

BANCO HIPOTECARIO S.A.

EARNINGS RELEASE – THIRD QUARTER 2024





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

Thursday, November 28th, 2024, 8:30 AM EST

If you would like to participate, the hyperlink is:

https://us06web.zoom.us/webinar/register/WN_p9mWadYeS9e7Ob19aqAEIA

Web Seminar ID: 813 1668 3845

Or you can dial in:

U.S.A: +1 305 224 1968;

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





Contacts:

Juan Altuna

Marcos Casellini

Fermín Alonso

Mercado de Capitales

Tel. (54-11) 4347- 5967/5986

Fax (54-11) 4347-5874

Buenos Aires, Argentina

jmaltuna@hipotecario.com.ar

mcasellini@hipotecario.com.ar

falonso@hipotecario.com.ar

Martín Diez

Gerente de Área de Finanzas

Tel. (54-11) 4347-5856

Buenos Aires, Argentina

THIRD 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 September 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. 14 billion compared to Ps. 13.1 billion of last quarter and Ps. 5.9 billion of same quarter last year.
- ROAE for Q3 2024 was 13.3% compared to 12.7% for Q2 2024 and 7.2% for the same quarter last year, while ROAA for the same periods were 1.9%, 1.9% and 0.9%, respectively.
- Net operating income for the quarter was Ps. 131.5 billion , 10.7% lower than the Ps. 147.3 billion of previous quarter and 14.6% lower than the Ps. 154 billion of same quarter of last year. Operating income for the quarter was Ps. 55.6 billion , compared to Ps. 67.1 billion of previous quarter and Ps. 65.8 billion of same quarter of last year.
- Loans to the non-financial private sector and foreign residents increased 25.2% QoQ and 17.3% YoY.
- Deposits increased 6.1% QoQ and decreased 19.3% YoY, while capital markets debt decreased 32.9% QoQ and 54.6% YoY.
- NPL for Q3 2024 was 1.5% compared to 2.6% for Q2 2024 and 3.0% for the same quarter last year. The coverage ratio was 139.6%, compared to 106.1% in the previous quarter and 117.8% in the same quarter of last year.
- Total capital ratio as a percentage of RWA as of September 30, 2024 was 26.8% compared to 32.5% of previous quarter and 25.3% of same quarter of last year.
- General level of the Consumer Price Index accumulated an increase of 12.1% in the third quarter of 2024, compared to 18.6% in the previous quarter and 34.8% in the same quarter of the previous year.



Buenos Aires, November 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 September 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).

THIRD QUARTER 2024 CONSOLIDATED RESULTS

Net income attributable to owners of the parent company for the quarter was Ps. 14 billion compared to Ps. 13.1 billion of last quarter and Ps. 5.9 billion of same quarter last year.

Regarding profitability ratios, the ROAE for Q3 2024 was 13.3% compared to 12.7% for Q2 2024 and 7.2% for the same quarter last year, while ROAA for the same periods were 1.9%, 1.9% and 0.9%, respectively.

Income statement (in millions of pesos)	3 month period ended			Variation (%)	
	30/09/24	30/06/24	30/09/23	QoQ	YoY
Interest and adjustments income	80.092,7	241.534,3	339.515,3	(66,8)%	(76,4)%
Interest and adjustments expense	(135.294,5)	(217.874,0)	(410.378,3)	(37,9)%	(67,0)%
Net interest income	(55.201,8)	23.660,4	(70.863,0)	N/A	(22,1)%
Fee and commission income	11.551,5	12.776,7	15.595,9	(9,6)%	(25,9)%
Fee and commission expense	(1.300,6)	(877,5)	(1.031,5)	48,2%	26%
Net fee and commission income	10.251,0	11.899,3	14.564,4	(13,9)%	(29,6)%
Net income from financial instruments at fair value through profit or loss	161.340,8	101.009,1	223.399,4	59,7%	(27,8)%
Income from asset derecognition measured at amortized cost	(57,4)	-	(15.992,9)	N/A	(99,6)%
Gold and foreign currency exchange rate differences	(2.257,8)	(3.275,3)	(18.392,0)	(31,1)%	(87,7)%
Other operating income	19.928,7	16.483,9	23.871,7	20,9%	(16,5)%
Loan loss provision	(2.487,3)	(2.411,5)	(2.565,6)	3,1%	(3,1)%
Net operating income	131.516,2	147.310,3	154.022,0	(10,7)%	(14,6)%
Personnel expenses	(34.428,4)	(37.042,0)	(34.233,9)	(7,1)%	0,6%
Administrative expenses	(13.867,5)	(13.354,1)	(15.347,5)	3,8%	(9,6)%
Depreciation and impairment of non-financial assets	396,3	1.296,1	(2.454,2)	(69,4)%	(116,1)%
Other operating expenses	(28.018,2)	(31.153,2)	(36.163,3)	(10,1)%	(22,5)%
Operating income	55.598,5	67.057,2	65.823,2	(17,1)%	(15,5)%
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	(35.045,8)	(51.856,5)	(62.971,4)	(32,4)%	(44,3)%
Income tax	(6.905,6)	(931,5)	3.831,0	N/A	(280,3)%
Net income of the period attributable to non-controlling interests	(371,5)	1.181,3	699,1	(131,4)%	(153,1)%
Net Income attributable to the parent's company	14.018,6	13.087,9	5.983,7	7,1%	134,3%



