%)
	12/31/2022	12/31/2021	YoY
Directors' and statutory auditors' fees	(1.233,7)	(1.119,0)	10,3%
Fees and compensation for services	(4.291,1)	(4.619,9)	(7,1)%
Advertising, promotion and research expenses	(471,8)	(336,9)	40,1%
Taxes and duties	(1.151,5)	(1.212,0)	(5,0)%
Maintenance and repairs	(738,2)	(802,9)	(8,1)%
Electricity, gas and telephone services	(704,2)	(924,4)	(23,8)%
Others	(1.691,2)	(1.664,8)	1,6%
Total	(10.281,7)	(10.679,8)	(3,7)%

Other operating expenses for the year were Ps. 28,038.6 million, compared to Ps. 23,320.6 million of last year, which represents an increase of 20.2%.

Other operating expenses (in millions of pesos)	12 month period ended		Variation (%)
	12/31/2022	12/31/2021	YoY
Turnover tax and others	(7.816,1)	(8.054,9)	(3,0)%
Contribution to the deposit insurance fund	(4.393,7)	(6.263,2)	(29,8)%
Loan servicing	(592,7)	(1.239,7)	(52,2)%
Charges for other provisions	(678,0)	(629,4)	7,7%
Debit card, credit card & loan rebates	(2.009,7)	(645,7)	211,2%
Others	(12.548,5)	(6.487,8)	93,4%
Total	(28.038,6)	(23.320,6)	20,2%

Loans to the non-financial private sector and foreign residents totaled Ps. 78,156.3 million as of the end of 2022, compared to Ps. 115,445.0 million as of the end of 2021, which represents a decrease of 32.3%.





Loans to the non-financial private sector and foreign residents

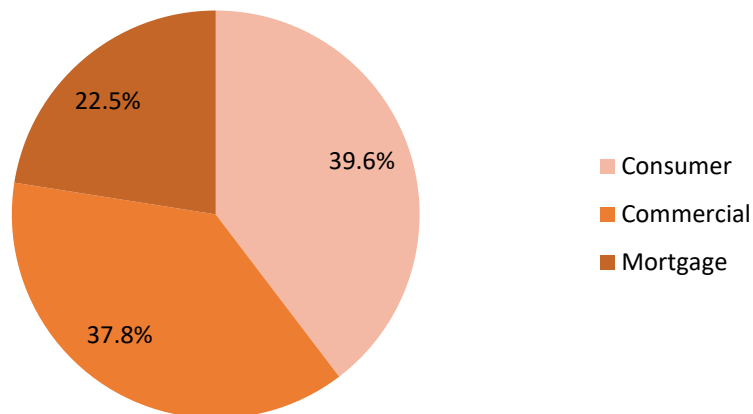
(in millions of pesos)

	12 month period ended			Variation (%)	
	12/31/2022	09/30/2022	12/31/2021	QoQ	YoY
Overdraft facilities	1.342,3	1.338,8	816,1	0%	64%
Promissory notes	11.123,8	8.541,0	11.086,4	30%	0%
Mortgage loans	16.802,8	17.031,4	20.462,1	-1%	-18%
Pledge loans	34,3	45,3	78,7	-24%	-56%
Consumer loans	6.356,6	6.951,9	8.732,2	-9%	-27%
Credit cards	24.630,7	28.689,2	41.177,3	-14%	-40%
Financial leases	1.440,4	783,8	160,3	84%	N/A
Loans to entity's personnel	790,4	834,8	932,3	-5%	-15%
Unallocated collections	(14,8)	(23,4)	(17,8)	-37%	-17%
Others	14.812,9	15.258,5	30.163,2	-3%	-51%
Accrued interest and quotation differences receivable	1.976,4	1.783,0	2.973,2	11%	-34%
Documented interest	(1.139,6)	(877,0)	(1.118,9)	30%	2%
Total	78.156,3	80.357,4	115.445,0	-2,7%	-32,3%

BH's non-financial private sector and foreign residents' loan portfolio composition as of December 31st, 2022 was 62.2% of retail financing and housing loans (39.6% consumer and 22.5% housing) and 37.8% of corporate loans, providing a highly diversified client base.

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

YEAR 2022



On a consolidated basis, NPL decreased from 13.4% in Q4 2021 to 4.8% in Q4 2022, while coverage ratio was 61,9% for the period. Meanwhile, NPL in the consumer portfolio decreased from 3.0% to 2.5% during the same period.





