

**Banco Hipotecario S.A.**  
**Earnings Release - First Quarter 2019**

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

**Thursday, May 9<sup>th</sup>, 2019, 12:00P EST**

If you would like to participate, please call:

EEUU: (800) 398-9367  
International: (612) 332-0418  
PIN # 467374

Slideshow available at:

<http://choruscall.com.br/bancohipotecario/09052019.htm>

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

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**Banco Hipotecario SA reports**  
**First Quarter 2019 consolidated results**

**Highlights****Executive Summary**

- Net income for the quarter was Ps. 36.6 million, compared to Ps. 508.2 million of last quarter and Ps. 519.4 million of same quarter last year, mainly driven by higher provision for loan losses.
- Net operating income for the quarter was Ps. 2,834.3 million, 23.3% lower than the Ps. 3,697.4 million of previous quarter and 6.4% lower than the Ps. 3,027.5 million of same quarter of last year. Operating income for the quarter was Ps. (76.1) million, compared to Ps. 645.1 million of previous quarter and Ps. 770.6 million of same quarter of last year.
- As of March 31, 2019, Liquidity Coverage Ratio (LCR) was 266%, Net Stable Funding Ratio (NSFR) was 162.9% and the liquid assets to deposits ratio was 104.7%.
- Loans to the non financial private sector decreased 2.3% QoQ and increased 5.6% YoY.
- Deposits decreased 1.1% QoQ and increased 25.3% YoY, while corporate bonds increased 1.5% QoQ and 12.0% YoY.
- On a consolidated basis, NPL increased from 6.0% in Q4 2018 to 11.9% in Q1 2019, while coverage ratio was 51.9% for the period. The increase in non performing loans is mainly explained by loans to certain corporates that are renegotiating their debt. Additional provisions above Central Bank requirements were set for those loans.
- Total capital ratio as a percentage of RWA as of March 31, 2019 was 12.66%, compared to 12.71% of previous quarter and 12.87% of same quarter of last year.
- The Bank repurchased US\$ 53,353,000 aggregate principal amount of its Series 29 Notes within the framework of a Cash Tender Offer for up to US\$ 75,000,000 aggregate principal amount (increasable to up to US\$ 100,000,000 aggregate principal amount).

**Buenos Aires, May 7<sup>th</sup>, 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., BH Valores S.A., BHN Sociedad de Inversión S.A. and Tarshop S.A. The consolidated financial statements as of March 31<sup>th</sup>, 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 1<sup>st</sup>, 2020 (Communication "A" 6430 and "A" 6651).

## II. Q1 2019 consolidated results

Net income for the quarter was Ps. 36.6 million, compared to Ps. 508.2 million of last quarter and Ps. 519.4 million of same quarter last year.

Regarding profitability ratios, the ROAA for Q1 2019 was 0.17% compared to 2.71% for Q4 2018 and 2.95% for Q3 2018, while ROAE for the same periods were 1.48%, 23.12% and 25.32%, respectively.

The negative result of the difference in quoted prices of gold and foreign currency for the quarter was Ps. 952.8 million, which compensates with the net income from financial instruments at fair value through profit and loss of Ps. 2,451.0 million.

### Income statement

(in millions of pesos)

