

BANCO HIPOTECARIO S.A.

EARNINGS RELEASE – YEAR 2021





Banco Hipotecario cordially invites you to participate in its
Year 2021 conference call

Friday, March 4th, 2022, 09:00 AM EST

If you would like to participate, the hyperlink is:

<https://us06web.zoom.us/j/85159172218?pwd=NDNYMGd0bVZlUk5kWlI1S1FpdjFGQT09>

Seminar ID: 851 5917 2218

Password: 598517

Or you can dial in:

U.S.A: +13126266799

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



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YEAR 2021 CONSOLIDATED RESULTS

The Bank reported 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 31st, 2021. 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. (\$4,201.3) million, compared to Ps. \$1,383.4 million of last year. Net income attributable to owners of the parent company for the quarter was Ps. 543.3 million, compared to Ps. (1,234.5) million of last quarter and Ps. 979.3 million of same quarter last year.
- The net operating income for the year was Ps 27,223.4 million, compared to Ps. 29,930.1 million of last year. Net operating income for the quarter was Ps. 9,195.1 million, compared to Ps. 5,722.9 million of last quarter and Ps. 7,624.3 million of same quarter last year.
- The operating income for the year was Ps. 2,046.8 million, compared to Ps. 2,746.7 million of last year. Operating income for the quarter was Ps. 1,148.7 million, compared to Ps. (928.8) million of last quarter and Ps. 769 million of same quarter last year.
- For the end of 2021, the Liquidity Coverage Ratio (LCR) was 143.0%, Net Stable Funding Ratio (NSFR) was 226.3% and the liquid assets to deposits ratio was 92.6%.
- Loans to the non-financial private sector and foreign residents decreased 19.2% YoY.
- Deposits increased 115.8% YoY, while capital markets debt decreased 30.9% YoY.
- On a consolidated basis, NPL increased from 11.9% in 2020 to 13.4% in 2021. Besides, NPL in the consumer and commercial portfolios remained relatively constant at 3.0% and 28.5% respectively . Coverage ratio decreased from 92.8% to 89.1% during the same periods.
- Total capital ratio as a percentage of RWA as of December 31st, 2021 was 16.4% compared to 15.3% of last quarter and 19.4% of same quarter of last year.
- The general level of the Consumer Price Index increased 10.2% in the last quarter of 2021, compared to 9.3% of last quarter and 11.3% of same quarter last year. The accumulated inflation in 2021 was 50.9%.
- During the first months of 2022, the BCRA has sanctioned new reforms regarding the country's monetary policy. Among them, the increase in rates for 28-days financial instruments and the creation of new 180-days instruments stand out. These last instruments include fixed rate (LELIQs) and variable rate (NOTALIQs). Additionally, the new resolutions established an increase in the maximum rate on credit cards and in the productive investment line rate.





Buenos Aires, March 2nd, 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 December 31st, 2021 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. FORTH QUARTER 2021 CONSOLIDATED RESULTS

Net income attributable to owners of the parent's company for Q4 2021 was Ps. 543.3 million; compared to Ps. (1,234.5) million for Q3 2021 and Ps. 979.3 million of for Q4 2020.

Regarding profitability ratios, the annualized ROAA for Q4 2021 was 0.8% compared to (2.2%) for Q3 2021 and to 2% for Q4 2020, while annualized ROAE for the same periods were 8.9%, (20.5%) and 15.2%, respectively.

