

BANCO HIPOTECARIO S.A.

EARNINGS RELEASE – THIRD QUARTER 2022





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

Monday, November 28th, 2022, 09:00 AM EST

If you would like to participate, the hyperlink is:

<https://us06web.zoom.us/j/85392696125?pwd=Wjljam96dkJrYm5YYStmYjBjVkRPUT09>

Access code: 924733

Or you can dial in:

U.S.A: +1 646 558 8656

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





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THIRD 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 September 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. 627.4, compared to Ps. 1,667.0 million of last quarter and Ps. (2,050.1) million of same quarter last year.
- The ROAE for Q3 2022 was 13.6% compared to 17.3% for Q2 2022 and (26.3)% for the same quarter last year, while ROAA for the same periods were 1.2%, 1.4% and (2.8)%, respectively.
- The net operating income for the quarter was Ps. 17,918.9 million, 8.8% lower than the Ps. 19,657.7 million of previous quarter and 88% higher than the Ps. 9,489.2 million of same quarter of last year. Operating income for the quarter was Ps. 5,526.8 million, compared to Ps. 5,225.4 million of previous quarter and Ps. (1,542.4) million of same quarter of last year.
- As of September 30, 2022, Liquidity Coverage Ratio (LCR) was 133% Net Stable Funding Ratio (NSFR) was 175% and the liquid assets to deposits ratio was 92.6%.
- Loans to the non-financial private sector and foreign residents decreased 12.6% QoQ and 29.4% YoY.
- Deposits decreased 27.4% QoQ and 31.0% YoY, while capital markets debt decreased 10.7% QoQ and 56.5% YoY.
- On a consolidated basis, NPL increased from 4.2% in Q2 2022 to 4.4% in Q3 2022. NPL in the commercial portfolio increased from 7.6% to 8.2% during the same period. The coverage ratio increased from 82.3% to 92.3% during the same period.
- Total capital ratio as a percentage of RWA as of September 30, 2022 was 22.1% compared to 18.9% of previous quarter and 15.3% of same quarter of last year.
- The general level of the consumer price index accumulated an increase of 22% in the third quarter of 2022, while it was 17.3% and 9.3% for the previous quarter and for the same quarter of last year, respectively.
- In October 2022, the Bank made the amortization payments of the Negotiable Obligation EF 4 for a total amount of USD 15,667,200. In addition, in August and November 2022, the Bank made the amortization payments of the Negotiable Obligation Series 48 for a total amount of USD 12,338,672; and thus fully canceling the maturities of this international Obligation.





Buenos Aires, November 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 September 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. THIRD QUARTER 2022 CONSOLIDATED RESULTS

Net income attributable to owners of the parent company for the quarter was Ps. 627.4, compared to Ps. 1,667.0 million of last quarter and Ps. (2,050.1) million of same quarter last year.

Regarding profitability ratios, the ROAA for Q3 2022 was 1.2% compared to 1.4% for Q2 2022 and (2.8)% for Q3 2021, while ROAE for the same periods were 13.6%, 17.3% and (26.3)%, respectively.

Income statement (in millions of pesos)	3 month period ended			Variation (%)	
	09/30/2022	06/30/2022	09/30/2021	QoQ	YoY
Interest and adjustments income	16.398,4	16.749,4	20.968,0	(2,1)%	(21,8)%
Interest and adjustments expense	(22.699,5)	(18.950,7)	(20.799,9)	19,8%	9,1%
Net interest income	(6.301,1)	(2.201,3)	168,0	186,2%	N/A
Fee and commission income	2.149,7	2.393,0	2.613,3	(10,2)%	(17,7)%
Fee and commission expense	(171,1)	(133,1)	(167,4)	28,6%	2%
Net fee and commission income	1.978,6	2.259,9	2.445,9	(12,4)%	(19,1)%
Net income from financial instruments at fair value through profit or loss	19.591,3	17.055,1	6.364,2	14,9%	207,8%
Income from asset derecognition measured at amortized cost	7,6	-	(76,7)	N/A	(109,9)%
Gold and foreign currency exchange rate differences	103,6	(91,1)	(504,9)	(213,7)%	(120,5)%
Other operating income	3.117,2	3.696,5	4.386,5	(15,7)%	(28,9)%
Loan loss provision	(578,3)	(1.061,3)	(3.293,7)	(45,5)%	(82,4)%
Net operating income	17.918,9	19.657,7	9.489,2	(8,8)%	88,8%
Personnel expenses	(4.352,7)	(5.631,7)	(4.285,5)	(22,7)%	1,6%
Administrative expenses	(1.873,1)	(2.172,7)	(2.179,0)	(13,8)%	(14,0)%
Depreciation and impairment of non-financial assets	(384,5)	(399,8)	(297,9)	(3,8)%	29,1%
Other operating expenses	(5.781,8)	(6.228,2)	(4.269,3)	(7,2)%	35,4%
Operating income (loss)	5.526,8	5.225,4	(1.542,4)	5,8%	N/A
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	(3.316,6)	(1.779,8)	(1.146,3)	86,3%	189,3%
Income tax	(1.589,0)	(1.814,8)	613,8	(12,4)%	N/A
Net income of the period attributable to non-controlling interests	(6,2)	(36,2)	(24,7)	(82,9)%	(75,0)%
Net Income attributable to the parent's company	627,4	1.667,0	(2.050,1)	(62,4)%	(130,6)%