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 Q3 2024 was Ps. 103.9 billion , compared to Ps. 121.4 last quarter and Ps. 134.1 billion same quarter of last year, which represents a decrease of 14.4% QoQ and a decrease of 22.6% YoY.

Financial Margin	For the period ended on			Variation (%)	
	30/09/24	30/06/24	30/09/23	QoQ	YoY
Net interest income	(55.201,8)	23.660,4	(70.863,0)	-333,3%	-22%
Net Income from financial instruments at fair value	161.340,8	101.009,1	223.399,4	59,7%	-28%
Gold and foreign currency exchange rate differences	(2.257,8)	(3.275,3)	(18.392,0)	-31,1%	(87,7)%
Financial Margin	103.881,2	121.394,2	134.144,5	(14,4)%	(22,6)%

Net interest income for the quarter was Ps. (55.2) billion , compared to Ps. 23.6 billion the previous quarter and to Ps. (70.9) billion same quarter last year. Interest income for the quarter was Ps. 80.1 billion; representing a 66.8% and a 76.4% decrease QoQ and YoY respectively.

Interest and adjustments income (in millions of pesos)	3 month period ended			Variation (%)	
	30/09/24	30/06/24	30/09/23	QoQ	YoY
Interest on cash and due from bank	9,250.6	148,722.0	258,535.6	(93.8)%	(96.4)%
Interest on loans to the financial sector	126.6	54.8	184.7	130.8%	(31.5)%
Interest from public and corporate securities	(45,126.7)	43,369.5	21,763.7	(204.1)%	N/A
Interest on overdrafts facilities	1,589.8	2,158.4	2,639.5	(26.3)%	(39.8)%
Interest on promissory notes	4,583.5	4,821.5	4,955.3	(4.9)%	(7.5)%
Interest on pledge loans	4.1	1.4	8.1	185.6%	(49.9)%
Interest on financial leases	88.9	149.0	833.1	(40.4)%	(89.3)%
Interest on other loans	3,227.1	2,379.2	6,582.3	35.6%	(51.0)%
Interest from commercial loans	9,493.3	9,509.5	15,018.3	(0.2)%	(36.8)%
Interest on consumer loans	4,772.5	3,213.3	6,127.5	48.5%	(22.1)%
Interest on credit card loans	9,622.8	9,716.4	15,841.7	(1.0)%	(39.3)%
Interest from consumer loans	14,395.4	12,929.6	21,969.2	11.3%	(34.5)%
Interest on mortgage loans	1,726.9	1,586.6	1,921.2	8.8%	(10.1)%
Interest on other receivables from financial operations	7.8	4.3	26.4	83.6%	(70.4)%
Income from CER, CVS, UVA and UVI adjustments	90,218.8	25,358.0	20,095.8	255.8%	N/A
Interest from mortgage loans	91,953.5	26,948.9	22,043.5	241.2%	N/A
Others	0.0	0.0	0.3	N/A	(100.0)%
Total	80,092.7	241,534.3	339,515.3	(66.8)%	(76.4)%





Interest and adjustments expense for the quarter was Ps. 135.3 billion compared to Ps. 217.9 billion of Q2 2024 and Ps. 410.4 billion of Q3 2023; representing a 37.9% decrease QoQ and a 67.0% decrease YoY.

