

BMA – Most Attractive Fundamentals Amid a High Volatile Market

We are initiating coverage of Banco Macro (BMA) with a Buy rating and a 12-month Target Price of USD 52 per ADR, which implies an upside of 36% (including a 5% dividend yield) from current prices. The combination of robust capitalization, superior profitability and good asset quality makes BMA one of the fundamentally safest ways to have exposure to Argentine banks. For these reasons, we believe Macro is the way to have exposure to the financial sector and navigate through the current macroeconomic backdrop.

Our valuation is based on a Gordon Growth Model, which derives a target P/BV of 2.3x. We acknowledge that Argentine valuations are currently very dependent on the political outcome, especially in banks and utilities, given their businesses' nature. Our valuation is consistent with our base case scenario, which includes Macri's re-election, stabilization of the currency and GDP growth returning to positive levels next year. That said, we might review our base case and assumptions following the primary elections to be held in August.

Our BUY rating is supported by i) robust capitalization; ii) superior profitability; and iii) adequate asset quality; which makes BMA's Balance Sheet one of the strongest among its peers, and the investment in the stock one of the fundamentally safest ways to have exposure to Argentine banks.

*Macro is the most capitalized Bank in Argentina: The Bank has an excess capital of ARS 45.7bn, and a Tier 1 ratio of 19.7%. Macro is the bank with the highest equity, even though it is ranked fourth in assets, deposits or loans among private banks. This overcapitalized structure is a blessing during the ongoing economic backdrop, as it could enable the Bank to pursue M&A activity at depressed prices if the economy further deteriorates.

*Superior profitability: Over the last years, BMA has consistently shown above average profitability measures, which is more clear comparing BMA's ROA (6.0% in 2018) vs the Arg. System (3.2%) instead of ROE, given the Bank's overcapitalized structure. Macro has higher exposure to high-yielding Leliqs than other listed Banks, with 16% of total assets invested in this instrument (compares to GGAL 14%, SUPV 8% and BFR 4%), as of December 2018.

*Adequate asset quality and coverage: Banco Macro has a very healthy loan portfolio, with only 2.2% private sector NPLs, below the system's 3.8% as of February 2019. In the last years, NPL ranged 1.0-1.5%, compared to the system's ~2.0%. We note that 93% of BMA's personal loans have payroll account collateral. For 2019, we model NPLs to peak at 2.3% in 2Q19 due to the ongoing recession, then gradually decreasing towards 1.8% by end-of-year when the economy and disposable income should recover.

The major risks we see to our thesis are comprised of i) the political outcome; ii) the ongoing allegations on Mr. Brito; and iii) the impact of IAS 29 (inflation adjustment). We see the political outcome as the main risk to all Argentine assets, as it will add a great amount of volatility in the coming months and the result is likely binary, in our view.

BUY

BMA US

Target Price: USD 52

Last Price: USD 39.73

Market Data

ADR Outstanding (mn)	64
Market Cap (USD bn)	2,6
YTD Return	-10,2%

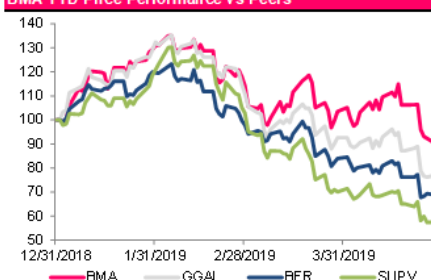
Earnings & Valuation Metrics

	2018A	2019E	2020E
Net income adj.(USD mn)	585	413	463
P/E	4,5x	6,3x	5,6x
P/BV	1,8x	1,8x	1,7x

Source: Bloomberg, Cohen.

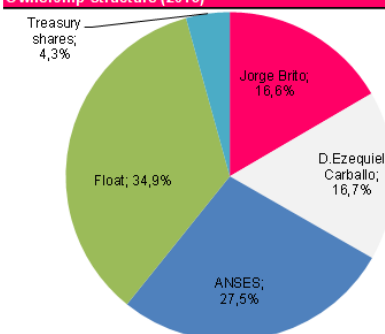
Note: 2019 Net Income excludes gain related to Prisma sale

BMA YTD Price Performance vs Peers



Source: Bloomberg, Cohen. Returns as of 04/29/19

Ownership Structure (2018)



Source: BMA, Cohen.

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Investment Thesis & Company Description

We are initiating coverage of Banco Macro (BMA) with a Buy rating and a 12-month target price of USD 52 per ADR, which implies an upside of 36% (including a 5% dividend yield) from current prices. The combination of robust capitalization, superior profitability and good asset quality makes BMA one of the fundamentally safest ways to have exposure to Argentine banks.

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Banco Macro is the fourth largest Argentine private bank, measured by either assets or loans. Historically, BMA has grown inorganically through a series of M&A, mostly focused outside de City of Buenos Aires (CABA) area, and currently it has 94% of its branches outside this city and a very strong presence in the northern part of the country. Banco Macro has one of the strongest balance sheets among the Argentine Banks, superior profitability, a resilient loan book and adequate loan loss reserves. It is also the most capitalized Bank, with a Tier 1 ratio of 19.7% and excess capital of ARS 45.7bn.