Net interest income for the quarter was Ps. (6,301.1) million, compared to Ps. (2,201,3) million of the previous quarter and to Ps. 168 million of same quarter last year.

Interest income for the quarter was Ps. 16,398.4; representing a 2.1% decrease and a 21.8% decrease 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 (%)	
	09/30/2022	06/30/2022	09/30/2021	QoQ	YoY
Interest on cash and due from bank	4.705,0	2.592,7	12.338,0	81,5%	(61,9)%
Interest on loans to the financial sector	36,1	44,8	77,8	(19,4)%	(53,6)%
Interest from public and corporate securities	4.185,2	6.787,9	2.811,1	(38,3)%	48,9%
Interest on overdrafts facilities	274,9	105,9	49,6	159,7%	N/A
Interest on promissory notes	711,9	647,3	345,4	10,0%	106,1%
Interest on pledge loans	3,7	5,3	4,4	(29,5)%	(15,4)%
Interest on financial leases	90,4	58,9	12,3	53,4%	N/A
Interest on other loans	878,5	820,6	686,9	7,0%	27,9%
Interest from commercial loans	1.959,3	1.638,0	1.098,6	19,6%	78,3%
Interest on consumer loans	880,1	879,5	740,2	0,1%	18,9%
Interest on credit card loans	1.934,3	2.015,8	1.933,9	(4,0)%	0,0%
Interest from consumer loans	2.814,4	2.895,3	2.674,1	(2,8)%	5,2%
Interest on mortgage loans	315,8	437,5	458,6	(27,8)%	(31,1)%
Interest on other receivables from financial operations	0,9	0,6	0,9	51,6%	(2,6)%
Income from CER, CVS, UVA and UVI adjustments	2.358,2	2.328,2	1.503,7	1,3%	56,8%
Interest from mortgage loans	2.675,0	2.766,3	1.963,2	(3,3)%	36,3%
Others	23,4	24,4	5,1	(4,1)%	N/A
Total	16.398,4	16.749,4	20.968,0	(2,1)%	(21,8)%

Interest and adjustments expense for the quarter was Ps. 22,699.5 million compared to Ps. 18,950.7 million of Q2 2022 and Ps. 20,799.9 million of Q3 2021; representing a 20% increase QoQ and a 9% increase YoY.

Interest and adjustments expense (in millions of pesos)	3 month period ended			Variation (%)	
	09/30/2022	06/30/2022	09/30/2021	QoQ	YoY
Interest on current accounts deposits	(8,675.6)	(5,502.4)	(6,673.5)	58%	30%
Interest on saving accounts deposits	(11.1)	(10.4)	(6.6)	6%	69%
Interest on time deposits	(12,011.1)	(11,809.7)	(11,058.5)	2%	9%
Interest from deposits	(20,697.8)	(17,322.5)	(17,738.5)	19%	17%
Interest on other liabilities resulting from financial transactions	(781.9)	(930.9)	(1,552.7)	-16%	-50%
Expense for CER, CVS, UVA and UVI adjustments	(1,154.3)	(665.5)	(1,497.1)	73%	-23%
Interest from corporate bonds	(1,936.3)	(1,596.4)	(3,049.8)	21%	-37%
Interest on interfinancial loans received	(47.2)	(18.9)	(10.5)	149%	N/A
Others	(18.2)	(12.8)	(1.1)	42%	N/A
Total	(22,699.5)	(18,950.7)	(20,799.9)	20%	9%





Net fee and commission income for the quarter was Ps. 1,978.6 million; compared to Ps. 2,259.9 million of Q2 2022 and Ps. 2,445.9 million of Q3 2021; representing a 12.4% and 19.1% decrease QoQ and YoY respectively.