Interest and adjustments expense (in millions of pesos)	3 month period ended			Variation (%)	
	30/9/2024	30/6/2024	30/9/2023	QoQ	YoY
Interest on current accounts deposits	(70,259.1)	(87,586.1)	(231,906.4)	-19.8%	-69.7%
Interest on saving accounts deposits	(49.5)	(39.0)	(101.0)	27.0%	-50.9%
Interest on time deposits	(60,870.4)	(120,200.5)	(173,849.5)	-49.4%	-65.0%
Interest from deposits	(131,179.1)	(207,825.7)	(405,856.9)	-36.9%	-67.7%
Interest on other liabilities resulting from financial transactions	(2,233.9)	(5,499.3)	(2,286.3)	-59.4%	-2.3%
Expense for CER, CVS, UVA and UVI adjustments	(1,808.6)	(4,289.8)	(1,866.8)	-57.8%	-3.1%
Interest from corporate bonds	(4,042.4)	(9,789.2)	(4,153.1)	-58.7%	-2.7%
Interest on interfinancial loans received	55.1	(42.2)	(29.2)	-230.4%	-288.4%
Others	(128.1)	(217.0)	(339.1)	-41.0%	-62.2%
Total	(135,294.5)	(217,874.0)	(410,378.3)	(37.9)%	(67.0)%

Net fee and commission income for the quarter was Ps. 10.3 billion ; compared to Ps. 11.9 billion of Q2 2024 and Ps. 14.6 billion of Q2 2023; representing a 13.9% decrease QoQ and 29.6% decrease YoY.

Net fee and commission income (in millions of pesos)	3 month period ended			Variation (%)	
	30/09/24	30/06/24	30/09/23	QoQ	YoY
Fee and commission income					
Fee charged on consumer clients	6,147.4	6,789.4	10,077.4	-9.5%	-39.0%
Linked to liabilities	4,598.6	5,061.1	4,983.9	-9.1%	-7.7%
Others	805.5	926.3	534.6	-13.0%	50.7%
Total	11,551.5	12,776.7	15,595.9	-9.6%	-25.9%
Fee and commission expense					
Credit related fees	(752.1)	(439.2)	(488.7)	71.3%	53.9%
Debt placement charges	(444.7)	(319.6)	(448.9)	39.2%	-0.9%
Others	(103.7)	(118.7)	(93.9)	-12.6%	10.5%
Total	(1,300.6)	(877.4)	(1,031.5)	48.2%	26.1%
Net fee and commission income	10,251.0	11,899.3	14,564.4	-13.9%	-29.6%





Net income from financial instruments at fair value through profit and loss for the quarter was Ps. 161.3 billion , compared to Ps. 101 billion of Q2 2024 and Ps. 223.4 billion of Q3 2023, which represents a increase of 59.7% QoQ and a decrease of 27.8% YoY.

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

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/9/2024	30/6/2024	30/9/2023	QoQ	YoY
Income from government securities	146,643.6	92,792.7	198,073.0	58.0%	-26.0%
Income from other corporate securities	2,130.6	4,117.6	8,942.9	-48.3%	-76.2%
Income from other securities	12,566.6	4,098.9	16,383.5	206.6%	-23.3%
Total	161,340.8	101,009.1	223,399.4	59.7%	-27.8%

Other operating income for the quarter was Ps. 19.9 billion , compared to Ps. 16.5 billion of Q2 2024 and Ps. 23.9 billion of Q3 2023, which represents a increase of 20.9% QoQ and a decrease of 16.5% YoY.

Other operating income

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/9/2024	30/6/2024	30/9/2023	QoQ	YoY
Loan servicing	2,567.9	2,612.1	2,625.2	-1.7%	-2.2%
Borrowing transactions commissions	844.8	653.7	1,070.1	29.2%	-21.1%
Income from Procrear services	4,946.7	3,357.3	7,655.9	47.3%	-35.4%
Other income from services	1,352.3	818.3	3,530.9	65.2%	-61.7%
Penalty interest	190.2	208.5	273.7	-8.7%	-30.5%
Loans recovered	151.2	116.6	439.9	29.8%	-65.6%
Net Income from non current assets held for sell measured at fair value	-	-	(368.3)	N/A	-100.0%
Premium and income from insurance activity	10,984.3	9,964.0	12,739.4	10.2%	-13.8%
Others	(1,108.8)	(1,246.6)	(4,094.9)	-11.1%	-72.9%
Total	19,928.7	16,483.9	23,871.7	20.9%	-16.5%

Provision for loan losses for the quarter was Ps. 2.5 billion which represents an increase of 3.1% QoQ and a decrease of 3.1% YoY.

