

# Argentina Provinces: **1Q23 Update**

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# Agenda

## Before we start: Snapshot of credits fundamentals

- In 2022, the provincial space reached an average fiscal surplus of 5.4% of revenues +0.3%yoy, the strongest figure since 2018.
- In terms of leverage, the average position continued decreasing, now standing at 35.9% of revenues.

## Overview of the historical fiscal behavior in electoral years

- Since 2007, Argentina held 4 presidential elections. During those years, the primary position of the provincial space widens on average 4pppyoy.
- Using historical figures, we modeled three scenarios: bear, average, and constructive; to have an idea of how each credit could behave in FY23, using FY22 as a starting point.

## Strategy: Our top-picks

- Following the analysis from the previous chapter, together with idiosyncratic drivers of some names, we believe there is an opportunity to swap SALTA for ENTRIO, Neuquén Secured for BUEAIR, and MENDOZ for PDCAR.

## Fiscal performance and Metrics: A credit- by-credit view

- The 4Q is characterized by an acceleration in spending that results in red balances. Still, strong figures posted during the 9M22 more than compensated for the drop. For that reason, the primary surplus remained flat versus 2021 at 8.4% of revenues.

# Comp sheet of Argy provincial fundamentals in 2022

2022	Provincial Taxes / Total Revenues	Federal Taxes / Total Revenues	Total Fed. Funds / Total Revenues	Personnel Spending / Total Expenditures	Debt Interests / Total Revenues	CapEx / Total Expenditures	Primary Balance / Total Revenues	Fiscal Balance / Total Revenues	Debt Services / Total Revenues	Total Debt / Total Revenues
<b>Quasi-Sovereign Credits</b>	<b>42.6%</b>	<b>43.6%</b>	<b>49.5%</b>	<b>45.1%</b>	<b>2.9%</b>	<b>13.4%</b>	<b>10.7%</b>	<b>7.8%</b>	<b>5.7%</b>	<b>34.2%</b>
PBA	41.7%	43.7%	56.0%	49.5%	2.9%	7.2%	2.2%	-0.8%	5.7%	52.8%
CABA	77.0%	10.7%	16.1%	46.6%	4.3%	15.4%	14.2%	9.9%	7.1%	27.5%
Córdoba	31.9%	53.6%	58.0%	42.7%	1.6%	15.7%	17.1%	15.4%	3.5%	41.3%
Santa Fe	30.5%	58.9%	64.0%	48.4%	1.2%	10.7%	10.2%	9.1%	4.0%	12.1%
Mendoza	31.7%	51.2%	53.2%	38.4%	4.2%	17.8%	9.8%	5.6%	8.1%	37.3%
<b>Oil &amp; Gas Backed Credits</b>	<b>44.7%</b>	<b>39.0%</b>	<b>41.1%</b>	<b>59.6%</b>	<b>3.5%</b>	<b>10.7%</b>	<b>5.6%</b>	<b>2.1%</b>	<b>9.5%</b>	<b>41.8%</b>
Chubut	45.2%	38.8%	41.1%	64.6%	4.4%	11.4%	12.5%	8.1%	12.9%	60.3%
Tierra del Fuego	28.0%	55.2%	57.6%	54.7%	3.0%	9.9%	0.2%	-2.8%	6.5%	20.1%
Neuquén	60.8%	23.0%	24.7%	59.3%	3.1%	10.7%	4.0%	0.9%	9.1%	45.1%
<b>Smaller Credits</b>	<b>17.6%</b>	<b>67.8%</b>	<b>74.1%</b>	<b>54.2%</b>	<b>2.7%</b>	<b>12.8%</b>	<b>7.8%</b>	<b>5.1%</b>	<b>6.5%</b>	<b>34.4%</b>
Entre Ríos	22.1%	64.3%	68.8%	61.2%	1.7%	8.1%	16.1%	14.4%	3.9%	33.6%
Salta	25.0%	63.3%	66.5%	57.7%	2.5%	9.1%	4.0%	1.6%	4.1%	26.3%
La Rioja	7.2%	64.8%	79.4%	39.4%	1.5%	19.2%	4.0%	2.4%	2.4%	31.5%
Río Negro	27.0%	64.1%	65.6%	63.8%	4.1%	6.4%	4.4%	0.4%	12.2%	31.8%
Jujuy	12.2%	75.5%	84.3%	52.4%	4.8%	17.6%	10.1%	5.3%	8.7%	60.8%
Chaco	12.3%	74.9%	80.1%	50.5%	1.8%	16.4%	8.4%	6.6%	7.6%	22.2%
<b>Average</b>	<b>32.3%</b>	<b>53.0%</b>	<b>58.3%</b>	<b>52.1%</b>	<b>2.9%</b>	<b>12.5%</b>	<b>8.4%</b>	<b>5.4%</b>	<b>6.8%</b>	<b>35.9%</b>

Source: TPCG Research based on Provincial Treasuries and E&R

## The avg. fiscal surplus grew marginally versus 2021

Primary Bal. / Total Rev.	2018	2019	2020	2021	2022	1Q22	2Q22	3Q22	4Q22
<b>Quasi-Sovereign Credits</b>	<b>4.8%</b>	<b>4.4%</b>	<b>8.1%</b>	<b>9.1%</b>	<b>10.7%</b>	<b>24.6%</b>	<b>14.7%</b>	<b>17.3%</b>	<b>-4.8%</b>
PBA	5.4%	9.3%	4.3%	3.1%	2.2%	17.3%	6.3%	9.7%	-15.0%
CABA	7.3%	3.7%	0.9%	6.5%	14.2%	36.6%	14.3%	22.1%	-2.7%
Córdoba	-1.7%	9.5%	16.5%	17.9%	17.1%	24.1%	26.0%	20.9%	2.0%
Santa Fe	6.2%	1.0%	14.6%	9.8%	10.2%	14.3%	12.3%	16.7%	1.5%
Mendoza	6.7%	-1.3%	4.1%	8.3%	9.8%	30.8%	14.7%	16.9%	-9.8%
<b>Oil &amp; Gas Backed Credits</b>	<b>8.4%</b>	<b>1.6%</b>	<b>-2.1%</b>	<b>8.9%</b>	<b>5.6%</b>	<b>10.1%</b>	<b>-0.5%</b>	<b>12.7%</b>	<b>1.5%</b>
Chubut	15.2%	-1.5%	-10.2%	14.3%	12.5%	9.9%	4.3%	22.8%	11.0%
Tierra del Fuego	3.6%	5.0%	5.3%	2.8%	0.2%	8.5%	-2.8%	3.3%	-4.2%
Neuquén	6.4%	1.3%	-1.5%	9.6%	4.0%	11.9%	-2.9%	12.0%	-2.2%
<b>Smaller Credits</b>	<b>3.5%</b>	<b>1.7%</b>	<b>6.6%</b>	<b>7.6%</b>	<b>7.8%</b>	<b>13.8%</b>	<b>12.5%</b>	<b>12.5%</b>	<b>-2.5%</b>
Entre Ríos	12.3%	6.9%	16.0%	19.1%	16.1%	21.6%	17.3%	21.8%	7.9%
Salta	10.0%	2.6%	3.4%	7.3%	4.0%	6.7%	7.1%	13.5%	-7.1%
La Rioja	-4.4%	0.3%	6.5%	2.2%	4.0%	0.8%	10.8%	7.7%	-2.8%
Río Negro	7.3%	0.9%	-1.8%	1.4%	4.4%	11.9%	5.2%	8.6%	-4.0%
Jujuy	-8.2%	-4.5%	3.6%	7.7%	10.1%	25.7%	15.6%	16.4%	-6.5%
Chaco	3.8%	4.0%	12.3%	8.0%	8.4%	16.4%	18.8%	6.9%	-2.6%
<b>Average</b>	<b>5.0%</b>	<b>2.7%</b>	<b>5.3%</b>	<b>8.4%</b>	<b>8.4%</b>	<b>16.9%</b>	<b>10.5%</b>	<b>14.2%</b>	<b>-2.5%</b>
<b>YoY</b>		<b>-2.3pp</b>	<b>2.6pp</b>	<b>3.2pp</b>	<b>-1pp</b>	<b>-4.1pp</b>	<b>1.2pp</b>	<b>1.4pp</b>	<b>1.9pp</b>

Source: TPCG Research based on Provincial Treasuries and E&R

The avg. primary surplus closed the FY22 at 8.4% of revenues, dropping slightly by 0.1ppyoy given a weaker performance during the 1Q relative to last year. Still, the space ended with a strong primary figure. The Quasi-Sov bucket was the one reporting the highest balance, followed by the Small Credits and then the O&G credits.

Fiscal Bal. / Total Rev.	2018	2019	2020	2021	2022	1Q22	2Q22	3Q22	4Q22
<b>Quasi-Sovereign Credits</b>	<b>0.0%</b>	<b>-1.7%</b>	<b>3.8%</b>	<b>5.6%</b>	<b>7.8%</b>	<b>21.3%</b>	<b>11.9%</b>	<b>14.6%</b>	<b>-7.6%</b>
PBA	-2.1%	0.1%	0.6%	-0.6%	-0.8%	13.2%	4.5%	6.1%	-17.5%
CABA	1.7%	-5.3%	-7.3%	-1.0%	9.9%	31.9%	8.7%	18.8%	-7.0%
Córdoba	-4.6%	5.3%	13.0%	16.1%	15.4%	23.1%	24.0%	20.3%	-0.5%
Santa Fe	5.6%	0.0%	13.2%	8.2%	9.1%	12.8%	11.0%	15.8%	0.4%
Mendoza	-0.5%	-8.5%	-0.6%	5.0%	5.6%	25.6%	11.3%	11.9%	-13.4%
<b>Oil &amp; Gas Backed Credits</b>	<b>2.3%</b>	<b>-4.2%</b>	<b>-7.4%</b>	<b>5.6%</b>	<b>2.1%</b>	<b>6.2%</b>	<b>-3.6%</b>	<b>9.4%</b>	<b>-2.2%</b>
Chubut	7.6%	-8.5%	-16.9%	9.3%	8.1%	4.9%	-0.4%	18.8%	6.7%
Tierra del Fuego	-1.3%	0.5%	1.4%	0.7%	-2.8%	5.1%	-4.1%	-0.1%	-7.8%
Neuquén	0.7%	-4.4%	-6.8%	6.6%	0.9%	8.6%	-6.2%	9.6%	-5.6%
<b>Smaller Credits</b>	<b>-1.0%</b>	<b>-3.3%</b>	<b>3.3%</b>	<b>4.6%</b>	<b>5.1%</b>	<b>9.3%</b>	<b>10.8%</b>	<b>9.6%</b>	<b>-4.9%</b>
Entre Ríos	8.8%	3.6%	12.4%	16.0%	14.4%	17.7%	16.4%	19.6%	7.0%
Salta	6.7%	-1.2%	0.2%	5.0%	1.6%	4.5%	4.9%	12.3%	-11.0%
La Rioja	-8.4%	-4.6%	3.5%	-0.7%	2.4%	-3.5%	10.1%	5.3%	-3.1%
Río Negro	1.3%	-6.4%	-6.5%	-2.2%	0.4%	6.3%	2.0%	4.1%	-7.3%
Jujuy	-14.2%	-9.3%	-0.4%	3.8%	5.3%	18.0%	13.5%	11.3%	-11.3%
Chaco	-0.4%	-2.1%	10.3%	5.6%	6.6%	12.6%	18.0%	4.7%	-3.7%
<b>Average</b>	<b>0.1%</b>	<b>-2.9%</b>	<b>1.1%</b>	<b>5.1%</b>	<b>5.4%</b>	<b>12.9%</b>	<b>8.1%</b>	<b>11.3%</b>	<b>-5.3%</b>
<b>YoY</b>		<b>-3pp</b>	<b>4.1pp</b>	<b>4pp</b>	<b>.3pp</b>	<b>-4.3pp</b>	<b>2pp</b>	<b>2.5pp</b>	<b>1.7pp</b>

Source: TPCG Research based on Provincial Treasuries and E&R

The avg. fiscal surplus remained robust at 5.4% of revenues, almost flat when compared to last year. The strong primary performance more than compensated for the increase in debt interests in most provinces, as the bond's structures commenced to step up to their mid-to-terminal coupon rates.