Net fee and commission income (in millions of pesos)	3 month period ended			Variation (%)	
	09/30/2022	06/30/2022	09/30/2021	QoQ	YoY
Fee and commission income					
Fee charged on consumer clients	1,612.5	1,805.3	2,056.4	-10.7%	-21.6%
Linked to liabilities	470.2	506.2	481.4	-7.1%	-2.3%
Others	67.0	81.5	75.5	-17.8%	-11.3%
Total	2,149.7	2,393.0	2,613.3	-10.2%	-17.7%
Fee and commission expense					
Credit related fees	(71.9)	(56.9)	(82.1)	26.4%	-12.4%
Debt placement charges	(84.8)	(62.0)	(70.9)	36.6%	19.5%
Others	(14.4)	(14.1)	(14.4)	2.1%	0.2%
Total	(171.1)	(133.1)	(167.4)	28.6%	2.2%
Net fee and commission income	1,978.6	2,259.9	2,445.9	-12.4%	-19.1%

Net income from financial instruments at fair value through profit and loss for the quarter was Ps. 19,591.3 million, compared to Ps. 17,055.1 million of Q2 2022 and Ps. 6,364.2 million of Q3 2021, which represents an increase of 14.9% QoQ and of 207.8% YoY.

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

(in millions of pesos)	3 month period ended			Variation (%)	
	09/30/2022	06/30/2022	09/30/2021	QoQ	YoY
Income from government securities	18,757.9	16,779.5	5,776.7	11.8%	224.7%
Income from other corporate securities	624.1	202.1	408.1	208.9%	52.9%
Income from other securities	209.3	73.6	179.4	184.3%	16.7%
Total	19,591.3	17,055.1	6,364.2	14.9%	207.8%

The result of difference in quoted prices of gold and foreign currency for the quarter was Ps. 103.6 million, compared to Ps. (91.1) million of Q2 2022 and Ps. (504.9) million of Q3 2021.





Other operating income for the quarter was Ps. 3,117.2 million, compared to Ps. 3,696.5 million of Q2 2022 and Ps. 4,386.5 million of Q3 2021, which represents a decrease of 15.7% QoQ and of 28.9% YoY.

Other operating income (in millions of pesos)	3 month period ended			Variation (%)	
	09/30/2022	06/30/2022	09/30/2021	QoQ	YoY
Loan servicing	2,431.2	2,675.7	3,158.1	-9.1%	-23.0%
Borrowing transactions commissions	154.1	154.9	187.1	-0.5%	-17.7%
Other income from services	231.9	704.9	605.9	-67.1%	-61.7%
Penalty interest	29.0	57.3	110.4	-49.4%	-73.7%
Loans recovered	182.6	118.3	249.0	54.4%	-26.7%
Others	88.4	(14.6)	76.0	N/A	16.3%
Total	3,117.2	3,696.5	4,386.5	-15.7%	-28.9%

Provision for loan losses for the quarter was Ps. (578.3) million, compared to Ps. (1061.3) million of Q2 2022 and to Ps. (3.293,7) million of Q3 2021, which represents a decrease of 45.5% QoQ and 82.4% YoY.

Personnel expenses for the quarter were Ps. 4,352,7 million, compared to Ps. 5.631,7 million of Q2 2022 and to Ps. 4,285.5 of Q2 2021, which represents a decrease of 22.7% QoQ and an increase of 1.6% YoY.

Personnel expenses (in millions of pesos)	3 month period ended			Variation (%)	
	09/30/2022	06/30/2022	09/30/2021	QoQ	YoY
Salaries	(2,362.2)	(2,658.3)	(2,440.2)	-11.1%	-3.2%
Vacation bonus	(249.6)	(390.6)	(274.7)	-36.1%	-9.1%
Social security expenses	(385.6)	(969.4)	(590.8)	-60.2%	-34.7%
Severance and bonus expenses	(1,198.6)	(1,427.0)	(810.0)	-16.0%	48.0%
Other personnel expenses	(156.7)	(186.4)	(169.7)	-16.0%	-7.7%
Total	(4,352.7)	(5,631.7)	(4,285.5)	-22.7%	1.6%

Administrative expenses for the quarter were Ps. 1,873.1 million, compared to Ps. 2,172.7 million of Q2 2022 and to Ps. 2179.0 million of Q3 2021, which represents an increase of 13.8% QoQ and of 14.0% YoY.

