

BANCO HIPOTECARIO S.A.

EARNINGS RELEASE – SECOND QUARTER 2024





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

Wednesday, August 28th, 2024, 10:30 AM EST

If you would like to participate, the hyperlink is:

https://us06web.zoom.us/webinar/register/WN_6ivLv6fsQ9aHpDojrq_4VA

Web Seminar ID: 854 7355 2398

Or you can dial in:

U.S.A: +1 564 217 2000;

+1 646 558 8656

Preferably 10 minutes before the call is due to begin.

The conference will be held in English.





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SECOND QUARTER 2024 CONSOLIDATED RESULTS

The Bank began reporting results applying Hyperinflation Accounting, in accordance to IFRS rule IAS 29 ("IAS 29") as established by the Central Bank as of Q1 2020. Therefore, every result and variation described in this report is expressed in constant currency as of June 30th, 2024. Also, the provisioning model of IFRS 9 section 5.5 was applied, as established by the Central Bank.

HIGHLIGHTS

EXECUTIVE SUMMARY

- Net income attributable to owners of the parent company for the quarter was Ps. 11,672 compared to Ps. 17,207.4 million of last quarter and Ps. 14,918.5 million of same quarter last year.
- The ROAE for Q2 2024 was 15.7% compared to 17.8% for Q1 2024 and 21.7% for the same quarter last year, while ROAA for the same periods were 2.3%, 2.6% and 2.7%, respectively.
- Net operating income for the quarter was Ps. 131,373.4 million, 42.7% lower than the Ps. 229,257.9 million of previous quarter and 6.2% lower than the Ps. 140,013 million of same quarter of last year. Operating income for the quarter was Ps. 59,802.5 million, compared to Ps. 139,306.8 million of previous quarter and Ps. 62,349.9 million of same quarter of last year.
- Loans to the non-financial private sector and foreign residents increased 23% QoQ and decreased 21.1% YoY.
- Deposits decreased 17.7% QoQ and decreased 14.2% YoY, while capital markets debt decreased 32.2% QoQ and 30.3% YoY.
- The NPL for Q2 2024 was 2.6% compared to 2.8% for Q1 2024 and 2.7% for the same quarter last year. The coverage ratio increased from 113.3% in Q2 2023 to 113.6% in Q1 2024 and decreased to 106.1% in Q2 2024.
- Total capital ratio as a percentage of RWA as of June 30, 2024 was 32.5% compared to 36.1% of previous quarter and 23.8% of same quarter of last year.
- The general level of the Consumer Price Index accumulated an increase of 18.6% in the second quarter of 2024, compared to 51.6% in the previous quarter and 23.8% in the same quarter of the previous year.





- The dividends announced on May 7 were distributed in three installments. The first installment, amounting to \$14,576,149,971, was paid on May 27. The second installment, amounting to \$15,184,897,786, was made on June 27. The final installment was paid on July 29 of the current year, amounting to \$15,879,920,547.90.
- On August 15, a secured commercial loan of USD 2,595,847 was collected, which was within our irregular portfolio. If this loan had been collected before the balance sheet closing, the bank's Commercial NPL would have decreased to 0.66% and our total NPL would have been 1.9%. The coverage ratio would increase to 141%.



Buenos Aires, August 27th, 2024

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, 2024 were prepared under IFRS according to Central Bank's convergence plan (Communication "A" 5541 and its modifications). Also, provisions under IFRS 9 (5.5) and inflation accounting were implemented starting on January 1st, 2020 (Communications "A" 6430, "A" 6651, "A" 6778 and "A" 6847).

SECOND QUARTER 2024 CONSOLIDATED RESULTS

Net income attributable to owners of the parent company for the quarter was Ps. 11,672., compared to Ps. 17,207.4 million of last quarter and Ps. 14,918.5 million of same quarter last year.

Regarding profitability ratios, the ROAE for Q2 2024 was 15.7% compared to 17.8% for Q1 2024 and 21.7% for the same quarter last year, while ROAA for the same periods were 2.3%, 2.6% and 2.7%, respectively.

