



Banco Hipotecario S.A.
Earnings Release - Third Quarter 2019

Banco Hipotecario cordially invites you to participate in its
Third Quarter 2019 conference call

Monday, Nov 11th, 2019, 10:00A EST

If you would like to participate, please call:

EEUU: (800) 230-1092
International: (612) 288-0329
PIN # 473733

Slideshow available at:

<http://choruscall.com.br/bancohipotecario/3q19.htm>

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

Contacts:

Martín Diez
Eliezer Baschkier
Capital Markets
Tel. (54-11) 4347- 5856/5967
Fax (54-11) 4347-5874
Buenos Aires, Argentina
mdiez@hipotecario.com.ar
baschkier@hipotecario.com.ar

Tomás Godino
CFO
Tel. (54-11) 4347-5759
Buenos Aires, Argentina

Banco Hipotecario SA reports
Third Quarter 2019 consolidated results

Highlights**Executive Summary**

- Net income for the quarter was Ps. 1,039.9 million, compared to Ps. 615.8 million of last quarter and Ps. 542.2 million of same quarter last year.
- Net operating income for the quarter was Ps. 4,571.6 million, 10.7% higher than the Ps. 4,127.9 million of previous quarter and 35.3% higher than the Ps. 3,379.2 million of same quarter of last year. Operating income for the quarter was Ps. 1,121.5 million, compared to Ps. 618.9 million of previous quarter and Ps. 692.3 million of same quarter of last year.
- As of September 30, 2019, Liquidity Coverage Ratio (LCR) was 222%, Net Stable Funding Ratio (NSFR) was 149.3% and the liquid assets to deposits ratio was 90.3%.
- Loans to the non financial private sector increased 3.7% QoQ and decreased 10.3% YoY.
- Deposits increased 10.5% QoQ and increased 30.4% YoY, while corporate bonds decreased 1.5% QoQ and 12.2% YoY.
- On a consolidated basis, NPL decreased from 13.3% in Q2 2019 to 12.8% in Q3 2019. Besides, NPL in the consumer portfolio decrease from 11.1% to 9.2% during the same period. Coverage ratio remained at 53.0% for the period.
- Total capital ratio as a percentage of RWA as of September 30, 2019 was 13.45%, compared to 12.92% of previous quarter and 11.45% of same quarter of last year.
- On September 2, 2019, the final merger agreement was signed between Banco Hipotecario, Tarshop S.A.U. and BH Valores S.A., which implied the merger by absorption of both subsidiaries.

Buenos Aires, Nov 5th, 2019

I. Banco Hipotecario 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, 2019 were prepared under IFRS according to Central Bank's convergence plan (Communication "A" 5541 and its modifications). Provisions under IFRS 9 (5.5) and inflation accounting will be implemented starting on January 1st, 2020 (Communication "A" 6430 and "A" 6651).

II. Q3 2019 consolidated results

Net income for the quarter was Ps. 1,039.9 million, compared to Ps. 615.8 million of last quarter and Ps. 542.2 million of same quarter last year.

Regarding profitability ratios, the ROAA for annualized accumulated results for Q3 2019 was 2.63% compared to 1.55% for Q2 2019 and 2.74% for Q3 2018, while ROAE for the same periods were 21.38%, 13.00% and 23.94%, respectively. The ROAA for annualized quarterly results for Q3 2019 was 4.85% compared to 2.93% for Q2 2019 and 2.88% for Q3 2018, while ROAE for the same periods were 39.41%, 24.55% and 25.16%, respectively.

The negative result of difference in quoted prices of gold and foreign currency for the quarter was Ps. 1,391.8 million, which compensates with the net income from financial instruments at fair value through profit and loss of Ps. 2,245.1 million.