Personnel expenses for the quarter were Ps. 34.4 billion , compared to Ps. 37 billion of Q2 2024 and to Ps. 34.2 billion of Q3 2023, which represents an decrease of 7.1% QoQ and a increase of 0.6% YoY.

Personnel expenses

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/9/2024	30/6/2024	30/9/2023	QoQ	YoY
Salaries	(17,108.7)	(18,276.5)	(18,780.4)	-6.4%	-8.9%
Vacation bonus	(1,433.7)	(1,715.3)	(2,028.0)	-16.4%	-29.3%
Social security expenses	(3,270.2)	(4,808.4)	(2,197.4)	-32.0%	48.8%
Severance and bonus expenses	(10,937.2)	(10,573.6)	(9,725.6)	3.4%	12.5%
Other personnel expenses	(1,678.6)	(1,668.1)	(1,502.5)	0.6%	11.7%
Total	(34,428.4)	(37,042.0)	(34,233.9)	-7.1%	0.6%





Administrative expenses for the quarter were Ps. 13.9 billion , compared to Ps. 13.4 billion of Q2 2024 and to Ps. 15.4 billion of Q3 2023, which represents an increase of 3.7% QoQ and a decrease of 9.7% YoY.

Administrative expenses

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/9/2024	30/6/2024	30/9/2023	QoQ	YoY
Directors' and statutory auditors' fees	(1,807.0)	(1,728.4)	(2,310.7)	4.5%	-21.8%
Fees and compensation for services	(4,239.3)	(3,904.3)	(5,735.5)	8.6%	-26.1%
Advertising, promotion and research expenses	(991.5)	(806.6)	(920.4)	22.9%	7.7%
Taxes and duties	(1,934.1)	(2,011.5)	(2,065.4)	-3.9%	-6.4%
Maintenance and repairs	(1,184.9)	(1,157.2)	(1,226.8)	2.4%	-3.4%
Electricity, gas and telephone services	(993.3)	(1,121.8)	(857.1)	-11.5%	15.9%
Others	(2,704.0)	(2,624.2)	(2,231.5)	3.0%	21.2%
Total	(13,854.1)	(13,354.1)	(15,347.5)	3.7%	-9.7%

Other operating expenses for the quarter were Ps. 28 billion , compared to Ps. 31.2 billion of Q2 2024 and to Ps. 36.2 billion of Q2 2023, which decreased 10.1% QoQ and 22.5% YoY.

Other operating expenses

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/9/2024	30/6/2024	30/9/2023	QoQ	YoY
Turnover tax and others	(8,089.4)	(12,996.0)	(23,469.3)	(37.8)%	(65.5)%
Contribution to the deposit insurance fund	(810.5)	(851.3)	(743.0)	(4.8)%	9.1%
Loan servicing	(6,536.5)	(6,314.3)	(6,501.6)	3.5%	0.5%
Charges for other provisions	(7,488.5)	(4,901.6)	(1,484.1)	52.8%	N/A
Debit card, credit card & loan rebates	(847.7)	(945.2)	(757.9)	(10.3)%	11.9%
Others	(4,245.6)	(5,144.8)	(3,207.4)	(17.5)%	32.4%
Total	(28,018.2)	(31,153.2)	(36,163.3)	(10.1)%	(22.5)%

Non-financial private sector loan portfolio totaled Ps. 416.5 billion in the quarter, compared to Ps. 332.8 billion of Q2 2024 and to Ps. 354.9 billion of Q3 2023, which represents an increase of 25.2% QoQ and 17.3% YoY.