Income statement (in millions of pesos)	3 month period ended			Variation (%)	
	12/31/2021	9/30/2021	12/31/2020	QoQ	YoY
Interest and adjustments income	16,808.2	12,625.7	8,988.7	33.1%	87.0%
Interest and adjustments expense	(14,121.3)	(12,524.5)	(9,888.1)	12.7%	42.8%
Net interest income	2,686.9	101.2	(899.4)	N/A	N/A
Fee and commission income	1,589.9	1,573.6	1,969.0	1.0%	(19.3)%
Fee and commission expense	(98.9)	(100.8)	(60.9)	-2%	62.3%
Net fee and commission income	1,491.0	1,472.8	1,908.1	1.2%	(21.9)%
Net income from financial instruments at fair value through profit or loss	2,999.0	3,832.1	4,601.3	(21.7)%	(34.8)%
Income from asset derecognition measured at amortized cost	69.6	(46.2)	-	(250.9)%	N/A
Gold and foreign currency exchange rate differences	(191.6)	(304.0)	4.7	(37.0)%	N/A
Other operating income	1,972.0	2,641.3	2,532.3	(25.3)%	(22.1)%
Loan loss provision	168.2	(1,983.3)	(522.6)	(108.5)%	(132.2)%
Net operating income	9,195.1	5,713.9	7,624.3	60.9%	20.6%
Personnel expenses	(2,973.3)	(2,580.5)	(2,496.4)	15.2%	19.1%
Administrative expenses	(1,448.0)	(1,312.0)	(1,580.3)	10.4%	(8.4)%
Depreciation and impairment of non-financial assets	(207.9)	(179.4)	(321.1)	15.9%	(35.3)%
Other operating expenses	(3,417.2)	(2,570.7)	(2,457.5)	32.9%	39.1%
Operating income (loss)	1,148.7	(928.8)	769.0	(223.7)%	49.4%
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	130.2	(690.3)	835.9	(118.9)%	(84.4)%
Income tax	(730.2)	369.6	(630.2)	(297.6)%	15.9%
Net income of the period attributable to non-controlling interests	5.4	(14.9)	(4.6)	(136.0)%	(216.7)%
Net Income attributable to the parent's company	543.3	(1,234.5)	979.3	(144.0)%	(44.5)%

Net interest income for the quarter was Ps. 2,686.9 million; compared to Ps. 101.2 million for Q3 2021 and to Ps. (899.4) million for Q4 2020. Interest and adjustments income for the quarter was Ps. 16,808.2 million; representing an increase of 33.1% QoQ and 87% YoY.

This does not include income from Central Bank notes (Leliq), which are reflected in net income from financial instruments at fair value through profit and loss.





Interest and adjustments income (in millions of pesos)	3 month period ended			Variation (%)	
	12/31/2021	9/30/2021	12/31/2020	QoQ	YoY
Interest on cash and due from bank	10,878.7	7,429.2	3,912.3	46.4%	178.1%
Interest on loans to the financial sector	34.8	46.9	(69.7)	(25.7)%	(150.0)%
Interest from public and corporate securities	2,140.9	1,692.7	536.5	26.5%	299.1%
Interest on overdrafts facilities	39.3	29.9	112.0	31.6%	(64.9)%
Interest on promissory notes	365.2	208.0	80.4	75.6%	N/A
Interest on pledge loans	1.7	2.7	4.7	(34.6)%	(63.1)%
Interest on financial leases	11.7	7.4	2.1	57.4%	N/A
Interest on other loans	460.2	413.6	520.5	11.2%	(11.6)%
Interest from commercial loans	878.0	661.5	719.8	32.7%	22.0%
Interest on consumer loans	498.4	445.7	692.7	11.8%	(28.0)%
Interest on credit card loans	1,232.8	1,164.5	1,736.6	5.9%	(29.0)%
Interest from consumer loans	1,731.2	1,610.2	2,429.3	7.5%	(28.7)%
Interest on mortgage loans	232.2	276.1	295.7	(15.9)%	(21.5)%
Interest on other receivables from financial operations	1.0	0.6	18.3	70.4%	(94.8)%
Income from CER, CVS, UVA and UVI adjustments	911.3	905.5	1,116.7	0.6%	(18.4)%
Interest from mortgage loans	1,144.4	1,182.1	1,430.8	(3.2)%	(20.0)%
Others	0.0	3.1	29.8	(100.0)%	(100.0)%
Total	16,808.2	12,625.7	8,988.7	33.1%	87.0%

Interest and adjustments expense for the quarter was Ps. 14,121.3 million; representing a 12.7% increase QoQ and a 42.8% increase YoY.

Interest and adjustments expense (in millions of pesos)	3 month period ended			Variation (%)	
	12/31/2021	9/30/2021	12/31/2020	QoQ	YoY
Interest on current accounts deposits	(5,467.4)	(4,018.4)	(2,868.7)	36.1%	90.6%
Interest on saving accounts deposits	(5.1)	(3.9)	(3.0)	28.2%	66.5%
Interest on time deposits	(6,980.1)	(6,658.8)	(4,196.5)	4.8%	66.3%
Interest from deposits	(12,452.5)	(10,681.1)	(7,068.2)	16.6%	76.2%
Interest on other liabilities resulting from financial transactions	(806.1)	(935.0)	(2,087.8)	(13.8)%	(61.4)%
Expense for CER, CVS, UVA and UVI adjustments	(856.0)	(901.5)	(803.0)	(5.0)%	6.6%
Interest from corporate bonds	(1,662.1)	(1,836.4)	(2,890.8)	(9.5)%	(42.5)%
Interest on interfinancial loans received	(2.9)	(6.3)	71.1	(53.8)%	(104.1)%
Others	(3.7)	(0.6)	(0.2)	N/A	N/A
Total	(14,121.3)	(12,524.5)	(9,888.1)	12.7%	42.8%