Income statement (in millions of pesos)	3 month period ended			Variation (%)	
	30/09/19	30/06/19	30/09/18	QoQ	YoY
Interest Income	4,186.0	4,247.7	3,898.0	(1.5)%	7.4%
Interest Expense	(3,026.0)	(4,077.1)	(3,350.5)	(25.8)%	(9.7)%
Net Interest Income	1,160.0	170.6	547.5	N/A	111.9%
Fee Income	1,244.0	1,234.6	1,137.1	0.8%	9.4%
Fee Expense	(160.8)	(148.1)	(376.4)	8.6%	(57.3)%
Net Fee Income	1,083.2	1,086.4	760.7	(0.3)%	42.4%
Net Income from financial instruments at Fair Value through profit & Loss	2,245.1	3,296.9	1,212.5	(31.9)%	85.2%
Difference in quoted prices of gold and foreign currency	(1,391.8)	(1,029.1)	393.7	35.2%	N/A
Other operating income	2,325.8	1,215.4	945.2	91.4%	146.1%
Provision for loan losses	(850.6)	(612.2)	(480.4)	38.9%	77.0%
Net Operating Income	4,571.6	4,127.9	3,379.2	10.7%	35.3%
Personnel expenses	(1,379.5)	(1,367.8)	(953.3)	0.9%	44.7%
Administrative expenses	(899.3)	(873.7)	(834.9)	2.9%	7.7%
Depreciation and impairment of assets	(81.3)	(76.9)	(92.8)	5.8%	(12.4)%
Other operating expenses	(1,089.9)	(1,190.6)	(805.9)	(8.5)%	35.2%
Operating Income	1,121.5	618.9	692.3	81.2%	62.0%
Income tax from continuing operations	(62.5)	9.0	(146.9)	N/A	(57.5)%
Net income of the period attributable to non-controlling interests	(19.1)	(12.1)	(3.2)	57.8%	N/A
Net Income	1,039.9	615.8	542.2	68.9%	91.8%

Net interest income for the quarter was Ps. 1,160.0 million; compared to Ps. 170.6 million of last quarter and a Ps. 547.5 million of same quarter last year.

Interest income for the quarter was Ps. 4,186.0 million; representing a 1.5% decrease QoQ and a 7.4% increase 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 Income

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/09/19	30/06/19	30/09/18	QoQ	YoY
Interest on cash and due from banks	11.9	9.7	3.1	22.4%	282.1%
Interest from loans to the financial sector	0.2	3.8	49.9	(95.7)%	(99.7)%
Interest from public and corporate securities	365.5	166.5	199.8	119.5%	82.9%
Interest on overdrafts	43.9	53.3	95.2	(17.7)%	(53.9)%
Interest on documents	26.4	40.4	42.1	(34.6)%	(37.2)%
Interest on pledge loans	10.9	14.2	21.8	(23.3)%	(49.9)%
Interest on financial leases	8.6	10.7	9.9	(19.5)%	(13.1)%
Interest on other loans	374.1	436.5	454.0	(14.3)%	(17.6)%
Income from adjustments	35.5	47.2	25.9	(24.8)%	37.2%
Interest from commercial loans	499.3	602.2	648.8	(17.1)%	(23.0)%
Interest on personal loans	918.7	889.8	876.5	3.3%	4.8%
Interest on credit card loans	1,643.4	1,948.4	1,787.6	(15.7)%	(8.1)%
Interest from consumer loans	2,562.1	2,838.2	2,664.0	(9.7)%	(3.8)%
Interest on mortgage loans	165.2	160.0	130.7	3.2%	26.3%
Interest on other receivables from financial operations	0.0	0.0	3.8	(8.2)%	(99.8)%
Income from adjustments	308.9	379.6	186.4	(18.6)%	65.7%
Interest from mortgage loans	474.1	539.6	321.0	(12.1)%	47.7%
Others	272.8	87.6	11.5	211.4%	N/A
Total	4,186.0	4,247.7	3,898.0	(1.5)%	7.4%

Interest expense for the quarter was Ps. 3,026.0 million; representing a 25.8% decrease QoQ and a 9.7% decrease YoY.

Interest Expense

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/09/19	30/06/19	30/09/18	QoQ	YoY
Interest on checking accounts	(238.7)	(32.8)	(367.1)	N/A	(35.0)%
Interest on saving accounts	(4.2)	(3.8)	(2.4)	9.5%	70.3%
Interest on time deposits	(1,577.1)	(1,431.4)	(873.0)	10.2%	80.6%
Expense from adjustments	(66.6)	(109.8)	(97.5)	(39.3)%	(31.7)%
Interest from deposits	(1,886.5)	(1,577.8)	(1,340.1)	19.6%	40.8%
Interest from other liabilities from financial operations	(796.6)	(2,184.4)	(1,719.3)	(63.5)%	(53.7)%
Expense from adjustments	(248.2)	(311.6)	(181.6)	(20.4)%	36.6%
Interest from corporate bonds	(1,044.7)	(2,496.1)	(1,900.9)	(58.1)%	(45.0)%
Interest on interfinancial loans	(29.6)	(0.6)	(8.6)	N/A	244.0%
Interest on other financing from financial institutions	-	(0.5)	(54.4)	(100.0)%	(100.0)%
Others	(65.1)	(2.1)	(46.6)	N/A	39.8%
Total	(3,026.0)	(4,077.1)	(3,350.5)	(25.8)%	(9.7)%

Net fee income for the quarter was Ps. 1,083.2 million, representing a 0.3% decrease QoQ and a 42.4% increase YoY.