Loans to the non-financial private sector and foreign residents

(in millions of pesos)

	3 month period ended			Variation (%)	
	30/9/2024	30/6/2024	30/9/2023	QoQ	YoY
Overdraft facilities	31,082.9	38,792.6	5,643.0	-19.9%	N/A
Promissory notes	23,007.6	17,676.9	32,658.8	30.2%	-29.6%
Mortgage loans	89,707.1	84,776.4	86,497.4	5.8%	3.7%
Pledge loans	214.2	10.3	64.7	N/A	231.0%
Consumer loans	24,746.3	12,615.3	25,810.2	96.2%	-4.1%
Credit cards	112,180.0	92,144.2	125,726.4	21.7%	-10.8%
Financial leases	1,188.6	1,446.4	4,759.4	-17.8%	-75.0%
Loans to entity's personnel	6,017.6	3,544.4	3,862.7	69.8%	55.8%
Unallocated collections	(23.8)	(31.4)	(36.8)	-24.3%	-35.4%
Others	125,154.8	78,779.4	69,006.6	58.9%	81.4%
Accrued interest and quotation differences receivable	5,179.6	4,487.4	6,716.4	15.4%	-22.9%
Documented interest	(1,935.2)	(1,437.0)	(5,734.8)	34.7%	-66.3%
Total	416,519.6	332,804.9	354,973.9	25.2%	17.3%

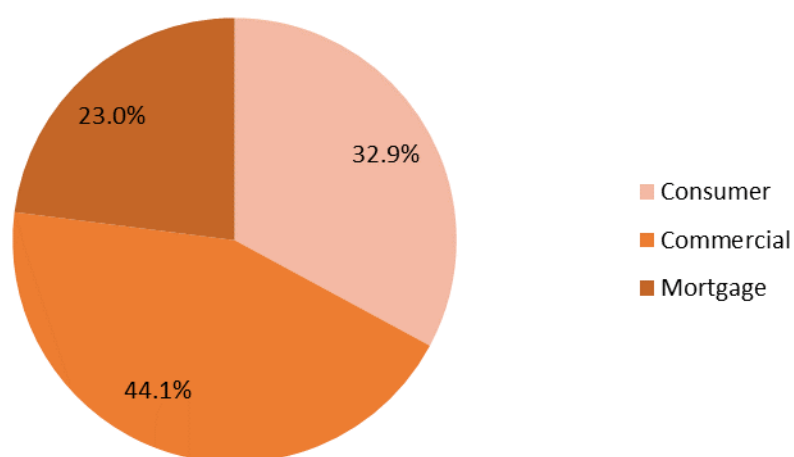




BH' s non-financial private sector loan portfolio composition as of September 30th, 2024 was 55.9% of retail financing and housing loans (32.9% consumer and 23% housing) and 44.1% of commercial loans, providing a highly diversified client base.

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

Q3 2024



Consolidated NPL decreased from 2.6% in Q2 2024 to 1.5% in Q3 2024, while coverage ratio increased from 117.8% same quarter last year to 139.6% this quarter. Besides, NPL in the consumer portfolio increased from 2.5% to 2.7% during the same period.

Non-performing loans

(in millions of pesos)

	As of		
	30/9/2024	30/6/2024	30/9/2023
Consolidated level			
Non-performing loans	7,181.4	10,047.8	11,476.7
Total portfolio	484,370.2	389,838.9	385,109.7
Allowances (total)	10,024.2	10,658.6	13,523.3
Non-performing loans / Total portfolio	1.5%	2.6%	3.0%
Allowances (total) / Non-performing loans	139.6%	106.1%	117.8%
Consumer portfolio			
Non-performing loans (consumer)	6,469.0	6,114.1	6,013.4
Consumer portfolio	235,499.4	194,731.7	241,438.8
Allowances (consumer)	7,107.9	7,117.6	9,603.9
Non-performing loans (consumer) / Consumer portfolio	2.7%	3.1%	2.5%
Allowances (consumer) / Non-performing loans (consumer)	109.9%	116.4%	159.7%
Commercial portfolio			
Non-performing loans (commercial)	712.4	3,933.7	5,463.3
Commercial portfolio	248,870.8	195,107.2	143,670.8
Allowances (commercial)	2,916.3	3,541.0	3,919.5
Non-performing loans (commercial) / Commercial portfolio	0.3%	2.0%	3.8%
Allowances (Commercial) / Non-performing loans (commercial)	409.4%	90.0%	71.7%





Deposits totaled Ps. 1.9 trillion , representing an increase of 6.1% QoQ and a decrease of 19.3% YoY, while capital markets debt totaled Ps. 31.6 billion , which decreased 32.9% QoQ and 54.6% YoY.

