

BANCO HIPOTECARIO S.A.

EARNINGS RELEASE – SECOND QUARTER

2022





Banco Hipotecario cordially invites you to participate in its
Second Quarter 2022 conference call

Monday, August 29th, 2022, 09:00 AM EST

If you would like to participate, the hyperlink is:

<https://us06web.zoom.us/j/83689682591?pwd=NXZiRFZGVTVQSmdUL204OFhmZS8rQT09>

Access code: 499048

Or you can dial in:

U.S.A: +1 646 558 8656

Argentina: +54 112 040 0447

Seminar ID: 836 8968 2591

Preferably 10 minutes before the call is due to begin.

The conference will be held in English.



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SECOND QUARTER 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 June 30th, 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 quarter was Ps. 1,366.6, compared to Ps. 1,370.6 million of last quarter and Ps. (1,822.6) million of same quarter last year.
- The ROAE for Q2 2022 was 17.3% compared to 17.7% for Q1 2022 and (28.5)% for Q2 2022, while ROAA for the same periods were 1.4%, 1.4% and (3.2)%, respectively.
- The net operating income for the quarter was Ps. 16.116 million, 11% higher than the Ps. 14,538.7 million of previous quarter and 96% higher than the Ps. 8,204.8 million of same quarter of last year. Operating income for the quarter was Ps. 4,283.9 million, compared to Ps. 3,605.5 million of previous quarter and Ps. (1,531.9) million of same quarter of last year.
- As of June 30, 2022, Liquidity Coverage Ratio (LCR) was 139% Net Stable Funding Ratio (NSFR) was 219,4% and the liquid assets to deposits ratio was 91.7%.
- Loans to the non-financial private sector and foreign residents decreased 4.7% QoQ and 23.4% YoY.
- Deposits increased 6.2% QoQ and 8.1% YoY, while capital markets debt decreased 3.9% QoQ and 53.7% YoY.
- On a consolidated basis, NPL decreased from 6.6% in Q1 2022 to 4.2% in Q2 2022. NPL in the commercial portfolio decreased from 13.5% to 7.6% during the same period. The coverage ratio increased from 78.5% to 82.3% for the same period.
- Total capital ratio as a percentage of RWA as of June 30, 2022 was 18.7% compared to 16.6% of previous quarter and 16.2% of same quarter of last year.
- The general level of the consumer price index accumulated an increase of 17.3% in the second quarter of 2022, while it was 16.1% and 11% for the previous quarter and for the same quarter of last year, respectively.
- In May and August 2022, the Bank made the amortization payment of the Negotiable Obligation Series 48 for a total amount of USD 14,330,283, this maturity was refinanced with the issuance of Class 6 for an amount of USD 15.9 million, with a 0% rate and a 24-month term.
- In June 2022, the Central Bank intervened in the secondary market in order to stop the run against the sovereign CER bonds. The entity had to issue approximately \$ 1,265,000 MM to prevent the securities price from decreasing and defend the curve. As a result, they launched a put option and committed to remain active in the secondary market.





Buenos Aires, August 24th, 2022

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 June 30th, 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. SECOND QUARTER 2022 CONSOLIDATED RESULTS

Net income attributable to owners of the parent company for the quarter was Ps. 1,366.6, compared to Ps. 1,370.6 million of last quarter and Ps. (1,822.6) million of same quarter last year.

Regarding profitability ratios, the ROAA for Q2 2022 was 1.4% compared to 1.4% for Q1 2022 and (3.2)% for Q2 2021, while ROAE for the same periods were 17.3%, 17.7% and (28.5)%, respectively.