Net Fee Income

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/09/19	30/06/19	30/09/18	QoQ	YoY
Fee Income					
Fee charged on consumer clients	1,176.1	1,181.7	1,140.1	(0.5)%	3.2%
Fee charged on liability transactions	59.2	47.7	17.3	24.0%	241.6%
Others	8.7	5.1	(20.2)	71.6%	(143.2)%
Total	1,244.0	1,234.6	1,137.1	0.8%	9.4%
Fee Expense					
Credit related fees	(115.7)	(115.6)	(340.5)	0.1%	(66.0)%
Debt placement charges	(42.9)	(30.7)	(34.6)	39.8%	23.9%
Others	(2.2)	(1.9)	(1.3)	17.9%	70.2%
Total	(160.8)	(148.1)	(376.4)	8.6%	(57.3)%
Net Fee Income	1,083.2	1,086.4	760.7	(0.3)%	42.4%

Net income from financial instruments at fair value through profit and loss for the quarter was Ps. 2,245.0 million, representing a 31.9% decrease QoQ and a 85.2% increase YoY.

Net Income from financial instruments at Fair Value through profit & Loss

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/09/19	30/06/19	30/09/18	QoQ	YoY
Income from public securities	2,477.0	3,170.6	1,464.7	(21.9)%	69.1%
Income from private securities	(274.8)	149.8	125.2	(283.4)%	N/A
Income from other securities	42.8	(23.6)	(377.5)	(281.5)%	(111.3)%
Total	2,245.0	3,296.9	1,212.5	(31.9)%	85.2%

The negative result of difference in quoted prices of gold and foreign currency for the quarter was Ps. 1,391.8 million, which compensates with the net income from financial instruments at fair value through profit and loss of Ps. 2,245.1 million.

Other operating income for the quarter was Ps. 2,325.8 million, representing a 91.4% increase QoQ and a 146.1% increase YoY.

Other operating income

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/09/19	30/06/19	30/09/18	QoQ	YoY
Loan related services	793.9	713.1	700.0	11.3%	13.4%
Fee charged on liability transactions	34.0	31.7	25.5	7.3%	33.3%
Other income from services	103.7	108.3	95.0	(4.2)%	9.2%
Penalty interest	82.4	83.4	45.5	(1.2)%	81.2%
Recovered loans	40.9	27.8	28.7	47.0%	42.3%
Others	1,270.8	251.1	50.4	N/A	N/A
Total	2,325.8	1,215.4	945.2	91.4%	146.1%

Provision for loan losses for the quarter was Ps. 850.6 million, representing a 38.9% increase QoQ and a 77.0% increase YoY.

Personnel expenses for the quarter were Ps. 1,379.5 million, representing a 0.9% increase QoQ and a 44.7% increase YoY.

Personnel expenses

(in millions of pesos)	3 month period ended			Variation (%)	
	30/09/19	30/06/19	30/09/18	QoQ	YoY
Salaries	(636.4)	(645.5)	(522.8)	(1.4)%	21.7%
Vacation bonus	(50.4)	(50.1)	(50.9)	0.5%	(1.0)%
Social security expenses	(181.1)	(174.9)	(156.1)	3.6%	16.1%
Severance and bonus expenses	(417.8)	(453.4)	(187.9)	(7.8)%	122.3%
Other personnel expenses	(93.8)	(43.9)	(35.7)	113.8%	163.1%
Total	(1,379.5)	(1,367.8)	(953.3)	0.9%	44.7%

Administrative expenses for the quarter were Ps. 899.3 million, representing a 2.9% increase QoQ and a 7.7% increase YoY.

