

BANCO HIPOTECARIO S.A.

EARNINGS RELEASE – FIRST QUARTER 2024





Banco Hipotecario cordially invites you to participate in its
First Quarter 2024 conference call

Thursday, May 30th, 2024, 09:00 AM EST

If you would like to participate, the hyperlink is:

<https://us06web.zoom.us/j/82877500530?pwd=JbOZSZnxgJiywLhZ6LRGQoaCwoUtlQ.ITsFCbu7uUJqlj-t>

Web Seminar ID: 828 7750 0530

Access code: 131882

Or you can dial in:

U.S.A: +1 646 558 8656 or +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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FIRST QUARTER 2024 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 March 31st, 2024. 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 quarter was Ps. 14,512.9 million, compared to Ps. 54,502.7 million of last quarter and Ps. 14,179.4 million of same quarter last year.
- The ROAE for Q1 2024 was 17.8% compared to 74.8% for Q4 2023 and 23.6% for the same quarter last year, while ROAA for the same periods were 2.6%, 9.4% and 3.2%, respectively.
- The net operating income for the quarter was Ps. 193,358.2 million, 15.6% less than the Ps. 229,030.8 million of previous quarter and 79.1% higher than the Ps. 107,968.9 million of same quarter of last year.
- Operating income for the quarter was Ps. 117,492.6 million, compared to Ps. 142,459.9 million of previous quarter and Ps. 51,106.3 million of same quarter of last year.
- As of March 31, 2024, Liquidity Coverage Ratio (LCR) was 108.0% Net Stable Funding Ratio (NSFR) was 275.2% and the liquid assets to deposits ratio was 12.5%.
- Loans to the non-financial private sector and foreign residents decreased 3.3% QoQ and 26.9% YoY.
- Deposits decreased 5.1% QoQ and 43.3% YoY, while capital markets debt decreased 10.2% QoQ and 13.2% YoY.
- On a consolidated basis, NPL decreased from 3.1% in Q4 2023 to 2.8% in Q1 2024. The coverage ratio decreased from 119.0% to 113.6% during the same period.
- Total capital ratio as a percentage of RWA as of March 31, 2024 was 36.1% compared to 38.5% of previous quarter and 25.1% of same quarter of last year.
- The general level of the consumer price index accumulated an increase of 51.6% in the first quarter of 2024, while it was 53.3% and 21.7% for the previous quarter and for the same quarter of last year, respectively.
- In April Banco Hipotecario launched a new line of mortgage loans denominated in UVAs
- On February 19th the Bank issued the senior unsecured notes Series VII for Ps. 10,401,000,000.





- In the months of May, June, and July, the Bank will pay dividends based on the results of the 2023 fiscal year. The payment will be made in 3 installments and will amount to Ps. 26,500,000,000 in currency as of December 31, 2023, adjusted to the corresponding payment date.

Buenos Aires, May 29th, 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 March 31st, 2024 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. FIRST QUARTER 2024 CONSOLIDATED RESULTS

Net income attributable to owners of the parent company for the quarter was Ps. 14,512.9, compared to Ps. 54,502.7 million of last quarter and Ps. 14,179.4 million of same quarter last year.

Regarding profitability ratios, the ROAA for Q1 2024 was 2.6% compared to 9.4% for Q4 2023 and 3.2% for Q1 2023, while ROAE for the same periods were 17.8%, 74.8% and 23.6%, respectively.