# The leverage position dropped 8.8ppyoY to 35.9% of revenues in FY22

Debt Serv / Total Rev.	2018	2019	2020	2021	2022
<b>Quasi-Sovereign Credits</b>	<b>8.5%</b>	<b>9.6%</b>	<b>7.1%</b>	<b>7.1%</b>	<b>5.7%</b>
PBA	17.3%	17.9%	6.9%	6.1%	5.7%
CABA	8.9%	12.2%	11.7%	12.5%	7.1%
Córdoba	3.8%	6.4%	7.0%	5.1%	3.5%
Santa Fe	1.0%	1.7%	2.0%	3.2%	4.0%
Mendoza	11.6%	9.6%	7.9%	8.5%	8.1%
<b>Oil &amp; Gas Backed Credits</b>	<b>12.9%</b>	<b>11.6%</b>	<b>12.5%</b>	<b>8.9%</b>	<b>9.5%</b>
Chubut	19.2%	18.1%	16.5%	12.3%	12.9%
Tierra del Fuego	7.0%	8.5%	9.0%	6.5%	6.5%
Neuquén	12.5%	8.4%	11.9%	7.8%	9.1%
<b>Smaller Credits</b>	<b>7.9%</b>	<b>7.3%</b>	<b>5.7%</b>	<b>6.0%</b>	<b>6.5%</b>
Entre Ríos	8.4%	5.0%	5.3%	5.7%	3.9%
Salta	5.7%	5.8%	5.6%	4.8%	4.1%
La Rioja	5.1%	6.0%	3.9%	3.9%	2.4%
Río Negro	12.6%	9.7%	8.1%	9.9%	12.2%
Jujuy	8.7%	8.1%	7.6%	6.2%	8.7%
Chaco	6.8%	9.1%	3.6%	5.6%	7.6%
<b>Average</b>	<b>9.2%</b>	<b>9.0%</b>	<b>7.6%</b>	<b>7.0%</b>	<b>6.8%</b>
<b>YoY</b>		<b>-1pp</b>	<b>-1.4pp</b>	<b>-6pp</b>	<b>-2pp</b>

Source: TPCG Research based on Provincial Treasuries and E&R

The debt services to revenues computed as the sum of interests and amortizations closed at 6.8%, marginally lower than last year. We expect that figure to increase during FY23 as most provinces would commence sinking their bonds.

Total Debt / Total Rev.	2018	2019	2020	2021	2022
<b>Quasi-Sovereign Credits</b>	<b>51.7%</b>	<b>53.1%</b>	<b>55.8%</b>	<b>43.0%</b>	<b>34.2%</b>
PBA	82.8%	78.5%	75.4%	64.1%	52.8%
CABA	44.0%	47.5%	53.1%	40.0%	27.5%
Córdoba	57.9%	62.9%	67.3%	48.6%	41.3%
Santa Fe	14.9%	17.2%	20.6%	16.9%	12.1%
Mendoza	59.2%	59.5%	62.9%	45.2%	37.3%
<b>Oil &amp; Gas Backed Credits</b>	<b>63.6%</b>	<b>64.7%</b>	<b>74.0%</b>	<b>52.9%</b>	<b>41.8%</b>
Chubut	82.0%	87.8%	102.5%	77.1%	60.3%
Tierra del Fuego	49.2%	43.8%	45.3%	27.8%	20.1%
Neuquén	59.5%	62.4%	74.0%	53.8%	45.1%
<b>Smaller Credits</b>	<b>50.6%</b>	<b>56.6%</b>	<b>58.1%</b>	<b>42.2%</b>	<b>34.4%</b>
Entre Ríos	43.7%	50.8%	55.4%	37.8%	33.6%
Salta	41.6%	41.7%	41.6%	29.4%	26.3%
La Rioja	58.4%	60.0%	54.2%	40.1%	31.5%
Río Negro	48.9%	49.5%	58.4%	43.2%	31.8%
Jujuy	76.1%	96.6%	100.2%	70.9%	60.8%
Chaco	35.1%	40.9%	38.8%	31.6%	22.2%
<b>Average</b>	<b>53.8%</b>	<b>57.1%</b>	<b>60.7%</b>	<b>44.8%</b>	<b>35.9%</b>
<b>YoY</b>		<b>3.3pp</b>	<b>3.6pp</b>	<b>-15.9pp</b>	<b>-8.8pp</b>

Source: TPCG Research based on Provincial Treasuries and E&R

The combined effect of revenues growing close to inflation, and the official FX growing well below the inflation pace positively influenced the leverage position, which continued to decrease for a second year in a row closing at 35.9% of revenues in FY22.

# Summary of sub-sovereign hard currency instruments

	Price	MD	Yield	Parity	Int. Accrued	Current Yield	Tech Val.	Yield Change in BPS				Price % Change				Additional Info.				
	30/3/2023							Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Curr.	Amt. Out. (mn)	CPN	Prev. CPN	Next CPN
<b>USD Securities</b>																				
MENDOZ 2029	80,50	2,50	13,89%	80,5%	0,16	7,1%	92,5	2,1	64,9	78,0	-279,6	0,0%	-1,5%	-3,0%	7,2%	USD	544,6	5,8%	19/3/2023	19/9/2023
CORDOB 2027	67,50	2,03	28,35%	67,5%	0,01	6,7%	100,0	7,0	138,6	228,5	-148,2	0,0%	-2,5%	-3,2%	8,0%	USD	155,7	4,5%	29/3/2023	29/9/2023
NEUQUE UNSECURED	75,25	2,89	15,67%	75,9%	2,82	8,8%	102,8	1,9	14,7	124,5	-284,6	0,0%	-0,3%	-3,2%	11,1%	USD	377,2	6,6%	27/10/2022	27/4/2023
NEUQUE SECURED	96,50	2,84	9,85%	96,5%	0,93	8,9%	81,9	0,3	9,5	54,7	-32,0	0,0%	-0,3%	-1,5%	1,0%	USD	282,3	8,6%	12/2/2023	12/5/2023
PRN 2028	59,75	2,01	29,35%	59,9%	0,37	11,1%	100,4	6,8	74,5	166,9	-145,4	0,0%	-1,2%	-2,0%	7,7%	USD	320,2	6,6%	10/3/2023	10/9/2023
CHUBUT 2030	86,00	2,25	14,08%	86,2%	1,17	9,0%	85,9	1,9	53,8	197,2	-188,8	0,0%	-1,1%	-4,2%	5,2%	USD	550,8	7,8%	26/1/2023	26/4/2023
PDCAR 2025	86,00	1,15	18,91%	86,3%	2,10	8,0%	102,1	7,4	134,5	185,2	-229,4	0,0%	-1,4%	-1,4%	5,8%	USD	722,1	6,9%	10/12/2022	10/6/2023
PDCAR 2027	74,50	2,68	17,23%	75,1%	2,31	9,4%	102,3	2,4	40,6	127,8	-302,7	0,0%	-1,0%	-2,9%	11,2%	USD	516,1	7,0%	1/12/2022	1/6/2023
PDCAR 2029	68,00	3,79	16,43%	68,4%	1,13	10,1%	101,1	1,3	30,9	105,0	-76,7	0,0%	-1,1%	-3,5%	4,6%	USD	456,2	6,9%	1/2/2023	1/8/2023
SALTA 2027	80,75	2,08	17,88%	81,3%	2,81	10,5%	102,8	2,8	131,2	13,6	-622,0	0,0%	-2,7%	0,3%	17,0%	USD	357,4	8,5%	1/12/2022	1/6/2023
JUJUY 2027	79,25	1,68	21,20%	79,3%	0,21	10,6%	89,1	4,8	46,2	-71,5	-579,2	0,0%	-0,6%	-0,9%	9,3%	USD	189,9	8,4%	20/3/2023	20/9/2023
ENTRIO 2028	75,25	2,10	20,50%	75,5%	1,11	10,8%	96,1	3,5	68,1	224,3	-628,6	0,0%	-1,3%	-4,1%	14,9%	USD	491,6	8,1%	8/2/2023	8/8/2023
CHACO 2028	62,25	1,97	28,82%	62,5%	0,76	10,4%	100,8	7,0	73,2	-29,0	-478,7	0,0%	-1,2%	2,0%	15,8%	USD	262,7	6,5%	18/2/2023	18/8/2023
BUENOS 2037 A USD	35,25	5,29	28,98%	35,5%	0,42	14,9%	100,4	-39,1	-145,7	277,7	71,4	1,4%	5,2%	-8,4%	0,7%	USD	6202,1	5,3%	1/3/2023	1/9/2023
BUENOS 2037 B USD	28,25	5,25	26,41%	28,5%	0,36	15,9%	100,4	1,6	-95,0	288,6	174,8	0,0%	4,6%	-12,4%	-5,8%	USD	777,6	4,5%	1/3/2023	1/9/2023
BUENOS 2037 C USD	23,25	4,87	29,02%	23,5%	0,32	17,2%	100,3	1,9	-122,0	515,3	296,4	0,0%	5,7%	-21,2%	-10,6%	USD	153,2	4,0%	1/3/2023	1/9/2023
PRIO 2028	56,75	2,02	32,18%	56,8%	0,00	11,5%	100,0	7,6	78,2	12,5	137,1	0,0%	-1,3%	1,3%	21,4%	USD	318,4	6,5%	24/2/2023	24/8/2023
BUEAIR 2027	90,00	2,58	11,38%	90,2%	2,48	8,3%	102,5	0,9	32,8	148,3	148,8	0,0%	-0,8%	-3,7%	-3,5%	USD	890,0	7,5%	1/12/2022	1/6/2023
PDCAR 2026	48,00	1,64	6,47%	47,4%	0,58	14,8%	47,5	3,3	6,5	-281,0	-290,1	0,0%	0,0%	5,5%	-1,5%	USD	140,6	7,1%	27/1/2023	27/4/2023
PROVSF 2027	85,25	2,86	12,15%	85,7%	2,86	8,1%	102,9	1,2	-7,5	124,7	-253,6	0,0%	0,3%	-3,4%	9,3%	USD	250,0	6,9%	1/11/2022	1/5/2023
FUEGO 2027	95,25	1,82	11,52%	95,3%	1,05	9,4%	59,1	1,0	15,8	89,8	-110,1	0,0%	-0,3%	-1,6%	2,4%	USD	116,0	9,0%	17/1/2023	17/4/2023
<b>BUENOS EUR Securities</b>																				
BUENOS 2037 A EUR	32,00	5,93	27,89%	32,2%	0,32	12,5%	100,3	3,2	-104,7	321,9	153,8	0,0%	4,1%	-10,5%	-2,3%	EUR	236,8	4,0%	1/3/2023	1/9/2023
BUENOS 2037 B EUR	24,50	5,38	27,14%	24,7%	0,28	14,3%	100,3	1,9	-107,0	321,7	198,4	0,0%	5,4%	-14,0%	-6,7%	EUR	116,3	3,5%	1/3/2023	1/9/2023
BUENOS 2037 C EUR	19,50	5,01	30,19%	19,7%	0,24	15,4%	100,2	2,4	-143,1	585,9	343,4	0,0%	6,8%	-24,3%	-12,4%	EUR	138,8	3,0%	1/3/2023	1/9/2023