Banco Macro's History

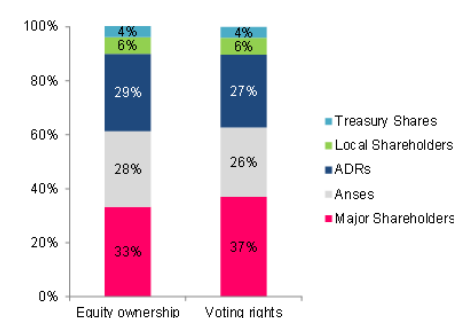
Banco Macro's origins go back to 1977, when Macro Compañía Financiera was created as a non-banking financial institution. In May 1988, it received Central Bank approval to operate as a commercial bank and it was renamed Banco Macro S.A. Since 1994, BMA's market strategy has been mainly focused on the regional areas outside the City of Buenos Aires, and as part of this strategy, in 1996 it started the process to acquire entities and assets during the privatization of provincial and other banks. Acquisitions included Banco Misiones (1996), Banco Salta (1996) and Banco Jujuy (1998). Later on, BMA's acquisitions included Banco Bansud (2001), Scotiabank Quilmes (2002), Nuevo Banco Suquía (2004), Banco Tucumán (2006), Banco Privado de Inversiones (2010), among others. More recently, in July 2018, BMA acquired the 10% stake of Banco de Tucumán owned by the Tucumán Province for ARS 456.5mn (2.6x BV), increasing its ownership to 99.93%.

Ownership Structure & Management

BMA has 669.6mn outstanding shares of common stock, consisting of 11.2mn Class A shares (5 votes per share) and 658.4mn Class B shares (1 vote per share). The Class A shares are owned principally by Jorge Horacio Brito (former Chairman) and Delfín Jorge Ezequiel Carballo (Chairman), who together own ~33% of total equity ownership. The Argentine national pension system (ANSeS) owns 28%, 34% floats in the NYSE and in the local exchange, BYMA; while the remaining 4% has been repurchased by the Bank during 2018.

Mr. Carballo was elected Chairman of the Board on April 27, 2018. He previously held the position of Vice-president of the Bank's Board of Directors. Mr. Carballo is a lawyer graduated from the Catholic University of Argentina, and has been involved with Banco Macro since 1988.

Exhibit 1: Ownership Structure (2018)



Source: BMA; Cohen

Exhibit 2: Key Executives

Name	Position	Age	First Year Appointment	Expiration of the Mandate
Board of Directors				
Delfín Jorge Ezequiel Carballo	President	66	2002	2020
Jorge Pablo Brito	Vice-president	39	2002	2018
Senior management				
Gustavo Alejandro Manriquez	General Manager	49		

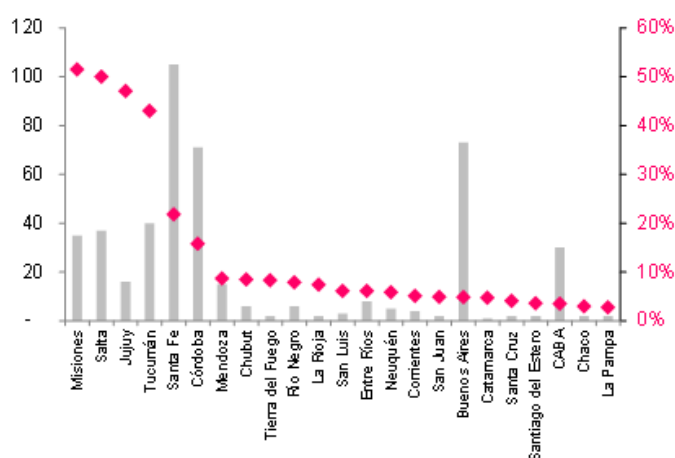
Source: BMA; Cohen

Strategy

Since 1994, Banco Macro's market strategy has been mainly focused on the regional areas outside the City of Buenos Aires. As a consequence of the acquisition of many provincial banks that were privatized during the 90s, Banco Macro currently has a very strong presence in Northern Argentina, particularly in the provinces of Jujuy, Salta, Tucumán and Misiones. In each of these provinces, BMA's branch market share amounts to 40-50%.

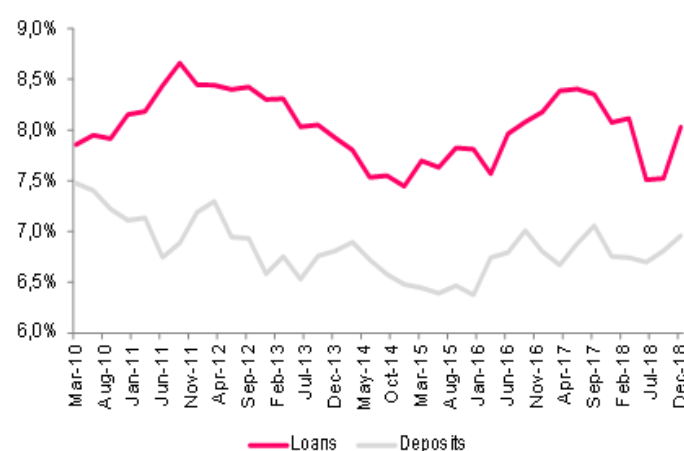
Currently the Bank has 96% of its branches outside the City of Buenos Aires, thus being the bank with the highest relative exposure to the interior of the country. As part of BMA's growth strategy, the Bank is attempting to increase its influence in the City of Buenos Aires (3.5% market share) likely through an acquisition and in the Province of Buenos Aires (4.8% market share) by focusing in aggressive product cross selling.