	3 month period ended			Variation (%)	
	31/03/19	31/12/18	31/03/18	QoQ	YoY
Interest Income	4,206.2	4,605.8	3,027.5	(8.7)%	38.9%
Interest Expense	(4,044.0)	(4,495.9)	(2,239.1)	(10.1)%	80.6%
<b>Net Interest Income</b>	<b>162.2</b>	<b>109.9</b>	<b>788.4</b>	<b>47.6%</b>	<b>(79.4)%</b>
Fee Income	1,065.5	1,145.1	898.1	(7.0)%	18.6%
Fee Expense	(165.3)	(147.5)	(175.8)	12.1%	(6.0)%
<b>Net Fee Income</b>	<b>900.2</b>	<b>997.6</b>	<b>722.3</b>	<b>(9.8)%</b>	<b>24.6%</b>
Net Income from financial instruments at Fair Value through profit & Loss	2,451.0	2,485.6	804.6	(1.4)%	204.6%
Difference in quoted prices of gold and foreign currency	(952.8)	(616.0)	64.2	54.7%	N/A
Other operating income	1,603.8	1,269.1	1,026.7	26.4%	56.2%
Provision for loan losses	(1,330.1)	(548.8)	(378.6)	142.4%	251.3%
<b>Net Operating Income</b>	<b>2,834.3</b>	<b>3,697.4</b>	<b>3,027.5</b>	<b>(23.3)%</b>	<b>(6.4)%</b>
Personnel expenses	(1,190.4)	(1,130.1)	(850.9)	5.3%	39.9%
Administrative expenses	(753.0)	(764.5)	(700.9)	(1.5)%	7.4%
Depreciation and impairment of assets	(62.4)	(276.6)	(37.4)	(77.5)%	66.9%
Other operating expenses	(904.7)	(881.1)	(667.7)	2.7%	35.5%
<b>Operating Income</b>	<b>(76.1)</b>	<b>645.1</b>	<b>770.6</b>	<b>(111.8)%</b>	<b>(109.9)%</b>
Income tax from continuing operations	107.4	(155.4)	(238.9)	(169.2)%	(145.0)%
Net income of the period attributable to non-controlling interests	5.3	18.5	(12.3)	(71.4)%	(142.9)%
<b>Net Income</b>	<b>36.6</b>	<b>508.2</b>	<b>519.4</b>	<b>(92.8)%</b>	<b>(93.0)%</b>

Net interest income for the quarter was Ps. 162.2 million; representing a 47.6% increase QoQ and a 79.4% decrease YoY.

Interest income for the quarter was Ps. 4,206.2 million; representing a 8.7% decrease QoQ and a 38.9% 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 (%)	
	31/03/19	31/12/18	31/03/18	QoQ	YoY
Interest on cash and due from banks	2.2	10.2	1.3	(78.0)%	75.5%
Interest from loans to the financial sector	21.1	21.7	23.6	(2.7)%	(10.7)%
Interest from public and corporate securities	244.6	183.5	41.5	33.3%	N/A
Interest on overdrafts	35.1	43.7	89.4	(19.6)%	(60.8)%
Interest on documents	44.5	34.6	46.9	28.6%	(5.2)%
Interest on pledge loans	13.9	18.9	23.7	(26.6)%	(41.4)%
Interest on financial leases	12.9	9.9	9.2	30.7%	40.9%
Interest on other loans	471.3	633.0	298.5	(25.6)%	57.9%
Income from adjustments	35.9	91.0	-	(60.6)%	N/A
Interest from commercial loans	613.5	831.1	467.7	(26.2)%	31.2%
Interest on personal loans	782.0	851.6	734.1	(8.2)%	6.5%
Interest on credit card loans	1,996.6	2,121.7	1,513.0	(5.9)%	32.0%
Interest from consumer loans	2,778.6	2,973.3	2,247.1	(6.5)%	23.7%
Interest on mortgage loans	147.0	180.2	137.2	(18.4)%	7.2%
Interest on other receivables from financial operations	0.0	3.8	4.0	(99.8)%	(99.8)%
Income from adjustments	277.0	337.1	84.5	(17.8)%	228.0%
Interest from mortgage loans	424.1	521.0	225.6	(18.6)%	87.9%
Others	122.1	64.9	20.6	88.0%	N/A
<b>Total</b>	<b>4,206.2</b>	<b>4,605.8</b>	<b>3,027.5</b>	<b>(8.7)%</b>	<b>38.9%</b>

Interest expense for the quarter was Ps. 4,044.0 million; representing a 10.1% decrease QoQ and a 80.6% increase YoY.