Income statement (in millions of pesos)	3 month period ended			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Interest and adjustments income	409.356,5	356.063,4	137.179,5	15,0%	198,4%
Interest and adjustments expense	(316.255,5)	(318.905,9)	(163.705,7)	(0,8)%	93,2%
Net interest income	93.101,0	37.157,5	(26.526,2)	150,6%	N/A
Fee and commission income	7.712,3	10.336,6	11.452,8	(25,4)%	(32,7)%
Fee and commission expense	(645,2)	(780,0)	(655,3)	(17,3)%	(1,5)%
Net fee and commission income	7.067,1	9.556,6	10.797,6	(26,1)%	(34,5)%
Net income from financial instruments at fair value through profit or loss	85.166,2	174.420,2	93.894,5	(51,2)%	(9,3)%
Income from asset derecognition measured at amortized cost	-	-	-	N/A	N/A
Gold and foreign currency exchange rate differences	(3.722,6)	(13.102,5)	(1.443,2)	(71,6)%	157,9%
Other operating income	13.502,5	22.958,4	33.886,7	(41,2)%	(60,2)%
Loan loss provision	(1.756,0)	(2.119,8)	(2.640,5)	(17,2)%	(33,5)%
Net operating income	193.358,2	229.030,8	107.968,9	(15,6)%	79,1%
Personnel expenses	(25.860,1)	(33.642,9)	(23.485,6)	(23,1)%	10,1%
Administrative expenses	(9.178,6)	(16.619,3)	(10.771,8)	(44,8)%	(14,8)%
Depreciation and impairment of non-financial assets	(5.594,2)	(1.848,6)	(1.716,7)	202,6%	225,9%
Other operating expenses	(35.232,6)	(34.460,2)	(20.888,5)	2,2%	68,7%
Operating income (loss)	117.492,6	142.459,9	51.106,3	(17,5)%	129,9%
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	(84.624,7)	(87.162,0)	(28.114,7)	(2,9)%	201,0%
Income tax	(18.288,4)	(81,1)	(9.028,2)	N/A	102,6%
Net income of the period attributable to non-controlling interests	66,7	714,1	(216,0)	(90,7)%	(130,9)%
Net Income attributable to the parent's company	14.512,9	54.502,7	14.179,4	(73,4)%	2,4%





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 measured at amortized cost and Gold and foreign currency exchange rate differences for FY2024 was Ps. 174.544,6 million, compared to Ps. 198.635,6 million of last year, which represents a decrease of 11.8% QoQ and an increase of 165.7% YoY.

Financial Margin	For the period ended on			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Net interest income	93,101.0	37,157.5	(26,526.2)	150.6%	(451.0)%
Net Income from financial instruments at fair value through profit or loss	85,752.6	174,420.2	93,894.5	(50.8)%	(8.7)%
Gold and foreign currency exchange rate differences	(3,722.6)	(13,102.5)	(1,443.2)	(71.6)%	157.9%
Income from asset derecognition measured at amortized cost	(586.4)	160.5	-	(465.3)%	N/A
Financial Margin	175,131.1	198,475.1	65,925.1	(11.8)%	165.7%

Interest income for the quarter was Ps. 409,357.3 representing a 15.0% increase and a 198.4% increase QoQ and YoY respectively.

Interest and adjustments income (in millions of pesos)	3 month period ended			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Interest on cash and due from bank	344,093.6	292,368.3	89,091.9	17.7%	286.2%
Interest on loans to the financial sector	54.8	95.5	63.3	(42.6)%	(13.5)%
Interest from public and corporate securities	12,630.4	15,579.5	7,326.2	(18.9)%	72.4%
Interest on overdrafts facilities	2,125.4	1,212.0	2,229.0	75.4%	(4.7)%
Interest on promissory notes	3,752.6	4,604.1	3,945.1	(18.5)%	(4.9)%
Interest on pledge loans	1.5	3.0	11.6	(50.7)%	(87.1)%
Interest on financial leases	262.4	489.6	805.6	(46.4)%	(67.4)%
Interest on other loans	4,084.4	4,705.0	4,625.8	(13.2)%	(11.7)%
Interest from commercial loans	10,226.3	11,013.7	11,617.2	(7.1)%	(12.0)%
Interest on consumer loans	2,056.0	3,302.8	4,859.9	(37.7)%	(57.7)%
Interest on credit card loans	8,546.4	11,942.0	10,433.4	(28.4)%	(18.1)%
Interest from consumer loans	10,602.4	15,244.9	15,293.3	(30.5)%	(30.7)%
Interest on mortgage loans	1,089.3	1,289.2	1,576.8	(15.5)%	(30.9)%
Interest on other receivables from financial operations	(2.1)	25.4	16.6	(108.2)%	(112.6)%
Income from CER, CVS, UVA and UVI adjustments	30,661.9	20,451.2	12,169.8	49.9%	152.0%
Interest from mortgage loans	31,749.1	21,765.8	13,763.2	45.9%	130.7%
Others	0.8	(4.3)	24.4	(118.1)%	(96.8)%
Total	409,357.3	356,063.4	137,179.5	15.0%	198.4%