Net fee and commission income for the quarter was Ps. 1,491 million; representing a 1.2% increase and 21.9% decrease QoQ and YoY respectively.

Net fee and commission income (in millions of pesos)	3 month period ended			Variation (%)	
	12/31/2021	9/30/2021	12/31/2020	QoQ	YoY
Fee and commission income					
Fee charged on consumer clients	1,238.7	1,238.3	1,667.8	0.0%	(25.7)%
Linked to liabilities	293.6	289.9	240.5	1.3%	22.1%
Others	57.6	45.5	60.7	26.6%	(5.1)%
Total	1,589.9	1,573.6	1,969.0	1.0%	(19.3)%
Fee and commission expense					
Credit related fees	(46.3)	(49.5)	10.0	(6.4)%	N/A
Debt placement charges	(44.3)	(42.7)	(64.1)	3.7%	(31.0)%
Others	(8.4)	(8.7)	(6.8)	(3.4)%	22.5%
Total	(98.9)	(100.8)	(60.9)	(1.9)%	62.3%
Net fee and commission income	1,491.0	1,472.8	1,908.1	1.2%	(21.9)%





Net income from financial instruments at fair value through profit and loss for the quarter was Ps. 2,999 million; representing a decrease of 21.7% QoQ and 34.8% YoY.

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

(in millions of pesos)	3 month period ended			Variation (%)	
	12/31/2021	9/30/2021	12/31/2020	QoQ	YoY
Income from government securities	2,828.3	3,478.4	4,187.6	(18.7)%	(32.5)%
Income from other corporate securities	135.4	245.8	396.0	(44.9)%	(65.8)%
Income from other securities	35.3	108.0	17.6	(67.3)%	100.3%
Total	2,999.0	3,832.1	4,601.3	(21.7)%	(34.8)%

The negative result of gold and foreign currency exchange rate differences for the quarter was Ps. 191.6 million; representing a decrease of 37% QoQ.

Other operating income for the quarter was Ps. 1,972 million; representing a decrease of 25.3% QoQ and 22.1% YoY.

Other operating income

(in millions of pesos)	3 month period ended			Variation (%)	
	12/31/2021	9/30/2021	12/31/2020	QoQ	YoY
Loan servicing	1,621.3	1,542.8	1,520.0	5.1%	6.7%
Borrowing transactions commissions	3.9	215.7	116.9	(98.2)%	(96.6)%
Other income from services	366.2	394.2	281.9	(7.1)%	29.9%
Penalty interest	24.3	66.5	29.5	(63.4)%	(17.7)%
Loans recovered	128.8	149.9	178.0	(14.1)%	(27.6)%
Others	(172.6)	272.2	405.8	(163.4)%	(142.5)%
Total	1,972.0	2,641.3	2,532.3	(25.3)%	(22.1)%

Provision for loan losses for the quarter was Ps. 168.2 million; compared to Ps. (1,983.3) million of Q3 2021 and to Ps. (522.6) million of Q4 2020.

Personnel expenses for the year were Ps. (2,973.3) million; representing an increase of 15.2% QoQ and 19.1% in the full year.

Personnel expenses

(in millions of pesos)	3 month period ended			Variation (%)	
	12/31/2021	9/30/2021	12/31/2020	QoQ	YoY
Salaries	(1,504.4)	(1,469.4)	(1,520.1)	(1.0)%	2.4%
Vacation bonus	(134.8)	(165.4)	(145.4)	(7.3)%	(18.5)%
Social security expenses	(344.7)	(355.7)	(269.6)	27.8%	(3.1)%
Severance and bonus expenses	(861.1)	(487.8)	(425.3)	102.5%	76.5%
Other personnel expenses	(128.3)	(102.2)	(135.9)	(5.6)%	25.5%
Total	(2,973.3)	(2,580.5)	(2,496.4)	19.1%	15.2%

Administrative expenses for the quarter were Ps. (1,448) million; representing an increase of 10.4% QoQ and a decrease of 8.4% YoY.