Administrative expenses

(in millions of pesos)	3 month period ended			Variation (%)	
	30/09/19	30/06/19	30/09/18	QoQ	YoY
Directors fees	(42.1)	(86.2)	(56.3)	(51.2)%	(25.2)%
Other fees	(409.0)	(364.1)	(300.1)	12.3%	36.3%
Advertising and publicity	(23.4)	(22.5)	(40.4)	3.9%	(42.1)%
Taxes	(88.5)	(107.2)	(112.1)	(17.4)%	(21.0)%
Maintenance and conservation fees	(70.9)	(71.3)	(64.3)	(0.6)%	10.2%
Electricity, gas and communications	(70.0)	(68.1)	(70.1)	2.8%	(0.1)%
Others	(195.5)	(154.3)	(191.6)	26.7%	2.0%
Total	(899.3)	(873.7)	(834.9)	2.9%	7.7%

Other operating expenses for the quarter were Ps. 1,089.9 million, representing a 8.5% decrease QoQ and a 35.2% increase YoY.

Other operating expenses

(in millions of pesos)	3 month period ended			Variation (%)	
	30/09/19	30/06/19	30/09/18	QoQ	YoY
Turnover tax and others	(449.4)	(483.0)	(447.1)	(7.0)%	0.5%
Deposit Guarantee Fund contributions	(13.6)	(12.7)	(11.5)	7.4%	18.5%
Loan related services	(311.4)	(348.0)	(122.7)	(10.5)%	153.7%
Other provision charges	(40.0)	(111.6)	(150.7)	(64.2)%	(73.5)%
Discounts	(89.3)	(84.4)	(26.6)	5.9%	236.0%
Others	(186.2)	(151.0)	(47.3)	23.3%	293.3%
Total	(1,089.9)	(1,190.6)	(805.9)	(8.5)%	35.2%

Non financial private sector loan portfolio totaled Ps. 43,895.1 million in Q3 2019; representing a 3.7% increase QoQ and a 10.3% decrease YoY.

Loans to the non-financial private sector

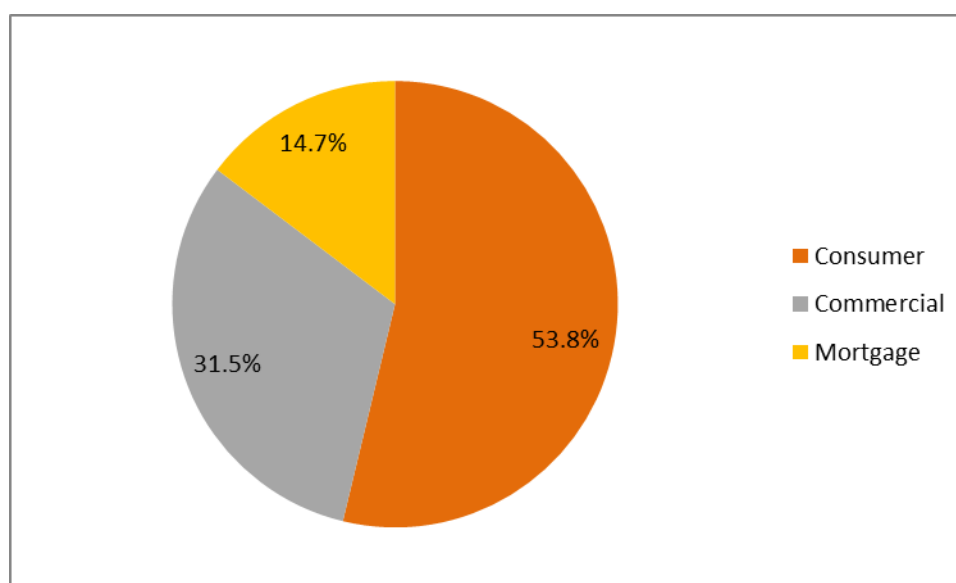
(in millions of pesos)

	3 month period ended			Variation (%)	
	30/09/19	30/06/19	30/09/18	QoQ	YoY
Overdrafts	389.9	528.3	407.4	(26.2)%	(4.3)%
Documents	150.8	193.5	320.7	(22.0)%	(53.0)%
Mortgage loans	6,211.2	5,801.4	4,872.1	7.1%	27.5%
Pledge loans	118.9	143.0	231.7	(16.9)%	(48.7)%
Personal loans	7,418.5	9,098.7	9,397.5	(18.5)%	(21.1)%
Credit card loans	16,122.8	15,464.9	18,683.4	4.3%	(13.7)%
Financial leases	73.2	89.5	135.1	(18.2)%	(45.9)%
Loans to the personnel	305.8	292.2	277.5	4.7%	10.2%
Unallocated collections	(4.4)	(8.3)	(32.6)	(47.4)%	(86.6)%
Other	12,568.0	10,214.9	14,133.0	23.0%	(11.1)%
Accrued interest and quotation differences receivable	567.2	566.6	569.2	0.1%	(0.4)%
Documented interest	(26.7)	(37.5)	(46.5)	(28.8)%	(42.5)%
Total	43,895.1	42,347.0	48,948.5	3.7%	(10.3)%

BH's non financial private sector loan portfolio composition as of September 30, 2019 was 68.5% of retail financing and housing loans (53.8% consumer and 14.7% housing) and 31.5% of corporate loans, providing a highly diversified client base.