Interest and adjustments expense for the quarter was Ps. 316,255.5 million compared to Ps. 318,905.9 million of Q4 2023 and Ps. 163,705.7 million of Q1 2023, representing a 0.8% decrease QoQ and a 93.2% increase YoY.

Interest and adjustments expense (in millions of pesos)	3 month period ended			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Interest on current accounts deposits	(215,501.3)	(219,914.1)	(95,869.4)	(2.0)%	124.8%
Interest on saving accounts deposits	(51.6)	(77.1)	(56.0)	(33.0)%	(7.8)%
Interest on time deposits	(92,573.7)	(95,828.1)	(61,101.9)	(3.4)%	51.5%
Interest from deposits	(308,126.6)	(315,819.2)	(157,027.3)	(2.4)%	96.2%
Interest on other liabilities resulting from financial transactic	(2,221.4)	(955.9)	(3,534.7)	132.4%	(37.2)%
Expense for CER, CVS, UVA and UVI adjustments	(5,798.3)	(1,656.4)	(3,111.7)	250.0%	86.3%
Interest from corporate bonds	(8,019.6)	(2,612.3)	(6,646.4)	207.0%	20.7%
Interest on interfinancial loans received	(34.4)	(31.2)	(7.8)	10.2%	N/A
Others	(74.9)	(443.1)	(24.3)	(83.1)%	208.5%
Total	(316,255.5)	(318,905.9)	(163,705.7)	(0.8)%	93.2%





Net fee and commission income for the quarter was Ps. 7,061.1 million; compared to Ps. 9,556.5 million of Q4 2023 and Ps. 10,797.6 million of Q1 2023; representing a 26.1% and 34.5% decrease QoQ and YoY respectively.

Net fee and commission income (in millions of pesos)	3 month period ended			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Fee and commission income					
Fee charged on consumer clients	4,670.0	6,489.9	8,045.2	(28.0)%	(42.0)%
Linked to liabilities	2,701.8	3,626.6	2,941.4	(25.5)%	(8.1)%
Others	340.5	220.0	466.2	54.8%	(27.0)%
Total	7,712.3	10,336.6	11,452.8	(25.4)%	(32.7)%
Fee and commission expense					
Credit related fees	(340.9)	(370.3)	(324.0)	(7.9)%	5.2%
Debt placement charges	(228.2)	(337.5)	(299.9)	(32.4)%	(23.9)%
Others	(76.1)	(72.2)	(31.4)	5.4%	142.8%
Total	(645.2)	(780.0)	(655.3)	(17.3)%	(1.5)%
Net fee and commission income	7,067.1	9,556.6	10,797.6	(26.1)%	(34.5)%

Net income from financial instruments at fair value through profit and loss for the quarter was Ps. 85,752.6 million, compared to Ps. 174,420.2 million of Q4 2023 and Ps. 93,894.5 million of Q1 2023, which represents a decrease of 50.8% QoQ and of 8.7% YoY.

Net income from financial instruments at fair value through profit or loss (in millions of pesos)	3 month period ended			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Income from government securities	78,919.5	150,348.9	88,053.5	(47.5)%	(10.4)%
Income from other corporate securities	3,807.3	10,741.5	3,075.7	(64.6)%	23.8%
Income from other securities	3,025.8	13,329.7	2,765.3	(77.3)%	9.4%
Total	85,752.6	174,420.2	93,894.5	(50.8)%	(8.7)%

Other operating income for the quarter was Ps. 13,502.5 million, compared to Ps. 22,958.4 million of Q4 2023 and Ps. 33,866.7 million of Q1 2023, which represents a decrease of 41.2% QoQ and of 60.2% YoY.