Income statement (in millions of pesos)	3 month period ended			Variation (%)	
	30/06/24	31/03/24	30/06/23	QoQ	YoY
Interest and adjustments income	215,403.7	485,359.5	239,006.5	(55.6)%	(9.9)%
Interest and adjustments expense	(194,303.1)	(374,972.9)	(276,240.0)	(48.2)%	(29.7)%
Net interest income	21,100.6	110,386.5	(37,233.4)	(80.9)%	(156.7)%
Fee and commission income	11,394.5	9,144.2	13,360.4	24.6%	(14.7)%
Fee and commission expense	(782.5)	(765.0)	(870.2)	2.3%	-10%
Net fee and commission income	10,611.9	8,379.2	12,490.2	26.6%	(15.0)%
Net income from financial instruments at fair value through profit or loss	90,081.3	100,978.6	161,064.0	(10.8)%	(44.1)%
Income from asset derecognition measured at amortized cost	(49.5)	-	(338.5)	N/A	(85.4)%
Gold and foreign currency exchange rate differences	(2,920.9)	(4,413.7)	(1,454.6)	(33.8)%	100.8%
Other operating income	14,700.6	16,009.4	6,786.9	(8.2)%	116.6%
Loan loss provision	(2,150.6)	(2,082.0)	(1,301.7)	3.3%	65.2%
Net operating income	131,373.4	229,257.9	140,013.0	(42.7)%	(6.2)%
Personnel expenses	(33,034.6)	(30,661.4)	(34,867.7)	7.7%	(5.3)%
Administrative expenses	(11,909.4)	(10,882.7)	(13,332.0)	9.4%	(10.7)%
Depreciation and impairment of non-financial assets	1,155.9	(6,632.9)	(2,053.2)	(117.4)%	(156.3)%
Other operating expenses	(27,782.8)	(41,774.0)	(27,410.2)	(33.5)%	1.4%
Operating income	59,802.5	139,306.8	62,349.9	(57.1)%	(4.1)%
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	(46,246.3)	(100,336.5)	(37,333.2)	(53.9)%	23.9%
Income tax	(830.7)	(21,683.9)	(9,360.9)	(96.2)%	(91.1)%
Net income of the period attributable to non-controlling interests	1,053.5	79.0	737.3	N/A	42.9%
Net Income attributable to the parent's company	11,672.0	17,207.4	14,918.5	(32.2)%	(21.8)%



Financial margin, measured as the sum of Net Interest Income, Net Income from financial instruments at fair value through profit or loss, and Gold and foreign currency exchange rate differences for Q2 2024 was Ps. 108,261. million, compared to Ps. 206,951.4 last quarter and Ps. 122,375.9 million same quarter of last year, which represents a decrease of 47.7% QoQ and a decrease of 11.5% YoY.

Financial Margin	For the period ended on			Variation (%)	
	30/06/24	31/03/24	30/06/23	QoQ	YoY
Net interest income	21,100.6	110,386.5	(37,233.4)	-80.9%	-157%
Net Income from financial instruments at fair value	90,081.3	100,978.6	161,063.9	-10.8%	-44%
Gold and foreign currency exchange rate differences	(2,920.9)	(4,413.7)	(1,454.6)	-33.8%	100.8%
Financial Margin	108,261.0	206,951.4	122,375.9	(47.7)%	(11.5)%

Net interest income for the quarter was Ps. 21,100.6 million, compared to Ps. 110,386.5 million the previous quarter and to Ps. (37,233.4) million same quarter last year. Interest income for the quarter was Ps. 215,403.7; representing a 55.6% and a 9.9% decrease QoQ and YoY respectively.