Exhibit 3: Branches per province (LHS) & Market share (RHS)



Source: BCRA; Cohen

Exhibit 4: BMA Private Sector Loans & Deposits Market Share



Source: BCRA; Cohen

BMA's strongest presence is in the northern part of the country where it performs financial agency services and tax collection for the Provincial Governments of Salta, Jujuy, Misiones and Tucumán. As a result, each Provincial Government's bank accounts and their employees' payroll accounts are held in the Bank. Moreover, it performs tax collection services, for which it charged USD 48.5mn in fees during 2018. The agreements with the provinces mature between 2021-26, although we do not see roll over risk due to the fact that BMA's branch market shares is greater than 45% in these provinces (in more than 190 counties Macro is the only financial institution with physical presence).

Macro loan portfolio to the private sector represents ~8% of the whole system, while its private sector deposits accounts for 7% of total. These shares have been relatively stable in the last years, as the Bank hasn't done any major M&A, its main growth strategy. Macro has stated that its next target should have a significant exposure to Argentina's more dynamic areas: Buenos Aires and CABA. Following this guideline, we looked for banks with a branch market share (excluding public banks) between 3-7% for both provinces. The institutions with these characteristics are shown in Exhibit 5. We believe that the most likely candidates include HSBC, Banco Patagonia (BPAT), ICBC and Banco Comafi.

During 2017, Macro attempted to buy Banco Patagonia from Banco do Brasil, its controlling shareholder. The deal was valued at USD 1.8bn for the entire institution, but finally was cancelled, and in 2018 Banco do Brasil increased its stake in BPAT to 80.4% through the purchase of a 21% stake for USD 202mn from BPAT's former controlling shareholders. Earlier this year, Banco do Brasil' CEO Mr. Rubem Novaes stated that the Banco Patagonia stake was subject to divestment, as it was considered a non-core asset. Shall this divestment be considered, we would not be surprised if Macro revives M&A talks with the Brazilian bank after the presidential elections take place.

Exhibit 5: Potential M&A targets

Bank	Branch Market share		Book value (ARS mn)
	CABA	BA	
HSBC	7%	4%	16.486
Patagonia	6%	5%	18.293
Supervielle	6%	7%	17.155
ICBC	6%	5%	17.601
Itau	6%	3%	7.822
Comafi	3%	4%	4.859

Source: BCRA; Cohen

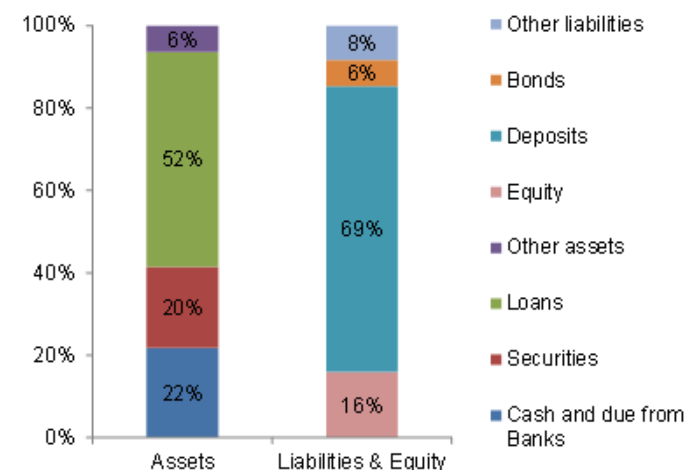
*Note: Market share includes only private bank branches

Balance Sheet Overview: Funding, Deposits & Loans

Balance Sheet is funded mostly with short-term deposits (69% of assets), which mostly include savings and checking accounts (27%) and time deposits (34%). The Bank also has ARS 21.6bn of bonds outstanding (6%), ARS 54.6bn equity (16%) and the equivalent of 8% of assets in other liabilities. Bonds issued include i) a USD 400mn, subordinated note due 2026; ii) an ARS 3.4bn 17.5% fixed ARS-denominated note due in 2022; and iii) an ARS 3.2bn Badlar-linked note due in 2021. We note that the USD 400mn subordinated bond is callable in November 2021, and if the call option is not executed the bond will begin to bear the 5yr US treasury yield +546.3bps until maturity. Given that the 2026 notes currently are 100% included as Tier II capital, and after 2021 they begin to reduce their computable weight by 20% each year until maturity, the Bank has incentives to call them, in our view.