Administrative expenses

(in millions of pesos)

	3 month period ended			Variation (%)	
	12/31/2021	9/30/2021	12/31/2020	QoQ	YoY
Directors' and statutory auditors' fees	(205.8)	(99.7)	(184.9)	11.3%	106.5%
Fees and compensation for services	(573.7)	(580.3)	(677.7)	(15.3)%	(1.1)%
Advertising, promotion and research expenses	(54.0)	(38.9)	(34.3)	57.1%	38.6%
Taxes and duties	(116.8)	(161.2)	(183.9)	(36.5)%	(27.5)%
Maintenance and repairs	(99.0)	(104.8)	(124.2)	(20.3)%	(5.5)%
Electricity, gas and telephone services	(111.0)	(125.8)	(124.2)	(10.7)%	(11.8)%
Others	(287.7)	(201.4)	(251.0)	14.6%	42.9%
Total	(1,448.0)	(1,312.0)	(1,580.3)	(8.4)%	10.4%

Other operating expenses for the quarter was Ps. (3,417.2) million; representing an increase of 32.9% QoQ and 39.1% YoY.

Other operating expenses

(in millions of pesos)

	3 month period ended			Variation (%)	
	12/31/2021	9/30/2021	12/31/2020	QoQ	YoY
Turnover tax and others	(1,087.9)	(1,141.1)	(658.1)	(4.7)%	65.3%
Contribution to the deposit insurance fund	(108.8)	(80.5)	(76.8)	35.3%	41.8%
Loan servicing	(1,026.3)	(687.4)	(865.4)	49.3%	18.6%
Charges for other provisions	(23.1)	(65.4)	1.1	(64.6)%	N/A
Debit card, credit card & loan rebates	(122.5)	(170.8)	(203.5)	(28.3)%	(39.8)%
Others	(1,048.5)	(425.6)	(654.8)	146.3%	60.1%
Total	(3,417.2)	(2,570.7)	(2,457.5)	32.9%	39.1%

Loans to the non-financial private sector and foreign residents totaled Ps. 59,265.4 million as of the end of 2021; representing a decrease of 19.2% compared to Ps. 73,312.6 million as of the end of 2020.

Loans to the non-financial private sector and foreign residents

(in millions of pesos)

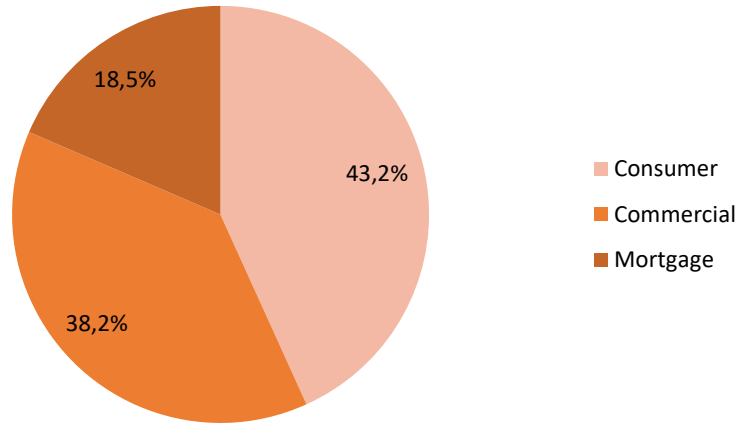
	12 month period ended		Variation (%)
	12/31/2021	12/31/2020	YoY
Overdraft facilities	419.0	215.8	94.1%
Promissory notes	5,691.4	1,846.0	208.3%
Mortgage loans	10,504.5	11,962.5	(12.2)%
Pledge loans	40.4	58.2	(30.5)%
Consumer loans	4,482.8	6,299.4	(28.8)%
Credit cards	21,139.0	29,710.3	(28.8)%
Financial leases	82.3	25.8	218.7%
Loans to entity's personnel	478.6	535.3	(10.6)%
Unallocated collections	(9.1)	(4.7)	95.6%
Others	15,484.7	20,954.4	(26.1)%
Accrued interest and quotation differences receivable	1,526.3	1,830.7	(16.6)%
Documented interest	(574.4)	(121.1)	N/A
Total	59,265.4	73,312.6	(19.2)%





BH's non-financial private sector and foreign residents' loan portfolio composition as of December 31st, 2021 was 61.8% of retail financing and housing loans (43.2% consumer and 18.5% housing) and 38.2% of corporate loans, providing a highly diversified client base.