Interest and adjustments income

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/06/24	31/03/24	30/06/23	QoQ	YoY
Interest on cash and due from bank	132,632.4	407,979.5	165,195.4	(67.5)%	(19.7)%
Interest on loans to the financial sector	48.9	65.0	185.6	(24.7)%	(73.7)%
Interest from public and corporate securities	38,677.5	14,975.4	19,448.0	158.3%	98.9%
Interest on overdrafts facilities	1,924.9	2,520.0	2,426.7	(23.6)%	(20.7)%
Interest on promissory notes	4,299.9	4,449.3	5,020.9	(3.4)%	(14.4)%
Interest on pledge loans	1.3	1.8	9.8	(28.9)%	(87.1)%
Interest on financial leases	132.9	311.1	845.0	(57.3)%	(84.3)%
Interest on other loans	2,121.8	4,842.8	5,158.6	(56.2)%	(58.9)%
Interest from commercial loans	8,480.7	12,124.9	13,460.9	(30.1)%	(37.0)%
Interest on consumer loans	2,865.6	2,437.8	6,061.9	17.6%	(52.7)%
Interest on credit card loans	8,665.2	10,133.2	14,338.9	(14.5)%	(39.6)%
Interest from consumer loans	11,530.8	12,570.9	20,400.8	(8.3)%	(43.5)%
Interest on mortgage loans	1,415.0	1,291.5	1,755.1	9.6%	(19.4)%
Interest on other receivables from financial operations	3.8	(2.5)	30.2	(253.1)%	(87.4)%
Income from CER, CVS, UVA and UVI adjustments	22,614.6	36,354.7	18,529.6	(37.8)%	22.0%
Interest from mortgage loans	24,033.4	37,643.8	20,314.9	(36.2)%	18.3%
Others	0.0	0.0	0.9	N/A	(100.0)%
Total	215,403.7	485,359.5	239,006.5	(55.6)%	(9.9)%





Interest and adjustments expense for the quarter was Ps. 194,303.1 million compared to Ps. 374,972.9 million of Q1 2024 and Ps. 276,240 million of Q2 2023; representing a 48.2% decrease QoQ and a 29.7% decrease YoY.

Interest and adjustments expense (in millions of pesos)	3 month period ended			Variation (%)	
	30/6/2024	31/3/2024	30/6/2023	QoQ	YoY
Interest on current accounts deposits	(78,110.5)	(255,512.2)	(155,869.0)	-69.4%	-49.9%
Interest on saving accounts deposits	(34.8)	(61.2)	(72.1)	-43.2%	-51.8%
Interest on time deposits	(107,196.5)	(109,761.4)	(114,520.2)	-2.3%	-6.4%
Interest from deposits	(185,341.8)	(365,334.8)	(270,461.3)	-49.3%	-31.5%
Interest on other liabilities resulting from financial transactions	(4,904.4)	(2,637.0)	(2,567.8)	86.0%	91.0%
Expense for CER, CVS, UVA and UVI adjustments	(3,825.7)	(6,874.8)	(3,094.0)	-44.4%	23.7%
Interest from corporate bonds	(8,730.1)	(9,511.7)	(5,661.8)	-8.2%	54.2%
Interest on interfinancial loans received	(37.6)	(40.8)	(5.2)	-7.8%	N/A
Others	(193.5)	(85.6)	(111.7)	126.1%	73.2%
Total	(194,303.1)	(374,972.9)	(276,240.0)	(48.2)%	(29.7)%

Net fee and commission income for the quarter was Ps. 10,611.9 million; compared to Ps. 8,379.2 million of Q1 2024 and Ps. 12,490.2 million of Q2 2024; representing a 26.6% increase QoQ and 15.8% decrease YoY.

Net fee and commission income (in millions of pesos)	3 month period ended			Variation (%)	
	30/06/24	31/03/24	30/06/23	QoQ	YoY
Fee and commission income					
Fee charged on consumer clients	6,054.8	5,537.0	8,961.5	9.4%	-32.4%
Linked to liabilities	4,513.6	3,203.4	3,807.8	40.9%	18.5%
Others	826.1	403.8	591.1	104.6%	39.7%
Total	11,394.5	9,144.2	13,360.4	24.6%	-14.7%
Fee and commission expense					
Credit related fees	(391.6)	(404.2)	(381.4)	-3.1%	2.7%
Debt placement charges	(285.0)	(270.6)	(291.1)	5.3%	-2.1%
Others	(105.9)	(90.3)	(197.7)	17.3%	-46.4%
Total	(782.5)	(765.0)	(870.2)	2.3%	-10.1%
Net fee and commission income	10,611.9	8,379.2	12,490.2	26.6%	-15.0%

Net income from financial instruments at fair value through profit and loss for the quarter was Ps. 90,081.3 million, compared to Ps. 100,978.5 million of Q1 2024 and Ps. 161,063.9 million of Q2 2023, which represents a decrease of 10.8% QoQ and of 44.1% YoY.