Income statement (in millions of pesos)	3 month period ended			Variation (%)	
	06/30/2022	03/31/2022	06/30/2021	QoQ	YoY
Interest and adjustments income	13.731,6	15.388,1	13.224,4	-11%	4%
Interest and adjustments expense	(15.536,3)	(15.345,3)	(14.438,7)	1%	8%
Net interest income	(1.804,7)	42,8	(1.214,3)	N/A	49%
Fee and commission income	1.961,8	2.052,6	2.310,3	-4%	-15%
Fee and commission expense	(109,1)	(132,0)	(143,9)	-17%	-24%
Net fee and commission income	1.852,7	1.920,6	2.166,4	-4%	-14%
Net income from financial instruments at fair value through profit or loss	13.982,3	10.053,5	5.968,4	39%	134%
Income from asset derecognition measured at amortized cost	-	-	(29,5)	N/A	-100%
Gold and foreign currency exchange rate differences	(74,7)	(438,9)	(236,9)	-83%	-68%
Other operating income	3.030,5	3.311,7	2.321,3	-8%	31%
Loan loss provision	(870,1)	(351,0)	(770,6)	148%	13%
Net operating income	16.116,0	14.538,7	8.204,8	11%	96%
Personnel expenses	(4.617,0)	(3.638,4)	(3.271,6)	27%	41%
Administrative expenses	(1.781,2)	(1.735,9)	(1.927,2)	3%	-8%
Depreciation and impairment of non-financial assets	(327,8)	(293,9)	(522,5)	12%	-37%
Other operating expenses	(5.106,1)	(5.264,9)	(4.015,4)	-3%	27%
Operating income (loss)	4.283,9	3.605,5	(1.531,9)	19%	N/A
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	(1.459,2)	(590,2)	(730,6)	147%	100%
Income tax	(1.487,8)	(1.668,2)	419,7	-11%	N/A
Net income of the period attributable to non-controlling interests	(29,7)	(23,5)	(20,3)	27%	47%
Net Income attributable to the parent's company	1.366,6	1.370,6	(1.822,6)	0%	-175%





Net interest income for the quarter was Ps. (1,804.7) million, compared to Ps. 42.8 million of the previous quarter and to Ps. (1,214.3) million of same quarter last year.

Interest income for the quarter was Ps. 13,731.6; representing a 10.8% decrease and a 3.8% increase QoQ and YoY respectively. 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)	3 month period ended			Variation (%)	
	06/30/2022	03/31/2022	06/30/2021	QoQ	YoY
Interest on cash and due from bank	2,125.6	6,829.2	6,522.0	-68.9%	-67.4%
Interest on loans to the financial sector	36.7	39.4	63.5	-6.7%	-42.3%
Interest from public and corporate securities	5,564.9	3,303.3	1,077.6	68.5%	N/A
Interest on overdrafts facilities	86.8	53.9	39.4	61.0%	120.0%
Interest on promissory notes	530.7	478.4	302.7	10.9%	75.3%
Interest on pledge loans	4.4	5.7	3.0	-23.2%	47.2%
Interest on financial leases	48.3	28.3	11.6	70.7%	N/A
Interest on other loans	672.8	604.0	677.7	11.4%	-0.7%
Interest from commercial loans	1,342.9	1,170.3	1,034.4	14.7%	29.8%
Interest on consumer loans	721.0	726.8	664.7	-0.8%	8.5%
Interest on credit card loans	1,652.6	1,626.4	1,854.1	1.6%	-10.9%
Interest from consumer loans	2,373.6	2,353.2	2,518.8	0.9%	-5.8%
Interest on mortgage loans	358.7	368.4	333.4	-2.6%	7.6%
Interest on other receivables from financial operations	0.5	0.2	0.8	225.2%	-41.2%
Income from CER, CVS, UVA and UVI adjustments	1,908.7	1,324.2	1,658.9	44.1%	15.1%
Interest from mortgage loans	2,267.9	1,692.8	1,993.2	34.0%	13.8%
Others	20.0	0.0	14.8	N/A	35.4%
Total	13,731.6	15,388.1	13,224.4	-10.8%	3.8%

Interest and adjustments expense for the quarter was Ps. 15,536.3 million compared to Ps. 15,345.3 million of Q1 2022 and Ps. 14,438.7 million of Q2 2021; representing a 1.2% increase QoQ and a 7.6% increase YoY.

