10 September 2025

Banco Macro S.A.

Founded in 1981 by the Brito and Carballo families as a non-banking financial institution with just two branches. Now, Banco Macro is one of the three largest publicly traded banks in the country and a leader in the retail sector, serving both individuals and small to medium-sized enterprises. Following its merger with Banco Itaú in 2023, it currently has 516 branches nationwide, with a particularly strong presence in the interior of the country. Additionally, the bank operates as the sole official financial agent in four provinces (Misiones, Salta, Jujuy, and Tucumán). At the national level, it ranks 6th in terms of total assets, loans, and deposits.

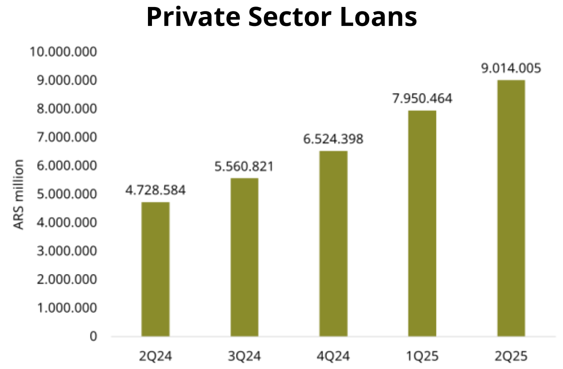
As for its ownership structure, 37% of the capital is held by the majority shareholders (who represent 41% of voting rights), 29% is held by ANSES, and the remaining 34% is publicly traded on both BYMA and the NYSE, with 12% and 22% respectively.

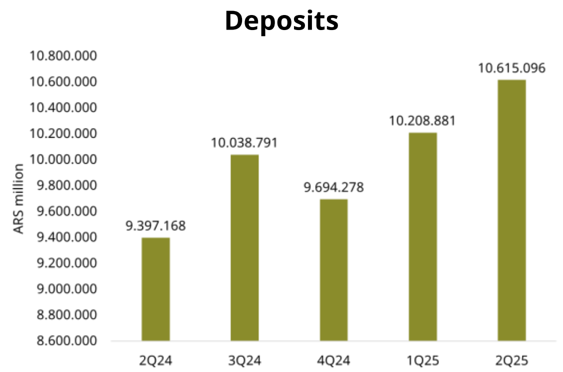
Regarding its funding, 76% of it comes primarily from its deposit portfolio which is distributed as follows: 55% from institutional and capital market sources, 37% from the retail segment, and 12% from government sources. These funds are allocated 40% in term deposits and 60% in demand deposits. On the lending side, 24% of private sector loans go to the corporate segment, while 75% are consumer loans.

2Q25 Results

In line with the current economic context, the bank halved the allocation public sector assets had on its balance sheet, representing 24.8% of total assets at the end of 2Q25. In this regard, the loans granted by the bank grew by 91% year-over-year, mainly driven by the increase in consumer loans.

This lending capacity was primarily supported by a 13% year-over-year increase in the total deposit portfolio, as well as a capital markets placement of USD 530 million, which we will detail further below. By the end of the quarter, loans as a percentage of total deposits reached 87%, up 35 percentage points compared to the same quarter of 2024.





Source: Sekoia Research.

The bank slightly increased its leverage, reaching 4.1 times its net equity. In this way, interest and fee income expanded by 119%, improving the net interest margin by 360 basis points. Along these lines, BMA's financial income grew by 49% year-over-year in real terms, reversing a very poor net result from 2Q24 and reaching 149 billion pesos at the most recent closing.

As a result, on a year-over-year basis, the bank's returns expanded slightly: the annualized quarterly ROA rose from 1.8% to 2.4%, while the annualized ROE increased by 190 basis points to 7.8%.

However, asset quality deteriorated as non-performing loans rose to 2.1%. The bank anticipates further deterioration in the third quarter of 2025 due to the macroeconomic environment, which will increase the cost of risk.

In this context, despite increasing exposure to achieve higher returns, the bank maintains a conservative posture with a Tier 1 capital ratio of 29.9% and a Regulatory Capital ratio of 30.5%. Additionally, the level of liquid assets as a percentage of total deposits stands at 67%.

Financial Statements 2Q25 (Mill. ARS)	BMA	Var y/y
Assets	18.457.043	13%
Liabilities	13.938.384	18%
Shareholders' Equity	4.518.659	1%
Leverage	4,1	0,42
Net Financial Income	956.224	49%
Interest and Fee Income	877.305	119%
Net Interest Margin	23%	360 bps
Operating Income	448.826	226%
Net Income	149.541	Negative NI
Annualized ROA	2,4%	60 bps
Annualized ROE	7,8%	190 bps
Deposits	10.615.096	13%
Term Deposits	4.830.021	49%
Demand Deposits	4.676.666	7%
USD Deposits / Total Deposits	29%	19%
Private Sector Financing	9.239.741	91%
Public Sector Financing	4.576.489	-35%
Non-Performing Loans (NPLs)	2,1%	84 bps
Coverage Ratio	140%	9.760 bps
Regulatory Capital Ratio - Basilea III	30,5%	(520) bps
TIER 1	29,9%	(411) bps
Loans to total deposits	87%	3.550 bps
Liquid assets to total deposits	67%	(3.100) bps

Source: Sekoia Research.

Fixed Income

As of the end of 2Q25, Banco Macro holds assets valued at USD 3,470 million, representing an 8% year-over-year increase.

At the end of June, the bank secured new funding through the issuance of a new corporate bond (BMAAR 8 06/23/29) with the initial placement being USD 400 million. Adding to this, the bank has another issue maturing in November 2026 for USD 400 million. Thus, at the end of the quarter, the company's total liabilities amounted to USD 3,652 million, reflecting a 22% year-over-year increase. Funding through the capital markets accounts for 21% of total liabilities.

Furthermore, after the closing of this quarter BMA reopened the 2029 issue, adding another USD 130 million and bringing the total outstanding to USD 530 million. These proceeds will be used to repay debt, thereby improving its maturity profile.

The new unsecured bond is governed by New York law, has a bullet maturity in June 2029, and carries a fixed annual coupon of 8%, payable semi-annually. The minimum trading size is USD 1,000 in face value. The bond is trading clean at around 97.9%, has a yield to maturity (YTM) of 8.65%, and a duration of 3,15.

BMAAR 8 06/23/29

Source: Bloomberg.

Outlook

The bank remains extremely cautious regarding its leverage and coverage levels, which gives us confidence in case of future macroeconomic challenges. We believe this is a good bond, with a short duration of just over 3 years and a yield above 8.5%, offering a spread near 500 basis points over the U.S. curve — very attractive.

Regards,

Sekoia Research
research@sekoia.com.uy