Net income from financial instruments at fair value through profit or loss (in millions of pesos)	3 month period ended			Variation (%)	
	30/6/2024	31/3/2024	30/6/2023	QoQ	YoY
Income from government securities	82,753.8	93,572.1	138,965.3	-11.6%	-40.5%
Income from other corporate securities	3,672.1	3,818.9	9,289.1	-3.8%	-60.5%
Income from other securities	3,655.4	3,587.6	12,809.6	1.9%	-71.5%
Total	90,081.3	100,978.5	161,063.9	-10.8%	-44.1%





Other operating income for the quarter was Ps. 14,700.6 million, compared to Ps. 16,009.4 million of Q1 2024 and Ps. 6,786.9 million of Q2 2023, which represents a decrease of 8.2% QoQ and an increase of 116.6% YoY.

Other operating income (in millions of pesos)	3 month period ended			Variation (%)	
	30/6/2024	31/3/2024	30/6/2023	QoQ	YoY
Loan servicing	2,329.5	2,011.8	2,087.3	15.8%	11.6%
Borrowing transactions commissions	583.0	622.0	889.7	-6.3%	-34.5%
Income from Procrear services	2,994.1	1,492.0	5,145.6	100.7%	-41.8%
Other income from services	729.8	223.5	1,358.6	226.6%	-46.3%
Penalty interest	185.9	176.4	202.7	5.4%	-8.3%
Loans recovered	103.9	208.4	463.5	-50.1%	-77.6%
Net Income from non current assets held for sell measured at fair value	-	-	(12,142.8)	N/A	-100.0%
Premium and income from insurance activity	8,886.0	8,962.8	11,586.6	-0.9%	-23.3%
Others	(1,111.8)	2,312.6	(2,804.2)	-148.1%	-60.4%
Total	14,700.6	16,009.4	6,786.9	-8.2%	116.6%

Provision for loan losses for the quarter was Ps. 2,150.6 million which represents an increase of 3.3% QoQ and 65.2% YoY.

Personnel expenses for the quarter were Ps. 33,034.6 million, compared to Ps. 30,661.4 million of Q1 2024 and to Ps. 34,867.7 million of Q2 2023, which represents an increase of 7.7% QoQ and a decrease of 5.3% YoY.

Personnel expenses (in millions of pesos)	3 month period ended			Variation (%)	
	30/6/2024	31/3/2024	30/6/2023	QoQ	YoY
Salaries	(16,299.3)	(14,752.8)	(17,014.1)	10.5%	-4.2%
Vacation bonus	(1,529.8)	(2,738.5)	(1,957.7)	-44.1%	-21.9%
Social security expenses	(4,288.2)	(3,788.9)	(3,680.4)	13.2%	16.5%
Severance and bonus expenses	(9,429.7)	(8,050.3)	(10,798.9)	17.1%	-12.7%
Other personnel expenses	(1,487.6)	(1,331.0)	(1,416.6)	11.8%	5.0%
Total	(33,034.6)	(30,661.4)	(34,867.7)	7.7%	-5.3%

Administrative expenses for the quarter were Ps. 11,909.4 million, compared to Ps. 10,882.7 million of Q1 2024 and to Ps. 13,332 million of Q2 2023, which represents an increase of 9.4% QoQ and a decrease of 10.7% YoY.