# Provincial Hard Currency Bonds Debt Services

	2023 Interest	2023 Principal	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
<b>Debt Services Hard Currency Bonds (USD mn)*</b>																	
<b>PBA</b>	<b>192,97</b>	<b>0,00</b>	<b>192,97</b>	<b>701,74</b>	<b>761,38</b>	<b>824,89</b>	<b>848,58</b>	<b>853,95</b>	<b>873,49</b>	<b>878,73</b>	<b>913,93</b>	<b>897,85</b>	<b>878,97</b>	<b>859,37</b>	<b>841,26</b>	<b>830,35</b>	<b>804,95</b>
BUENOS A USD	162,81	0,00	162,81	618,77	670,33	731,13	753,65	749,88	760,40	642,64	679,54	672,00	661,76	661,09	650,98	647,76	628,90
BUENOS B USD	17,50	0,00	17,50	42,77	45,69	45,69	45,69	51,52	56,84	138,90	136,35	130,55	124,74	112,05	106,65	101,26	97,02
BUENOS C USD	3,06	0,00	3,06	7,66	8,04	8,04	8,04	9,19	10,25	26,45	26,07	25,05	24,03	21,64	20,70	19,75	19,02
BUENOS A EUR	5,14	0,00	5,14	20,85	24,09	26,79	27,95	28,05	28,76	24,17	25,94	25,91	25,78	26,06	25,97	26,18	25,76
BUENOS B EUR	2,21	0,00	2,21	5,68	6,46	6,46	6,46	7,41	8,28	21,64	21,34	20,52	19,70	17,76	16,99	16,23	15,65
BUENOS C EUR	2,26	0,00	2,26	6,02	6,77	6,77	6,77	7,90	8,96	24,93	24,69	23,83	22,97	20,77	19,97	19,17	18,60
<b>CABA</b>	<b>66,75</b>	<b>0,00</b>	<b>66,75</b>	<b>66,75</b>	<b>352,26</b>	<b>330,02</b>	<b>307,85</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
BUEAIR 2027	66,75	0,00	66,75	66,75	352,26	330,02	307,85	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Santa Fe</b>	<b>17,25</b>	<b>0,00</b>	<b>17,25</b>	<b>17,25</b>	<b>100,58</b>	<b>94,83</b>	<b>89,08</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
PROVSF 2023	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
PROVSF 2027	17,25	0,00	17,25	17,25	100,58	94,83	89,08	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Mendoza</b>	<b>14,45</b>	<b>41,89</b>	<b>56,35</b>	<b>109,08</b>	<b>104,26</b>	<b>99,44</b>	<b>94,63</b>	<b>89,81</b>	<b>43,10</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
MENDOZ 2029	14,45	41,89	56,35	109,08	104,26	99,44	94,63	89,81	43,10	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Cordoba</b>	<b>104,28</b>	<b>268,81</b>	<b>373,10</b>	<b>381,62</b>	<b>491,43</b>	<b>351,14</b>	<b>278,96</b>	<b>247,72</b>	<b>117,98</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
PDCAR 2026	7,01	28,13	35,14	44,51	41,84	39,17	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
PDCAR 2025	45,51	240,69	286,20	269,66	253,12	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
PDCAR 2027	36,08	0,00	36,08	36,08	165,11	280,61	133,54	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
PDCAR 2029	15,68	0,00	15,68	31,37	31,37	31,37	145,42	247,72	117,98	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Neuquen</b>	<b>42,62</b>	<b>29,20</b>	<b>71,82</b>	<b>142,01</b>	<b>135,11</b>	<b>127,77</b>	<b>120,42</b>	<b>113,07</b>	<b>105,72</b>	<b>50,11</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
NQN Secured	17,63	29,20	46,83	59,50	56,14	52,79	49,43	46,07	42,71	20,10	0,00	0,00	0,00	0,00	0,00	0,00	0,00
NQN Unsecured	24,99	0,00	24,99	82,50	78,97	74,98	70,99	67,00	63,01	30,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>TdF</b>	<b>7,38</b>	<b>18,00</b>	<b>25,38</b>	<b>31,97</b>	<b>31,82</b>	<b>35,22</b>	<b>16,54</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
FUEGO 2027	7,38	18,00	25,38	31,97	31,82	35,22	16,54	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Chubut</b>	<b>30,88</b>	<b>58,50</b>	<b>89,38</b>	<b>135,34</b>	<b>127,58</b>	<b>119,83</b>	<b>112,07</b>	<b>83,05</b>	<b>9,82</b>	<b>4,68</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
CHUBUT 2030	30,88	58,50	89,38	135,34	127,58	119,83	112,07	83,05	9,82	4,68	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Entre Rios</b>	<b>19,91</b>	<b>25,87</b>	<b>45,79</b>	<b>129,65</b>	<b>121,97</b>	<b>114,28</b>	<b>106,60</b>	<b>98,91</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
ENTRIO 2028	19,91	25,87	45,79	129,65	121,97	114,28	106,60	98,91	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Jujuy</b>	<b>7,07</b>	<b>21,09</b>	<b>28,16</b>	<b>53,67</b>	<b>50,14</b>	<b>46,61</b>	<b>22,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
JUJUAYA 2027	7,07	21,09	28,16	53,67	50,14	46,61	22,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Salta</b>	<b>29,62</b>	<b>35,74</b>	<b>65,36</b>	<b>79,81</b>	<b>110,24</b>	<b>102,64</b>	<b>95,05</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
SALTA 2027	29,62	35,74	65,36	79,81	110,24	102,64	95,05	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Rio Negro</b>	<b>10,61</b>	<b>0,00</b>	<b>10,61</b>	<b>91,95</b>	<b>87,06</b>	<b>82,17</b>	<b>77,27</b>	<b>36,80</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
PRN 2028	10,61	0,00	10,61	91,95	87,06	82,17	77,27	36,80	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>La Rioja</b>	<b>10,35</b>	<b>0,00</b>	<b>10,35</b>	<b>76,94</b>	<b>96,52</b>	<b>90,09</b>	<b>83,66</b>	<b>39,42</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
PRIO 2028	10,35	0,00	10,35	76,94	96,52	90,09	83,66	39,42	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Chaco</b>	<b>8,54</b>	<b>0,00</b>	<b>8,54</b>	<b>76,56</b>	<b>74,02</b>	<b>69,20</b>	<b>64,39</b>	<b>30,39</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
CHACO 2028	8,54	0,00	8,54	76,56	74,02	69,20	64,39	30,39	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>562,67</b>	<b>499,12</b>	<b>1.061,79</b>	<b>2.094,35</b>	<b>2.644,38</b>	<b>2.488,13</b>	<b>2.317,09</b>	<b>1.593,13</b>	<b>1.150,11</b>	<b>933,52</b>	<b>913,93</b>	<b>897,85</b>	<b>878,97</b>	<b>859,37</b>	<b>841,26</b>	<b>830,35</b>	<b>804,95</b>

\*Principal plus Interests.

# Agenda

## Before we start: Snapshot of credits fundamentals

- In 2022, the provincial space reached an average fiscal surplus of 5.4% of revenues +0.3%yoy, the strongest figure since 2018.
- In terms of leverage, the average position continued decreasing, now standing at 35.9% of revenues.

## Overview of the historical fiscal behavior in electoral years

- Since 2007, Argentina held 4 presidential elections. During those years, the primary position of the provincial space widens on average 4pppyoy.
- Using historical figures, we modeled three scenarios: bear, average, and constructive; to have an idea of how each credit could behave in FY23, using FY22 as a starting point.

## Strategy: Our top-picks

- Following the analysis from the previous chapter, together with idiosyncratic drivers of some names, we believe there is an opportunity to swap SALTA for ENTRIO, Neuquén Secured for BUEAIR, and MENDOZ for PDCAR.

## Fiscal performance and Metrics: A credit- by-credit view

- The 4Q is characterized by an acceleration in spending that results in red balances. Still, strong figures posted during the 9M22 more than compensated for the drop. For that reason, the primary surplus remained flat versus 2021 at 8.4% of revenues.



# We analyze the historical fiscal behavior of provinces in electoral years

1

The whole space

During presidential electoral years, the primary position widens on average 4pppyoy. The increase in personnel spending seems to be the dominant driver of the deterioration. Within the space, the Quasi-Sov bucket tends to be the one with the greatest fiscal discipline.

2

Each credit

Using historical figures, we modeled three scenarios for each credit as guidance for FY23's performance. For some, the FY22 ending fiscal position could allow for enough room to remain balanced in FY23. For others, the ending position seems to be at a weaker stance.

3

Main take aways

Personnel spending has been contained during recent years. We consider that for some provinces, the incentives for FY23 would be to do a catch-up on this line. This makes us believe that provinces could be heading to the bear or average scenario.

# 2023 Electoral Calendar



Note:  
 1: Does not vote for Governor. Legislative election.  
 2: To be confirmed.

Source: TPCG Research

# In years with Presidential Elections, primary balances widen on avg. 4ppyoy

	2007 Pres. Election		2011 Pres. Election		2015 Pres. Election		2019 Pres. Election	
	2006	2007	2010	2011	2014	2015	2018	2019
<b>Total ARS mn (14 districts)</b>								
<b>Total Revenue</b>	<b>68,264</b>	<b>85,710</b>	<b>175,329</b>	<b>220,340</b>	<b>517,638</b>	<b>682,409</b>	<b>1,749,994</b>	<b>2,492,044</b>
Current Revenue	64,996	82,088	164,577	208,796	491,579	649,766	1,705,498	2,450,811
Capital Revenue	3,268	3,622	10,752	11,543	26,059	32,642	44,496	41,233
<b>Primary Spending</b>	<b>65,127</b>	<b>82,952</b>	<b>168,038</b>	<b>229,733</b>	<b>505,186</b>	<b>711,867</b>	<b>1,666,889</b>	<b>2,365,926</b>
Current Expenditures	55,368	71,192	146,265	199,919	446,786	634,000	1,435,617	2,104,287
Capital Expenditures	9,759	11,760	21,774	29,814	58,400	77,867	231,272	261,638
<b>Primary balance</b>	<b>3,137</b>	<b>2,758</b>	<b>7,291</b>	<b>-9,393</b>	<b>12,452</b>	<b>-29,458</b>	<b>83,105</b>	<b>126,119</b>
as % of revenues	4.60%	3.22%	4.16%	-4.26%	2.41%	-4.32%	4.75%	5.06%
<b>Debt interest</b>	<b>1,861</b>	<b>2,035</b>	<b>3,393</b>	<b>3,837</b>	<b>11,243</b>	<b>15,532</b>	<b>94,711</b>	<b>166,886</b>
<b>Fiscal balance</b>	<b>1,276</b>	<b>722</b>	<b>3,898</b>	<b>-13,230</b>	<b>1,209</b>	<b>-44,991</b>	<b>-11,606</b>	<b>-40,767</b>
as % of revenues	1.87%	0.84%	2.22%	-6.00%	0.23%	-6.59%	-0.66%	-1.64%

▲ of balances YoY (% of Rev.)	Pres. Elections	M-T Elections	Pres. Elections	M-T Elections	Pres. Elections	M-T Elections	Pres. Elections	Pres. Elections	M-T Elections
	2007	2009	2011	2013	2015	2017	2019	Avg.	Avg.
<b>Total Space</b>									
Primary balance	-1.38pp	-4.39pp	-8.42pp	2.72pp	-6.72pp	1.48pp	.31pp	-4.05pp	-.07pp
Fiscal balance	-1.03pp	-4.44pp	-8.23pp	2.76pp	-6.83pp	1.22pp	-.97pp	-4.26pp	-.15pp
<b>Quasi-Sov Credits</b>									
Primary balance	-.57pp	-5.45pp	-8.23pp	3.88pp	-7.57pp	1.74pp	2.05pp	-3.58pp	.06pp
Fiscal balance	-.11pp	-5.5pp	-8.21pp	4.03pp	-7.66pp	1.82pp	.35pp	-3.91pp	.11pp
<b>O&amp;G Credits</b>									
Primary balance	-5.26pp	3.14pp	-8.19pp	2.23pp	-9.73pp	-2.pp	-7.88pp	-7.77pp	1.12pp
Fiscal balance	-5.69pp	3.35pp	-8.04pp	2.05pp	-10.22pp	-3.6pp	-7.64pp	-7.89pp	.6pp
<b>Small Credits</b>									
Primary balance	-2.49pp	-4.4pp	-9.13pp	-1.24pp	-2.75pp	1.74pp	-2.69pp	-4.26pp	-1.3pp
Fiscal balance	-2.13pp	-4.52pp	-8.3pp	-1.38pp	-2.74pp	.68pp	-3.01pp	-4.05pp	-1.74pp

Source: TPCG Research based on E&R

From 2007 until 2022, we had 4 presidential (P-E) and 4 mid-term (M-T) elections. We excluded 2021's M-T election, as the pandemic biases the fiscal performance. Excluding 2007, all years with elections resulted in total fiscal deficits.

The avg. drop in the primary balance for years with P-E stands at 4ppyoy of revenue. When looking closer, the Quasi-Sov bucket is the one that outperforms the rest, while the O&G bucket is the worst performer, followed by the Small Credits.

# On avg. fed. taxes and personnel spending increase during P-E

	Pres. Elections	M-T Elections	Pres. Elections	M-T Elections	Pres. Elections	M-T Elections	Pres. Elections	Pres. Elections	M-T Elections
▲ of Revenue YoY (% of Total Revenue)	2007	2009	2011	2013	2015	2017	2019	Avg.	Avg.
<b>Current Revenue</b>	<b>.56pp</b>	<b>-2.02pp</b>	<b>.89pp</b>	<b>.01pp</b>	<b>.25pp</b>	<b>.18pp</b>	<b>.89pp</b>	<b>.65pp</b>	<b>-.61pp</b>
Provincial taxes	-.23pp	-.42pp	2.5pp	3.3pp	-.47pp	.49pp	-1.98pp	-.04pp	1.12pp
Federal taxes	1.62pp	-3.47pp	2.02pp	-1.37pp	1.46pp	-.32pp	3.16pp	2.07pp	-1.72pp
Other non-tax	-.79pp	.45pp	-.2pp	-.1pp	-.44pp	.6pp	1.04pp	-.1pp	.32pp
Royalties	-1.04pp	-.24pp	-.21pp	-.51pp	-.31pp	-.37pp	.pp	-.39pp	-.37pp
Discretionary Federal transf.	1.pp	1.66pp	-3.21pp	-1.3pp	.02pp	-.22pp	-1.34pp	-.88pp	.05pp
<b>Capital Revenue</b>	<b>-.56pp</b>	<b>2.02pp</b>	<b>-.89pp</b>	<b>-.01pp</b>	<b>-.25pp</b>	<b>-.18pp</b>	<b>-.89pp</b>	<b>-.65pp</b>	<b>.61pp</b>
Financial investment	-.24pp	-.3pp	-.11pp	-.08pp	-.06pp	.01pp	.03pp	-.09pp	-.12pp
Transfers	-.32pp	2.36pp	-.68pp	.09pp	-.19pp	-.27pp	-1.23pp	-.6pp	.73pp
Other	.pp	-.04pp	-.1pp	-.02pp	.pp	.08pp	.3pp	.05pp	.pp

	Pres. Elections	M-T Elections	Pres. Elections	M-T Elections	Pres. Elections	M-T Elections	Pres. Elections	Pres. Elections	M-T Elections
▲ of Spending YoY (% of Total Spending)	2007	2009	2011	2013	2015	2017	2019	Avg.	Avg.
<b>Current Expenditures</b>	<b>.81pp</b>	<b>-.45pp</b>	<b>-.02pp</b>	<b>-1.05pp</b>	<b>.62pp</b>	<b>-2.74pp</b>	<b>2.82pp</b>	<b>1.06pp</b>	<b>-1.41pp</b>
Personnel spending	1.41pp	-.26pp	.99pp	-1.13pp	1.15pp	-2.37pp	.85pp	1.1pp	-1.25pp
Goods and services	-.28pp	.27pp	-.39pp	-.35pp	.55pp	.63pp	-.1pp	-.06pp	.18pp
Transfers to public sector	.22pp	-.63pp	.13pp	.5pp	-.8pp	.06pp	.03pp	-.1pp	-.02pp
Other transfers & exp.	-.55pp	.17pp	-.75pp	-.06pp	-.28pp	-1.07pp	2.04pp	.12pp	-.32pp
<b>Capital Expenditures</b>	<b>-.81pp</b>	<b>.45pp</b>	<b>.02pp</b>	<b>1.05pp</b>	<b>-.62pp</b>	<b>2.74pp</b>	<b>-2.82pp</b>	<b>-1.06pp</b>	<b>1.41pp</b>
Real Investment	-.92pp	.pp	.45pp	.89pp	-.35pp	2.66pp	-1.63pp	-.61pp	1.18pp
Financial invest.	.4pp	.1pp	-.42pp	.02pp	.15pp	.32pp	-.25pp	-.03pp	.14pp
Capital transfers	-.29pp	.35pp	-.01pp	.14pp	-.42pp	-.24pp	-.94pp	-.41pp	.08pp

Source: TPCG Research based on E&R

Looking at how the revenue behaves during P-E we find that the federal taxes increase on avg. 2pppyoy, while the disc. transfers slightly decrease on avg. Interestingly, during M-T elections it is the other way around.

