

BBVA Argentina's Third Quarter 2025 results

Conference Call Script

Operator:

Good morning everyone, and welcome to BBVA Argentina's 3Q25 results conference call. Today with us are Mr. Diego Cesarini, Head of ALM and Investor Relations, Ms. Belen Fourcade, Investor Relations Manager, and Mrs Carmen Morillo Arroyo, CFO, who will be available for the Q&A session.

This presentation and the 3Q25 earnings release are available on BBVA's investor relations website ir.bbva.com.ar and will also be available for download in the chat.

First of all, let me point out that some of the statements made during this conference call may be forward-looking statements, within the meaning of the Safe Harbor provisions found in Section 27 A of the Securities Act of 1933 under US Federal Securities Law. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Additional information concerning these factors is contained in BBVA Argentina's Annual report on Form 20-F for the Fiscal Year 2024, filed with the US Securities and Exchange Commission.

During the Company's presentation, all microphones will be disabled. At this time, we're going to open it up for questions and answers. If you have a question, please write it down in the Q&A section or click on Raise Hand for audio questions. You will then receive a request to activate your microphone—please activate it and pick up your handset to provide optimum sound quality when posing your question.

I will now turn the call over to Belén Fourcade. Please, go ahead.

[Belen Fourcade]

Good morning and thank you all for joining us today.

In the third quarter of 2025, BBVA Argentina has managed to sustain its growth strategy, demonstrating the strength of its fundamentals and the effectiveness of its management. We maintained a focus on operational efficiency through careful administration of our fees and strict control of expenses, which allowed us to navigate the volatile context in which interest rate levels have doubled.

The period was marked by high political uncertainty which resulted in strong movements in financial variables. The Central Bank implemented a more restrictive monetary policy, with increases in reserve requirements, a new daily compliance scheme for them, and changes in the instruments used to

regulate the money supply, which led to a sharp rise in the level and volatility of interest rates. The electoral results in the Province of Buenos Aires at the beginning of September added further doubts about the continuity of the government's economic policy.

Deposit rates increased from levels of 30% at the beginning of July, reaching peaks of 70% during September. Furthermore, demand for exchange rate hedging increased, resulting in some dollarization of deposits, while loan growth slowed down. Nevertheless, credit to the private sector of the system achieved a real term increase of 7% during the quarter.

Although this scenario was quickly reversed, after the outcome of the national elections in October heavily supported the ruling party, the results of the financial system were not exempt from the impact of what happened during the quarter.

On the one hand, the high level of rates affected the continued deterioration of the system's delinquency, and in addition, it had a negative impact on intermediation margins, given the faster speed at which liabilities are renegotiated compared to assets, despite the short duration of the latter.

In this scenario, we are leveraged on active pricing, careful portfolio management, and strict control of expenses, which has allowed us to navigate a context of higher provisions and delinquency, while still driving growth in activity. The aforementioned negative impact on margins was mitigated by the high percentage of floating-rate sovereign debt in the securities portfolio. In this context, the bank's total loans to the private sector grew by 6.7%, and the consolidated market share was 11.39%. Regarding deposits, a real term increase of 10.2% was also achieved, so that the market share rose 44 basis points and reached the double-digit figure for the first time, up to 10.09%.

As for asset quality, the NPL ratio of BBVA Argentina on private loans reached 3.28% as of September of 2025, a figure that remains below the system average. BBVA is renowned for presenting delinquency ratios consistently below the sector average, which reflects the quality of its credit risk management and its prudent approach to portfolio origination.

Regarding the liquidity ratio, the Bank maintains at a comfortable level, which at the end of the quarter reached 44.3% of deposits. The capital ratio stood at 16.7%, decreasing 170 basis points compared to the previous quarter, mainly explained by the temporary impact of the sovereign debt valuation. Yet, it continues at ample levels that allow us to sustain our growth strategy.

[Slide 2, 3 & 4]

Moving to slide 2, 3 and 4, I will now comment on the bank's 3Q25 financial results.

BBVA Argentina's inflation adjusted net income in the 3Q25 was 38.1 billion pesos, decreasing 39.7% QoQ. This implied a quarterly ROE of 4.7% and a quarterly ROA of 0.7%.

The decrease in quarterly operating results was mainly explained by lower operating income, mainly due to (i) a deterioration in loan loss allowances, (ii) lower net interest income, and (iii) a drop in the line of net income from measurement of financial instruments at Fair Value through P&L. These were positively offset by substantially better net fee income, operating expenses and other operating income, including non recurrent concepts.

As previously mentioned, it should be noted that the quarter was marked by an increase in average interest rates in a context of volatility, regulatory changes on minimum reserve requirements, and uncertainty raised by the electoral period, which cleared up after the results, reversing several of the negative impacts.

Net income from the net monetary position was 5.7% lower QoQ, explained by a stable quarterly inflation.

Turning into the P&L lines, in slide 3, net interest income was 585.5 billion pesos, decreasing 6.6% QoQ. In the 3Q25, interest income increased less than interest expenses in monetary terms, driven by the sudden increase in interest rates. While income from loans increased 19%, income from government securities increased 66.6% given the high percentage of TAMAR floating rate bonds in the portfolio, which rapidly captured changes in market rates. Expenses increased mainly due to higher deposit costs, in particular due to time deposits.