Administrative expenses (in millions of pesos)	3 month period ended			Variation (%)	
	30/6/2024	31/3/2024	30/6/2023	QoQ	YoY
Directors' and statutory auditors' fees	(1,541.4)	(1,553.6)	(1,705.8)	-0.8%	-9.6%
Fees and compensation for services	(3,481.9)	(3,604.5)	(5,063.0)	-3.4%	-31.2%
Advertising, promotion and research expenses	(719.3)	(573.2)	(814.0)	25.5%	-11.6%
Taxes and duties	(1,793.9)	(1,439.2)	(1,520.8)	24.6%	18.0%
Maintenance and repairs	(1,032.0)	(901.9)	(1,013.0)	14.4%	1.9%
Electricity, gas and telephone services	(1,000.5)	(786.0)	(895.0)	27.3%	11.8%
Others	(2,340.3)	(2,024.3)	(2,320.5)	15.6%	0.9%
Total	(11,909.4)	(10,882.7)	(13,332.0)	9.4%	-10.7%





Other operating expenses for the quarter were Ps. 27,782.8 million, compared to Ps. 41,774. million of Q1 2024 and to Ps. 27,410.2 million of Q2 2023, which decreased 33.5% QoQ and increased 1.4% YoY.

Other operating expenses (in millions of pesos)	3 month period ended			Variation (%)	
	30/6/2024	31/3/2024	30/6/2023	QoQ	YoY
Turnover tax and others	(11,590.0)	(27,863.7)	(15,410.1)	(58.4)%	(24.8)%
Contribution to the deposit insurance fund	(759.2)	(583.1)	(493.3)	30.2%	53.9%
Loan servicing	(5,631.2)	(6,200.3)	(5,882.5)	(9.2)%	(4.3)%
Charges for other provisions	(4,371.3)	(3,128.6)	(1,465.6)	39.7%	198.3%
Debit card, credit card & loan rebates	(842.9)	(537.7)	(543.1)	56.8%	55.2%
Others	(4,588.2)	(3,460.5)	(3,615.6)	32.6%	26.9%
Total	(27,782.8)	(41,774.0)	(27,410.2)	(33.5)%	1.4%

Non-financial private sector loan portfolio totaled Ps. 296,800 million in the quarter, compared to Ps. 241,317.9 million of Q1 2024 and to Ps. 375,997.1 million of Q2 2023, which represents an increase of 23% QoQ and a decrease of 21.1% YoY.

Loans to the non-financial private sector and foreign residents (in millions of pesos)	3 month period ended			Variation (%)	
	06/30/24	03/31/24	06/30/23	QoQ	YoY
Overdraft facilities	34,595.8	11,799.0	7,945.2	193.2%	N/A
Promissory notes	15,764.5	18,468.1	47,007.3	-14.6%	-66.5%
Mortgage loans	75,604.8	69,440.6	86,616.6	8.9%	-12.7%
Pledge loans	9.2	14.6	92.8	-37.1%	-90.1%
Consumer loans	11,250.5	9,486.3	31,592.0	18.6%	-64.4%
Credit cards	82,175.4	75,554.8	126,847.9	8.8%	-35.2%
Financial leases	1,289.9	1,637.3	5,777.2	-21.2%	-77.7%
Loans to entity's personnel	3,161.0	2,810.1	3,951.6	12.5%	-20.0%
Unallocated collections	(28.0)	(25.5)	(45.9)	9.6%	-39.1%
Others	70,256.6	49,735.7	66,445.4	41.3%	5.7%
Accrued interest and quotation differences receivable	4,001.9	4,835.3	7,344.0	-17.2%	-45.5%
Documented interest	(1,281.5)	(2,438.4)	(7,577.0)	-47.4%	-83.1%
Total	296,800.0	241,317.9	375,997.1	23.0%	-21.1%

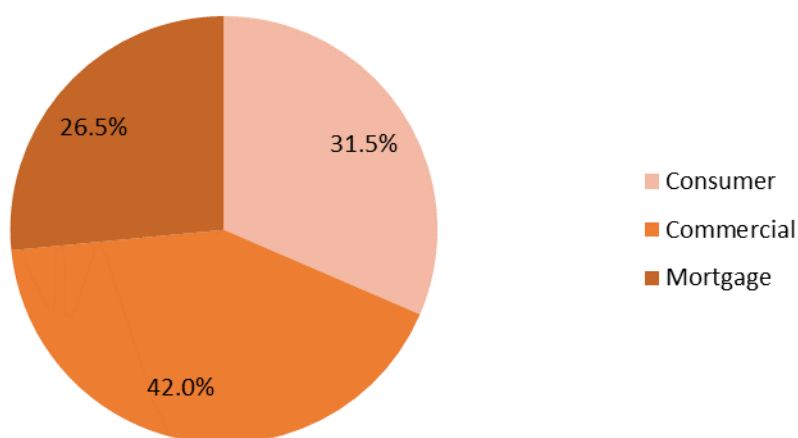




BH' s non-financial private sector loan portfolio composition as of June 30th, 2024 was 58% of retail financing and housing loans (31.5% consumer and 26.5% housing) and 42% of commercial loans, providing a highly diversified client base.