Loan Portfolio Diversification

(Non-financial Private Sector Loans)
Q3 2019



On a consolidated basis, NPL decreased from 13.3% in Q2 2019 to 12.8% in Q3 2019, while coverage ratio was 53.0% for the period. Besides, NPL in the consumer portfolio decrease from 11.1% to 9.2% during the same period.

Non-performing loans

(in millions of pesos)

3 month period ended

	30/09/19	30/06/19	30/09/18
Consolidated level			
Non-performing loans	5,641.8	5,691.5	2,297.9
Total portfolio	44,179.0	42,729.7	52,959.9
Allowances (total)	2,990.4	2,970.2	1,823.7
Non-performing loans / Total portfolio	12.8%	13.3%	4.3%
Allowances (total) / Non-performing loans	53.0%	52.2%	79.4%
Consumer portfolio			
Non-performing loans (consumer)	2,745.9	3,384.7	2,163.5
Consumer portfolio	29,934.1	30,611.3	33,261.5
Allowances (consumer)	1,511.7	1,990.6	1,542.7
Non-performing loans (consumer) / Consumer portfolio	9.2%	11.1%	6.5%
Allowances (consumer) / Non-performing loans (consumer)	55.1%	58.8%	71.3%
Commercial portfolio			
Non-performing loans (commercial)	2,895.9	2,306.8	134.4
Commercial portfolio	14,244.9	12,118.4	19,698.4
Allowances (commercial)	1,478.8	979.6	280.9
Non-performing loans (commercial) / Commercial portfolio	20.3%	19.0%	0.7%
Allowances (Commercial) / Non-performing loans (commercial)	51.1%	42.5%	209.1%

Deposits totaled Ps. 32,740.8 million, representing a 10.5% increase QoQ and a 30.4% increase YoY, while corporate bonds totaled Ps. 29,647.7 million, representing a 1.5% decrease QoQ and a 12.2% decrease YoY.

Funding

(in millions of pesos)

3 month period ended

Variation (%)

	30/09/19		30/06/19		30/09/18		Variation (%)	
	Ps.	%	Ps.	%	Ps.	%	QoQ	YoY
Deposits	32,740.8	52.5%	29,617.2	49.6%	25,104.4	42.7%	10.5%	30.4%
Local corporate bonds	8,621.5	13.8%	10,443.2	17.5%	9,049.8	15.4%	(17.4)%	(4.7)%
International corporate bonds	21,026.2	33.7%	19,647.2	32.9%	24,705.4	42.0%	7.0%	(14.9)%
Corporate bonds	29,647.7	47.5%	30,090.4	50.4%	33,755.2	57.3%	(1.5)%	(12.2)%
Total	62,388.5	100.0%	59,707.6	100.0%	58,859.6	100.0%	4.5%	6.0%

Comparative consolidated balance sheet

(in millions of pesos)

	As of		Variation (%)
	30/09/19	30/09/18	YoY
Assets			
Cash and deposits in banks	16,097.4	8,111.7	98.4%
Debt securities at fair value through profit and loss	8,334.5	11,327.7	(26.4)%
Derivatives	1.6	299.2	(99.5)%
Repo transactions	2,959.0	418.3	N/A
Loans and other receivables	1,584.9	2,667.8	(40.6)%
Non financial public sector	0.0	43.7	(99.9)%
Financial sector	21.5	431.3	(95.0)%
Non financial private sector and foreign	43,895.1	48,948.5	(10.3)%
Allowances	(2,983.2)	(1,788.8)	66.8%
Loans, net of allowances	40,933.4	47,634.7	(14.1)%
Other debt securities	5,141.6	4,584.4	12.2%
Financial assets in guarantee	3,215.9	2,426.6	32.5%
Investment in other companies, subsidiaries and joint ventures	2.5	13.4	(81.1)%
Property, plant and equipment	1,699.6	4,534.4	(62.5)%
Others	7,025.9	1,800.2	290.3%
Total Assets	86,996.2	83,818.2	3.8%
Liabilities			
Deposits	32,740.8	25,104.4	30.4%
Liabilities at fair value through profit and loss	484.2	207.7	133.1%
Derivatives	23.3	120.7	(80.7)%
Repo transactions	578.6	50.1	N/A
Other financial liabilities	6,881.2	9,722.0	(29.2)%
Financing received from Central Bank and other financial institutions	1,235.6	700.7	76.3%
Issued corporate bonds	29,647.7	33,755.2	(12.2)%
Current income tax liabilities	518.9	849.9	(38.9)%
Subordinated corporate bonds	-	-	N/A
Provisions	372.7	401.8	(7.3)%
Deferred income tax liabilities	-	-	N/A
Other non financial liabilities	2,959.7	3,297.6	(10.2)%
Total Liabilities	75,442.6	74,210.1	1.7%
Shareholders' Equity attributable to non controlling interest	242.4	313.1	(22.6)%
Shareholders' Equity attributable to controlling interest	11,311.3	9,295.0	21.7%
Total Shareholders' Equity	11,553.6	9,608.1	20.2%