Other operating income (in millions of pesos)	3 month period ended			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Loan servicing	1,696.8	1,719.3	1,808.2	(1.3)%	(6.2)%
Borrowing transactions commissions	524.6	702.8	795.5	(25.4)%	(34.1)%
Income from Procrear services	1,258.3	5,679.3	2,309.9	(77.8)%	(45.5)%
Other income from services	188.5	5,198.5	329.2	(96.4)%	(42.7)%
Penalty interest	148.7	201.2	178.9	(26.1)%	(16.8)%
Loans recovered	175.8	432.6	522.1	(59.4)%	(66.3)%
Net Income from non current assets held for sell measured at fair value	-	5,738.1	14,545.2	(100.0)%	(100.0)%
Premium and income from insurance activity	7,559.3	9,449.3	12,197.2	(20.0)%	(38.0)%
Others	1,950.5	(6,162.8)	1,200.6	(131.6)%	62.5%
Total	13,502.5	22,958.4	33,866.7	(41.2)%	(60.2)%

Provision for loan losses for the quarter was Ps. (1,756.0) million, compared to Ps. (7,787.9) million of Q4 2023 and to Ps. (2,640.5) million of Q1 2023, which represents a decrease of 77.5% QoQ and of 33.5% YoY.





Personnel expenses for the quarter were Ps. 25,860.1 million, compared to Ps. 33,642.9 million of Q4 2023 and to Ps. 23,485.6 of Q1 2023, which represents a decrease of 23.1% QoQ and increase of 4.4% YoY.

Personnel expenses (in millions of pesos)	3 month period ended			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Salaries	(12,442.6)	(16,211.2)	(12,842.5)	(23.2)%	(3.1)%
Vacation bonus	(2,309.6)	(1,977.7)	(1,621.9)	16.8%	42.4%
Social security expenses	(3,195.6)	(907.2)	(3,159.2)	252.2%	1.2%
Severance and bonus expenses	(6,789.7)	(13,166.8)	(4,929.2)	(48.4)%	37.7%
Other personnel expenses	(1,122.6)	(1,379.9)	(932.7)	(18.6)%	20.4%
Total	(25,860.1)	(33,642.9)	(23,485.6)	(23.1)%	10.1%

Administrative expenses for the quarter were Ps. 9,178.6 million, compared to Ps. 16,619.3 million of Q4 2023 and to Ps. 10,771.8 million of Q1 2023, which represents a decrease of 44.8% QoQ and of 14.8% YoY.

Administrative expenses (in millions of pesos)	3 month period ended			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Directors' and statutory auditors' fees	(1,310.4)	(5,578.4)	(1,452.6)	(76.5)%	(9.8)%
Fees and compensation for services	(3,040.1)	(4,612.3)	(4,260.7)	(34.1)%	(28.6)%
Advertising, promotion and research expenses	(483.4)	(1,156.1)	(381.2)	(58.2)%	26.8%
Taxes and duties	(1,213.8)	(1,525.2)	(1,414.8)	(20.4)%	(14.2)%
Maintenance and repairs	(760.7)	(786.6)	(875.9)	(3.3)%	(13.1)%
Electricity, gas and telephone services	(662.9)	(810.8)	(809.1)	(18.2)%	(18.1)%
Others	(1,707.3)	(2,150.0)	(1,577.5)	(20.6)%	8.2%
Total	(9,178.6)	(16,619.3)	(10,771.8)	(44.8)%	(14.8)%

Other operating expenses for the quarter were Ps. 35,232.6 million, compared to Ps. 34,460.2 million of Q4 2023 and to Ps. 20,888.5 million of Q1 2023, which represents an increase of 2.2% QoQ and of 68.7% YoY.