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

Q2 2024



Consolidated NPL decreased from 2.8% in Q1 2024 to 2.6% in Q2 2024, while coverage ratio increased from 113.3% same quarter last year to 106.1% this quarter. Besides, NPL in the consumer portfolio increased from 2.5% to 3.1% during the same period.

Non-performing loans

(in millions of pesos)

	As of		
	06/30/24	03/31/24	06/30/23
Consolidated level			
Non-performing loans	8,960.7	7,558.4	11,020.3
Total portfolio	347,663.8	273,724.0	414,205.9
Allowances (total)	9,505.5	8,585.6	12,485.7
Non-performing loans / Total portfolio	2.6%	2.8%	2.7%
Allowances (total) / Non-performing loans	106.1%	113.6%	113.3%
Consumer portfolio			
Non-performing loans (consumer)	5,452.6	4,522.1	6,164.6
Consumer portfolio	173,664.4	156,915.6	249,017.3
Allowances (consumer)	6,347.6	6,282.4	8,922.5
Non-performing loans (consumer) / Consumer portfolio	3.1%	2.9%	2.5%
Allowances (consumer) / Non-performing loans (consumer)	116.4%	138.9%	144.7%
Commercial portfolio			
Non-performing loans (commercial)	3,508.1	3,036.3	4,855.7
Commercial portfolio	173,999.3	116,808.4	165,188.6
Allowances (commercial)	3,157.9	2,303.2	3,563.2
Non-performing loans (commercial) / Commercial portfolio	2.0%	2.6%	2.9%
Allowances (Commercial) / Non-performing loans (commercial)	90.0%	75.9%	73.4%





Deposits totaled Ps. 1,587,211.8 million, representing a decrease of 17.7% QoQ and a decrease of 14.2% YoY, while capital markets debt totaled Ps. 41,948.7 million, which decreased 32.2% QoQ and 30.3% YoY.

Funding (in millions of pesos)	06/30/24		03/31/24		03/31/2021		Variation (%)	
	Ps.	%	Ps.	%	Ps.	%	QoQ	YoY
	Deposits	1,587,212	97.4%	1,928,203	96.9%	1,849,191	96.8%	-17.7%
Local capital markets debt	13,379.5	0.8%	35,007.5	1.8%	45,454.4	2.4%	-61.8%	-70.6%
International capital markets debt	28,569.1	1.8%	26,866.7	1.4%	14,721.5	0.8%	6.3%	94.1%
Unsubordinated Senior Notes	41,948.7	2.6%	61,874.3	3.1%	60,176.0	3.2%	-32.2%	-30.3%
Total	1,629,160	100.0%	1,990,077	100.0%	1,909,367	100.0%	-18.1%	-14.7%