Interest and adjustments expense (in millions of pesos)	3 month period ended			Variation (%)	
	06/30/2022	03/31/2022	06/30/2021	QoQ	YoY
Interest on current accounts deposits	(4,511.0)	(4,907.5)	(4,520.3)	-8.1%	-0.2%
Interest on saving accounts deposits	(8.5)	(8.6)	(4.5)	-0.7%	90.0%
Interest on time deposits	(9,682.0)	(8,885.1)	(7,017.4)	9.0%	38.0%
Interest from deposits	(14,201.5)	(13,801.2)	(11,542.2)	2.9%	23.0%
Interest on other liabilities resulting from financial transactions	(763.2)	(946.9)	(1,239.0)	-19.4%	-38.4%
Expense for CER, CVS, UVA and UVI adjustments	(545.6)	(595.1)	(1,651.9)	-8.3%	-67.0%
Interest from corporate bonds	(1,308.8)	(1,542.1)	(2,890.9)	-15.1%	-54.7%
Interest on interfinancial loans received	(15.5)	(0.4)	(3.8)	N/A	N/A
Others	(10.5)	(1.7)	(1.8)	N/A	N/A
Total	(15,536.3)	(15,345.3)	(14,438.7)	1.2%	7.6%





Net fee and commission income for the quarter was Ps. 1,852.7 million; compared to Ps. 1,920.6 million of Q1 2022 and Ps. 2,166.4 million of Q2 2021; representing a 3.5% and 14.5% decrease QoQ and YoY respectively.

Net fee and commission income (in millions of pesos)	3 month period ended			Variation (%)	
	06/30/2022	03/31/2022	06/30/2021	QoQ	YoY
Fee and commission income					
Fee charged on consumer clients	1,494.0	1,563.7	1,862.2	-4.5%	-19.8%
Linked to liabilities	415.0	412.4	379.9	0.6%	9.2%
Others	52.9	76.5	68.1	-30.9%	-22.4%
Total	1,961.8	2,052.6	2,310.3	-4.4%	-15.1%
Fee and commission expense					
Credit related fees	(181.2)	(59.9)	(74.6)	202.6%	142.8%
Debt placement charges	59.5	(59.5)	(56.3)	-200.0%	-205.7%
Others	12.6	(12.6)	(13.0)	-200.0%	-197.3%
Total	(109.1)	(132.0)	(143.9)	-17.3%	-24.2%
Net fee and commission income	1,852.7	1,920.6	2,166.4	-3.5%	-14.5%

Net income from financial instruments at fair value through profit and loss for the quarter was Ps. 13,982.3 million, compared to Ps. 10,053.5 million of Q1 2022 and Ps. 5,968.4 million of Q2 2021, which represents an increase of 39.1% QoQ and of 134.3% YoY.

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

(in millions of pesos)	3 month period ended			Variation (%)	
	06/30/2022	03/31/2022	06/30/2021	QoQ	YoY
Income from government securities	13,756.3	9,646.3	5,385.7	42.6%	155.4%
Income from other corporate securities	165.6	185.6	323.0	-10.7%	-48.7%
Income from other securities	60.4	221.6	259.7	-72.8%	-76.8%
Total	13,982.3	10,053.5	5,968.4	39.1%	134.3%

The negative result of difference in quoted prices of gold and foreign currency for the quarter was Ps. 74.7 million, compared to Ps. 438.9 million of Q1 2022 and Ps. 236.9 million of Q2 2021.





Other operating income for the quarter was Ps. 3,030.5 million, compared to Ps. 3,311.7 million of Q1 2022 and Ps. 2,321.3 million of Q2 2021, which represents a decrease of 8.5% QoQ and an increase of 30.6% YoY.