Other operating expenses (in millions of pesos)	3 month period ended			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Turnover tax and others	(23,500.5)	(20,646.9)	(10,770.9)	13.8%	118.2%
Contribution to the deposit insurance fund	(491.8)	(591.2)	(623.7)	(16.8)%	(21.1)%
Loan servicing	(5,229.4)	(4,725.7)	(4,886.8)	10.7%	7.0%
Charges for other provisions	(2,638.7)	(6,509.7)	(1,338.9)	(59.5)%	97.1%
Debit card, credit card & loan rebates	(453.5)	(482.6)	(529.3)	(6.0)%	(14.3)%
Others	(2,918.6)	(1,504.1)	(2,738.8)	94.0%	6.6%
Total	(35,232.6)	(34,460.2)	(20,888.5)	2.2%	68.7%





Non-financial private sector loan portfolio totaled Ps. 203,655.3 million in the quarter, compared to Ps. 219,078.5 million of Q4 2023 and to Ps. 327,950.5 million of Q1 2023, which represents a decrease of 7.0% QoQ and of 37.9% YoY.

Loans to the non-financial private sector and foreign residents

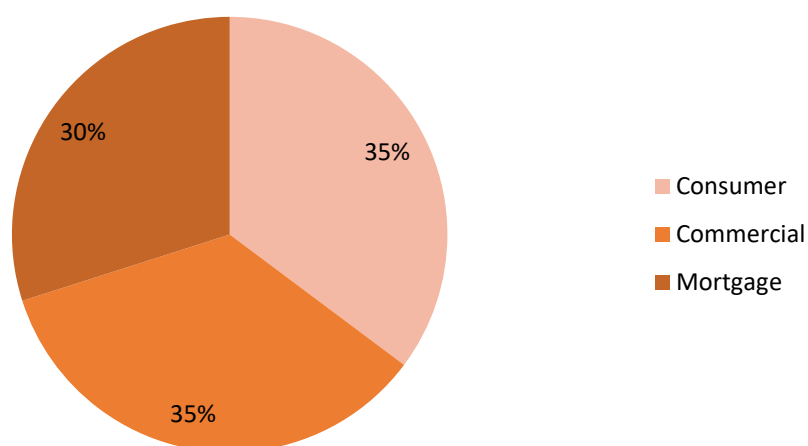
(in millions of pesos)

	3 month period ended			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Overdraft facilities	9,951.4	4,528.4	16,671.6	119.8%	(40.3)%
Promissory notes	15,576.1	18,072.1	33,067.0	(13.8)%	(52.9)%
Mortgage loans	58,566.9	55,350.2	74,672.1	5.8%	(21.6)%
Pledge loans	12.4	23.3	115.3	(47.0)%	(89.3)%
Consumer loans	8,000.8	11,799.8	29,134.1	(32.2)%	(72.5)%
Credit cards	63,723.6	75,582.7	109,590.3	(15.7)%	(41.9)%
Financial leases	1,380.9	2,220.1	6,005.3	(37.8)%	(77.0)%
Loans to entity's personnel	2,370.1	2,305.0	3,495.9	2.8%	(32.2)%
Unallocated collections	(21.5)	(14.3)	(45.1)	50.7%	(52.3)%
Others	42,073.2	48,385.2	52,915.8	(13.0)%	(20.5)%
Accrued interest and quotation differences receivable	4,078.1	4,661.3	6,079.3	(12.5)%	(32.9)%
Documented interest	(2,056.5)	(3,835.3)	(3,751.0)	(46.4)%	(45.2)%
Total	203,655.3	219,078.5	327,950.5	(7.0)%	(37.9)%

BH' s non-financial private sector loan portfolio composition as of March 31th, 2024 was 65.1% of retail financing and housing loans (35.2% consumer and 29.9% housing) and 34.9% of commercial loans, providing a highly diversified client base.