## Interest Expense

(in millions of pesos)

	3 month period ended			Variation (%)	
	31/03/19	31/12/18	31/03/18	QoQ	YoY
Interest on checking accounts	(44.5)	(275.5)	(135.2)	(83.9)%	(67.1)%
Interest on saving accounts	(3.2)	(3.0)	(1.6)	6.8%	96.7%
Interest on time deposits	(1,393.6)	(1,349.6)	(568.0)	3.3%	145.4%
Expense from adjustments	(63.8)	(114.9)	(13.8)	(44.5)%	N/A
Interest from deposits	(1,505.1)	(1,743.0)	(718.7)	(13.6)%	109.4%
Interest from other liabilities from financial operations	(2,246.4)	(2,346.0)	(1,365.0)	(4.2)%	64.6%
Expense from adjustments	(234.0)	(332.1)	(89.3)	(29.5)%	162.1%
Interest from corporate bonds	(2,480.5)	(2,678.1)	(1,454.3)	(7.4)%	70.6%
Interest on interfinancial loans	(21.1)	(12.1)	(5.6)	74.0%	274.3%
Interest on other financing from financial institutions	(21.5)	(55.2)	(41.6)	(61.0)%	(48.4)%
Others	(15.8)	(7.5)	(18.9)	110.9%	(16.2)%
<b>Total</b>	<b>(4,044.0)</b>	<b>(4,495.9)</b>	<b>(2,239.1)</b>	<b>(10.1)%</b>	<b>80.6%</b>

Net fee income for the quarter was Ps. 900.2 million; representing a 9.8% decrease QoQ and a 24.6% increase YoY.

## Net Fee Income

(in millions of pesos)

	3 month period ended			Variation (%)	
	31/03/19	31/12/18	31/03/18	QoQ	YoY
<b>Fee Income</b>					
Fee charged on consumer clients	1,007.4	1,081.0	920.9	(6.8)%	9.4%
Fee charged on SME clients	1.7	0.3	1.7	N/A	3.5%
Fee charged on corporate clients	11.3	(2.2)	13.8	N/A	(18.2)%
Insurance fee	-	-	-	N/A	N/A
Fee charged on liability transactions	34.2	22.2	10.9	53.9%	215.1%
Others	10.8	43.8	(49.2)	(75.4)%	(121.9)%
<b>Total</b>	<b>1,065.5</b>	<b>1,145.1</b>	<b>898.1</b>	<b>(7.0)%</b>	<b>18.6%</b>
<b>Fee Expense</b>					
Credit related fees	(144.0)	(176.3)	(142.2)	(18.3)%	1.3%
Debt placement charges	(19.8)	30.4	(32.2)	(165.2)%	(38.5)%
Others	(1.5)	(1.6)	(1.4)	(5.0)%	7.1%
<b>Total</b>	<b>(165.3)</b>	<b>(147.5)</b>	<b>(175.8)</b>	<b>12.1%</b>	<b>(6.0)%</b>
<b>Net Fee Income</b>	<b>900.2</b>	<b>997.6</b>	<b>722.3</b>	<b>(9.8)%</b>	<b>24.6%</b>

Net income from financial instruments at fair value through profit and loss for the quarter was Ps. 2,451.0 million, representing a 1.4% decrease QoQ and a 204.6% increase YoY.

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

(in millions of pesos)

	3 month period ended			Variation (%)	
	31/03/19	31/12/18	31/03/18	QoQ	YoY
Income from public securities	2,408.6	2,430.3	840.4	(0.9)%	186.6%
Income from private securities	31.2	(0.2)	55.1	N/A	(43.4)%
Income from other securities	11.1	55.6	(91.0)	(79.9)%	(112.3)%
<b>Total</b>	<b>2,451.0</b>	<b>2,485.6</b>	<b>804.6</b>	<b>(1.4)%</b>	<b>204.6%</b>

The negative result of the difference in quoted prices of gold and foreign currency for the quarter was Ps. 952.8 million, which compensates with the net income from financial instruments at fair value through profit and loss of Ps. 2,451.0 million.

Other operating income for the quarter was Ps. 1,603.8 million, representing a 26.4% increase QoQ and a 56.2% increase YoY.