Administrative expenses (in millions of pesos)	3 month period ended			Variation (%)	
	09/30/2022	06/30/2022	09/30/2021	QoQ	YoY
Directors' and statutory auditors' fees	(23.1)	(285.2)	(165.5)	-91.9%	-86.1%
Fees and compensation for services	(926.1)	(897.9)	(963.7)	3.1%	-3.9%
Advertising, promotion and research expenses	(107.8)	(65.8)	(64.7)	63.9%	66.7%
Taxes and duties	(226.4)	(245.6)	(267.7)	-7.8%	-15.4%
Maintenance and repairs	(146.6)	(170.4)	(174.0)	-14.0%	-15.8%
Electricity, gas and telephone services	(145.8)	(150.7)	(208.9)	-3.2%	-30.2%
Others	(297.3)	(357.0)	(334.5)	-16.7%	-11.1%
Total	(1,873.1)	(2,172.7)	(2,179.0)	-13.8%	-14.0%





Other operating expenses for the quarter were Ps. 5,781.8 million, compared to Ps. 6,228.2 million of Q2 2022 and to Ps. 4,269.3 million of Q3 2021, which representing a decrease of 7.2% QoQ and an increase of 35.4% YoY.

Other operating expenses

(in millions of pesos)

	3 month period ended			Variation (%)	
	09/30/2022	06/30/2022	09/30/2021	QoQ	YoY
Turnover tax and others	(1,650.0)	(1,545.7)	(1,895.0)	6.7%	(12.9)%
Contribution to the deposit insurance fund	(116.3)	(151.7)	(133.6)	(23.3)%	(12.9)%
Loan servicing	(855.3)	(974.1)	(1,412.6)	(12.2)%	(39.5)%
Charges for other provisions	(185.2)	(719.5)	(108.6)	(74.3)%	70.5%
Debit card, credit card & loan rebates	(149.2)	(49.3)	(248.0)	202.9%	(39.9)%
Others	(2,825.9)	(2,788.0)	(471.3)	1.4%	N/A
Total	(5,781.8)	(6,228.2)	(4,269.3)	(7.2)%	35.4%

Non-financial private sector loan portfolio totaled Ps. 68,509.8 million in the quarter, compared to Ps. 78,415.7 million of Q2 2022 and to Ps. 97,036 million of Q3 2021, which represents a decrease of 12.6% QoQ and of 29.4% YoY.

Loans to the non-financial private sector and foreign residents

(in millions of pesos)

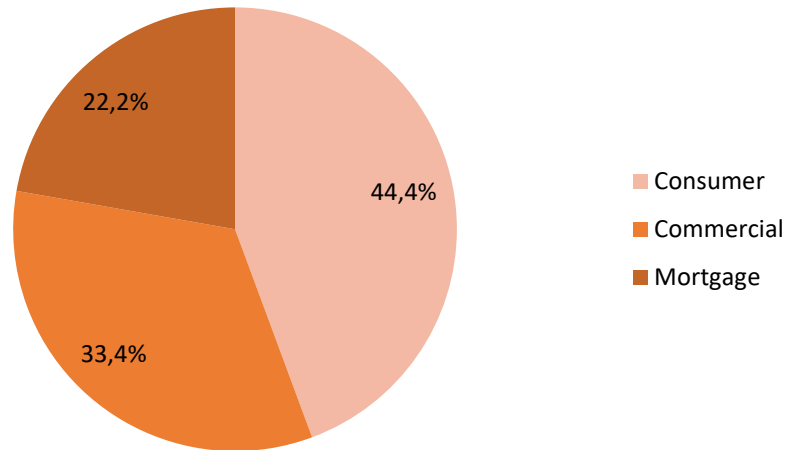
	12 month period ended			Variation (%)	
	09/30/2022	06/30/2022	09/30/2021	QoQ	YoY
Overdraft facilities	1,141.4	1,265.2	695.4	-10%	64%
Promissory notes	7,281.7	8,350.5	6,119.3	-13%	19%
Mortgage loans	14,520.3	15,621.1	18,106.4	-7%	-20%
Pledge loans	38.6	52.7	45.0	-27%	-14%
Consumer loans	5,927.0	6,617.8	7,037.6	-10%	-16%
Credit cards	24,459.3	29,423.1	35,843.2	-17%	-32%
Financial leases	668.3	447.5	164.4	49%	N/A
Loans to entity's personnel	711.7	717.3	799.4	-1%	-11%
Unallocated collections	(19.9)	(9.5)	(22.1)	110%	-10%
Others	13,008.8	14,855.9	26,013.8	-12%	-50%
Accrued interest and quotation differences receivable	1,520.2	1,709.9	2,758.8	-11%	-45%
Documented interest	(747.7)	(635.9)	(525.1)	18%	42%
Total	68,509.8	78,415.7	97,036.2	-12.6%	-29.4%