Loan loss allowances increased 37.1%, explained by the deterioration of non performing loans, in particular on the retail book, which implied higher provisioning, as well as the publicly known deterioration of NPLs both for BBVA and for the system. The effect of loan loss allowances can be observed in the evolution of the CoR, which reached 6.63% in the 3Q25.

Net fee income as of 3Q25 totaled 137.1 billion pesos, increasing 37.5% QoQ, thanks to continued alignment in pricing strategies both in fee income and expenses.

During the 3Q25, total operating expenses were 494.6 billion pesos, decreasing 3.4% QoQ. Several improvements are observed in administrative expenses, mainly due to proactive efficiency measures in (i) software, (ii) outsourced administrative expenses, (iii) advertising, and (iv) armored transportation. In the case of software, the decrease is due to a reestimation of expense provisions. For advertising and armored transportation, diverse actions have been taken in the aim of improving efficiency.

Both the efficiency ratio as well as the fee-to-expenses ratio, evidence the stability and improvements that are taking place on these lines of the income statement, and we expect them to improve even further for 2026.

[Slide 5 & 6]

Private sector loans as of the 3Q25 totaled 12.8 trillion pesos, increasing 6.7% in real terms QoQ. Growth was mainly driven by an increase in loans in foreign currency, boosted by commercial lending, mainly prefinancing and financing of exports, and other loans, which include investment project loans and a position in correspondent banks.

On the peso portfolio, credit cards and pledge loans stood out. The latter was partially affected by an accounting reclassification done by the subsidiary companies, from the *other loans* line to the *pledge loan* line. In the case of consumer loans, prudence policies taken in a context of higher deterioration of non performing loans, were noticeable on this line with 0% growth. Overdrafts fell 12.1% driven by the rapid increase in interest rates mentioned previously.

After years of commercial segment growth over retail, the sudden increase in interest rates took a toll on commercial loan demand, which tends to be more sensitive to changes in interest rate movements, making the commercial loan book slightly fall versus retail in the portfolio mix.

BBVA Argentina's consolidated market share of private sector loans reached 11.39% as of the 3Q25, improving from 10.58% a year ago.

Regarding asset quality, BBVA Argentina's non-performing loan ratio on private loans reached 3.28% in September 2025, a figure that remains below the system average. This was due to an increase in the non-performing retail portfolio, reflecting a deterioration in non-performing credit card and consumer loans, which aligns with the overall systemic trend. Commercial non-performing loans, however, showed very good performance, remaining in 0.10%.

As we can see on Slide 6, as of the 3Q25, total gross loans and other financing-over-deposits ratio was 85%, below the 88% recorded in the 2Q25 and above the 65% in 3Q24. Participation of total loans-over-assets is 57%, versus 58% in 2Q25 and 43% in 3Q24, evidencing a slightly higher exposure to the public sector, driven by the changes in reserve requirement regulation concerning reserves in kind, and also in line with a lower origination of loans as a consequence of prudential actions in a high NPL environment.

[Slide 7]

On the funding side, as of 3Q25, total deposits reached 15.4 trillion pesos, increasing 11.2% QoQ. The Bank's consolidated market share of private deposits as of 3Q25 reached 10.09%.

Private non-financial sector deposits in pesos totaled 9.8 trillion pesos, an increase of 7% QoQ. This was explained by an increase in time deposits, and in interest-bearing checking accounts. This effect was partially offset by a drop in investment accounts.

Private non-financial sector deposits in foreign currency, expressed in pesos, increased by 16.6% QoQ. This is mainly due to an increase in time deposits, mainly investments from mutual funds, followed by an 8.3% increase in savings accounts.

As of the 3Q25, capital ratio reached 16.7%. The drop was due to an increase by 7.4% in risk-weighted assets, which was higher than the 2.9% decrease in Common Equity Tier 1 capital, the latter affected by the fall in the valuation of public securities mentioned previously. This explains two-thirds of the quarterly decrease in the capital ratio.

Public sector exposure (excluding central bank) totaled 3.6 trillion pesos, implying a 16.4% exposure, above the 15.88% recorded on the 2Q25. The QoQ increase is mainly due to a higher position in securities at amortized cost, related to higher reserve requirements in kind during the quarter. 97% of these securities correspond to TAMAR bonds.

For the quarter, the liquidity ratio reached 44.3%, lower than the 48.7% the prior quarter. In local currency, the ratio decreased 779 basis points to 37.6% explained by the lower valuation of public securities, affecting the overall drop in the total currency liquidity. Liquidity in foreign currency increased 152 basis points to 57%.

In line with our commitment to generating value for our shareholders, the Bank continued with the payment of dividends corresponding to the 2024 financial year in 10 installments, having successfully completed the payment of installments 3 to 6 as of the date of this report.

In summary, despite the challenges of the environment, BBVA Argentina has demonstrated notable resilience and effective management during the 3Q25. The positive growth in credit, delinquency levels below the system average, and the strength in liquidity and capital ratios are testament to the quality of our risk management and prudent approach. We reiterate our firm commitment to continue driving activity, maintaining operational efficiency, and generating sustained value for our shareholders.

This concludes our prepared remarks. We will now take your questions. Operator, please open the line for questions.

[Q&A]

Thank you very much for your time and let us know if you have further questions. Thank you, and enjoy the rest of your day.