## Other operating income

(in millions of pesos)

	3 month period ended			Variation (%)	
	31/03/19	31/12/18	31/03/18	QoQ	YoY
Loan related services	818.1	731.8	752.9	11.8%	8.7%
Fee charged on liability transactions	25.1	26.3	19.5	(4.4)%	29.1%
Other income from services	90.8	122.5	83.5	(25.9)%	8.6%
Penalty interest	69.9	67.7	32.6	3.2%	114.1%
Recovered loans	22.6	50.8	22.2	(55.6)%	1.5%
Others	577.4	270.1	116.0	113.8%	N/A
<b>Total</b>	<b>1,603.8</b>	<b>1,269.1</b>	<b>1,026.7</b>	<b>26.4%</b>	<b>56.2%</b>

Provision for loan losses for the quarter was Ps. 1,330.1 million, representing a 142.4% increase QoQ and a 251.3% increase YoY.

Personnel expenses for the quarter were Ps. 1,190.4 million, representing a 5.3% increase QoQ and a 39.9% increase YoY.

Personnel expenses (in millions of pesos)	3 month period ended			Variation (%)	
	31/03/19	31/12/18	31/03/18	QoQ	YoY
Salaries	(605.2)	(607.5)	(465.3)	(0.4)%	30.1%
Vacation bonus	(48.4)	(61.5)	(33.9)	(21.4)%	42.9%
Social security expenses	(149.6)	(179.6)	(142.8)	(16.7)%	4.7%
Severance and bonus expenses	(328.9)	(242.6)	(178.9)	35.6%	83.9%
Other personnel expenses	(58.3)	(38.9)	(30.0)	50.0%	94.1%
<b>Total</b>	<b>(1,190.4)</b>	<b>(1,130.1)</b>	<b>(850.9)</b>	<b>5.3%</b>	<b>39.9%</b>

Administrative expenses for the quarter were Ps. 753.0 million, representing a 1.5% decrease QoQ and a 7.4% increase YoY.

Administrative expenses (in millions of pesos)	3 month period ended			Variation (%)	
	31/03/19	31/12/18	31/03/18	QoQ	YoY
Directors fees	(37.9)	(38.0)	(55.6)	(0.2)%	(31.8)%
Other fees	(317.1)	(295.6)	(253.6)	7.3%	25.0%
Advertising and publicity	(14.0)	(43.1)	(21.5)	(67.6)%	(34.9)%
Taxes	(104.9)	(116.1)	(103.9)	(9.7)%	0.9%
Maintenance and conservation fees	(65.4)	(64.3)	(42.8)	1.8%	52.8%
Electricity, gas and communications	(64.3)	(79.0)	(63.2)	(18.6)%	1.8%
Others	(149.5)	(128.4)	(160.3)	16.4%	(6.8)%
<b>Total</b>	<b>(753.0)</b>	<b>(764.5)</b>	<b>(700.9)</b>	<b>(1.5)%</b>	<b>7.4%</b>

Other operating expenses for the quarter were Ps. 904.7 million, representing a 2.7% increase QoQ and a 35.5% increase YoY.

Other operating expenses (in millions of pesos)	3 month period ended			Variation (%)	
	31/03/19	31/12/18	31/03/18	QoQ	YoY
Turnover tax and others	(459.3)	(497.3)	(392.2)	(7.6)%	17.1%
Deposit Guarantee Fund contributions	(12.8)	(13.2)	(9.6)	(2.8)%	33.9%
Loan related services	(300.6)	(360.7)	(216.4)	(16.6)%	38.9%
Other provision charges	(9.1)	86.5	(14.7)	(110.5)%	(38.3)%
Discounts	(78.7)	(55.6)	(22.9)	41.4%	244.3%
Others	(44.1)	(40.9)	(12.1)	7.9%	266.1%
<b>Total</b>	<b>(904.7)</b>	<b>(881.1)</b>	<b>(667.7)</b>	<b>2.7%</b>	<b>35.5%</b>

Non financial private sector loan portfolio totaled Ps. 44,111.8 million in Q1 2019; representing a 2.3% decrease QoQ and a 5.6% increase YoY.