BH's non-financial private sector loan portfolio composition as of September 30th, 2022 was 66.6% of retail financing and housing loans (44.4% consumer and 22.2% housing) and 33.4% of commercial loans, providing a highly diversified client base.

Non-financial Private Sector and Foreign Residents' Loan Portfolio Diversification
Q3 2022





On a consolidated basis, NPL increased from 4.2% in Q2 2022 to 4.4% in Q2 2022, while coverage ratio was 92.3% for the quarter. Consolidated NPL was 14.3% in Q3 2021.

Non-performing loans

(in millions of pesos)

	As of		
	09/30/2022	06/30/2022	09/30/2021
Consolidated level			
Non-performing loans	3,246.5	3,545.3	14,507.9
Total portfolio	72,970.5	83,493.3	101,558.4
Allowances (total)	2,995.3	2,916.2	13,695.7
Non-performing loans / Total portfolio	4.4%	4.2%	14.3%
Allowances (total) / Non-performing loans	92.3%	82.3%	94.4%
Consumer portfolio			
Non-performing loans (consumer)	1,016.0	1,181.4	2,083.3
Consumer portfolio	45,636.1	52,370.0	61,315.7
Allowances (consumer)	1,985.1	2,169.2	3,178.5
Non-performing loans (consumer) / Consumer portfolio	2.2%	2.3%	3.4%
Allowances (consumer) / Non-performing loans (consumer)	195.4%	183.6%	152.6%
Commercial portfolio			
Non-performing loans (commercial)	2,230.4	2,363.8	12,424.7
Commercial portfolio	27,334.4	31,123.3	40,242.7
Allowances (commercial)	1,010.2	747.0	10,517.2
Non-performing loans (commercial) / Commercial portfolio	8.2%	7.6%	30.9%
Allowances (Commercial) / Non-performing loans (commercial)	45.3%	31.6%	84.6%

Deposits totaled Ps. 212,549.3 million, representing a decrease of 27.4% QoQ and of 31.0% YoY, while capital markets debt totaled Ps. 14,197.5 million, decreasing 10.7% QoQ and 56.5% YoY.

Funding

(in millions of pesos)

	09/30/2022		06/30/2022		30/9/2021		Variation (%)	
	Ps.	%	Ps.	%	Ps.	%	QoQ	YoY
Deposits	212,549.3	93.0%	292,922.3	94.3%	308,022.7	89.4%	-27.4%	-31.0%
Local capital markets debt	1,682.8	0.7%	5,319.6	1.7%	26,080.1	7.6%	-68.4%	-93.5%
International capital markets debt	14,197.6	6.2%	12,467.2	4.0%	10,392.1	3.0%	13.9%	36.6%
Unsubordinated Senior Notes	15,880.5	7.0%	17,786.8	5.7%	36,472.1	10.6%	-10.7%	-56.5%
Total	228,429.8	100.0%	310,709.1	100.0%	344,494.9	100.0%	-26.5%	-33.7%





Comparative consolidated balance sheet

(in millions of pesos)