Non-performing loans

(in millions of pesos)

	As of		
	12/31/2022	09/30/2022	12/31/2021
Consolidated level			
Non-performing loans	3.965,7	3.807,9	16.135,3
Total portfolio	83.001,3	85.589,6	120.196,7
Allowances (total)	2.453,5	3.513,3	14.373,0
Non-performing loans / Total portfolio	4,8%	4,4%	13,4%
Allowances (total) / Non-performing loans	61,9%	92,3%	89,1%
Consumer portfolio			
Non-performing loans (consumer)	1.206,7	1.191,7	2.146,4
Consumer portfolio	48.622,9	53.528,1	71.126,9
Allowances (consumer)	1.682,3	2.328,4	2.723,2
Non-performing loans (consumer) / Consumer portfolio	2,5%	2,2%	3,0%
Allowances (consumer) / Non-performing loans (consumer)	139,4%	195,4%	126,9%
Commercial portfolio			
Non-performing loans (commercial)	2.759,0	2.616,2	13.988,9
Commercial portfolio	34.378,3	32.061,4	49.069,8
Allowances (commercial)	771,2	1.184,9	11.649,8
Non-performing loans (commercial) / Commercial portfolio	8,0%	8,2%	28,5%
Allowances (Commercial) / Non-performing loans (commercial)	28,0%	45,3%	83,3%

Deposits totaled Ps. 295,761.9 million, representing a 47.5% decrease YoY, while capital markets debt totaled Ps. 14,401.2 million, representing a 63.6% decrease YoY.

Funding

(in millions of pesos)

	NPL				YoY
	12/31/2022		31/12/2021		
	Ps.	%	Ps.	%	
Deposits	295,761.9	95.4%	563,520.4	93.4%	(47.5)%
Local capital markets debt	6,075.8	2.0%	25,849.5	4.3%	(76.5)%
International capital markets debt	8,325.4	2.7%	13,757.7	2.3%	(39.5)%
Unsubordinated Senior Notes	14,401.2	4.6%	39,607.2	6.6%	(63.6)%
Total	310,163.1	100.0%	603,127.6	100.0%	(48.6)%





Comparative consolidated balance sheet

(in millions of pesos)

	As of		Variation (%)
	12/31/2022	12/31/2021	YoY
Assets			
Cash and due from banks deposits	27.697,0	35.279,7	(21,5)%
Debt securities at fair value through profit or loss	128.184,6	53.696,7	138,7%
Derivatives	72,5	565,3	(87,2)%
Repo transactions	98.182,7	376.359,8	(73,9)%
Loans and other financing	10.490,6	8.996,4	16,6%
Non-Financial Public Sector	-	0,0	(100,0)%
Financial Sector	243,9	938,4	(74,0)%
Non-Financial Private Sector and Foreign Residents	78.156,3	115.445,0	(32,3)%
Allowances	(2.378,3)	(14.290,2)	(83,4)%
Loans, net of allowances	76.021,9	102.093,3	(25,5)%
Other debt securities	31.304,6	56.400,7	(44,5)%
Financial assets in guarantee	4.241,2	9.252,5	(54,2)%
Investment in subsidiaries, associates and joint ventures	-	-	N/A
Property, plant and equipment	12.793,5	13.979,1	(8,5)%
Others	13.690,6	26.452,5	(48,2)%
Total Assets	402.679,0	683.075,9	(41,0)%
Liabilities			
Deposits	295.761,9	563.520,4	(47,5)%
Liabilities at fair value through profit or loss	-	1.163,1	(100,0)%
Derivatives	0,2	33,8	(99,5)%
Repo transactions	-	55,5	(100,0)%
Other financial liabilities	24.470,7	19.477,3	25,6%
Financing received from Argentine Central Bank and other financi	295,1	558,9	(47,2)%
Unsubordinated Senior Notes	14.401,2	39.607,2	(63,6)%
Current income tax liabilities	805,8	827,7	(2,7)%
Subordinated Senior Notes	-	-	N/A
Provisions	1.104,3	747,4	47,7%
Deferred income tax liabilities	2.522,0	-	N/A
Other non financial liabilities	12.590,9	12.631,9	(0,3)%
Total Liabilities	351.952,0	638.623,1	(44,9)%
Shareholders' Equity attributable to non-controlling interest	1.393,9	1.174,4	18,7%
Shareholders' Equity attributable to parent's shareholders	49.333,1	43.278,3	14,0%
Total Shareholders' Equity	50.727,0	44.452,8	14,1%





Comparative consolidated income statement (in millions of pesos)	12 month period ended		Variation (%)
	12/31/2022	12/31/2021	YoY
Interest income	89.494,4	88.633,8	1,0%
Adjustments income	2.721,6	1.775,1	53,3%
Interest expense	(104.872,5)	(88.470,7)	18,5%
Adjustments expense	(1.170,5)	(1.667,4)	(29,8)%
Net interest income	(13.827,1)	270,7	N/A
Fee and commission income	10.767,9	12.809,5	(15,9)%
Fee and commission expense	(740,2)	(751,5)	(1,5)%
Net fee and commission income	10.027,8	12.058,0	(16,8)%
Net Income from financial instruments at fair value through profit or loss	75.539,0	29.341,8	157,4%
Income from asset derecognition measured at amortized cost	8,9	3,5	158,2%
Gold and foreign currency exchange rate differences	197,0	(1.433,7)	(113,7)%
Other operating income	16.376,6	17.986,5	(9,0)%
Loan loss provision	(1.807,9)	(5.197,5)	(65,2)%
Net operating income	86.514,3	53.029,3	63,1%
Personnel expenses	(22.292,4)	(20.910,4)	6,6%
Administrative expenses	(10.281,7)	(10.679,8)	(3,7)%
Depreciation and impairment of non-financial assets	(1.769,3)	(2.105,5)	(16,0)%
Other operating expenses	(28.038,6)	(23.320,6)	20,2%
Operating income	24.132,4	(3.987,1)	N/A
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	N/A
Gain (loss) on net monetary position	(10.692,0)	(4.492,6)	138,0%
Income before income tax from continuing operations	13.440,4	(8.479,7)	(258,5)%
Income tax	(7.521,8)	186,1	N/A
Net income (loss) for the period attributable to non-controlling interests	(136,2)	(109,8)	23,9%
Net income (loss) for the period attributable to the parent's company	6.054,8	(8.183,7)	(174,0)%