Comparative consolidated income statement (in millions of pesos)	For the 9 month period ended		Variation (%)
	30/09/19	30/09/18	YoY
Interest Income	11,459.1	9,873.7	16.1%
Income from adjustments	1,084.1	417.7	159.5%
Interest Expense	(10,016.5)	(7,654.3)	30.9%
Expenses from adjustments	(1,034.0)	(582.8)	77.4%
Net Interest Income	1,492.8	2,054.4	(27.3)%
Fee Income	3,544.1	3,069.8	15.4%
Fee Expense	(474.3)	(537.3)	(11.7)%
Net Fee Income	3,069.8	2,532.4	21.2%
Net Income from financial instruments at Fair Value through profit & Loss	7,992.9	3,444.4	132.1%
Difference in quoted prices of gold and foreign currency	(3,373.7)	(94.9)	N/A
Other operating income	5,145.1	3,019.4	70.4%
Provision for loan losses	(2,792.9)	(1,280.0)	118.2%
Net Operating Income	11,533.8	9,675.6	19.2%
Personnel expenses	(3,937.7)	(2,666.2)	47.7%
Administrative expenses	(2,526.1)	(2,286.1)	10.5%
Depreciation and impairment of assets	(220.6)	(167.7)	31.5%
Other operating expenses	(3,185.2)	(2,383.8)	33.6%
Operating Income	1,664.3	2,171.7	(23.4)%
Income before income tax from continuing operations	1,664.3	2,171.7	(23.4)%
Income tax from continuing operations	53.9	(598.9)	(109.0)%
Net income of the period attributable to non-controlling interests	(25.9)	(25.2)	3.1%
Net Income	1,692.2	1,547.6	9.3%

Statistic data and comparative ratios

For the period ended

	30/09/19	30/06/19	30/09/18
Profitability			
ROAA (return on average assets)	2.63%	1.55%	2.74%
ROAE (return on average equity)	21.38%	13.00%	23.94%
Net financial margin*	9.50%	9.74%	9.58%
Efficiency**	68.81%	67.7%	59.9%
Capital			
Shareholders' Equity / Total Assets	13.00%	12.25%	11.09%
CET I Ratio	12.90%	12.37%	10.80%
Tier 1 Ratio	12.91%	12.39%	10.82%
Total Capital Ratio	13.45%	12.92%	11.45%
Liquidity			
Liquid Assets / Deposits	90.33%	101.25%	95.70%
LCR	222.00%	262.00%	171.00%
NSFR	149.27%	160.44%	155.07%
Loans / Deposits	125.02%	133.08%	189.75%

* (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. Next quarter and 2019 perspectives

The next quarter and 2019 perspectives for the Bank are based on:

- ✓ Maintain high liquidity and solvency levels in order to face volatility.
- ✓ Continue with the development of sustainable housing solutions.
- ✓ Enhance the corporate business, while maintaining the presence in the consumer business.
- ✓ Deepen the implementation of the digital strategy to enhance distribution capacity and increase the client base profitable.
- ✓ Sustain a balanced asset and liability structure in order to hedge the different tenors and currencies.
- ✓ Increase efficiency and continue with the rationalization of expenses.

Eduardo S. Elsztain
Chairman

Assets and liabilities denominated in foreign currency as of September 30, 2019 were converted to pesos at the exchange rate of Ps. 57.5583/USD1.00 and Ps. 62.7615/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 / Institutional / Financial Information and Bonds). 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.