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

Q1 2024





Non-performing loans at a consolidated level were from 2.7% in Q1 2023 to 2.8% in Q1 2024, while the coverage ratio went from 119.0% in Q1 2023 to 113.6 % in Q1 2024.

Additionally, non-performing loans in the commercial portfolio decreased from 3.1% to 2.6% from Q1 2023 to Q1 2024.

Non-performing loans

(in millions of pesos)

	As of		
	3/31/2024	12/31/2023	3/31/2023
Consolidated level			
Non-performing loans	6,374.8	7,804.9	9,507.8
Total portfolio	230,861.3	250,031.1	348,865.1
Allowances (total)	7,241.2	8,524.2	11,314.3
Non-performing loans / Total portfolio	2.8%	3.1%	2.7%
Allowances (total) / Non-performing loans	113.6%	109.2%	119.0%
Consumer portfolio			
Non-performing loans (consumer)	3,814.0	4,140.9	5,395.1
Consumer portfolio	132,344.0	144,992.5	216,755.0
Allowances (consumer)	5,298.7	6,321.5	8,586.6
Non-performing loans (consumer) / Consumer portfolio	2.9%	2.9%	2.5%
Allowances (consumer) / Non-performing loans (consumer)	138.9%	152.7%	159.2%
Commercial portfolio			
Non-performing loans (commercial)	2,560.8	3,664.0	4,112.7
Commercial portfolio	98,517.3	105,038.5	132,110.0
Allowances (commercial)	1,942.5	2,202.7	2,727.7
Non-performing loans (commercial) / Commercial portfolio	2.6%	3.5%	3.1%
Allowances (Commercial) / Non-performing loans (commercial)	75.9%	60.1%	66.3%

Deposits totaled Ps. 1,626,263.5 million, representing a decrease of 5.1% QoQ and increase of 43.3% YoY, while capital markets debt totaled Ps. 52,185.3 million, decreasing 10.2% QoQ and 13.2% YoY.

Funding

(in millions of pesos)

	As of						Variation (%)	
	3/31/2024		12/31/2023		03/31/2021		QoQ	YoY
	Ps.	%	Ps.	%	Ps.	%		
Deposits	1,626,263.5	96.9%	1,713,454.2	96.7%	1,134,668.6	95.0%	(5.1)%	43.3%
Local capital markets debt	24,399.5	1.5%	19,691.5	1.1%	21,987.8	1.8%	23.9%	11.0%
International capital markets debt	27,785.8	1.7%	38,410.9	2.2%	38,099.5	3.2%	(27.7)%	(27.1)%
Unsubordinated Senior Notes	52,185.3	3.1%	58,102.4	3.3%	60,087.4	5.0%	(10.2)%	(13.2)%
Total	1,678,448.8	100.0%	1,771,556.6	100.0%	1,194,756.0	100.0%	(5.3)%	40.5%





Comparative consolidated balance sheet

(in millions of pesos)