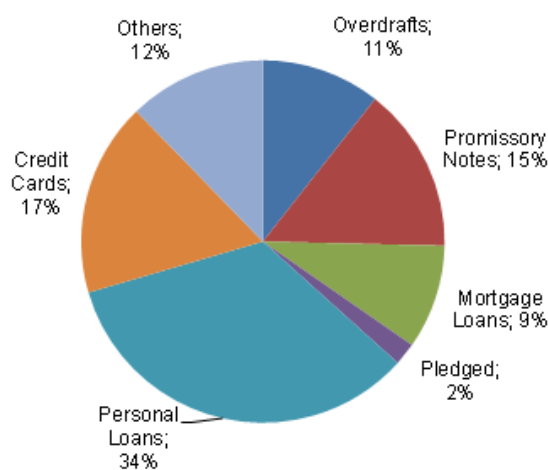
The Bank is the most capitalized Argentine bank, as its regulatory capital ratio is currently at 26.5%, with a Tier 1 ratio of 19.7%. Excess capital stands at ARS 45.7bn. A portion of this excess capital is the consequence of a USD 766mn equity issuance that occurred in June 2017, presumably to fund the (later failed) Banco Patagonia acquisition.

Exhibit 6: Balance Sheet Structure (2018)



Source: BCRA; Cohen.

Exhibit 7: Loans Breakdown (2018)



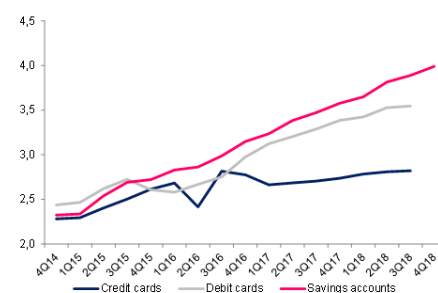
Source: BMA; Cohen

The Bank assets, which amount to ARS 342.9bn, are comprised of i) ARS 74.8bn cash (22% of total), of which ARS 50.2bn are minimum legal reserve requirements held at the Central Bank; ii) ARS 67.2bn in financial assets (20%), mostly invested in 7-day Leliq notes (ARS 55.1bn) and ~ARS 8.0bn ARGTES 2020 (Bote2020, which Banks can compute as reserve requirements); iii) an ARS 178.9bn loan portfolio (52% of total assets) and iv) other assets (6% of total assets).

In general, given the low level of banking intermediation in Argentina, there are limited products being offered. Macro offers its retail customers traditional banking products and services, such as savings and checking accounts, time deposits, credit and debit cards, consumer finance loans (including personal loans), mortgage loans, pledged loans, overdrafts, and home and car insurance, among others. Banco Macro loan portfolio mostly bears fixed rates (~90% of total), with focus on the consumer finance segment, which weights 61% of total financing. The loan portfolio is adequately diversified, with the biggest 10 customers weighting 10.5% of total.

When comparing to the Argentine financial system, BMA's loan portfolio is overweight in personal loans (34% of total private sector vs 20% for the Arg. System), and underweight mostly in promissory notes (15% vs 34%). Regarding credit cards, the Bank has approximately 2.8 million credit cards (including additional cardholders) outstanding as of 4Q18, a stock which has increased at 5% CAGR in the last years. Credit card growth has been lower than savings accounts and debit cards, which have increased at a 14% and 10% CAGR, respectively.

Exhibit 8: Accounts and Cards Outstanding (mn)



Source: BCA; Cohen.

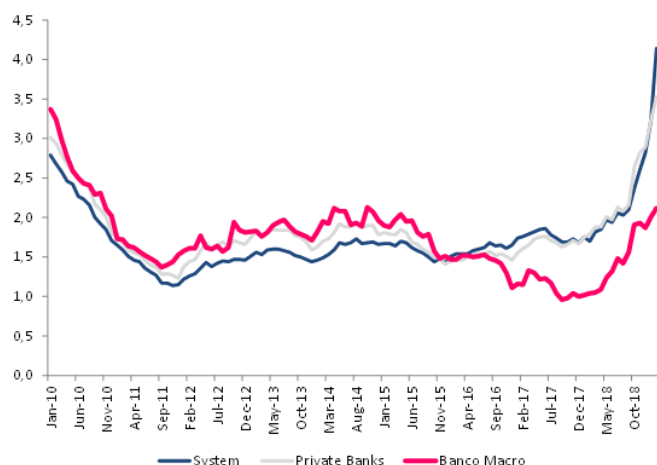
Asset Quality and Profitability

Banco Macro has a very healthy loan portfolio, with only 2.2% NPLs to the private sector, below the system's 3.8% as of February 2019. In the last years, NPL ranged 1.0-1.5%, compared to the system's ~2.0%. The lower delinquency relative to the system could be derived of the fact that 93% and 64% of BMA's personal and credit card loans have payroll account collateral. For 2019-2020, we model NPLs to peak at 2.3% in 2Q19 due to the ongoing recession, then gradually decreasing towards 1.8% by end-of-year when the economy and disposable income should recover, and further to 1.5% by 4Q20.

Since April 2018, when the FX depreciation accelerated and the economy deteriorated sharply, NPLs both at the Bank and system's levels increased sharply, although still remain at adequate levels when comparing to other Latam countries. It is reasonable to expect, however, for the Argentine system (under a 'normal' economic environment) to show lower delinquency levels than its peers, given the smaller size of the financial system and high inflation and nominal interest rates: there is low leverage among customers and only the highest credit quality is able to get financing, while the high nominal growth dilutes the percentage of delinquent loans.