Other operating income (in millions of pesos)	3 month period ended			Variation (%)	
	06/30/2022	03/31/2022	06/30/2021	QoQ	YoY
Loan servicing	2,193.7	2,220.7	1,420.7	-1.2%	54.4%
Borrowing transactions commissions	127.0	155.9	129.2	-18.5%	-1.7%
Other income from services	577.9	503.2	372.3	14.9%	55.2%
Penalty interest	46.9	29.4	42.6	59.4%	10.2%
Loans recovered	97.0	115.9	229.7	-16.3%	-57.8%
Others	(12.0)	286.6	126.9	-104.2%	-109.4%
Total	3,030.5	3,311.7	2,321.3	-8.5%	30.6%

Provision for loan losses for the quarter was Ps. (870.1) million, compared to Ps. (351.0) million of Q1 2022 and to Ps. (770.6) million of Q2 2021, which represents an increase of 148% QoQ and an decrease of 13% YoY.

Personnel expenses for the quarter were Ps. 4,617 million, compared to Ps. 3,638.4 million of Q1 2022 and to Ps. 3,271.6 of Q2 2021, which represents an increase of 26.9% QoQ and of 41.1% YoY.

Personnel expenses (in millions of pesos)	3 month period ended			Variation (%)	
	06/30/2022	03/31/2022	06/30/2021	QoQ	YoY
Salaries	(2,179.4)	(1,792.7)	(2,058.6)	21.6%	5.9%
Vacation bonus	(320.2)	(98.0)	(353.2)	226.8%	-9.3%
Social security expenses	(794.8)	(501.8)	(406.4)	58.4%	95.6%
Severance and bonus expenses	(1,169.9)	(1,092.5)	(342.6)	7.1%	241.4%
Other personnel expenses	(152.8)	(153.5)	(110.8)	-0.4%	37.9%
Total	(4,617.0)	(3,638.4)	(3,271.6)	26.9%	41.1%

Administrative expenses for the quarter were Ps. 1,781.2 million, compared to Ps. 1,735.9 million of Q2 2022 and to Ps. 1,927.2 million of Q2 2021, which represents an increase of 2.6% QoQ and a decrease of 7.6% YoY.

Administrative expenses (in millions of pesos)	3 month period ended			Variation (%)	
	06/30/2022	03/31/2022	06/30/2021	QoQ	YoY
Directors' and statutory auditors' fees	(233.8)	(151.2)	(198.7)	54.6%	17.6%
Fees and compensation for services	(736.2)	(730.4)	(875.3)	0.8%	-15.9%
Advertising, promotion and research expenses	(53.9)	(50.6)	(42.8)	6.6%	26.1%
Taxes and duties	(201.4)	(226.0)	(226.7)	-10.9%	-11.2%
Maintenance and repairs	(139.7)	(125.8)	(155.6)	11.1%	-10.2%
Electricity, gas and telephone services	(123.5)	(134.8)	(186.4)	-8.4%	-33.8%
Others	(292.7)	(317.1)	(241.6)	-7.7%	21.2%
Total	(1,781.2)	(1,735.9)	(1,927.2)	2.6%	-7.6%





Other operating expenses for the quarter were Ps. 5,106.1 million, compared to Ps. 5,264.9 million of Q1 2022 and to Ps. 4,015.4 million of Q2 2021, which decreased 3% QoQ and increased 27.2% YoY.

