BBVA Argentina's First Quarter 2026 results Conference Call Script

Good morning, everyone, and thank you for joining us today for BBVA Argentina's first quarter 2026 results conference call.

During the first quarter of the year, our business model demonstrated resilience within a macroeconomic environment characterized by a gradual transition and a normalization of key financial variables. We observed a reduction in interest rate volatility, which sustained the downward trend initiated in the previous year, alongside ongoing adjustments in monetary and regulatory policy aimed at a better management of liquidity. While the combination of fiscal discipline and stabilizing external indicators establishes a more predictable framework for the financial sector, we maintain a cautious and prudent outlook regarding the pace, timing, and evolution of a broader private credit recovery in the upcoming quarters.

Moving into our financial highlights for the quarter, BBVA Argentina posted an inflation-adjusted net income of 85.2 billion pesos for the first quarter of 2026. This represents a 31.2% increase quarter-over-quarter, driven by revenue performance and expense management. This bottom-line expansion boosted our quarterly ROE to 8.3%. At the same time, Net Interest Income grew by 5.9% sequentially to 879.9 billion pesos. Our funding costs fell faster than asset yields due to the shorter average life of our liabilities, expanding our total net interest margin to 18.6%. Regarding efficiency, our quarterly efficiency ratio stood at 51.4%, with personnel benefits and administrative expenses reflecting the ongoing management of our corporate structure.

Let's look at the dynamics of our balance sheet and credit portfolio. Total financing to the private sector closed the quarter at 15.7 trillion pesos. While local currency loans fell 6.5% due to seasonal low commercial activity, our foreign currency private loans grew by 6.8% sequentially, which represents a 23.3% increase in dollar terms. We continue to see continuous momentum in pledge and mortgage lines. Furthermore, we continue to capture business effectively, mainly driven by the Commercial segment and foreign currency loans; our consolidated loan market share rose to 12.15%, signaling a total gain of 95 basis points over the last twelve months. On the funding side, total deposits reached 17.5 trillion pesos. Private deposits saw a minor, seasonal 8 basis point market share dip to 9.93%, but they remain up 78 basis points year-over-year.

Regarding asset quality, systemic pressures caused our non-performing loan ratio to rise to 5.60%, primarily driven by the retail card and consumer portfolios. However, commercial delinquency remained exceptionally well-behaved at just 0.50%. Our Cost of Risk dropped from 8.11% last quarter to 6.14%, partially thanks to our strengthened origination policies, leaving our coverage ratio at 88.41%. Looking at solvency and liquidity, our liquidity ratio closed at a very comfortable 45.5%. More importantly, our capital position remains robust, with a regulatory capital ratio of 18.8%, representing a 128.7% excess over minimum regulatory requirements.

Before opening the floor to your questions, I want to highlight that on May 15, the Central Bank approved our dividend distribution for 69 billion pesos, which underscores our unyielding commitment to generating shareholder value.

In conclusion, BBVA Argentina enters the rest of 2026 with an exceptionally solid foundation. Backed by robust capital, healthy liquidity, and an expanding market footprint, we possess all the necessary tools to lead the market and supply credit as the Argentine financial system normalizes.

Thank you for your time. Operator, please open the line for questions.