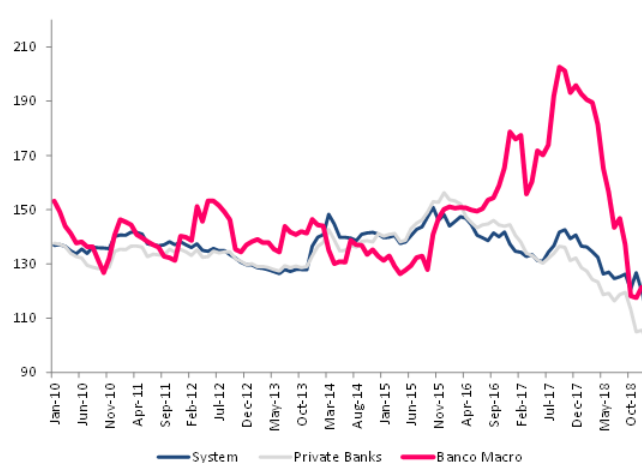
Regarding coverage, since 2010 Macro's ratio has been in-line with the system and other private banks around 140%. In 2016 BMA started to build provisions for loan losses that reached 200% of NPLs in 2H17, and in recent quarters it used some of that 'cushion' to sustain earnings. Management has indicated that it will slowly increase its coverage ratio to 120-140% by the end of the year, and we model coverage to gradually increase towards 130% in 4Q19, up from 118% in 4Q18 and a normalized ratio of 140% starting in 2Q20.

Exhibit 9: Non-performing Loans/Total Financing



Source: BCRA, Cohen

Exhibit 10: Coverage Ratio



Source: BCRA, Cohen

Over the last years, BMA has shown above average profitability measures, as its return on assets (ROA) has been consistently above peers. While comparing BMA's return on equity (ROE) with its peers, it should be noted that BMA has an overcapitalized structure, and thus a higher capital base that lowers the ratio. We believe that the excess profitability is related to the fact that BMA faces relative lower competition (which enables higher interest margins) and has lower costs, given its strong presence in the interior of the country where wages are lower than in Buenos Aires. BMA's NIM excluding FX differences has been broadly stable during the last years at 17%, and we expect NIMs at both the Bank and the Argentine financial system to gradually decrease after 2020, when inflation and interest rates are expected to (finally) decrease. This spread reduction should be more than offset by increased lending volumes, thus being net positive for the bottom line.

Exhibit 10: BMA Monthly ROA vs Peers


Source: BCRA, Cohen

Exhibit 11: BMA Monthly ROE vs Peers


Source: BCRA, Cohen

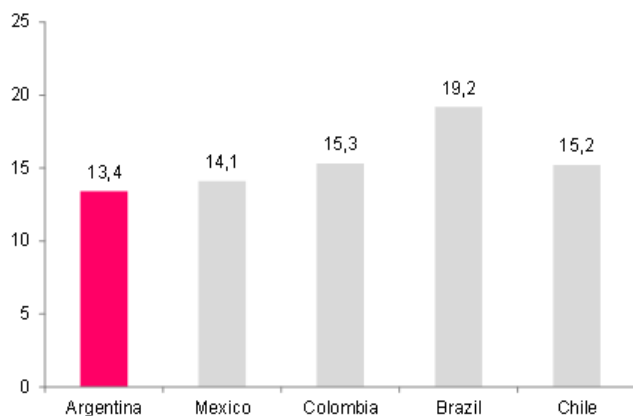
The Argentine Financial System

The domestic financial system is small and fragmented, as loans represent only 16% of GDP, well below the Latam peers (for example, domestic credit to the private sector would need to almost double to reach Mexico's level of 27% of GDP). Total loans to the private sector stand at USD ~47bn (ARS 2.17tn), of which 30% are USD-denominated; while private sector deposits amount to USD ~73.3bn (ARS 3.4tn), of which 30bn are in USD.

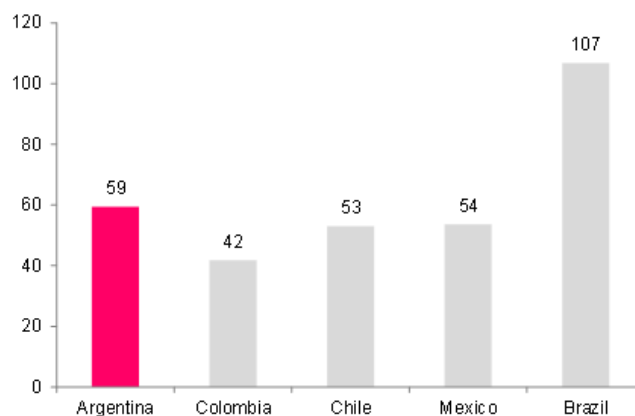
Argentina has 78 financial institutions, well above its peers when adjusting for system's size, and we believe the industry should consolidate in the coming years, being BMA one of the likely winners given its experience in executing M&A and due to the fact that acquiring other banks has been and continues to be BMA's preferred growth strategy. When comparing ATMs and bank branches per 100k adults across Latam countries (see Exhibits 11 & 12), we note that the Argentine financial system shows adequate levels, thus indicating that the actual infrastructure can support the system's expansion.