Statistic data and comparative ratios

For the period ended on

	12/31/2022	12/31/2021
Profitability		
ROAA (return on average assets)	1.1%	(1.5)%
ROAE (return on average equity)	13.1%	(17.3)%
Net financial margin*	11.4%	5.2%
Efficiency**	45.6%	74.6%
Capital		
Shareholders' Equity / Total Assets	12.3%	6.3%
CET I Ratio	22.6%	15.8%
Tier 1 Ratio	22.6%	15.9%
Total Capital Ratio	23.1%	16.4%
Liquidity		
Liquid Assets / Deposits	96.5%	78.0%
LCR	126.0%	143.0%
NSFR	186.1%	226.3%
Loans / Deposits	25.7%	18.1%

* (Annualized net interest income + annualized Net Income from financial instruments at Fair Value through profit and loss + annualized 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 2022 CONSOLIDATED RESULTS

The attributable net income for the quarter was Ps. 1,402.7 million, compared to Ps. 735.9 million of last quarter and Ps. 1,058.4 million of the same quarter last year. This represents an increase of 32.5% YoY and 90.6% QoQ.

Regarding profitability ratios, the ROAA for Q4 2022 was 1.0%, compared to 0.8% for Q4 2021, while ROAE for the same periods were 13.1% and 8.9%, respectively.

Income statement (in millions of pesos)	3 month period ended			Variation (%)	
	12/31/2022	09/30/2022	12/31/2021	QoQ	YoY
Interest and adjustments income	31.319,9	19.234,3	32.741,2	62,8%	(4,3)%
Interest and adjustments expense	(35.235,5)	(26.625,0)	(27.507,3)	32,3%	28,1%
Net interest income	(3.915,5)	(7.390,8)	5.233,9	(47,0)%	(174,8)%
Fee and commission income	2.503,1	2.521,5	3.097,0	(0,7)%	(19,2)%
Fee and commission expense	(194,5)	(200,7)	(192,7)	(3,1)%	1%
Net fee and commission income	2.308,6	2.320,7	2.904,3	(0,5)%	(20,5)%
Net income from financial instruments at fair value through profit or loss	18.171,6	22.979,3	5.841,9	(20,9)%	211,1%
Income from asset derecognition measured at amortized cost	(0,0)	8,9	135,6	(100,0)%	(100,0)%
Gold and foreign currency exchange rate differences	810,3	121,6	(373,2)	N/A	N/A
Other operating income	3.646,5	3.656,3	3.897,7	(0,3)%	(6,4)%
Loan loss provision	617,6	(678,3)	271,2	(191,0)%	127,7%
Net operating income	21.639,0	21.017,7	17.911,4	3,0%	20,8%
Personnel expenses	(5.375,9)	(5.105,4)	(5.791,8)	5,3%	(7,2)%
Administrative expenses	(3.052,7)	(2.197,1)	(2.820,6)	38,9%	8,2%
Depreciation and impairment of non-financial assets	(428,9)	(451,0)	(405,0)	(4,9)%	5,9%
Other operating expenses	(6.419,1)	(6.781,6)	(6.656,5)	(5,3)%	(3,6)%
Operating income (loss)	6.362,4	6.482,5	2.237,5	(1,9)%	184,3%
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	(3.869,9)	(3.890,1)	253,8	(0,5)%	N/A
Income tax	(1.142,7)	(1.863,8)	(1.422,5)	(38,7)%	(19,7)%
Net income of the period attributable to non-controlling interests	(52,9)	(7,3)	10,5	N/A	N/A
Net Income attributable to the parent's company	1.402,7	735,9	1.058,4	90,6%	32,5%





IV. NEXT QUARTER AND 2023 PERSPECTIVES

The next quarter and 2023 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.

Eduardo S. Elsztain
Chairman

Assets and liabilities denominated in foreign currency as of December 31st, 2022 were converted to Pesos at the exchange rate of Ps. 177,1283/USD1.00 and Ps. 189.6852/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 / 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) and the Bolsa de Comercio de Buenos Aires (www.bolsar.com). In addition, the Central Bank (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.