Funding

(in millions of pesos)

	30/9/2024		30/6/2024		30/9/2023		Variation (%)	
	Ps.	%	Ps.	%	Ps.	%	QoQ	YoY
Deposits	1,888,942	98.4%	1,779,757	97.4%	2,339,817	97.1%	6.1%	-19.3%
Local capital markets debt	-	0.0%	18,468.3	1.0%	50,530.0	2.1%	-100.0%	-100.0%
International capital markets debt	31,584.8	1.6%	28,569.1	1.6%	19,108.2	0.8%	10.6%	65.3%
Unsubordinated Senior Notes	31,584.8	1.6%	47,037.5	2.6%	69,638.2	2.9%	-32.9%	-54.6%
Total	1,920,527	100.0%	1,826,794	100.0%	2,409,455	100.0%	5.1%	-20.3%

Comparative consolidated balance sheet

(in millions of pesos)

	As of			Variation (%)	
	30/9/2024	30/6/2024	30/9/2023	QoQ	YoY
Assets					
Cash and due from banks deposits	368.052,0	340.040,2	126.837,1	8%	190,2%
Debt securities at fair value through profit or loss	1.057.207,9	1.021.753,5	1.050.532,4	3,5%	0,6%
Derivatives	96,9	1.758,4	1.404,2	-94,5%	(93,1)%
Repo transactions	21.063,8	227.952	1.068.017,3	-90,8%	(98,0)%
Loans and other financing	344.577,0	93.792,0	141.840,2	267,4%	142,9%
Non-Financial Public Sector	-	493,4	0,6	N/A	N/A
Financial Sector	31.066,5	26.535,5	1.383,4	17,1%	N/A
Non-Financial Private Sector and Foreign Residents	416.519,6	332.804,9	354.973,9	25,2%	17,3%
Allowances	(5.341,8)	(10.100,2)	(13.106,1)	-47,1%	(59,2)%
Loans, net of allowances	443.154,5	349.733,7	343.251,9	26,7%	29,1%
Other debt securities	300.704,2	305.139,9	132.330,4	-1,5%	127,2%
Financial assets in guarantee	39.712,4	39.240,6	51.452,0	1,2%	(22,8)%
Investment in subsidiaries, associates and joint ventures	64.516,0	64.516,0	-	0,0%	N/A
Property, plant and equipment	79.251,8	77.647,9	80.884,6	2,1%	(2,0)%
Others	40.107,2	37.190,9	92.693,1	7,8%	-56,7%
Total Assets	2.758.444	2.558.765	3.089.243	7,8%	-10,7%
	-	-			
Liabilities					
Deposits	1.888.942	1.779.757	2.339.817	6,1%	(19,3)%
Liabilities at fair value through profit or loss	41.667,2	61.124,6	34.847,1	-31,8%	19,6%
Derivatives	75,6	3,5	-	N/A	N/A
Repo transactions	370,4	-	4.270,1	N/A	(91,3)%
Other financial liabilities	222.095,5	121.500,4	170.141,6	82,8%	30,5%
Financing received from Argentine Central Bank and other financial institutions	3.013,6	4.196,0	3.684,7	-28,2%	(18,2)%
Unsubordinated Senior Notes	31.584,8	47.037,5	69.638,2	-32,9%	(54,6)%
Current income tax liabilities	18.270,5	14.991,1	8.987,9	21,9%	103,3%
Subordinated Senior Notes	-	-	-	N/A	N/A
Provisions	9.387,2	5.175,8	3.056,4	81,4%	207,1%
Deferred income tax liabilities	42.273,0	36.491,0	27.773,5	15,8%	52,2%
Other non financial liabilities	69.994,2	71.315,8	65.475,5	-1,9%	6,9%
Total Liabilities	2.327.674	2.141.592	2.727.692	8,7%	-14,7%
Shareholders' Equity attributable to non-controlling interest	14.079,1	14.500,7	10.304,8	-2,9%	36,6%
Shareholders' Equity attributable to parent's shareholders	416.690,1	402.671,5	351.246,4	3,5%	18,6%
Total Shareholders' Equity	430.769,2	417.172,3	361.551,2	3,3%	19,1%





Comparative consolidated income statement

(in millions of pesos)