Banks are mostly funded through short-term deposits, mainly sight deposits (43% of total ARS deposits), and time deposits (54%). The Argentine financial system growth depends heavily on deposit levels, due to the small size of its capital market. Recently, however, Banco Macro and other financial institutions have had access to global financial markets to obtain financing through the placement of debt and equity securities. In June 2017, BMA made a USD 766mn equity issuance.

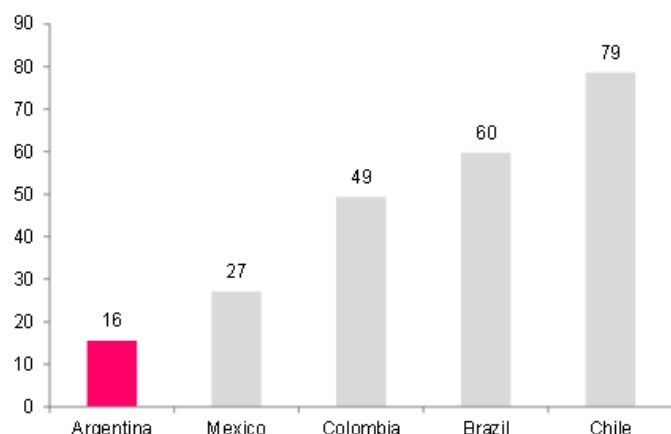
We believe the sustained levels of high inflation and macroeconomic volatility have been the principal obstacles to the development of private sector's long-term financing, given borrowers preferences to borrow at fixed rates while lenders' interest expenses are mostly at floating rates and thus would prefer to lend at floating rates.

Exhibit 11: Bank Branches per 100k Habitants


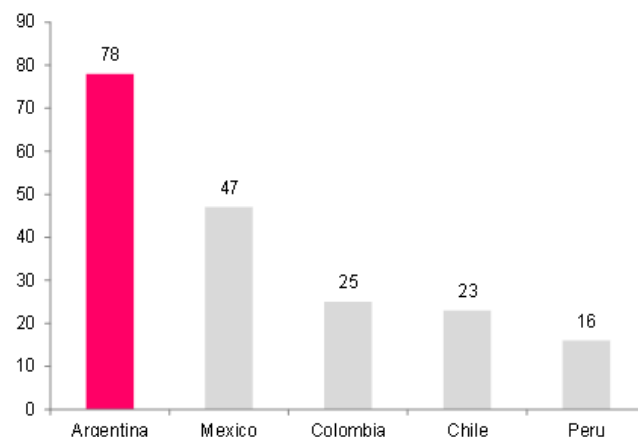
Source: World Bank; Cohen

Exhibit 12: ATMs per 100k Habitants


Source: World Bank; Cohen

Exhibit 13: Domestic Credit to Private Sector by Banks as % of GDP (2016)


Source: World Bank; Cohen

Exhibit 14: Number of Financial Entities (2016)


Source: BBVA Frances; Cohen

Risks

i) The presidential elections to be held in August (Primary) and October (First Round), and eventually November will add a great amount of volatility to Argentine assets, especially in financials and utilities. We believe the economic crisis could worsen severely if Macri's re-election is seen as less likely, and thus all Argentine assets could experience severe losses.

ii) There is an ongoing allegation on the Bank's former Chairman, Mr. Jorge Brito, related to the purchase of the currency printer company 'Ciccone', allegedly by the former Vice President, Mr. Amado Boudou.

iii) Inflation adjustment IFRS standards require the financial statements of an entity with a functional currency that is hyperinflationary to be restated in terms of the measuring unit current at the end of the reporting period (IAS 29), whether they are based on a historical cost or current cost approach. Under IFRS, an economy is categorized as hyperinflationary if the cumulative inflation rate over three years approaches, or exceeds, 100%. For this reason, under IAS 29 the Argentine economy should be considered hyperinflationary as from July 1, 2018.

According to Central Bank regulations, financial institutions will need to restate financial statements in accordance with IAS 29 starting from January 2020. We note, however, that banks with ADR listing will need to disclose in their SEC filings which would have been the impact if the adjustment was made. **The impact of the inflation adjustment on the net income, book value and dividends could be substantial; given that inflation-adjusted net income would be much lower than prior to applying IAS29, per our understanding.** While BMA has not given any guidance on the inflation adjustment's impact, Grupo Financiero Galicia (GGAL) noted on its 4Q18 earnings release that if applied, the adjustment would have resulted in a 16% increase in book value and the evaporation of the ARS 14.4bn net income (adj. net income would have been ARS -0.5bn). Should this trend continue, banks' dividends could be in jeopardy after 2020 when IAS29 is applied under BCRA regulation.

Valuation

We valued Banco Macro with a Gordon Growth Model, which derives a target P/BV of 2.3x. Our target P/BV multiple is driven by a 32% normalized ROE for the next three years, a Cost of Equity of 16.3% in USD terms, and a growth coefficient of 4.5%.

We believe that Argentine valuations are currently very dependent on the political outcome, especially in banks and utilities. Our base case scenario includes Macri's re-election, stabilization of the currency, GDP growth returning to positive levels and reaching 3% next year, with loans growing 10-15% in real terms after 2020. The Central Bank is effective in lowering inflation rates, which in turn lowers interest rates towards low 20s by 2021.