Non-financial Private Sector and Foreign Residents' Loan Portfolio Diversification
YEAR 2021





On a consolidated basis, NPL increased from 11.9% in 2020 to 13.4% in 2021, while coverage ratio decreased from 92.8% to 89.1% for the same period. Besides, NPL in the consumer portfolio remained relatively constant at 3% and 28.5% respectively during the same period.

Non-performing loans

(in millions of pesos)

	As of	
	12/31/2021	12/31/2020
Consolidated level		
Non-performing loans	8,283.3	8,900.9
Total portfolio	61,704.8	74,584.5
Allowances (total)	7,378.6	8,260.4
Non-performing loans / Total portfolio	13.4%	11.9%
Allowances (total) / Non-performing loans	89.1%	92.8%
Consumer portfolio		
Non-performing loans (consumer)	1,101.9	1,394.0
Consumer portfolio	36,514.1	48,379.7
Allowances (consumer)	1,398.0	2,702.5
Non-performing loans (consumer) / Consumer portfolio	3.0%	2.9%
Allowances (consumer) / Non-performing loans (consumer)	126.9%	193.9%
Commercial portfolio		
Non-performing loans (commercial)	7,181.4	7,506.9
Commercial portfolio	25,190.7	26,204.8
Allowances (commercial)	5,980.6	5,557.9
Non-performing loans (commercial) / Commercial portfolio	28.5%	28.6%
Allowances (Commercial) / Non-performing loans (commercial)	83.3%	74.0%

Deposits totaled Ps. 289,291,6 million, representing a 115.8% increase YoY; while capital markets debt totaled Ps. 20,333 million, representing a 30.9% decrease YoY.

Funding

(in millions of pesos)

	12 month period ended				Variation (%)
	12/31/2021		12/31/2020		
	Ps.	%	Ps.	%	
Deposits	289,291.6	93.4%	134,083.2	82.0%	115.8%
Local capital markets debt	9,626.8	3.1%	20,164.7	12.3%	(52.3)%
International capital markets debt	10,706.2	3.5%	9,248.8	5.7%	15.8%
Unsubordinated Senior Notes	20,333.0	6.6%	29,413.5	18.0%	(30.9)%
Total	309,624.6	100.0%	163,496.7	100.0%	89.4%





Comparative consolidated balance sheet (in millions of pesos)	As of		Variation (%)
	12/31/2021	12/31/2020	YoY
Assets			
Cash and due from banks deposits	18,111.4	20,260.6	(10.6)%
Debt securities at fair value through profit or loss	27,566.0	46,337.4	(40.5)%
Derivatives	290.2	11.9	N/A
Repo transactions	193,209.9	37,570.8	N/A
Loans and other financing	4,618.5	3,803.4	21.4%
Non-Financial Public Sector	0.0	0.0	(91.5)%
Financial Sector	481.8	461.0	4.5%
Non-Financial Private Sector and Foreign Residents	59,265.4	73,312.6	(19.2)%
Allowances	(7,336.1)	(8,203.8)	(10.6)%
Loans, net of allowances	52,411.1	65,569.9	(20.1)%
Other debt securities	28,954.1	8,397.5	244.8%
Financial assets in guarantee	4,749.9	2,425.0	95.9%
Investment in subsidiaries, associates and joint ventures	-	-	N/A
Property, plant and equipment	7,176.4	7,589.0	(5.4)%
Others	13,579.8	15,642.7	(13.2)%
Total Assets	350,667.2	207,608.1	68.9%
Liabilities			
Deposits	289,291.6	134,083.2	115.8%
Liabilities at fair value through profit or loss	597.1	80.3	N/A
Derivatives	17.3	0.1	N/A
Repo transactions	28.5	-	N/A
Other financial liabilities	9,999.0	10,524.7	(5.0)%
Financing received from Argentine Central Bank and other financi	286.9	127.7	124.7%
Unsubordinated Senior Notes	20,333.0	29,413.5	(30.9)%
Current income tax liabilities	424.9	258.0	64.7%
Subordinated Senior Notes	-	-	N/A
Provisions	383.7	676.7	(43.3)%
Deferred income tax liabilities	-	-	N/A
Other non financial liabilities	6,484.8	5,353.5	21.1%
Total Liabilities	327,846.8	180,517.7	81.6%
Shareholders' Equity attributable to non-controlling interest	602.9	671.5	(10.2)%
Shareholders' Equity attributable to parent's shareholders	22,217.5	26,418.8	(15.9)%
Total Shareholders' Equity	22,820.5	27,090.3	(15.8)%