	As of			Variation (%)	
	30/09/24	30/06/24	30/09/23	QoQ	YoY
Interest income	775.646,7	760.414,9	769.799,8	2,0%	0,8%
Adjustments income	90.218,8	25.358,0	20.095,8	255,8%	N/A
Interest expense	(771.820,9)	(634.045,1)	(935.908,6)	21,7%	(17,5)%
Adjustments expense	(1.808,6)	(4.289,8)	(1.866,8)	(57,8)%	(3,1)%
Net interest income	92.236,1	147.437,9	(147.879,7)	(37,4)%	(162,4)%
Fee and commission income	34.581,7	23.030,2	45.803,5	50,2%	(24,5)%
Fee and commission expense	(3.035,9)	(1.735,3)	(2.878,4)	74,9%	5,5%
Net fee and commission income	31.545,9	21.294,9	42.925,1	48,1%	(26,5)%
Net Income from financial instruments at fair value through profit or loss	375.578,2	214.237,4	528.834,6	75,3%	(29,0)%
Income from asset derecognition measured at amortized cost	(112,9)	(55,5)	(16.372,4)	103,3%	(99,3)%
Gold and foreign currency exchange rate differences	(10.482,2)	(8.224,4)	(21.941,8)	27,5%	(52,2)%
Other operating income	54.364,1	34.435,4	76.791,5	57,9%	(29,2)%
Loan loss provision	(7.233,3)	(4.746,1)	(7.535,7)	52,4%	(4,0)%
Net operating income	535.895,7	404.379,5	454.821,6	32,5%	17,8%
Personnel expenses	(105.851,3)	(71.422,9)	(104.555,4)	48,2%	1,2%
Administrative expenses	(39.424,5)	(25.557,0)	(44.618,0)	54,3%	(11,6)%
Depreciation and impairment of non-financial assets	(5.745,1)	(6.141,4)	(7.038,8)	(6,5)%	(18,4)%
Other operating expenses	(106.013,0)	(77.994,8)	(94.927,0)	35,9%	11,7%
Operating income	278.861,9	223.263,3	203.682,4	24,9%	36,9%
Share of profit (loss) of subsidiaries, associates and joint ventures	-	-	-	N/A	N/A
Gain (loss) on net monetary position	(199.410,6)	(164.364,8)	(142.211,8)	21,3%	40,2%
Income before income tax from continuing operations	79.451,3	58.898,5	61.470,6	34,9%	29,3%
Income tax	(32.151,5)	(25.245,8)	(18.668,5)	27,4%	72,2%
Net income (loss) for the period attributable to non-controlling interests	898,4	1.269,9	1.238,7	(29,3)%	(27,5)%
Net income (loss) for the period attributable to the parent's company	46.401,4	32.382,8	41.563,4	43,3%	11,6%





Statistic data and comparative ratios

For the period ended on
30/9/2024 30/6/2024 30/9/2023

	30/9/2024	30/6/2024	30/9/2023
Profitability			
Annualized Quarterly ROAA (Return on Average Assets)	1.9%	1.9%	0.9%
Annualized Accumulated ROAA (Return on Average Assets)	2.1%	2.3%	2.0%
Annualized Quarterly ROAE (Return on Average Equity)	13.3%	12.7%	7.2%
Annualized Accumulated ROAE (Return on Average Equity)	14.7%	15.7%	16.8%
Net financial margin*	21.0%	25.2%	17.0%
Efficiency**	33.3%	30.1%	44.0%
Capital			
Shareholders' Equity / Total Assets	15.1%	15.7%	12.3%
CET I Ratio	26.7%	32.4%	25.3%
Tier 1 Ratio	26.7%	32.4%	25.3%
Total Capital Ratio	26.8%	32.5%	25.3%
Liquidity			
Liquid Assets / Deposits	92.5%	106.5%	101.6%
LCR	110.0%	102.0%	100.0%
NSFR	196.0%	134.0%	226.9%
Loans / Deposits	23.5%	19.7%	14.7%

* (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.
- ✓ **Development of an Artificial Intelligence Hub:** Implementation of an AI innovation center to optimize processes, improve operational efficiency, and enhance data-driven decision-making.





Assets and liabilities denominated in foreign currency as of september 30th, 2024 were converted to Pesos at the exchange rate of Ps. (\$970.92/USD1.00) and Ps. (\$1082.3016/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