Regarding spending, during P-E the current expenditures on avg. increases on the back of higher personnel spending, while capex decreases. During M-T elections, that scenario is the opposite.

# We modeled 3 scenarios for FY23 based on the provincial historical performance during presidential elections

- » To have an idea of how the provincial balances could perform during FY23, we modeled three scenarios: bear, average, and constructive; for the entire space and each bucket.
- » We added to the FY22 ending primary position, the respective worst/average/best historical observation calculated as the change in primary balances of the year that held elections relative to the previous one. For the fiscal balance, we subtracted to the new primary positions the debt interests extracted from FY23 budget data when available or assumed the FY22 ratio flat for FY23 when not available. We then repeated the exercise for each individual province.
- » Looking at 2007 and 2019 elections, we see that idiosyncratic events contributed to better fiscal performances. For FY23 the story would be completely different, given that the macro environment has been deteriorating substantially, making us believe that a Constructive scenario is highly unlikely at this point.

	2022*	Historical performance observations			FY23	FY23	FY23
		Worst	Avg.	Best	Bear	Average	Constructive
<b>Total Space</b>							
Primary balance	8.03%	-8.42pp	-4.05pp	.31pp	-0.39%	3.98%	8.35%
Fiscal balance	5.18%	-	-	-	-3.42%	0.95%	5.31%
<b>Quasi-Sov Credits</b>							
Primary balance	8.12%	-8.23pp	-3.58pp	2.05pp	-0.11%	4.54%	10.17%
Fiscal balance	5.26%	-	-	-	-2.89%	1.76%	7.40%
<b>O&amp;G Credits</b>							
Primary balance	5.93%	-9.73pp	-7.77pp	-5.26pp	-3.81%	-1.84%	0.67%
Fiscal balance	2.45%	-	-	-	-7.23%	-5.26%	-2.76%
<b>Small Credits</b>							
Primary balance	8.67%	-9.13pp	-4.26pp	-2.49pp	-0.46%	4.40%	6.18%
Fiscal balance	6.13%	-	-	-	-3.52%	1.35%	3.12%

\*Note: We calculated each line collectively, and not as an average like in slide 3.

Source: TPCG Research based on E&R, and Provincial Treasuries if available

# The City of BA would remain fiscally balanced under every scenario

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>CABA</b>				
Primary balance	14.23%	9.97%	12.70%	17.64%
Fiscal balance	9.88%	5.86%	8.60%	13.53%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>CABA</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>79.63%</b>	<b>88.33%</b>	<b>87.01%</b>	<b>84.62%</b>	<b>2.95pp</b>	<b>.52pp</b>	<b>4.26pp</b>	<b>.39pp</b>
Personnel spending	45.77%	50.06%	48.22%	46.58%	2.4pp	-.34pp	1.81pp	-.89pp
Goods and services	21.31%	24.09%	25.33%	24.87%	-.42pp	.59pp	2.07pp	-1.13pp
Transf. to public sector	3.71%	4.34%	4.23%	4.71%	-	-	-	-
Other transf. & exp.	8.83%	9.84%	9.22%	8.47%	.96pp	.26pp	.38pp	2.41pp
<b>Capital Expenditures</b>	<b>20.37%</b>	<b>11.67%</b>	<b>12.99%</b>	<b>15.38%</b>	<b>-2.95pp</b>	<b>-.52pp</b>	<b>-4.26pp</b>	<b>-.39pp</b>
Real Investment	20.18%	11.47%	12.83%	15.25%	-.77pp	.5pp	-4.3pp	-.17pp
Financial invest.	0.10%	0.14%	0.04%	0.03%	-1.31pp	-.93pp	-.04pp	-.22pp
Capital transfers	0.09%	0.07%	0.12%	0.10%	-.86pp	-.08pp	.07pp	.pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

Repeating the exercise in the City of BA, we find that even when we plug the Bear scenario the balances could remain in surplus. The largest drop was around 4.2pppyoy in the 2015's presidential elections.

Looking at the City's cost structure, we observe that in electoral years the current expenditures increase at the expense of capex. We believe there is some room for FY23 to switch some capex into personnel spending.

# PBA would only post a surplus under a constructive scenario, which at this point seems unlikely

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>PBA</b>				
Primary balance	2.15%	-7.87%	-1.19%	6.04%
Fiscal balance	-0.77%	-10.85%	-4.18%	3.06%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>PBA</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>94.26%</b>	<b>93.89%</b>	<b>93.46%</b>	<b>92.75%</b>	<b>-1.02pp</b>	<b>-.31pp</b>	<b>-.39pp</b>	<b>2.33pp</b>
Personnel spending	57.34%	53.40%	51.50%	49.48%	1.12pp	1.45pp	1.13pp	-1.01pp
Goods and services	5.77%	6.51%	7.33%	6.42%	-.55pp	-.56pp	.89pp	-.8pp
Transf. to public sector	16.06%	16.36%	14.79%	15.93%	.17pp	.08pp	-1.58pp	-.5pp
Other transf. & exp.	15.08%	17.62%	19.83%	20.92%	-1.75pp	-1.28pp	-.83pp	4.64pp
<b>Capital Expenditures</b>	<b>5.74%</b>	<b>6.11%</b>	<b>6.54%</b>	<b>7.25%</b>	<b>1.02pp</b>	<b>.31pp</b>	<b>.39pp</b>	<b>-2.33pp</b>
Real Investment	2.63%	1.69%	3.31%	3.32%	.pp	-.21pp	.24pp	-1.44pp
Financial invest.	0.83%	1.52%	1.11%	1.07%	.66pp	.02pp	.48pp	-.23pp
Capital transfers	2.28%	2.90%	2.12%	2.85%	.36pp	.49pp	-.33pp	-.67pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

The Province of BA would only have a green path in a constructive scenario, which at this point seems unlikely. Both using the worst performance and the average one, the resulting outcome is both a primary and fiscal deficit.

Excluding 2019, in the rest of the P-E years, the personnel spending and capex accelerate. Looking at the percentage the personnel spending represented in 2022, we believe there is room for the province to increase that line in FY23.

## Cordoba's primary and fiscal positions could remain on surplus

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>Cordoba</b>				
Primary balance	17.06%	2.85%	14.49%	28.26%
Fiscal balance	15.42%	0.51%	12.14%	25.91%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>Cordoba</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>85.62%</b>	<b>91.31%</b>	<b>87.31%</b>	<b>84.29%</b>	<b>.52pp</b>	<b>-2.56pp</b>	<b>-2.18pp</b>	<b>10.05pp</b>
Personnel spending	47.39%	50.76%	44.82%	42.71%	1.27pp	1.4pp	-1.57pp	5.42pp
Goods and services	10.62%	12.34%	13.88%	11.96%	.39pp	-.97pp	1.27pp	1.27pp
Transf. to public sector	12.98%	17.36%	15.56%	13.63%	-.13pp	-.12pp	-1.81pp	1.49pp
Other transf. & exp.	14.63%	10.84%	13.06%	15.98%	-1.01pp	-2.88pp	-.06pp	1.88pp
<b>Capital Expenditures</b>	<b>14.38%</b>	<b>8.69%</b>	<b>12.69%</b>	<b>15.71%</b>	<b>-.52pp</b>	<b>2.56pp</b>	<b>2.18pp</b>	<b>-10.05pp</b>
Real Investment	10.27%	5.91%	9.31%	11.64%	2.12pp	2.91pp	2.39pp	-6.69pp
Financial invest.	0.85%	1.12%	1.93%	2.27%	.02pp	-.77pp	-.01pp	-.01pp
Capital transfers	3.26%	1.66%	1.44%	1.80%	-2.66pp	.43pp	-.2pp	-3.36pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

When looking at Cordoba, the strong fiscal performance posted during FY22 seems to allow for some cushioning effect in the event of spending spiraling out.

Taking into account the downward trend in personnel spending in recent years, we consider that the province could address an increase in that line.



# Santa Fe's fiscal and primary position could stay balanced

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>Santa Fe</b>				
Primary balance	10.24%	1.63%	5.48%	8.85%
Fiscal balance	9.05%	0.53%	4.39%	7.76%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>Santa Fe</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>86.27%</b>	<b>92.21%</b>	<b>90.22%</b>	<b>89.31%</b>	<b>6.69pp</b>	<b>.67pp</b>	<b>-1.81pp</b>	<b>2.54pp</b>
Personnel spending	52.22%	53.30%	49.34%	48.41%	3.19pp	.95pp	-1.09pp	2.pp
Goods and services	9.80%	9.74%	9.38%	8.94%	-.5pp	.19pp	.65pp	1.22pp
Transf. to public sector	11.97%	13.81%	9.78%	11.34%	1.76pp	-.59pp	-.53pp	1.17pp
Other transf. & exp.	12.28%	15.36%	21.73%	20.62%	2.25pp	.12pp	-.83pp	-1.85pp
<b>Capital Expenditures</b>	<b>13.73%</b>	<b>7.79%</b>	<b>9.78%</b>	<b>10.69%</b>	<b>-6.69pp</b>	<b>-.67pp</b>	<b>1.81pp</b>	<b>-2.54pp</b>
Real Investment	11.15%	5.33%	7.60%	8.05%	-5.69pp	.32pp	2.01pp	-1.77pp
Financial invest.	0.66%	0.28%	0.18%	0.24%	-.69pp	-.93pp	.06pp	.08pp
Capital transfers	1.92%	2.18%	2.00%	2.40%	-.32pp	-.07pp	-.26pp	-.86pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

Santa Fe's primary ending position could allow to withstand the sharpest drop on record which was in 2011 at -8.6pppyoy. The main risk for the province is the Soc.Sec spending, that goes after the fiscal balance.

With personnel spending at its lowest point since 2018, we consider that the province has room to increase that line.

# Mendoza could end on a fiscal deficit under a bear or avg. scenario

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>Mendoza</b>				
Primary balance	9.79%	-2.24%	1.16%	4.33%
Fiscal balance	5.58%	-5.57%	-2.17%	0.99%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>Mendoza</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>89.67%</b>	<b>92.26%</b>	<b>83.74%</b>	<b>82.19%</b>	<b>.06pp</b>	<b>-.09pp</b>	<b>.2pp</b>	<b>1.37pp</b>
Personnel spending	51.09%	52.72%	43.30%	42.53%	.02pp	-.27pp	1.46pp	1.33pp
Goods and services	12.03%	11.95%	12.83%	11.91%	2.37pp	-.45pp	-.05pp	-1.54pp
Transf. to public sector	14.66%	15.59%	16.32%	16.25%	-1.31pp	.18pp	-1.12pp	-3.36pp
Other transf. & exp.	11.89%	11.99%	11.30%	11.50%	-1.01pp	.44pp	-.09pp	4.95pp
<b>Capital Expenditures</b>	<b>10.33%</b>	<b>7.74%</b>	<b>16.26%</b>	<b>17.81%</b>	<b>-.06pp</b>	<b>.09pp</b>	<b>-.2pp</b>	<b>-1.37pp</b>
Real Investment	8.12%	1.63%	3.00%	4.08%	-7.33pp	3.87pp	.6pp	.45pp
Financial invest.	0.64%	5.47%	12.22%	10.12%	6.18pp	-3.08pp	-.67pp	-.97pp
Capital transfers	1.57%	0.64%	1.04%	3.61%	1.09pp	-.7pp	-.12pp	-.85pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

Looking at Mendoza, only under a constructive scenario the province could remain fiscally balanced, and by a small margin.

With a decreased share of personnel spending and real investment during recent years, the province has room to increase spending on those fronts.