Comparative consolidated balance sheet (in millions of pesos)	As of			Variation (%)	
	30/6/2024	31/3/2024	30/6/2023	QoQ	YoY
Assets					
Cash and due from banks deposits	303,252.6	129,495.6	120,329.8	134%	152.0%
Debt securities at fair value through profit or loss	911,214.0	406,331.1	716,295.5	124.3%	27.2%
Derivatives	1,568.1	2,777.0	793.7	-43.5%	97.6%
Repo transactions	203,290.4	1,421,148	822,205.5	-85.7%	(75.3)%
Loans and other financing	83,645.0	65,486.7	99,412.4	27.7%	(15.9)%
Non-Financial Public Sector	-	1.5	0.8	N/A	N/A
Financial Sector	23,664.7	7,399.2	1,764.5	219.8%	N/A
Non-Financial Private Sector and Foreign Residents	296,800.0	241,317.9	375,997.1	23.0%	(21.1)%
Allowances	(9,007.5)	(8,095.5)	(11,768.1)	11.3%	(23.5)%
Loans, net of allowances	311,897.3	240,623.0	365,994.4	29.6%	(14.8)%
Other debt securities	272,128.0	138,931.5	159,419.3	95.9%	70.7%
Financial assets in guarantee	34,995.3	59,055.6	61,199.7	-40.7%	(42.8)%
Investment in subsidiaries, associates and joint ventures	57,536.2	57,536.2	-	0.0%	N/A
Property, plant and equipment	69,247.5	67,026.6	70,059.5	3.3%	(1.2)%
Others	33,167.3	33,288.3	81,155.4	-0.4%	-59.1%
Total Assets	2,281,942	2,621,700	2,496,865	-13.0%	-8.6%
	-	-	-		
Liabilities					
Deposits	1,587,212	1,928,203	1,849,191	-17.7%	(14.2)%
Liabilities at fair value through profit or loss	54,511.7	32,345.8	17,022.8	68.5%	220.2%
Derivatives	3.2	184.8	103.3	-98.3%	(96.9)%
Repo transactions	-	-	5,410.7	N/A	(100.0)%
Other financial liabilities	108,355.8	80,126.8	146,718.5	35.2%	(26.1)%
Financing received from Argentine Central Bank and other financial institutions	3,742.1	3,766.3	2,126.4	-0.6%	76.0%
Unsubordinated Senior Notes	41,948.7	61,874.3	60,176.0	-32.2%	(30.3)%
Current income tax liabilities	13,369.2	23,329.7	5,841.6	-42.7%	128.9%
Subordinated Senior Notes	-	-	-	N/A	N/A
Provisions	4,615.8	4,162.3	3,151.7	10.9%	46.5%
Deferred income tax liabilities	32,543.2	24,499.2	29,698.9	32.8%	9.6%
Other non financial liabilities	63,600.4	57,316.8	60,871.8	11.0%	4.5%
Total Liabilities	1,909,902	2,215,809	2,180,313	-13.8%	-12.4%
Shareholders' Equity attributable to non-controlling interest	12,931.9	10,815.5	8,642.2	19.6%	49.6%
Shareholders' Equity attributable to parent's shareholders	359,108.1	395,075.8	307,910.1	-9.1%	16.6%
Total Shareholders' Equity	372,040.0	405,891.4	316,552.3	-8.3%	17.5%





Comparative consolidated income statement

(in millions of pesos)

	As of			Variation (%)	
	30/06/24	31/03/24	30/06/23	QoQ	YoY
Interest income	678,148.5	449,004.7	383,125.8	51.0%	77.0%
Adjustments income	22,614.6	36,354.7	18,529.6	(37.8)%	22.0%
Interest expense	(565,450.3)	(368,098.2)	(467,246.1)	53.6%	21.0%
Adjustments expense	(3,825.7)	(6,874.8)	(3,094.0)	(44.4)%	23.7%
Net interest income	131,487.2	110,386.5	(68,684.6)	19.1%	(291.4)%
Fee and commission income	20,538.7	9,144.2	26,939.6	124.6%	(23.8)%
Fee and commission expense	(1,547.6)	(765.0)	(1,647.1)	102.3%	(6.0)%
Net fee and commission income	18,991.1	8,379.2	25,292.5	126.6%	(24.9)%
Net Income from financial instruments at fair value through profit or loss	191,059.9	100,978.6	272,391.4	89.2%	(29.9)%
Income from asset derecognition measured at amortized cost	(49.5)	-	(338.5)	N/A	(85.4)%
Gold and foreign currency exchange rate differences	(7,334.6)	(4,413.7)	(3,165.7)	66.2%	131.7%
Other operating income	30,709.9	16,009.4	47,194.6	91.8%	(34.9)%
Loan loss provision	(4,232.6)	(2,082.0)	(4,432.4)	103.3%	(4.5)%
Net operating income	360,631.3	229,257.9	268,257.3	57.3%	34.4%
Personnel expenses	(63,696.0)	(30,661.4)	(62,713.7)	107.7%	1.6%
Administrative expenses	(22,792.1)	(10,882.7)	(26,103.8)	109.4%	(12.7)%
Depreciation and impairment of non-financial assets	(5,477.0)	(6,632.9)	(4,088.7)	(17.4)%	34.0%
Other operating expenses	(69,556.9)	(41,774.0)	(52,406.3)	66.5%	32.7%
Operating income	199,109.3	139,306.8	122,944.8	42.9%	62.0%
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	(146,582.8)	(100,336.5)	(70,667.7)	46.1%	107.4%
Income before income tax from continuing operations	52,526.5	38,970.4	52,277.0	34.8%	0.5%
Income tax	(22,514.6)	(21,683.9)	(20,065.4)	3.8%	12.2%
Net income (loss) for the period attributable to non-controlling interests	1,132.5	79.0	481.2	N/A	135.4%
Net income (loss) for the period attributable to the parent's company	28,879.4	17,207.4	31,730.5	67.8%	(9.0)%