On a relative basis, BMA is trading at a 1.6x 2019 P/BV and at a 5.0 201E P/E (in ARS), which compares to the Argy peer average of 1.5x 2019 P/BV, and 5.0x 2019 P/E.

We note that if view on the political election is not favorable to the current Administration, the market could experience increased volatility, as there is still uncertainty in which would be the economic scenario under a new President.

Exhibit 15: Sensitivity Analysis

		Ke (%)						
		17,8	17,3	16,8	16,3	15,8	15,3	14,8
g	3,5%	44	46	48	50	52	54	56
	4,0%	45	47	49	51	53	55	58
	4,5%	46	48	50	52	54	57	59
	5,0%	47	49	51	53	56	58	61
	5,5%	48	50	52	55	57	60	63

Source: Cohen

Exhibit 16: Relative Valuation

Name	Ticker	P/BV			P/E		
		2018	2019E	2020E	2018	2019E	2020E
Argentina							
Banco Macro SA	BMA	2,1x	1,6x	1,3x	7,4x	5,0x	4,5x
Grupo Financiero Galicia SA	GGAL	2,5x	1,9x	1,5x	7,6x	6,1x	5,3x
Grupo Supervielle SA	SUPV	1,2x	1,0x	0,8x	5,8x	4,0x	3,4x
BBVA Banco Frances SA	FRAN	2,2x	1,4x	1,2x	7,3x	6,1x	4,9x
Banco Patagonia SA	BPAT	1,3x	N/A	N/A	4,2x	N/A	N/A
Banco Hipotecario SA	BHIP	1,7x	N/A	N/A	4,1x	3,7x	3,1x
Banco Santander Rio SA	BRIO	1,5x	N/A	N/A	6,6x	N/A	N/A
Avg Arg		1,8x	1,5x	1,2x	6,1x	5,0x	4,3x
Brazil							
Banco Bradesco SA	BBDC3	2,4x	1,8x	1,7x	7,5x	5,0x	4,5x
Banco Santander Brasil SA	SANB11	N/A	N/A	N/A	N/A	N/A	N/A
Banco do Brasil SA	BBDC3	2,4x	1,8x	1,7x	7,5x	5,0x	4,5x
Itau Unibanco Holding SA	SANB11	N/A	2,4x	2,2x	13,6x	12,3x	11,4x
Avg Brazil		2,4x	2,0x	1,8x	9,6x	7,4x	6,8x
Colombia							
Bancolombia SA	BBAS3	1,4x	1,3x	1,2x	10,2x	8,6x	7,5x
Grupo Aval Acciones y Valores	BSAN	2,8x	2,8x	2,5x	15,4x	14,4x	12,9x
Avg Colombia		2,1x	2,0x	1,8x	12,8x	11,5x	10,2x
Chile							
Banco de Credito e Inversiones	GFINBURO	1,3x	1,2x	1,1x	11,1x	10,5x	9,4x
Banco de Chile	ITUB4	2,4x	2,3x	2,2x	6,5x	5,7x	5,2x
Credicorp Ltd	BCOLO	1,6x	1,5x	1,3x	7,7x	6,7x	5,5x
Banco Santander Chile	CHILE	3,0x	2,8x	2,5x	16,8x	15,6x	14,1x
Avg Chile		2,0x	1,9x	1,8x	10,6x	9,6x	8,6x
Mexico							
Grupo Financiero Inbursa SAB d	BAP	0,8x	0,7x	0,6x	4,8x	4,2x	3,8x
Avg Mexico		0,8x	0,7x	0,6x	4,8x	4,2x	3,8x
Avg Latam ex. Arg		1,8x	1,7x	1,5x	9,4x	8,2x	7,3x

Source: Bloomberg; Cohen

Note: Estimates reflect Bloomberg consensus estimates, except for BMA which reflects Cohen estimates.

Estimates

BMA is expected to release its 1Q19 earnings results, on Thursday, 9 May, 2019, after market close. We expect net income to reach ARS 8,126mn (vs ARS 4,935mn consensus), including the gain on the Prisma sale and the revaluation of the remaining stake. We are not sure if the consensus estimate accounts for the Prisma sale occurred in February.

We expect BMA's loans and deposits to grow broadly in-line with the system, at 4% and 11% QoQ (in ARS), respectively, fueled by time deposits (+15% QoQ) as a consequence of the Lebac unwinding that took place at the end of 2018. The main revenue driver will likely be the Leliq interest income, as loan demand is virtually frozen, although the average Leliq rate fell 968bps during the quarter to 55.8% (compares to -838bps for the Badlar, to 41.8%).

Asset quality will likely deteriorate in 1Q19 given the ongoing economic backdrop, and we estimate NPLs to increase to 2.25% in 1Q19 from 1.9% in 4Q18, with coverage slightly decreasing sequentially to 115% from 118% in 4Q18. BMA's asset quality remains amongst the best of the listed Argentine banks, and we expect this to continue in the coming quarters.