## Loans to the non-financial private sector

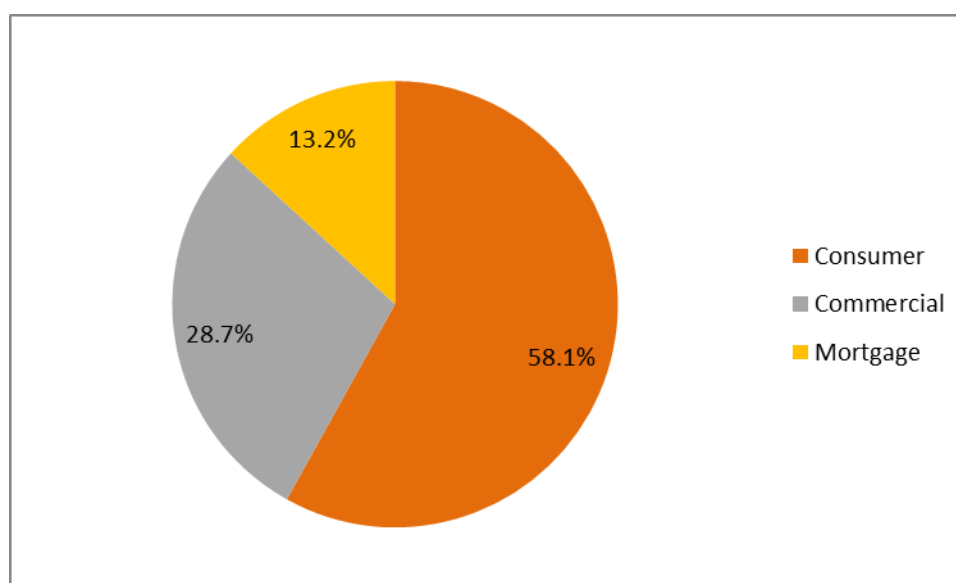
(in millions of pesos)

	3 month period ended			Variation (%)	
	31/03/19	31/12/18	31/03/18	QoQ	YoY
Overdrafts	252.3	595.1	1,215.3	(57.6)%	(79.2)%
Documents	299.0	303.5	678.0	(1.5)%	(55.9)%
Mortgage loans	5,595.0	5,375.7	4,142.3	4.1%	35.1%
Pledge loans	166.7	201.3	292.3	(17.2)%	(43.0)%
Personal loans	8,105.9	8,536.2	8,300.0	(5.0)%	(2.3)%
Credit card loans	17,441.6	18,241.9	18,321.8	(4.4)%	(4.8)%
Financial leases	105.8	122.3	158.3	(13.5)%	(33.1)%
Loans to the personnel	289.2	285.7	243.8	1.2%	18.6%
Unallocated collections	(9.0)	(6.3)	(21.6)	43.3%	(58.5)%
Other	11,325.4	10,951.6	8,099.4	3.4%	39.8%
Accrued interest and quotation differences receivable	598.7	626.4	417.1	(4.4)%	43.5%
Documented interest	(58.9)	(71.8)	(59.7)	(18.0)%	(1.3)%
<b>Total</b>	<b>44,111.8</b>	<b>45,161.8</b>	<b>41,787.0</b>	<b>(2.3)%</b>	<b>5.6%</b>

BH's non financial private sector loan portfolio composition as of March 31, 2019 was 71.3% of retail financing and housing loans (58.1% consumer and 13.2% housing) and 28.7% of corporate loans, providing a highly diversified client base.

### Loan Portfolio Diversification

(Non-financial Private Sector Loans)  
Q1 2019



On a consolidated basis, NPL increased from 6.0% in Q4 2018 to 11.9% in Q1 2019, while coverage ratio was 51.9% for the period. The increase in non performing loans is mainly explained by loans to certain corporates that are renegotiating their debt. Additional provisions above Central Bank requirements were set for those loans. On the other hand, the ratio had a bigger increase due to a base effect caused by a decrease in nominal terms of the portfolio. In addition, there is a decrease in relative terms of the loan portfolio in terms of total assets.