	As of			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Assets					
Cash and due from banks deposits	109,217.8	149,792.7	133,484.1	(27.1)%	(18.2)%
Debt securities at fair value through profit or loss	342,703.3	218,159.6	485,539.1	57.1%	(29.4)%
Derivatives	2,342.1	610.7	338.5	283.5%	N/A
Repo transactions	1,198,609.2	1,440,610.4	354,540.4	(16.8)%	238.1%
Loans and other financing	55,232.1	54,223.6	71,333.7	1.9%	(22.6)%
Non-Financial Public Sector	-	0.193	0.042	N/A	N/A
Financial Sector	6,240.554	5,696.638	846.521	9.5%	N/A
Non-Financial Private Sector and Foreign Residents	203,655.3	219,078.5	327,950.5	(7.0)%	(37.9)%
Allowances	(6,827.9)	(8,136.7)	(11,003.3)	(16.1)%	(37.9)%
Loans, net of allowances	203,069.3	216,638.6	317,793.8	(6.3)%	(36.1)%
Other debt securities	117,050.4	53,087.2	93,617.3	120.5%	25.0%
Financial assets in guarantee	49,808.0	28,065.2	60,840.5	77.5%	(18.1)%
Investment in subsidiaries, associates and joint ventures	48,526.6	48,526.6	-	0.0%	N/A
Property, plant and equipment	56,530.8	60,689.0	59,775.2	(6.9)%	(5.4)%
Others	28,075.7	27,684.5	81,106.2	1.4%	(65.4)%
Total Assets	2,211,165.3	2,298,088.1	1,658,368.8	(3.8)%	33.3%
	-	-			
Liabilities					
Deposits	1,626,263.5	1,713,454.2	1,134,668.6	(5.1)%	43.3%
Liabilities at fair value through profit or loss	27,280.8	41,893.2	12,480.0	(34.9)%	118.6%
Derivatives	155.9	-	70.0	N/A	122.8%
Repo transactions	-	-	-	N/A	N/A
Other financial liabilities	67,579.6	75,017.2	114,395.3	(9.9)%	(40.9)%
Financing received from Argentine Central Bank and other financial institutions	3,176.5	4,173.7	819.3	(23.9)%	287.7%
Unsubordinated Senior Notes	52,185.3	58,102.4	60,087.4	(10.2)%	(13.2)%
Current income tax liabilities	19,676.5	4,940.6	5,555.1	298.3%	254.2%
Subordinated Senior Notes	-	-	-	N/A	N/A
Provisions	3,510.6	4,663.7	3,841.9	(24.7)%	(8.6)%
Deferred income tax liabilities	20,662.8	17,558.6	20,066.9	17.7%	3.0%
Other non financial liabilities	48,341.5	50,893.2	52,782.2	(5.0)%	(8.4)%
Total Liabilities	1,868,832.9	1,970,696.7	1,404,766.6	(5.2)%	33.0%
Shareholders' Equity attributable to non-controlling interest	9,121.9	8,693.8	6,490.5	4.9%	40.5%
Shareholders' Equity attributable to parent's shareholders	333,210.5	318,697.6	247,111.8	4.6%	34.8%
Total Shareholders' Equity	342,332.4	327,391.4	253,602.2	4.6%	35.0%





Comparative consolidated income statement

(in millions of pesos)

	As of			Variation (%)	
	3/31/2024	12/31/2023	3/31/2023	QoQ	YoY
Interest income	378,694.6	929,743.2	125,009.7	(59.3)%	202.9%
Adjustments income	30,661.9	20,451.2	12,169.8	49.9%	152.0%
Interest expense	(310,457.3)	(1,022,610.2)	(160,594.0)	(69.6)%	93.3%
Adjustments expense	(5,798.3)	(1,656.4)	(3,111.7)	250.0%	86.3%
Net interest income	93,101.0	(74,072.3)	(26,526.2)	(225.7)%	N/A
Fee and commission income	7,712.3	44,788.3	11,452.8	(82.8)%	(32.7)%
Fee and commission expense	(645.2)	(2,945.0)	(655.3)	(78.1)%	(1.5)%
Net fee and commission income	7,067.1	41,843.3	10,797.6	(83.1)%	(34.5)%
Net Income from financial instruments at fair value through profit or loss	85,752.6	572,190.5	93,894.5	(85.0)%	(8.7)%
Income from asset derecognition measured at amortized cost	(586.4)	(12,154.2)	-	(95.2)%	N/A
Gold and foreign currency exchange rate differences	(3,722.6)	(29,606.3)	(1,443.2)	(87.4)%	157.9%
Other operating income	13,502.5	80,718.2	33,886.7	(83.3)%	(60.2)%
Loan loss provision	(1,756.0)	(7,787.9)	(2,640.5)	(77.5)%	(33.5)%
Net operating income	193,358.2	571,131.2	107,968.9	(66.1)%	79.1%
Personnel expenses	(25,860.1)	(112,285.7)	(23,485.6)	(77.0)%	10.1%
Administrative expenses	(9,178.6)	(50,179.3)	(10,771.8)	(81.7)%	(14.8)%
Depreciation and impairment of non-financial assets	(5,594.2)	(7,142.9)	(1,716.7)	(21.7)%	225.9%
Other operating expenses	(35,232.6)	(105,860.9)	(20,888.5)	(66.7)%	68.7%
Operating income	117,492.6	295,662.4	51,106.3	(60.3)%	129.9%
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	(84,624.7)	(194,128.5)	(28,114.7)	(56.4)%	201.0%
Income before income tax from continuing operations	32,867.9	101,533.9	22,991.6	(67.6)%	43.0%
Income tax	(18,288.4)	(14,122.9)	(9,028.2)	29.5%	102.6%
Net income (loss) for the period attributable to non-controlling interests	66.7	1,645.8	(216.0)	(1.0)	(130.9)%
Net income (loss) for the period attributable to the parent's company	14,512.9	85,765.2	14,179.4	(83.1)%	2.4%