Exhibit 15: BMA Estimates (ARS mn)

Balance Sheet (ARS mn)	4Q17A	4Q18A	1Q19E	2Q19E	3Q19E	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash and due from banks	35.562	74.766	83.753	86.943	96.453	99.592	95.540	95.138	97.602	111.014	116.291	118.871	126.754	145.178
Securities	1.086	2.635	2.635	2.635	2.635	2.635	2.635	2.635	2.635	2.635	2.635	2.635	2.635	2.635
Loans and other financings	132.659	178.875	185.749	195.036	210.639	238.022	249.475	270.189	291.487	326.919	340.311	364.530	389.433	430.861
Other securities	34.704	64.585	77.383	84.178	88.948	96.773	113.568	122.113	123.833	136.211	145.667	150.726	148.519	132.852
PPE & Intangible assets	7.921	10.404	10.898	11.416	11.958	12.526	13.121	13.744	14.397	15.081	15.797	16.547	17.333	18.157
Other assets	14.408	11.618	14.520	15.207	15.650	16.309	16.656	17.195	17.836	18.409	19.261	19.894	20.603	21.287
Total Assets	226.339	342.883	374.937	395.414	426.283	465.857	490.994	521.014	547.791	610.270	639.962	673.205	705.278	750.970
Deposits	144.129	237.955	260.094	280.901	306.182	339.862	358.203	388.895	408.456	463.428	484.596	520.021	542.597	606.045
Non-financial public sector	12.891	19.354	21.155	22.847	24.903	27.643	29.135	31.631	33.222	37.693	39.415	42.296	44.132	49.293
Financial sector	81	148	162	175	191	212	223	242	255	289	302	324	338	378
Non-financial private sector	131.157	218.452	238.777	257.879	281.088	312.008	328.845	357.022	374.979	425.446	444.880	477.401	498.127	556.375
Checking Accounts	20.779	24.375	25.106	27.114	29.555	32.806	34.576	37.539	39.427	44.733	46.776	50.196	52.375	58.499
Savings Accounts	44.532	68.695	70.069	75.675	82.485	91.559	96.500	104.768	110.038	124.847	130.550	140.093	146.175	163.268
Time Deposits	61.602	118.034	135.739	146.598	159.792	177.369	186.941	202.958	213.167	241.856	252.903	271.391	283.173	316.285
Others	4.244	7.349	7.863	8.492	9.256	10.275	10.829	11.757	12.348	14.010	14.650	15.721	16.404	18.322
Medium Term Notes	4.712	6.377	6.104	6.104	6.104	6.104	6.104	6.104	6.104	6.104	6.104	3.391	3.391	3.391
Subordinated Loan	7.566	15.288	17.352	18.400	19.236	20.028	20.676	21.812	22.800	23.552	24.376	25.229	26.113	0
Other liabilities	23.196	28.625	28.625	28.625	28.625	28.625	28.625	28.625	28.625	28.625	28.624	28.624	28.625	28.625
Total liabilities	179.603	288.245	312.174	334.029	360.146	394.618	413.607	445.435	465.984	521.708	543.701	577.266	600.726	638.061
Minority interest	201	2	2	2	2	2	2	2	2	2	2	2	2	2
Shareholders' equity	46.535	54.636	62.761	61.383	66.134	71.236	77.199	75.391	81.619	88.374	95.787	95.464	104.078	112.435
Income Statement (ARS mn)	2017A	2018A	1Q19E	2Q19E	3Q19E	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net Interest Income	23588	39646	11918	12720	12657	13606	14792	15575	15930	16609	17919	19634	20048	19726
Net Service Fee Income	5677	9595	3369	3700	4060	4468	4774	5110	5514	6450	6859	7469	7988	8635
Financial assets income	1976	-316	1013	1030	1009	801	836	872	832	775	762	748	726	729
Other operating income	4123	4385	669	736	803	859	915	970	1023	1074	1128	1184	1243	1299
Loan Loss provisions	-1549	-2706	-865	-904	-913	-953	-975	-974	-1053	-1160	-1251	-1322	-1414	-1538
Net operating revenue	33738	50606	16104	17282	17616	18780	20342	21552	22246	23748	25416	27714	28592	28852
Personnel expenses	-7537	-10305	-3390	-3695	-3990	-4270	-4547	-4820	-5085	-5339	-5606	-5887	-6181	-6459
Administrative expenses	-4584	-6833	-2274	-2456	-2628	-2785	-2966	-3144	-3317	-3483	-3657	-3840	-4032	-4214
D&A	-573	-737	-234	-245	-257	-269	-282	-295	-309	-324	-339	-355	-372	-390
Other operating expenses	-6575	-10253	-3314	-3740	-3994	-4210	-4642	-5015	-5281	-5649	-5986	-6366	-6584	-6711
Operating income	14470	22479	6892	7147	6748	7246	7905	8277	8253	8953	9828	11266	11423	11078
Income from associates & JV	445	266	4716	37	40	43	46	48	51	54	56	59	62	65
Income Before Tax	14915	22746	11608	7184	6788	7289	7950	8326	8304	9007	9884	11325	11485	11143
Income Tax	-4805	-6965	-3482	-2155	-2036	-2187	-1988	-2081	-2076	-2252	-2471	-2831	-2871	-2786
Net income	10041	15733	8126	5029	4751	5102	5963	6244	6228	6755	7413	8494	8614	8357

Source: Company Filings, Cohen

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