	As of		Variation (%)
	9/30/2022	9/30/2022	YoY
Assets			
Cash and due from banks deposits	20,349.3	28,496.2	(28.6)%
Debt securities at fair value through profit or loss	117,538.2	56,477.5	108.1%
Derivatives	197.0	92.8	112.4%
Repo transactions	36,404.3	151,443.1	(76.0)%
Loans and other financing	7,480.5	8,938.9	(16.3)%
Non-Financial Public Sector	0.0	0.0	0.0%
Financial Sector	306.7	800.1	(61.7)%
Non-Financial Private Sector and Foreign Residents	68,509.8	97,036.2	(29.4)%
Allowances	(2,935.8)	(13,397.5)	(78.1)%
Loans, net of allowances	65,880.7	84,438.8	(22.0)%
Other debt securities	22,546.7	38,966.4	(42.1)%
Financial assets in guarantee	8,209.5	5,972.5	37.5%
Investment in subsidiaries, associates and joint ventures	-	-	N/A
Property, plant and equipment	11,201.4	11,957.8	(6.3)%
Others	12,951.2	25,824.3	(49.8)%
Total Assets	302,758.8	412,608.3	(26.6)%
Liabilities			
Deposits	212,549.3	308,022.7	(31.0)%
Liabilities at fair value through profit or loss	1,574.9	3,308.4	(52.4)%
Derivatives	-	146.5	(100.0)%
Repo transactions	-	-	N/A
Other financial liabilities	17,500.8	15,824.3	10.6%
Financing received from Argentine Central Bank and other financi	246.7	399.2	(38.2)%
Unsubordinated Senior Notes	15,880.5	36,472.1	(56.5)%
Current income tax liabilities	882.8	1,466.6	(39.8)%
Subordinated Senior Notes	-	-	N/A
Provisions	1,023.4	928.0	10.3%
Deferred income tax liabilities	1,593.5	-	N/A
Other non financial liabilities	9,713.1	9,052.9	7.3%
Total Liabilities	260,965.0	375,620.8	(30.5)%
Shareholders' Equity attributable to non-controlling interest	930.1	992.3	(6.3)%
Shareholders' Equity attributable to parent's shareholders	40,863.7	35,995.2	13.5%
Total Shareholders' Equity	41,793.8	36,987.5	13.0%





Comparative consolidated income statement (in millions of pesos)	9 month period ended		Variation (%)
	9/30/2022	9/30/2022	YoY
Interest income	45,616.1	43,712.9	4.4%
Adjustments income	6,301.6	5,452.4	15.6%
Interest expense	(57,822.2)	(48,211.7)	19.9%
Adjustments expense	(2,545.8)	(5,185.0)	(50.9)%
Net interest income	(8,450.2)	(4,231.4)	99.7%
Fee and commission income	7,046.3	8,280.5	(14.9)%
Fee and commission expense	(465.3)	(476.4)	(2.3)%
Net fee and commission income	6,581.1	7,804.1	(15.7)%
Net Income from financial instruments at fair value through profit or loss	48,909.3	20,035.2	144.1%
Income from asset derecognition measured at amortized cost	7.6	(112.7)	(106.8)%
Gold and foreign currency exchange rate differences	(522.9)	(904.1)	(42.2)%
Other operating income	10,853.2	12,059.7	(10.0)%
Loan loss provision	(2,067.8)	(4,710.5)	(56.1)%
Net operating income	55,310.4	29,940.2	84.7%
Personnel expenses	(14,422.4)	(12,889.5)	11.9%
Administrative expenses	(6,163.2)	(6,700.5)	(8.0)%
Depreciation and impairment of non-financial assets	(1,142.8)	(1,449.9)	(21.2)%
Other operating expenses	(18,432.0)	(14,207.2)	29.7%
Operating income	15,150.0	(5,306.9)	N/A
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	N/A
Gain (loss) on net monetary position	(5,816.3)	(4,046.5)	43.7%
Income before income tax from continuing operations	9,333.7	(9,353.4)	(199.8)%
Income tax	(5,438.6)	1,371.4	N/A
Net income (loss) for the period attributable to non-controlling interests	(71.0)	(102.6)	(30.8)%
Net income (loss) for the period attributable to the parent's company	3,966.2	(7,879.5)	(150.3)%





Statistic data and comparative ratios

For the period ended on

	09/30/2022	06/30/2022	09/30/2021
Profitability			
ROAA (return on average assets)	1,2%	1,4%	(2,8)%
ROAE (return on average equity)	13,6%	17,3%	(26,3)%
Net financial margin*	12,0%	10,9%	5,2%
Efficiency**	49,2%	48,9%	102,5%
Capital			
Shareholders' Equity / Total Assets	13,5%	10,2%	8,7%
CET I Ratio	30,0%	28,5%	14,8%
Tier 1 Ratio	21,7%	18,7%	14,8%
Total Capital Ratio	22,1%	18,9%	15,3%
Liquidity			
Liquid Assets / Deposits	92,6%	91,7%	89,4%
LCR	133,0%	139,0%	139,3%
NSFR	175,0%	219,4%	180,1%
Loans / Deposits	31,0%	26,0%	27,4%

* (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 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 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 September 30th, 2022 were converted to Pesos at the exchange rate of Ps. (\$147,32/USD1.00) and Ps. (\$144,2999/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.