Statistic data and comparative ratios

For the period ended on
3/31/2024 12/31/2023 3/31/2023

Profitability			
ROAA (return on average assets)	2,6%	4,1%	4,1%
ROAE (return on average equity)	17,8%	31,1%	31,1%
Net financial margin*	31,0%	22,3%	22,3%
Efficiency**	25,6%	37,0%	37,0%
Capital			
Shareholders' Equity / Total Assets	15,1%	13,9%	13,9%
CET I Ratio	36,0%	38,4%	38,4%
Tier 1 Ratio	36,1%	38,4%	38,4%
Total Capital Ratio	36,1%	38,5%	38,5%
Liquidity			
Liquid Assets / Deposits	108,7%	108,6%	108,6%
LCR	108,0%	141,0%	141,0%
NSFR	267,2%	222,0%	222,0%
Loans / Deposits	12,5%	12,6%	12,6%

III. VISION AND STRATEGIC FOCUSES





The bank's vision is to be the provider of financial services for Argentine households, families and companies: efficient and digital, recognized for its excellence in customer service, promoting a culture focused on people, decision-making based on data and characterized in a positive social footprint.

This new perspective includes three objectives that involve the entire Organization including the development and implementation of different initiatives that promote compliance. In turn, they are measured through the analysis of key results in their respective indicators.

The first objective, or strategic focus, is about the customer experience, omnichannel and recognized for its excellence. The second objective focuses on people's development within an agile and flexible culture, supported by decisions based on data and promoting a positive social impact. And the last strategic focus is about efficiency and profitability, sustainable and supported by a balanced and competitively funded business.

The key results that measure these strategic focuses are: Global NPS, digital channel satisfaction index, job satisfaction index, positive social footprint index, ROE, efficiency, NPL, Demand deposits/liabilities and net profit.

IV. NEXT QUARTER AND 2024 PERSPECTIVES

Regarding the Bank's outlook for the next quarter and 2024, it is based on:

- ✓ Sustain a superior standard of operational excellence.
- ✓ Maintaining a solid position of liquidity and solvency.
- ✓ Further advancing the implementation of our digital strategy to amplify distribution capabilities and maximize client base profitability.
- ✓ Continuously scaling our agility: In the final quarter of 2022 and the initial quarter of 2023, we successfully launched the Housing Tribe, Wholesale Product Tribe, Retail Product Tribe, Digital Channels Tribe, and Benefits and Home Tribe.
- ✓ Preserving a balanced asset and liability structure through meticulous management of different tenors and currency exposures.
- ✓ Expanding sustainable housing solutions, thereby intensifying our positioning strategy as the leading Home Bank
- ✓ Enhancing efficiency and actively managing expenses to drive optimal performance.

Assets and liabilities denominated in foreign currency as of March 31th, 2024 were converted to Pesos at the exchange rate of Ps. (\$857,4167/US\$1,00) and Ps. (\$928,2702/Euro1,00), 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

Eduardo S. Elsztein
Chairman