Other operating expenses (in millions of pesos)	3 month period ended			Variation (%)	
	06/30/2022	03/31/2022	06/30/2021	QoQ	YoY
Turnover tax and others	(1,267.2)	(1,233.5)	(1,405.9)	2.7%	-9.9%
Contribution to the deposit insurance fund	(124.4)	(180.0)	(86.6)	-30.9%	43.6%
Loan servicing	(798.6)	(886.5)	(1,045.1)	-9.9%	-23.6%
Charges for other provisions	(589.9)	(359.5)	(144.2)	64.1%	N/A
Debit card, credit card & loan rebates	(40.4)	(109.4)	(210.7)	-63.1%	-80.8%
Others	(2,285.7)	(2,496.1)	(1,122.9)	-8.4%	103.5%
Total	(5,106.1)	(5,264.9)	(4,015.4)	-3.0%	27.2%

Non-financial private sector loan portfolio totaled Ps. 64,287.5 million in the quarter, compared to Ps. 67,437 million of Q1 2022 and to Ps. 83,931 million of Q2 2021, which represents a decrease of 4.7% QoQ and of 23.4% YoY.

Loans to the non-financial private sector and foreign residents

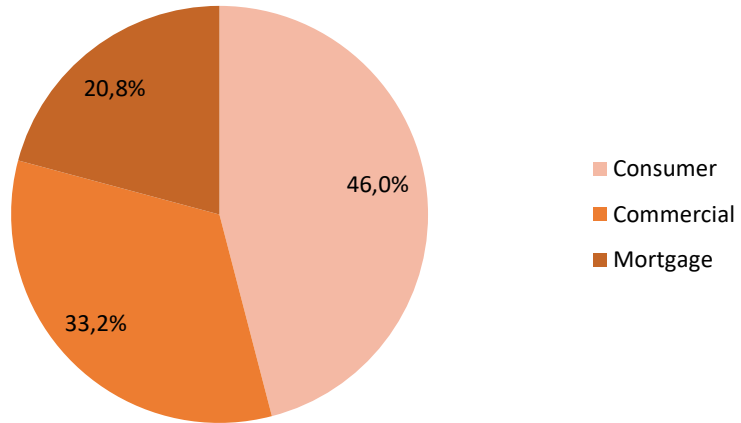
(in millions of pesos)	12 month period ended			Variation (%)	
	06/30/2022	03/31/2022	06/30/2021	QoQ	YoY
Overdraft facilities	1,037.2	594.5	304.9	74.5%	240.1%
Promissory notes	6,846.0	5,816.9	3,704.9	17.7%	84.8%
Mortgage loans	12,806.6	13,343.8	15,330.1	-4.0%	-16.5%
Pledge loans	43.2	55.2	37.5	-21.7%	15.3%
Consumer loans	5,425.5	5,980.6	6,248.4	-9.3%	-13.2%
Credit cards	24,121.9	25,859.4	31,919.5	-6.7%	-24.4%
Financial leases	366.9	231.6	154.4	58.4%	137.5%
Loans to entity's personnel	588.0	614.7	661.6	-4.3%	-11.1%
Unallocated collections	(7.8)	(14.6)	(5.1)	-46.6%	52.9%
Others	12,179.4	13,563.8	23,258.3	-10.2%	-47.6%
Accrued interest and quotation differences receivable	1,401.8	1,868.9	2,579.1	-25.0%	-45.6%
Documented interest	(521.3)	(477.8)	(262.6)	9.1%	98.5%
Total	64,287.5	67,437.0	83,931.0	-4.7%	-23.4%





BH's non-financial private sector loan portfolio composition as of June 30th, 2022 was 66.8% of retail financing and housing loans (46% consumer and 20.8% housing) and 33.2% of commercial loans, providing a highly diversified client base.

Non-financial Private Sector and Foreign Residents' Loan Portfolio Diversification
Q2 2022





On a consolidated basis, NPL decreased from 6.6% in Q1 2022 to 4.2% in Q2 2022, while coverage ratio was 82.3% for the quarter. Besides, NPL in the consumer portfolio decreased from 13.5% to 7.6% during the same period.