Statistic data and comparative ratios

	For the period ended on	
	12/31/2021	12/31/2020
Profitability		
ROAA (return on average assets)	(1.5)%	0.7%
ROAE (return on average equity)	(17.3)%	5.4%
Net financial margin*	5.2%	7.2%
Efficiency**	78.8%	68.4%
Capital		
Shareholders' Equity / Total Assets	6.3%	12.7%
CET I Ratio	15.8%	18.8%
Tier 1 Ratio	15.9%	18.9%
Total Capital Ratio	16.4%	19.4%
Liquidity		
Liquid Assets / Deposits	92.6%	84.0%
LCR	143.0%	120.0%
NSFR	226.3%	162.7%
Loans / Deposits	18.1%	48.9%

* (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. YEAR 2021 CONSOLIDATED RESULTS

The attributable net income for the year was Ps. (4,201.3) million, compared to Ps. 1,383.4 million of last year.

Regarding profitability ratios, the ROAA for 2021 was (1.5%), compared to 0.7% for 2020, while ROAE for the same periods were (17.3%) and 5.4%, respectively.

Comparative consolidated income statement (in millions of pesos)	12 month period ended		Variation (%)
	12/31/2021	12/31/2020	YoY
Interest income	42,218.4	26,111.2	61.7%
Adjustments income	4,194.4	3,745.6	12.0%
Interest expense	(42,333.7)	(26,947.3)	57.1%
Adjustments expense	(3,940.0)	(3,010.2)	30.9%
Net interest income	139.0	(100.7)	(238.0)%
Fee and commission income	6,575.9	9,239.8	(28.8)%
Fee and commission expense	(385.8)	(377.2)	2.3%
Net fee and commission income	6,190.2	8,862.6	(30.2)%
Net Income from financial instruments at fair value through profit or loss	15,063.1	15,110.2	(0.3)%
Income from asset derecognition measured at amortized cost	1.8	-	N/A
Gold and foreign currency exchange rate differences	(736.0)	(912.4)	(19.3)%
Other operating income	9,233.6	10,041.8	(8.0)%
Loan loss provision	(2,668.2)	(3,071.4)	(13.1)%
Net operating income	27,223.4	29,930.1	(9.0)%
Personnel expenses	(10,734.7)	(10,301.7)	4.2%
Administrative expenses	(5,482.6)	(6,308.9)	(13.1)%
Depreciation and impairment of non-financial assets	(1,080.9)	(1,270.5)	(14.9)%
Other operating expenses	(11,972.0)	(9,302.4)	28.7%
Operating income	(2,046.8)	2,746.7	(174.5)%
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	N/A
Gain (loss) on net monetary position	(2,306.4)	(56.2)	N/A
Income before income tax from continuing operations	(4,353.2)	2,690.5	(261.8)%
Income tax	95.5	(1,225.4)	(107.8)%
Net income (loss) for the period attributable to non-controlling interests	(56.4)	81.7	(169.1)%
Net income (loss) for the period attributable to the parent's company	(4,201.3)	1,383.4	N/A





IV. COVID-19 PANDEMIC

The outbreak of Covid-19 began in Argentina in March 2020. Since the pandemic was declared, Banco Hipotecario has been operating under challenging circumstances. COVID-19 continues to have consequences on business and economic activities at a global and local level.

In the last few months, vaccination efforts have greatly reduced the Covid-19 transmission. This context has allowed the Bank to promote the gradual return of the employees from certain areas to our offices, combining a virtual with a face-to-face model.

The full impact of COVID-19 cannot be measured yet as emerging variants still prove to be a risk that could potentially lead the government to impose new restrictions. However, the bank's management is closely monitoring the situation and taking all necessary measures to preserve employee safety, ensure the Bank's operations and continue with the return to the New Normal.

V. 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 during these unprecedented times.
- ✓ 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, 2021 were converted to Pesos at the exchange rate of Ps. 102.75/USD1.00 and Ps. 116.94672/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.