## Non-performing loans

(in millions of pesos)

	3 month period ended		
	31/03/19	31/12/18	31/03/18
<b>Consolidated level</b>			
Non-performing loans	5,444.6	2,934.2	1,921.4
Total portfolio	45,832.9	48,583.4	44,974.5
Allowances (total)	2,825.9	2,071.5	1,633.8
Non-performing loans / Total portfolio	11.9%	6.0%	4.3%
Allowances (total) / Non-performing loans	51.9%	70.6%	85.0%
<b>Consumer portfolio</b>			
Non-performing loans (consumer)	3,177.6	2,770.3	1,888.7
Consumer portfolio	31,467.9	31,813.0	30,830.3
Allowances (consumer)	1,824.2	1,748.6	1,475.2
Non-performing loans (consumer) / Consumer portfolio	10.1%	8.7%	6.1%
Allowances (consumer) / Non-performing loans (consumer)	57.4%	63.1%	78.1%
<b>Commercial portfolio</b>			
Non-performing loans (commercial)	2,267.1	163.9	32.7
Commercial portfolio	14,365.0	16,770.4	14,144.1
Allowances (commercial)	988.2	291.6	124.2
Non-performing loans (commercial) / Commercial portfolio	15.8%	1.0%	0.2%
Allowances (Commercial) / Non-performing loans (commercial)	43.6%	177.9%	379.8%

Deposits totaled Ps. 28,974.3 million, representing a 1.1% decrease QoQ and a 25.3% increase YoY, while corporate bonds totaled Ps. 32,126.1 million, representing a 1.5% increase QoQ and a 12.0% increase YoY.

## Funding

(in millions of pesos)

	3 month period ended						Variation (%)	
	31/03/19		31/12/18		31/03/18		QoQ	YoY
	Ps.	%	Ps.	%	Ps.	%		
Deposits	28,974.3	47.4%	29,307.6	48.1%	23,131.1	44.6%	(1.1)%	25.3%
Local corporate bonds	11,725.3	19.2%	9,054.2	14.9%	9,665.8	18.7%	29.5%	21.3%
International corporate bonds	20,400.8	33.4%	22,606.3	37.1%	19,028.5	36.7%	(9.8)%	7.2%
Corporate bonds	32,126.1	52.6%	31,660.5	51.9%	28,694.3	55.4%	1.5%	12.0%
<b>Total</b>	<b>61,100.5</b>	<b>100.0%</b>	<b>60,968.0</b>	<b>100.0%</b>	<b>51,825.4</b>	<b>100.0%</b>	<b>0.2%</b>	<b>17.9%</b>

## Comparative consolidated balance sheet

(in millions of pesos)

	As of		Variation (%)
	31/03/19	31/03/18	YoY
<b>Assets</b>			
Cash and deposits in banks	6,861.7	5,068.9	35.4%
Debt securities at fair value through profit and loss	21,519.2	17,394.1	23.7%
Derivatives	48.8	5.3	N/A
Repo transactions	900.5	259.8	246.6%
Loans and other receivables	2,908.6	2,324.9	25.1%
Non financial public sector	14.7	72.5	(79.7)%
Financial sector	141.9	529.2	(73.2)%
Non financial private sector and foreign	44,111.8	41,787.0	5.6%
Allow ances	(2,812.4)	(1,599.3)	75.8%
Loans, net of allow ances	41,456.0	40,789.3	1.6%
Other debt securities	1,944.1	2,612.6	(25.6)%
Financial assets in guarantee	2,395.8	1,204.8	98.8%
Investment in other companies, subsidiaries and joint ventures	13.4	13.5	(0.7)%
Property, plant and equipment	1,655.1	2,950.6	(43.9)%
Others	5,556.1	1,551.9	258.0%
<b>Total Assets</b>	<b>85,259.2</b>	<b>74,175.8</b>	<b>14.9%</b>
<b>Liabilities</b>			
Deposits	28,974.3	23,131.1	25.3%
Liabilities at fair value through profit and loss	865.7	502.1	72.4%
Derivatives	97.4	11.3	N/A
Repo transactions	51.1	243.4	(79.0)%
Other financial liabilities	7,457.8	7,975.5	(6.5)%
Financing received from Central Bank and other financial institutions	1,030.8	475.1	117.0%
Issued corporate bonds	32,126.1	28,694.3	12.0%
Current income tax liabilities	596.6	521.6	14.4%
Subordinated corporate bonds	-	-	N/A
Provisions	254.6	349.7	(27.2)%
Deferred income tax liabilities	-	-	N/A
Other non financial liabilities	3,686.2	3,504.8	5.2%
<b>Total Liabilities</b>	<b>75,140.6</b>	<b>65,409.0</b>	<b>14.9%</b>
Shareholders' Equity attributable to non controlling interest	213.0	300.2	(29.0)%
<b>Shareholders' Equity attributable to controlling interest</b>	<b>9,905.6</b>	<b>8,466.6</b>	<b>17.0%</b>
Total Shareholders' Equity	10,118.6	8,766.8	15.4%