Non-performing loans

(in millions of pesos)

	As of		
	06/30/2022	03/31/2022	06/30/2021
Consolidated level			
Non-performing loans	2,906.5	4,729.8	12,442.9
Total portfolio	68,450.3	71,681.4	86,766.9
Allowances (total)	2,390.8	3,710.6	9,732.9
Non-performing loans / Total portfolio	4.2%	6.6%	14.3%
Allowances (total) / Non-performing loans	82.3%	78.5%	78.2%
Consumer portfolio			
Non-performing loans (consumer)	968.6	1,230.9	1,543.9
Consumer portfolio	42,934.5	45,678.9	53,848.4
Allowances (consumer)	1,778.4	1,737.7	2,908.6
Non-performing loans (consumer) / Consumer portfolio	2.3%	2.7%	2.9%
Allowances (consumer) / Non-performing loans (consumer)	183.6%	141.2%	188.4%
Commercial portfolio			
Non-performing loans (commercial)	1,938.0	3,498.8	10,899.0
Commercial portfolio	25,515.8	26,002.5	32,918.5
Allowances (commercial)	612.4	1,972.9	6,824.3
Non-performing loans (commercial) / Commercial portfolio	7.6%	13.5%	33.1%
Allowances (Commercial) / Non-performing loans (commercial)	31.6%	56.4%	62.6%

Deposits totaled Ps. 240,146.5 million, representing an increase of 6.2% QoQ and of 8.1% YoY, while capital markets debt totaled Ps. 14,582.1 million, which decreased 3.9% QoQ and 53.7% YoY.

Funding

(in millions of pesos)

							Variation (%)	
	06/30/2022		03/31/2022		03/31/2021		QoQ	YoY
	Ps.	%	Ps.	%	Ps.	%		
Deposits	240,146.5	94.3%	226,167.7	93.7%	222,118.7	87.6%	6.2%	8.1%
Local capital markets debt	4,963.6	1.9%	5,556.3	2.3%	21,324.7	8.4%	-10.7%	-76.7%
International capital markets debt	9,618.5	3.8%	9,612.0	4.0%	10,156.0	4.0%	0.1%	-5.3%
Unsubordinated Senior Notes	14,582.1	5.7%	15,168.2	6.3%	31,480.7	12.4%	-3.9%	-53.7%
Total	254,728.6	100.0%	241,336.0	100.0%	253,599.4	100.0%	5.5%	0.4%





Comparative consolidated balance sheet (in millions of pesos)	As of		Variation (%)
	6/3/2022	6/3/2021	YoY
Assets			
Cash and due from banks deposits	17,531.2	12,210.8	43.6%
Debt securities at fair value through profit or loss	136,097.9	46,419.8	193.2%
Derivatives	16.1	51.5	(68.8)%
Repo transactions	30,934.8	100,808.7	(69.3)%
Loans and other financing	12,371.3	5,789.6	113.7%
Non-Financial Public Sector	0.0	0.1	(86.3)%
Financial Sector	362.7	965.1	(62.4)%
Non-Financial Private Sector and Foreign Residents	64,287.5	83,931.0	(23.4)%
Allowances	(2,239.4)	(9,460.2)	(76.3)%
Loans, net of allowances	62,410.9	75,436.0	(17.3)%
Other debt securities	35,547.6	31,518.0	12.8%
Financial assets in guarantee	6,784.8	5,275.7	28.6%
Investment in subsidiaries, associates and joint ventures	-	-	N/A
Property, plant and equipment	9,372.0	9,883.3	(5.2)%
Others	12,286.5	20,230.7	(39.3)%
Total Assets	323,353.1	307,624.0	5.1%
Liabilities			
Deposits	240,146.5	222,118.7	8.1%
Liabilities at fair value through profit or loss	4,628.4	225.5	N/A
Derivatives	0.3	115.5	(99.7)%
Repo transactions	187.2	749.3	(75.0)%
Other financial liabilities	19,727.1	12,802.5	54.1%
Financing received from Argentine Central Bank and other financi	284.5	80.0	255.8%
Unsubordinated Senior Notes	14,582.1	31,480.7	(53.7)%
Current income tax liabilities	638.3	1,107.2	(42.4)%
Subordinated Senior Notes	-	-	N/A
Provisions	891.7	816.7	9.2%
Deferred income tax liabilities	142.3	-	N/A
Other non financial liabilities	8,370.2	6,103.5	37.1%
Total Liabilities	289,598.6	275,599.5	5.1%
Shareholders' Equity attributable to non-controlling interest	767.6	833.8	(7.9)%
Shareholders' Equity attributable to parent's shareholders	32,986.9	31,190.7	5.8%
Total Shareholders' Equity	33,754.5	32,024.5	5.4%