# Neuquén could turn into a fiscal deficit even under a constructive scenario

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>Neuquen</b>				
Primary balance	3.97%	-8.34%	-3.09%	0.92%
Fiscal balance	0.87%	-11.20%	-5.94%	-1.93%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>Neuquen</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>89.15%</b>	<b>90.92%</b>	<b>89.91%</b>	<b>89.34%</b>	<b>-.36pp</b>	<b>.97pp</b>	<b>-.07pp</b>	<b>1.25pp</b>
Personnel spending	60.49%	63.94%	60.80%	59.35%	1.94pp	1.85pp	2.62pp	1.57pp
Goods and services	11.74%	11.16%	11.07%	12.35%	-.3pp	-.92pp	-.92pp	.25pp
Transf. to public sector	12.97%	11.95%	14.05%	14.28%	-.75pp	.88pp	-1.76pp	-.17pp
Other transf. & exp.	3.95%	3.87%	3.98%	3.37%	-1.26pp	-.83pp	-.01pp	-.4pp
<b>Capital Expenditures</b>	<b>10.85%</b>	<b>9.08%</b>	<b>10.09%</b>	<b>10.66%</b>	<b>.36pp</b>	<b>-.97pp</b>	<b>.07pp</b>	<b>-1.25pp</b>
Real Investment	6.59%	5.73%	6.23%	6.85%	2.03pp	-1.31pp	.89pp	-.54pp
Financial invest.	2.92%	3.07%	3.05%	2.93%	.04pp	.24pp	.11pp	-.57pp
Capital transfers	1.34%	0.27%	0.81%	0.87%	-1.71pp	.1pp	-.93pp	-.14pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

The primary and fiscal position have eroded substantially from 2021, now standing at a weak position to face an electoral year. The primary position only shows a green path under a constructive scenario, and by a small margin.

For Neuquén, personnel spending tends to remain flat over time. For an electoral year, and with high inflation, we expect personnel spending to weigh further into the cost structure.

## Despite sound fiscal ending figures, Chubut could swipe into a deficit

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>Chubut</b>				
Primary balance	12.50%	-4.19%	4.02%	9.90%
Fiscal balance	8.10%	-8.60%	-0.39%	5.49%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>Chubut</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>89.75%</b>	<b>91.08%</b>	<b>88.48%</b>	<b>88.58%</b>	<b>3.37pp</b>	<b>3.88pp</b>	<b>4.38pp</b>	<b>5.12pp</b>
Personnel spending	72.80%	74.55%	64.42%	64.64%	1.29pp	3.07pp	4.73pp	5.99pp
Goods and services	6.27%	5.32%	9.26%	8.71%	1.04pp	-.04pp	-.38pp	-.81pp
Transf. to public sector	4.18%	4.36%	5.79%	5.74%	.35pp	.26pp	.07pp	.29pp
Other transf. & exp.	6.50%	6.84%	9.01%	9.50%	.69pp	.58pp	-.03pp	-.34pp
<b>Capital Expenditures</b>	<b>10.25%</b>	<b>8.92%</b>	<b>11.52%</b>	<b>11.42%</b>	<b>-3.37pp</b>	<b>-3.88pp</b>	<b>-4.38pp</b>	<b>-5.12pp</b>
Real Investment	3.56%	3.64%	4.43%	4.56%	-1.91pp	-3.75pp	-1.38pp	-1.16pp
Financial invest.	0.12%	0.40%	0.17%	0.22%	.23pp	-.44pp	.15pp	-.05pp
Capital transfers	6.57%	4.88%	6.92%	6.64%	-1.69pp	.31pp	-3.15pp	-3.91pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

We believe the constructive scenario is unlikely to materialize, as the O&G credits tend to suffer the most during elections. The degree of impact in the province P&L would depend on the level of personnel spending acceleration.

Looking at the spending performance, the province tend to persistently increase the personnel line during elections. Given that the ending position of the FY22 is at a low level relative to previous years, there is room for an increase in it.

# Tierra del Fuego's fiscal performance could deteriorate substantially

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>TdF</b>				
Primary balance	0.22%	-16.68%	-8.63%	1.66%
Fiscal balance	-2.78%	-19.68%	-11.63%	-1.34%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>TdF</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>86.91%</b>	<b>94.05%</b>	<b>92.55%</b>	<b>90.12%</b>	<b>-.69pp</b>	<b>1.49pp</b>	<b>-2.25pp</b>	<b>.57pp</b>
Personnel spending	48.95%	55.60%	55.46%	54.70%	4.39pp	1.71pp	-.34pp	-3.35pp
Goods and services	8.08%	8.24%	7.66%	7.19%	-2.21pp	.5pp	-.38pp	1.46pp
Transf. to public sector	19.05%	19.27%	17.90%	16.81%	-1.11pp	1.51pp	-1.25pp	-1.92pp
Other transf. & exp.	10.83%	10.95%	11.52%	11.42%	-1.77pp	-2.22pp	-.28pp	4.39pp
<b>Capital Expenditures</b>	<b>13.09%</b>	<b>5.95%</b>	<b>7.45%</b>	<b>9.88%</b>	<b>.69pp</b>	<b>-1.49pp</b>	<b>2.25pp</b>	<b>-.57pp</b>
Real Investment	8.37%	4.06%	3.29%	6.19%	-.14pp	-.54pp	1.9pp	1.05pp
Financial invest.	2.24%	0.37%	1.58%	0.73%	1.46pp	.pp	-.02pp	1.05pp
Capital transfers	2.48%	1.51%	2.58%	2.97%	-.63pp	-.95pp	.36pp	-2.67pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

The province's fiscal balance ends in a deficit under every scenario that we stressed it. The primary surplus only closes on surplus in a constructive scenario, which seems unlikely.

The province could increase the spending in personnel, even though it seems to be running at a flat level relative to recent years. The capex is another line that could also experience an increase.

## Entre Rios could remain in surplus under all scenarios

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>Entre Rios</b>				
Primary balance	16.11%	5.83%	12.82%	17.67%
Fiscal balance	14.37%	4.05%	11.05%	15.90%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>Entre Rios</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>93.49%</b>	<b>94.60%</b>	<b>92.24%</b>	<b>91.88%</b>	<b>1.7pp</b>	<b>-1.99pp</b>	<b>3.83pp</b>	<b>.79pp</b>
Personnel spending	63.62%	63.52%	59.38%	61.25%	2.07pp	-.47pp	3.5pp	.25pp
Goods and services	7.95%	8.20%	9.38%	8.12%	-1.19pp	-.59pp	.13pp	.25pp
Transf. to public sector	13.47%	14.59%	15.40%	7.68%	.52pp	.74pp	-.1pp	.19pp
Other transf. & exp.	8.46%	8.29%	8.08%	14.83%	.29pp	-1.67pp	.29pp	.11pp
<b>Capital Expenditures</b>	<b>6.51%</b>	<b>5.40%</b>	<b>7.76%</b>	<b>8.12%</b>	<b>-1.7pp</b>	<b>1.99pp</b>	<b>-3.83pp</b>	<b>-.79pp</b>
Real Investment	5.11%	4.11%	5.78%	6.08%	-1.9pp	2.45pp	-3.46pp	-.18pp
Financial invest.	0.85%	0.98%	1.55%	1.24%	.41pp	.07pp	-.44pp	-.12pp
Capital transfers	0.54%	0.30%	0.42%	0.80%	-.2pp	-.53pp	.07pp	-.49pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

The strong fiscal figures that Entre Rios reported at the end of 2022 seem to allow for enough buffers toward FY23. The fiscal surplus could remain on surplus even when we charge the bear scenario.

Within the primary spending, we see that Entre Rios on avg. increases mainly the lines of personnel spending, and transfers to the public and private sectors.

# Salta's primary position to stay balanced under a constructive scenario only

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>Salta</b>				
Primary balance	4.04%	-3.55%	-2.15%	0.85%
Fiscal balance	1.56%	-5.54%	-4.14%	-1.14%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>Salta</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>92.69%</b>	<b>95.50%</b>	<b>94.15%</b>	<b>90.89%</b>	<b>-2.2pp</b>	<b>2.52pp</b>	<b>-1.19pp</b>	<b>1.91pp</b>
Personnel spending	58.52%	63.47%	59.22%	57.70%	-2.25pp	2.03pp	.64pp	.72pp
Goods and services	8.10%	7.39%	9.27%	7.64%	-.61pp	-.45pp	-.33pp	.26pp
Transf. to public sector	10.70%	10.62%	10.58%	15.57%	1.23pp	1.11pp	-1.64pp	1.18pp
Other transf. & exp.	15.37%	14.02%	15.07%	9.99%	-.57pp	-.18pp	.14pp	-.25pp
<b>Capital Expenditures</b>	<b>7.31%</b>	<b>4.50%</b>	<b>5.85%</b>	<b>9.11%</b>	<b>2.2pp</b>	<b>-2.52pp</b>	<b>1.19pp</b>	<b>-1.91pp</b>
Real Investment	6.35%	3.84%	5.29%	8.59%	4.02pp	1.66pp	1.59pp	-1.52pp
Financial invest.	0.07%	0.09%	0.01%	0.01%	.pp	-.54pp	.pp	.05pp
Capital transfers	0.89%	0.57%	0.56%	0.52%	-1.82pp	-3.64pp	-.41pp	-.45pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

Salta's ending primary and fiscal figures in FY22 seem to be not strong enough for FY23. The primary position would only stay balanced under a constructive scenario, and by a narrow margin.

Observing the province's behavior during elections, we see that the main lines increasing in those years are personnel spending, transfers to munies, and real investments.

# Rio Negro's fiscal performance unlikely to stay green

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>Rio Negro</b>				
Primary balance	4.42%	-6.89%	-2.38%	3.25%
Fiscal balance	0.36%	-12.59%	-8.08%	-2.45%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>Rio Negro</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>88.19%</b>	<b>90.26%</b>	<b>90.84%</b>	<b>93.62%</b>	<b>3.35pp</b>	<b>2.03pp</b>	<b>-3.62pp</b>	<b>-1.39pp</b>
Personnel spending	59.37%	61.96%	59.43%	63.80%	3.78pp	4.72pp	-2.18pp	-2.51pp
Goods and services	9.87%	9.47%	10.90%	9.00%	.23pp	-1.48pp	1.01pp	1.12pp
Transf. to public sector	12.39%	11.94%	12.85%	13.78%	.48pp	-.76pp	-1.71pp	-.84pp
Other transf. & exp.	6.56%	6.88%	7.67%	7.04%	-1.15pp	-.45pp	-.74pp	.84pp
<b>Capital Expenditures</b>	<b>11.81%</b>	<b>9.74%</b>	<b>9.16%</b>	<b>6.38%</b>	<b>-3.35pp</b>	<b>-2.03pp</b>	<b>3.62pp</b>	<b>1.39pp</b>
Real Investment	8.51%	7.04%	6.96%	5.34%	-3.95pp	-1.72pp	2.62pp	.9pp
Financial invest.	0.33%	0.55%	0.19%	0.05%	.05pp	-.17pp	-.01pp	-.26pp
Capital transfers	2.98%	2.16%	2.02%	0.99%	.55pp	-.14pp	1.01pp	.76pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

Weak closing balances would make it hard for the province to stay in surplus in FY23.

Even though personnel spending seems to be at one of the highest stances relative to recent years, we still believe there could be some room for an increase in its weight.



## Within an avg. scenario Jujuy could post a fiscal surplus

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>Jujuy</b>				
Primary balance	10.08%	-2.23%	6.33%	13.79%
Fiscal balance	5.32%	-6.99%	1.56%	9.02%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>Jujuy</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>86.64%</b>	<b>86.63%</b>	<b>85.08%</b>	<b>82.41%</b>	<b>-.02pp</b>	<b>-.03pp</b>	<b>-.68pp</b>	<b>3.88pp</b>
Personnel spending	57.59%	57.02%	54.07%	52.42%	.44pp	-.19pp	.45pp	3.39pp
Goods and services	4.72%	6.31%	6.82%	6.72%	-.29pp	-.49pp	-.02pp	-.33pp
Transf. to public sector	9.34%	9.25%	7.96%	6.82%	1.19pp	-.26pp	-.08pp	1.09pp
Other transf. & exp.	15.00%	14.04%	16.24%	16.46%	-1.36pp	.91pp	-1.03pp	-.28pp
<b>Capital Expenditures</b>	<b>13.36%</b>	<b>13.37%</b>	<b>14.92%</b>	<b>17.59%</b>	<b>.02pp</b>	<b>.03pp</b>	<b>.68pp</b>	<b>-3.88pp</b>
Real Investment	5.44%	7.05%	8.81%	11.63%	.13pp	1.41pp	.29pp	-2.91pp
Financial invest.	7.55%	5.71%	5.62%	5.37%	-.08pp	-.3pp	1.1pp	-.55pp
Capital transfers	0.37%	0.61%	0.50%	0.58%	-.03pp	-1.08pp	-.71pp	-.41pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

Jujuy's ending position would not withstand a bear scenario, but it could under the average and constructive ones.

Personnel spending, transfers to munies, and real investment seem to be the lines that tend to increase during elections. Given the current share of them, we consider that the province could switch some capex into higher personnel expenses.