Comparative consolidated income statement (in millions of pesos)	For the 3 month period ended		Variation (%)
	31/03/19	31/03/18	YoY
Interest Income	3,893.3	2,943.0	32.3%
Income from adjustments	312.9	84.5	270.5%
Interest Expense	(3,746.2)	(2,136.0)	75.4%
Expenses from adjustments	(297.8)	(103.1)	188.8%
<b>Net Interest Income</b>	<b>162.2</b>	<b>788.4</b>	(79.4)%
Fee Income	1,065.5	898.1	18.6%
Fee Expense	(165.3)	(175.8)	(6.0)%
<b>Net Fee Income</b>	<b>900.2</b>	<b>722.3</b>	24.6%
Net Income from financial instruments at Fair Value through profit & Loss	2,451.0	804.6	204.6%
Difference in quoted prices of gold and foreign currency	(952.8)	64.2	N/A
Other operating income	1,603.8	1,026.7	56.2%
Provision for loan losses	(1,330.1)	(378.6)	251.3%
<b>Net Operating Income</b>	<b>2,834.3</b>	<b>3,027.5</b>	(6.4)%
Personnel expenses	(1,190.4)	(850.9)	39.9%
Administrative expenses	(753.0)	(700.9)	7.4%
Depreciation and impairment of assets	(62.4)	(37.4)	66.9%
Other operating expenses	(904.7)	(667.7)	35.5%
<b>Operating Income</b>	<b>(76.1)</b>	<b>770.6</b>	(109.9)%
<b>Income before income tax from continuing operations</b>	<b>(76.1)</b>	<b>770.6</b>	(109.9)%
Income tax from continuing operations	107.4	(238.9)	(145.0)%
Net income of the period attributable to non-controlling interests	5.3	(12.3)	(142.9)%
<b>Net Income</b>	<b>36.6</b>	<b>519.4</b>	(93.0)%

### Statistic data and comparative ratios

	3 month period ended		
	31/03/19	31/12/18	31/03/18
<b>Profitability</b>			
ROAA (return on average assets)	0.17%	2.71%	2.95%
ROAE (return on average equity)	1.48%	23.12%	25.32%
Net financial margin*	7.82%	9.77%	9.42%
Efficiency**	72.16%	63.0%	59.7%
<b>Capital</b>			
Shareholders' Equity / Total Assets	11.62%	11.59%	11.41%
CET I Ratio	12.05%	12.10%	12.23%
Tier 1 Ratio	12.08%		12.25%
Total Capital Ratio	12.66%	12.71%	12.87%
<b>Liquidity</b>			
Liquid Assets / Deposits	104.7%	101.8%	108.4%
LCR	266.0%	211.0%	200.0%
NSFR	162.9%	151.1%	N/A
Loans / Deposits	143.1%	148.7%	176.3%

\* (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 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.
- ✓ Increase the profitability of the client base and enhance the distribution capacity through the implementation of the digital strategy.
- ✓ 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.

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**Saúl Zang**  
Vice-Chairman

Assets and liabilities denominated in foreign currency as of March 31, 2019 were converted to pesos at the exchange rate of Ps. 43.3533/USD1.00 and Ps. 48.6517/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](http://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](http://www.cnv.gov.ar)) and the Bolsa de Comercio de Buenos Aires ([www.bolsar.com](http://www.bolsar.com)). In addition, the Central Bank ([www.bcra.gov.ar](http://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.