Comparative consolidated income statement (in millions of pesos)	6 month period ended		Variation (%)
	6/3/2022	6/3/2021	YoY
Interest income	25,886.9	19,879.8	30.2%
Adjustments income	3,232.9	3,237.2	(0.1)%
Interest expense	(29,741.0)	(23,700.4)	25.5%
Adjustments expense	(1,140.7)	(3,023.4)	(62.3)%
Net interest income	(1,761.9)	(3,606.8)	(51.2)%
Fee and commission income	4,014.4	4,646.1	(13.6)%
Fee and commission expense	(241.1)	(253.3)	(4.8)%
Net fee and commission income	3,773.3	4,392.8	(14.1)%
Net Income from financial instruments at fair value through profit or loss	24,035.8	11,207.9	114.5%
Income from asset derecognition measured at amortized cost	-	(29.5)	(100.0)%
Gold and foreign currency exchange rate differences	(513.6)	(327.3)	56.9%
Other operating income	6,342.2	6,251.3	1.5%
Loan loss provision	(1,221.1)	(1,122.1)	8.8%
Net operating income	30,654.7	16,766.3	82.8%
Personnel expenses	(8,255.5)	(7,053.9)	17.0%
Administrative expenses	(3,517.1)	(3,706.9)	(5.1)%
Depreciation and impairment of non-financial assets	(621.7)	(944.4)	(34.2)%
Other operating expenses	(10,371.0)	(8,147.4)	27.3%
Operating income	7,889.4	(3,086.2)	N/A
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	N/A
Gain (loss) on net monetary position	(2,049.4)	(2,377.7)	(13.8)%
Income before income tax from continuing operations	5,840.1	(5,463.9)	(206.9)%
Income tax	(3,156.0)	621.1	N/A
Net income (loss) for the period attributable to non-controlling interests	(53.2)	(63.8)	(16.7)%
Net income (loss) for the period attributable to the parent's company	2,737.2	(4,779.1)	(157.3)%





Statistic data and comparative ratios

For the period ended on

	06/30/2022	03/31/2022	06/30/2021
Profitability			
ROAA (return on average assets)	1.4%	1.4%	(3.2)%
ROAE (return on average equity)	17.3%	17.7%	(28.5)%
Net financial margin*	10.9%	9.8%	4.9%
Efficiency**	48.9%	45.8%	114.1%
Capital			
Shareholders' Equity / Total Assets	10.2%	10.2%	10.1%
CET I Ratio	28.5%	27.2%	16.1%
Tier 1 Ratio	18.7%	16.6%	16.2%
Total Capital Ratio	18.9%	17.1%	16.6%
Liquidity			
Liquid Assets / Deposits	91.7%	88.9%	86.0%
LCR	139.0%	151.8%	131.0%
NSFR	219.4%	212.7%	178.7%
Loans / Deposits	26.0%	28.5%	34.0%

* (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. 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, and cover 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 2022 PERSPECTIVES

The next quarter and 2022 perspectives for the Bank are based on:

- ✓ Continue with the high quality standard of our operations.
- ✓ Maintain high liquidity and solvency levels and ensure the well-being of our employees.
- ✓ 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 June 30th, 2022 were converted to Pesos at the exchange rate of Ps. (\$125,215/USD1.00) and Ps. (\$131,2535/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.