# La Rioja's fiscal performance seems to be moderated under electoral years

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>La Rioja</b>				
Primary balance	3.96%	0.42%	5.34%	8.66%
Fiscal balance	2.42%	-1.88%	3.03%	6.35%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>La Rioja</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>92.28%</b>	<b>87.27%</b>	<b>82.27%</b>	<b>80.79%</b>	<b>6.06pp</b>	<b>.63pp</b>	<b>5.66pp</b>	<b>7.6pp</b>
Personnel spending	52.43%	47.04%	40.38%	39.35%	5.94pp	.19pp	3.41pp	3.64pp
Goods and services	11.34%	12.84%	15.67%	16.15%	-1.32pp	.38pp	.19pp	.75pp
Transf. to public sector	17.16%	17.95%	14.94%	14.46%	-.2pp	.65pp	1.45pp	1.67pp
Other transf. & exp.	11.35%	9.44%	11.27%	10.84%	1.64pp	-.59pp	.61pp	1.55pp
<b>Capital Expenditures</b>	<b>7.72%</b>	<b>12.73%</b>	<b>17.73%</b>	<b>19.21%</b>	<b>-6.06pp</b>	<b>-.63pp</b>	<b>-5.66pp</b>	<b>-7.6pp</b>
Real Investment	4.80%	8.76%	11.53%	13.72%	-6.86pp	-5.17pp	-2.69pp	-1.66pp
Financial invest.	2.71%	3.27%	5.17%	4.85%	-.06pp	2.97pp	-.88pp	-5.2pp
Capital transfers	0.20%	0.70%	1.04%	0.63%	.86pp	1.57pp	-2.08pp	-.73pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

Despite closing the FY22 with a narrow fiscal balance, the primary position could stay on surplus even under stressing with the bear scenario.

During electoral years, the province seems to re-allocate most of its resources into the current expenditures.

# Chaco to swipe into a deficit only under a bear scenario

	2022	FY23 Bear	FY23 Average	FY23 Constructive
<b>Chaco</b>				
Primary balance	8.45%	0.06%	3.69%	8.68%
Fiscal balance	6.64%	-1.74%	1.88%	6.88%

	2019	2020	2021	2022	2007	2011	2015	2019
<b>Chaco</b>	<b>Historical performance</b>				<b>Change in electoral years</b>			
<b>Current Expenditures</b>	<b>90.19%</b>	<b>91.27%</b>	<b>82.07%</b>	<b>83.56%</b>	<b>-2.6pp</b>	<b>-.62pp</b>	<b>3.31pp</b>	<b>2.07pp</b>
Personnel spending	56.30%	58.47%	49.33%	50.45%	-3.43pp	-1.32pp	2.31pp	-.56pp
Goods and services	7.88%	7.63%	8.23%	7.46%	1.68pp	-.4pp	-.47pp	.79pp
Transf. to public sector	13.41%	13.85%	12.29%	12.84%	-1.72pp	.29pp	-.23pp	3.58pp
Other transf. & exp.	12.59%	11.32%	12.23%	12.81%	.87pp	.82pp	1.69pp	-1.74pp
<b>Capital Expenditures</b>	<b>9.81%</b>	<b>8.73%</b>	<b>17.93%</b>	<b>16.44%</b>	<b>2.6pp</b>	<b>.62pp</b>	<b>-3.31pp</b>	<b>-2.07pp</b>
Real Investment	6.88%	6.91%	13.61%	12.59%	-.25pp	.87pp	-2.34pp	-2.35pp
Financial invest.	2.23%	1.47%	2.90%	2.18%	.26pp	-.23pp	.58pp	1.02pp
Capital transfers	0.70%	0.34%	1.42%	1.67%	2.6pp	-.01pp	-1.55pp	-.75pp

Source: TPCG Research based on E&R, and Provincial Treasuries if available

Chaco could remain balanced during FY23, it would depend on the degree of personnel spending slipperiness.

Like other small credits, Chaco seems to switch some of its spending on capex to the current expenditures.

# Agenda

## Before we start: Snapshot of credits fundamentals

- In 2022, the provincial space reached an average fiscal surplus of 5.4% of revenues +0.3%yoy, the strongest figure since 2018.
- In terms of leverage, the average position continued decreasing, now standing at 35.9% of revenues.

## Overview of the historical fiscal behavior in electoral years

- Since 2007, Argentina held 4 presidential elections. During those years, the primary position of the provincial space widens on average 4pppyoy.
- Using historical figures, we modeled three scenarios: bear, average, and constructive; to have an idea of how each credit could behave in FY23, using FY22 as a starting point.

## Strategy: Our top-picks

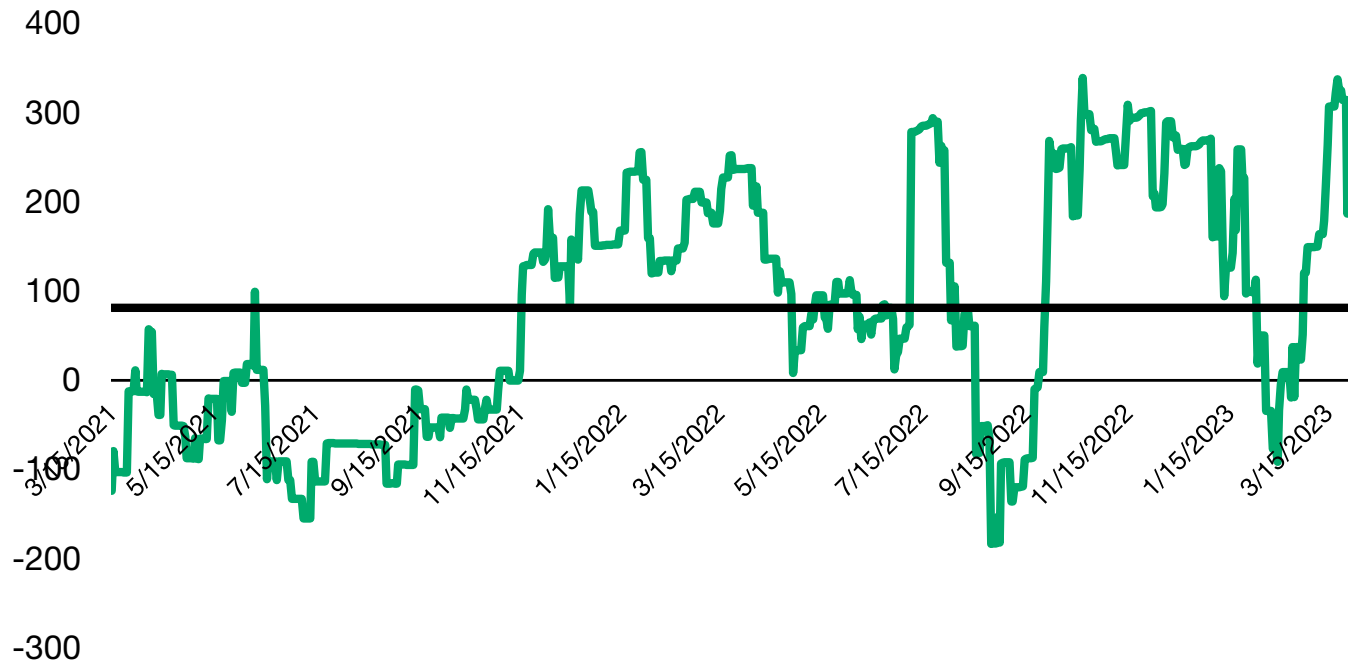
- Following the analysis from the previous chapter, together with idiosyncratic drivers of some names, we believe there is an opportunity to swap SALTA for ENTRIO, Neuquén Secured for BUEAIR, and MENDOZ for PDCAR.

## Fiscal performance and Metrics: A credit- by-credit view

- The 4Q is characterized by an acceleration in spending that results in red balances. Still, strong figures posted during the 9M22 more than compensated for the drop. For that reason, the primary surplus remained flat versus 2021 at 8.4% of revenues.

# Strategy: Swap SALTA27 for ENTRIO28

## ENTRIO vs SALTA | Yield Spread

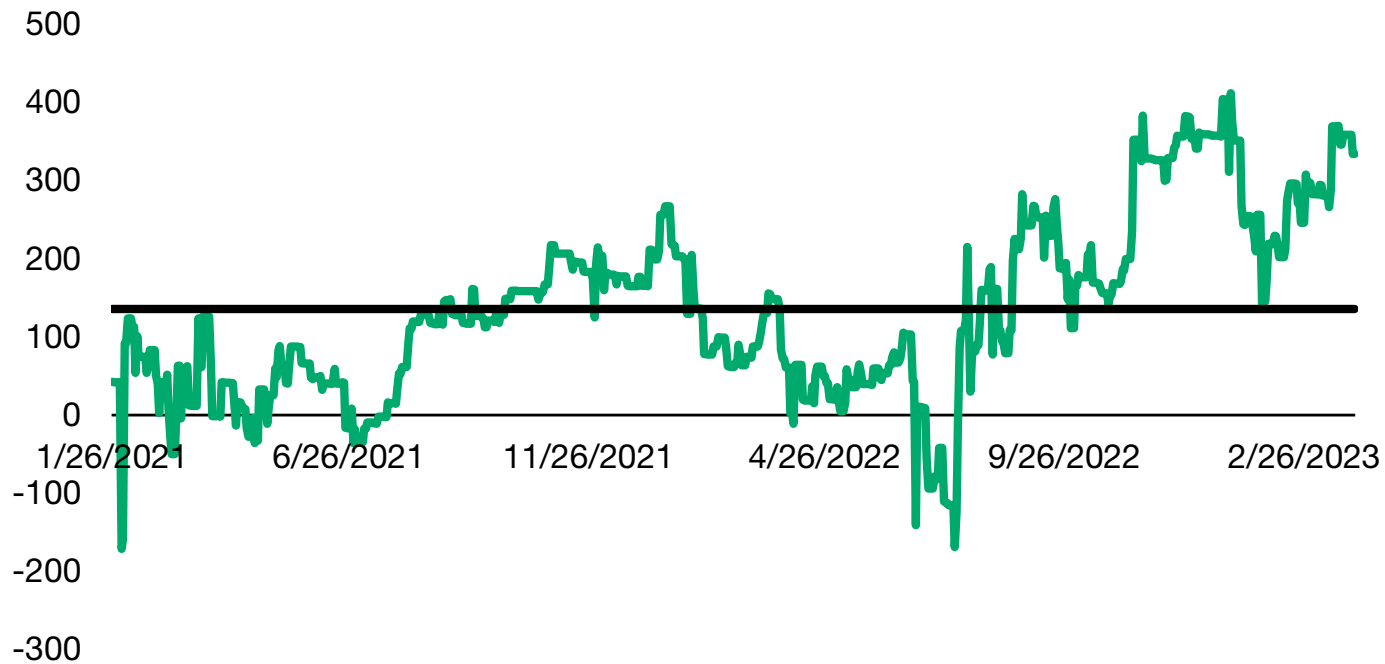


- » Despite the recent correction, we believe there is still some room for doing the swap, and we also believe Entre Rios is a better credit to be exposed to. Both historically traded flat, and the yield spread now stands at 260bps. If looking at the average since the restructuring, the spread is 180bps.
- » Following the step up of Entrio's coupon we believe that from a structure point of view the difference between both notes have dropped substantially.
- » We believe there are differences in terms of fundamentals. As we analyzed in the previous section, Salta's' fiscal performance seem to have closed at a weaker stance to face the FY23. In that sense, the province could remain on surplus only under the constructive scenario, which at this point seems unlikely. Entre Rios, on the other hand, managed to end the FY22 in a stronger shape which could allow to withstand even the bear scenario.

Source: TPCG Research based on Province's filing and E&R

# Strategy: Swap MENDOZ29 for PDCAR27

## PDCAR27 vs MENDOZ29 | Yield Spread

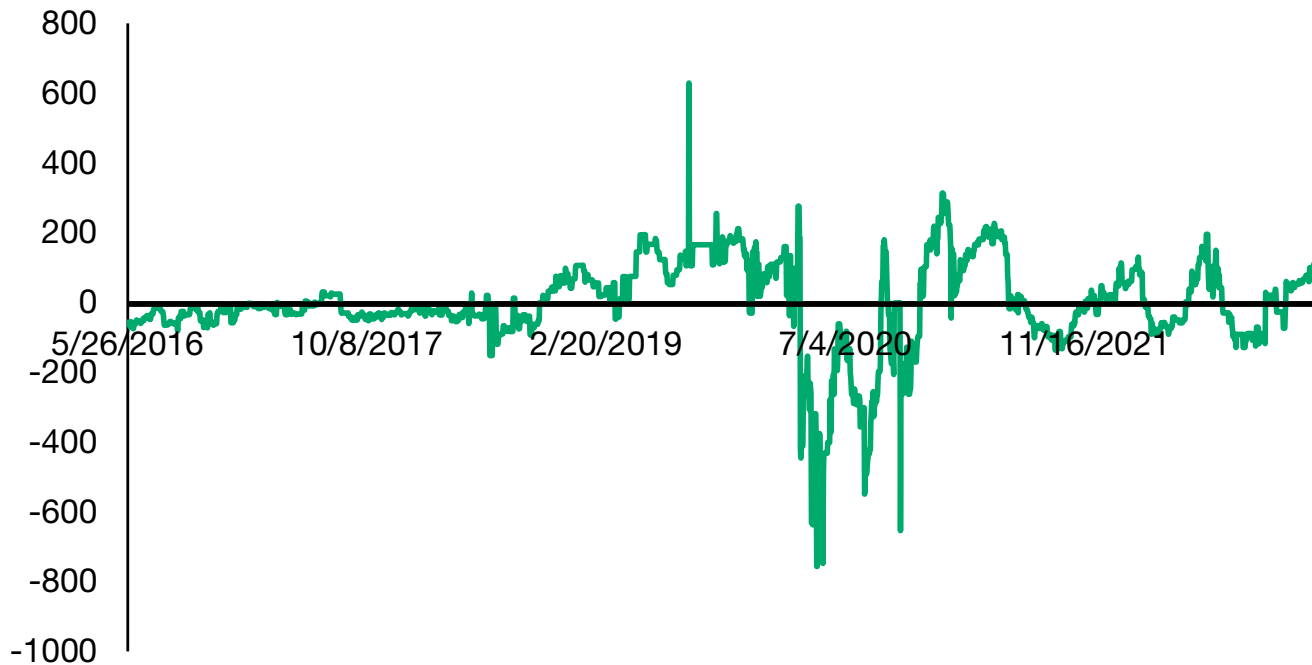


- » We recommend to swap Mendoza for PDCAR27 given that both credits historically traded flat, or with Cordoba slightly inside, and now the yield spread stands at 330bps. If comparing to the average since the restructuring, the spread is 200bps.
- » Under our view, Cordoba is currently being punished by doing a tactical restructuring on its entire curve in 2020, rather than deferring the shorter note.
- » When looking at the credit quality and fiscal performance of both, we believe Cordoba is currently ahead of Mendoza. In terms of credit quality, it is worth noting that Mendoza did enter in default during the recent restructuring period, while PDCAR only used its grace period. In terms of the fiscal performance, as showed in previous slides, the ending fiscal position of the PDCAR is much more robust to withstand the FY23. At the current pace, we believe that we are heading to the bear or average fiscal scenario, and in both Cordoba remains on surplus.