Statistic data and comparative ratios

For the period ended on

30/6/2024	31/3/2024	30/6/2023
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Profitability			
ROAA (return on average assets)	2.3%	2.6%	2.7%
ROAE (return on average equity)	15.7%	17.8%	21.7%
Net financial margin*	25.2%	31.0%	16.9%
Efficiency**	30.1%	24.6%	43.3%
Capital			
Shareholders' Equity / Total Assets	15.7%	15.1%	12.3%
CET I Ratio	32.4%	36.0%	23.7%
Tier 1 Ratio	32.4%	36.1%	23.7%
Total Capital Ratio	32.5%	36.1%	23.8%
Liquidity			
Liquid Assets / Deposits	106.5%	108.7%	98.3%
LCR	102.0%	108.0%	112.0%
NSFR	134.0%	275.0%	214.0%
Loans / Deposits	19.7%	12.5%	19.8%

* (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)





I. VISION AND STRATEGIC FOCUSES

The Bank's vision is to be the leading provider of financial services for Argentine households, families, and businesses. We aim to be efficient and digital, renowned for our excellence in customer service, and committed to fostering a people-centric culture. Our decision-making will be data-driven, and we will be characterized by a positive social impact.

This vision is guided by three strategic focuses, each encompassing a range of initiatives that involve the entire Organization. These focuses are evaluated through key performance indicators (KPIs) to ensure compliance and progress.

Customer Experience: Our first strategic focus is on delivering an exceptional customer experience through omnichannel engagement. We strive to be recognized for our excellence in service, providing seamless and high-quality interactions across all channels.

People and Culture: The second focus emphasizes the development of our people within an agile and flexible culture. We are committed to making data-informed decisions and fostering a positive social impact through our organizational practices.

Efficiency and Profitability: The final focus is on achieving efficiency and profitability. We aim to operate sustainably, supported by a balanced and competitively funded business model.

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.

II. NEXT QUARTER AND 2024 PERSPECTIVES

The next quarter and 2024 perspectives for the Bank are based on:

- ✓ **Continue with Operational Excellence:** Upholding the highest quality standards in our operations to ensure consistent and reliable service.
- ✓ **Balance Asset and Liability Structure:** Sustaining a balanced structure of assets and liabilities to effectively manage different tenors and currencies.
- ✓ **Advance Sustainable Housing Solutions:** Continuing the development of sustainable housing solutions and consolidating our leadership in this sector, in accordance with our vision.
- ✓ **Enhance Efficiency and Expense Management:** Improving operational efficiency and rationalizing expenses to optimize cost management.
- ✓ **Prioritize Client-Centric Solutions:** Emphasizing a client-first approach by tailoring our services and solutions to meet the distinct needs and preferences of each client.
- ✓ **Drive Growth in Credit and Deposits:** Focusing on expanding our credit portfolio and increasing deposit volumes to support business growth and strengthen our market position





Assets and liabilities denominated in foreign currency as of June 28th, 2024 were converted to Pesos at the exchange rate of Ps. (\$911,75/USD1.00) and Ps. (\$977,1168/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.

Eduardo S. Elsztain
Chairman