Source: TPCG Research based on Province's filing and E&R

# Strategy: Swap NQN Secured for BUEAIR

## BUEAIR vs NQN Secured | Yield Spread



Source: TPCG Research based on Province's filing and E&R

- » We recommend to swap NQN Secured for BUEAIR27. Historically, the City traded flat or slightly inside the province. Now, Neuquén is trading 150bps inside the City. We consider that by doing the swap there would not be a loss in credit quality, in fact, we believe it is the other way around.
- » What drives value in the NQN Secured note is the collateral structure. Given that the BUEAIR note is not secured, we usually do not compare each other. But we consider there is an exception here for mainly two reasons: credit quality and liquidity position.
- » The City's credit quality has proven to be robust during the recent provincial restructuring period. Not only did the City avoided an exchange, but it also serviced timely the BUEAIR21 note. Unlike that, NQN did a tactical restructuring to hand funds from the trust to the province's discretion.
- » While NQN's structure allows for cash reserve of 1.5x the next payment only, the City counts with a dollar cash position enough to have the note performing until 2025.

# Agenda

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- The 4Q is characterized by an acceleration in spending that results in red balances. Still, strong figures posted during the 9M22 more than compensated for the drop. For that reason, the primary surplus remained flat versus 2021 at 8.4% of revenues.



# City of BA: the fiscal surplus closed FY22 at 9.8% of revenues, +10.8pppyoy

CABA - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>678,609</b>	<b>1,322,630</b>	<b>94.90%</b>	<b>467,684</b>	<b>857,184</b>	<b>83.28%</b>	<b>210,925</b>	<b>465,446</b>	<b>120.67%</b>
<b>Current Revenue</b>	<b>674,751</b>	<b>1,302,474</b>	<b>93.03%</b>	<b>466,564</b>	<b>847,985</b>	<b>81.75%</b>	<b>208,186</b>	<b>454,490</b>	<b>118.31%</b>
Provincial taxes	532,991	1,017,915	90.98%	368,594	667,860	81.19%	164,396	350,055	112.93%
Federal taxes	73,483	141,448	92.49%	51,588	92,468	79.24%	21,895	48,980	123.70%
Other non-tax	26,213	71,555	172.98%	17,918	39,127	118.37%	8,295	32,428	290.93%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfers	42,064	71,556	70.11%	28,464	48,530	70.49%	13,600	23,027	69.32%
<b>Capital Revenue</b>	<b>3,858</b>	<b>20,156</b>	<b>422.40%</b>	<b>1,119</b>	<b>9,199</b>	<b>721.95%</b>	<b>2,739</b>	<b>10,957</b>	<b>300.00%</b>
Financial investment	220	374	70.12%	130	243	86.65%	90	131	46.08%
Transfers	125	2,681	2044.71%	18	1,511	8187.22%	107	1,170	995.84%
Other	3,513	17,101	386.75%	971	7,445	667.08%	2,543	9,656	279.74%
<b>Primary Spending</b>	<b>634,252</b>	<b>1,134,406</b>	<b>78.86%</b>	<b>398,173</b>	<b>656,330</b>	<b>64.84%</b>	<b>236,078</b>	<b>478,076</b>	<b>102.51%</b>
<b>Current Expenditures</b>	<b>551,871</b>	<b>959,983</b>	<b>73.95%</b>	<b>353,960</b>	<b>576,169</b>	<b>62.78%</b>	<b>197,911</b>	<b>383,813</b>	<b>93.93%</b>
Personnel spending	305,858	528,443	72.77%	204,105	336,320	64.78%	101,754	192,122	88.81%
Goods and services	160,678	282,095	75.57%	94,600	150,584	59.18%	66,078	131,511	99.03%
Transfers to public sector	26,835	53,388	98.95%	17,348	31,877	83.75%	9,487	21,511	126.74%
Other transfers & expenditures	58,500	96,057	64.20%	37,908	57,388	51.39%	20,593	38,669	87.78%
<b>Capital Expenditures</b>	<b>82,380</b>	<b>174,423</b>	<b>111.73%</b>	<b>44,213</b>	<b>80,161</b>	<b>81.30%</b>	<b>38,167</b>	<b>94,263</b>	<b>146.97%</b>
Real Investment	81,354	172,960	112.60%	43,783	79,326	81.18%	37,571	93,633	149.22%
Financial invest.	271	308	13.55%	170	129	-23.77%	102	179	75.77%
Capital transfers	755	1,156	53.07%	261	705	170.21%	494	450	-8.82%
<b>Primary balance</b>	<b>44357</b>	<b>188224</b>		<b>69510</b>	<b>200854</b>		<b>-25153</b>	<b>-12630</b>	
as % of revenues	6.54%	14.23%	7.69pp	14.86%	23.43%	8.57pp	-11.92%	-2.71%	9.21pp
<b>Debt interest</b>	<b>50,852</b>	<b>57,507</b>	<b>13.1%</b>	<b>35,827</b>	<b>37,624</b>	<b>5.0%</b>	<b>15,024</b>	<b>19,883</b>	<b>32.3%</b>
<b>Fiscal balance</b>	<b>-6494</b>	<b>130718</b>		<b>33683</b>	<b>163230</b>		<b>-40177</b>	<b>-32512</b>	
as % of revenues	-0.96%	9.88%	10.84pp	7.20%	19.04%	11.84pp	-19.05%	-6.99%	12.06pp
<b>Social security and other</b>	<b>-871</b>	<b>3,155</b>	<b>-462.2%</b>	<b>0</b>	<b>1,298</b>	<b>-</b>	<b>-871</b>	<b>1,856</b>	<b>-313.1%</b>
<b>Consolidated fiscal balance</b>	<b>-7365</b>	<b>133872</b>		<b>33683</b>	<b>164528</b>		<b>-41048</b>	<b>-30656</b>	
as % of revenues	-1.09%	10.12%	11.21pp	7.20%	19.19%	11.99pp	-19.46%	-6.59%	12.87pp

## How we read it:

- » In 4Q22, the revenue growth pace substantially outpaced that of spending, despite the acceleration in capex. Although it resulted in an improvement of 9.2pppyoy in the primary balance, it was not enough to turn it into a surplus, closing the period with a primary deficit of -2.7% of revenues. After considering the debt interests the fiscal position reached a deficit of -7% of revenues, improving 12pppyoy.
- » For FY22 the revenue grew at the inflation pace and above spending. The current revenue posted a sound performance in the federal and provincial taxes, but a weak one in disc. transfers. The other non-tax grew on the back of higher services sales and property rent. The capital revenue spiked on the back of asset sales. The current expenditures remained contained, while the capex accelerated on the back of higher real investments. All in all, the primary surplus grew 7.7pppyoy to 14.2% of revenues, and the fiscal surplus increased 10.8pppyoy to 9.9% of revenues.

Source: TPCG Research based on Province's filing and E&R

# The City's total services for FY23 amount to USD 525mn

CABA	Debt Outstanding		2022 Services*		
	USD mn	2021	2022	Interest	Capital
<b>USDARS</b>	<b>\$ 102.74</b>	<b>\$ 177.13</b>	<b>\$ 130.85</b>		
National Government	74	15	24	7	
Multilateral	636	656	64	25	
Banks	28	29	5	1	
Consolidated Debt	0	0	0	0	
Bonds	1,908	1,353	346	244	
<b>Total Outstanding</b>	<b>2,645</b>	<b>2,054</b>	<b>440</b>	<b>277</b>	
<b>Total Services</b>			<b>716</b>		

\*Figures as of 4Q22

Ratios - CABA	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	68.3%	64.1%	71.7%	78.5%	77.0%
Federal Taxes / Total Revenues	22.5%	23.1%	22.0%	10.8%	10.7%
Total Fed. Funds / Total Revenues	25.2%	26.2%	23.6%	17.0%	16.1%
Personnel Spend. / Total Expenditures	47.4%	45.8%	50.1%	48.2%	46.6%
Debt Interests / Total Revenues	5.6%	9.0%	8.2%	7.5%	4.3%
CapEx / Total Expenditures	19.7%	20.4%	11.7%	13.0%	15.4%
Primary Balance / Total Revenues	7.3%	3.7%	0.9%	6.5%	14.2%
Fiscal Balance / Total Revenues	1.7%	-5.3%	-7.3%	-1.0%	9.9%
Debt Services / Total Revenues	8.9%	12.2%	11.7%	12.5%	7.1%
Total Debt / Total Revenues	44.0%	47.5%	53.1%	40.0%	27.5%

Source: TPCG Research based on Province's filing and E&R

The City's total debt closed in 2022 at USD 2bn, mostly related to bonds and multilateral. For FY23 total services would amount to USD525mn, from which 74% is for interests. Amortizations are mostly related to local notes.

Since the Copa dispute in 2020, the City has become the credit with the largest share of provincial taxes to total revenue at 77%. The FY22 closed with the largest fiscal performance and the lowest leverage metrics since 2018.

# Province of BA: the fiscal deficit closed at 0.7% of revenues, almost flat yoy

PBA - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>1,826,129</b>	<b>3,379,022</b>	<b>85.04%</b>	<b>1,278,405</b>	<b>2,266,750</b>	<b>77.31%</b>	<b>547,724</b>	<b>1,112,272</b>	<b>103.07%</b>
<b>Current Revenue</b>	<b>1,810,471</b>	<b>3,371,909</b>	<b>86.24%</b>	<b>1,265,186</b>	<b>2,261,240</b>	<b>78.73%</b>	<b>545,285</b>	<b>1,110,669</b>	<b>103.69%</b>
Provincial taxes	792,679	1,410,220	77.91%	570,290	987,818	73.21%	222,389	422,402	89.94%
Federal taxes	807,271	1,475,617	82.79%	570,996	999,680	75.08%	236,275	475,937	101.43%
Other non-tax	35,701	67,857	90.07%	20,825	61,743	196.48%	14,876	6,114	-58.90%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfers	174,820	418,216	139.23%	103,075	212,001	105.68%	71,745	206,215	187.43%
<b>Capital Revenue</b>	<b>15,658</b>	<b>7,112</b>	<b>-54.58%</b>	<b>13,220</b>	<b>5,510</b>	<b>-58.32%</b>	<b>2,438</b>	<b>1,603</b>	<b>-34.28%</b>
Financial investment	738	1,179	59.77%	224	275	22.57%	514	905	75.98%
Transfers	14,920	5,933	-60.23%	12,996	5,235	-59.72%	1,924	698	-63.73%
Other	0	0	-	0	0	-	0	0	-
<b>Primary Spending</b>	<b>1,768,755</b>	<b>3,306,204</b>	<b>86.92%</b>	<b>1,137,210</b>	<b>2,027,173</b>	<b>78.26%</b>	<b>631,545</b>	<b>1,279,031</b>	<b>102.52%</b>
<b>Current Expenditures</b>	<b>1,653,034</b>	<b>3,066,651</b>	<b>85.52%</b>	<b>1,077,718</b>	<b>1,878,148</b>	<b>74.27%</b>	<b>575,316</b>	<b>1,188,503</b>	<b>106.58%</b>
Personnel spending	910,981	1,635,989	79.59%	605,385	1,063,949	75.75%	305,596	572,040	87.19%
Goods and services	129,647	212,149	63.64%	76,798	120,592	57.03%	52,849	91,557	73.24%
Transfers to public sector	261,654	526,757	101.32%	184,626	333,138	80.44%	77,028	193,619	151.36%
Other transfers & expenditures	350,751	691,755	97.22%	210,909	360,468	70.91%	139,842	331,287	136.90%
<b>Capital Expenditures</b>	<b>115,721</b>	<b>239,553</b>	<b>107.01%</b>	<b>59,493</b>	<b>149,025</b>	<b>150.49%</b>	<b>56,229</b>	<b>90,528</b>	<b>61.00%</b>
Real Investment	58,559	109,890	87.66%	25,788	63,504	146.25%	32,771	46,386	41.55%
Financial invest.	19,671	35,490	80.42%	11,712	25,918	121.29%	7,959	9,572	20.27%
Capital transfers	37,491	94,172	151.19%	21,992	59,602	171.02%	15,499	34,570	123.05%
<b>Primary balance</b>	<b>57374</b>	<b>72818</b>		<b>141195</b>	<b>239577</b>		<b>-83821</b>	<b>-166759</b>	
as % of revenues	3.14%	2.15%	-.99pp	11.04%	10.57%	-.48pp	-15.30%	-14.99%	.31pp
<b>Debt interest</b>	<b>68,361</b>	<b>98,918</b>	<b>44.70%</b>	<b>36,235</b>	<b>70,923</b>	<b>95.73%</b>	<b>32,126</b>	<b>27,995</b>	<b>-12.86%</b>
<b>Fiscal balance</b>	<b>-10987</b>	<b>-26100</b>		<b>104960</b>	<b>168654</b>		<b>-115947</b>	<b>-194754</b>	
as % of revenues	-0.60%	-0.77%	-.17pp	8.21%	7.44%	-.77pp	-21.17%	-17.51%	3.66pp
<b>Social security and other</b>	<b>-83,725</b>	<b>-108,806</b>	<b>29.96%</b>	<b>-52,957</b>	<b>-64,288</b>	<b>21.40%</b>	<b>-30,768</b>	<b>-44,517</b>	<b>44.69%</b>
<b>Consolidated fiscal balance</b>	<b>-94712</b>	<b>-134906</b>		<b>52003</b>	<b>104365</b>		<b>-146715</b>	<b>-239271</b>	
as % of revenues	-5.19%	-3.99%	1.19pp	4.07%	4.60%	.54pp	-26.79%	-21.51%	5.27pp

## How we read it:

- » In 4Q22 the total revenue grew by 103%yoy, above inflation and spending. The strongest lines were the provincial and federal taxes and the disc. transfers. Within the primary spending, the current expenditures increased substantially on the back of transfers to the public and private sectors, while the capex dropped sharply in real terms. With that, the primary deficit closed almost flat at -15% of revenues. After the debt interests, the fiscal deficit closed at -17.5%, improving by 3.7ppyoy.
- » For FY22 the growing pace of the primary spending outpaced the revenue. Regarding total revenues, the federal taxes and dis. transfers were the main growing lines. For spending, it was the transfer to munies and the private sector, together with capex. All in all, the primary balance remained in surplus but dropped -1ppyoy. After the debt interests, the fiscal deficit ended at -0.7% of revenues, almost flat versus last year.

Source: TPCG Research based on Province's filing and E&R

## PBA's leverage position clocked 52.8% of revenues

PBA	Debt Outstanding		2022 Services*		
	USD mn	2021	2022	Interest	Capital
<b>USDARS</b>	<b>\$ 102.74</b>	<b>\$ 177.13</b>	<b>\$ 130.85</b>		
National Government	359	126	46	36	
Multilateral	1,102	863	28	39	
Banks	55	2	0	0	
Consolidated Debt	0	0	0	0	
Bonds	9,869	9,088	681	642	
<b>Total Outstanding</b>	<b>11,386</b>	<b>10,078</b>	<b>756</b>	<b>717</b>	
<b>Total Services</b>			<b>1,473</b>		

\*Figures as of 4Q22

Ratios - PBA	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	48.3%	44.0%	40.8%	43.4%	41.7%
Federal Taxes / Total Revenues	37.6%	43.4%	43.9%	44.2%	43.7%
Total Fed. Funds / Total Revenues	45.9%	50.0%	57.8%	53.8%	56.0%
Personnel Spend. / Total Expenditures	58.3%	57.3%	53.4%	51.5%	49.5%
Debt Interests / Total Revenues	7.5%	9.2%	3.6%	3.7%	2.9%
CapEx / Total Expenditures	8.1%	5.7%	6.1%	6.5%	7.2%
Primary Balance / Total Revenues	5.4%	9.3%	4.3%	3.1%	2.2%
Fiscal Balance / Total Revenues	-2.1%	0.1%	0.6%	-0.6%	-0.8%
Debt Services / Total Revenues	17.3%	17.9%	6.9%	6.1%	5.7%
Total Debt / Total Revenues	82.8%	78.5%	75.4%	64.1%	52.8%

Source: TPCG Research based on Province's filing and E&R

The province's total debt closed the period at USD10bn, decreasing from last year mainly in the bonds and multilateral lines.

During recent years, the province has increased substantially its share of total federal funds to revenues closing the period at 56%. In terms of leverage, total debt and services to revenue remained well below pre-restructuring figures.

# Cordoba: the fiscal balance dropped by 0.7pyoy to 15.4% of revenues

Cordoba - ARS mn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>570,881</b>	<b>1,027,554</b>	<b>79.99%</b>	<b>406,615</b>	<b>714,491</b>	<b>75.72%</b>	<b>164,265</b>	<b>313,063</b>	<b>90.58%</b>
<b>Current Revenue</b>	<b>562,321</b>	<b>1,011,743</b>	<b>79.92%</b>	<b>400,141</b>	<b>704,902</b>	<b>76.16%</b>	<b>162,180</b>	<b>306,841</b>	<b>89.20%</b>
Provincial taxes	184,432	327,597	77.62%	131,455	225,881	71.83%	52,977	101,715	92.00%
Federal taxes	297,797	550,563	84.88%	209,410	385,405	84.04%	88,387	165,158	86.86%
Other non-tax	45,726	88,156	92.79%	33,629	64,930	93.07%	12,097	23,226	92.00%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfers	34,365	45,428	32.19%	25,645	28,686	11.85%	8,720	16,742	92.00%
<b>Capital Revenue</b>	<b>8,560</b>	<b>15,811</b>	<b>84.71%</b>	<b>6,475</b>	<b>9,589</b>	<b>48.10%</b>	<b>2,085</b>	<b>6,222</b>	<b>198.40%</b>
Financial investment	798	1,590	99.27%	531	1,120	111.05%	267	470	75.85%
Transfers	7,762	14,221	83.21%	5,944	8,469	42.47%	1,818	5,752	216.41%
Other	0	0	-	0	0	-	0	0	-
<b>Primary Spending</b>	<b>468,421</b>	<b>852,291</b>	<b>81.95%</b>	<b>307,080</b>	<b>545,537</b>	<b>77.65%</b>	<b>161,341</b>	<b>306,754</b>	<b>90.13%</b>
<b>Current Expenditures</b>	<b>408,999</b>	<b>718,385</b>	<b>75.64%</b>	<b>273,185</b>	<b>457,621</b>	<b>67.51%</b>	<b>135,815</b>	<b>260,764</b>	<b>92.00%</b>
Personnel spending	209,928	364,044	73.41%	143,880	237,232	64.88%	66,048	126,812	92.00%
Goods and services	65,002	101,975	56.88%	42,589	58,943	38.40%	22,413	43,032	92.00%
Transfers to public sector	72,891	116,185	59.39%	51,931	75,941	46.23%	20,961	40,244	92.00%
Other transfers & expenditures	61,179	136,181	122.59%	34,785	85,505	145.81%	26,394	50,676	92.00%
<b>Capital Expenditures</b>	<b>59,422</b>	<b>133,905</b>	<b>125.35%</b>	<b>33,895</b>	<b>87,916</b>	<b>159.38%</b>	<b>25,527</b>	<b>45,989</b>	<b>80.16%</b>
Real Investment	43,612	99,212	127.49%	24,831	65,084	162.11%	18,781	34,128	81.72%
Financial invest.	9,042	19,317	113.63%	5,632	13,323	136.55%	3,410	5,995	75.79%
Capital transfers	6,767	15,377	127.22%	3,432	9,510	177.09%	3,335	5,867	75.90%
<b>Primary balance</b>	<b>102460</b>	<b>175263</b>		<b>99536</b>	<b>168954</b>		<b>2924</b>	<b>6309</b>	
as % of revenues	17.95%	17.06%	-.89pp	24.48%	23.65%	-.83pp	1.78%	2.02%	.24pp
<b>Debt interest</b>	<b>10,300</b>	<b>16,768</b>	<b>62.8%</b>	<b>6,158</b>	<b>8,815</b>	<b>43.2%</b>	<b>4,142</b>	<b>7,954</b>	<b>92.0%</b>
<b>Fiscal balance</b>	<b>92160</b>	<b>158495</b>		<b>93378</b>	<b>160139</b>		<b>-1219</b>	<b>-1644</b>	
as % of revenues	16.14%	15.42%	-.72pp	22.96%	22.41%	-.55pp	-0.74%	-0.53%	.22pp
<b>Social security and other</b>	<b>-25,865</b>	<b>-42,436</b>	<b>64.1%</b>	<b>-18,106</b>	<b>-28,797</b>	<b>59.1%</b>	<b>-7,759</b>	<b>-13,639</b>	<b>75.8%</b>
<b>Consolidated fiscal balance</b>	<b>66295</b>	<b>116059</b>		<b>75272</b>	<b>131342</b>		<b>-8977</b>	<b>-15283</b>	
as % of revenues	11.61%	11.29%	-.32pp	18.51%	18.38%	-.13pp	-5.47%	-4.88%	.58pp

## How we read it:

- » In 4Q22, both the revenue and spending grew by 90%yoy. Regarding revenues, all lines grew above inflation excluding federal taxes and financial investments. For the primary spending, the capex was the only line growing at a weak pace. All in all, the primary surplus remained almost flat at 2% of revenues. After considering the debt interests, the fiscal position turned into a deficit of -0.5% of revenues.
- » In FY22 the primary position dropped -0.9ppyoy to a surplus of 17% of revenues. Within total revenues, the lines that grew above inflation were the other non-tax revenue and financial investments. Regarding the primary spending transfer to the private sector and capex were the ones increasing above inflation. After considering the debt interests, the fiscal position ended at a surplus of 15.4% of revenues. Factoring in the Soc.Sec expenses, the consolidated surplus closed at 11.3% of revenues, flat versus last year.

Source: TPCG Research based on Province's filing and E&R

## PDCAR's leverage ratio closed at 41.3% of revenues

Cordoba	Debt Outstanding		2022 Services*	
USD mn	2021	2022	Interest	Capital
USDARS	\$ 102.74	\$ 177.13	\$ 130.85	
National Government	137	92	5	23
Multilateral	456	412	24	38
Banks	138	153	2	11
Consolidated Debt	0	0	0	0
Bonds	1,968	1,737	97	72
<b>Total Outstanding</b>	<b>2,699</b>	<b>2,394</b>	<b>128</b>	<b>144</b>
<b>Total Services</b>			<b>272</b>	

\*Figures as of 4Q22

Ratios - Cordoba	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	30.7%	29.0%	33.0%	32.3%	31.9%
Federal Taxes / Total Revenues	50.7%	52.0%	53.4%	52.2%	53.6%
Total Fed. Funds / Total Revenues	56.0%	57.9%	59.9%	58.2%	58.0%
Personnel Spend. / Total Expenditures	42.0%	47.4%	50.8%	44.8%	42.7%
Debt Interests / Total Revenues	2.9%	4.2%	3.5%	1.8%	1.6%
CapEx / Total Expenditures	24.4%	14.4%	8.7%	12.7%	15.7%
Primary Balance / Total Revenues	-1.7%	9.5%	16.5%	17.9%	17.1%
Fiscal Balance / Total Revenues	-4.6%	5.3%	13.0%	16.1%	15.4%
Debt Services / Total Revenues	3.8%	6.4%	7.0%	5.1%	3.5%
Total Debt / Total Revenues	57.9%	62.9%	67.3%	48.6%	41.3%

Source: TPCG Research based on Province's filing and E&R

The province's total debt reached USD 2.4bn, which decreased from last year in the national government and bonds lines.

PDCAR's total debt and debt services ratio reached its lowest point since 2018. The fiscal performance has remained strong since 2020.

# Santa Fe: the consolidated deficit closed at 0.8% of revenues

Santa Fe - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>521,355</b>	<b>957,889</b>	<b>83.73%</b>	<b>364,973</b>	<b>641,985</b>	<b>75.90%</b>	<b>156,382</b>	<b>315,904</b>	<b>102.01%</b>
<b>Current Revenue</b>	<b>517,586</b>	<b>942,263</b>	<b>82.05%</b>	<b>362,927</b>	<b>633,162</b>	<b>74.46%</b>	<b>154,659</b>	<b>309,100</b>	<b>99.86%</b>
Provincial taxes	163,187	292,231	79.08%	115,308	198,866	72.47%	47,880	93,365	95.00%
Federal taxes	306,500	564,258	84.10%	215,613	379,515	76.02%	90,886	184,743	103.27%
Other non-tax	22,308	36,558	63.88%	14,585	21,498	47.40%	7,723	15,060	95.00%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfe	25,591	49,215	92.32%	17,420	33,283	91.06%	8,171	15,932	95.00%
<b>Capital Revenue</b>	<b>3,770</b>	<b>15,626</b>	<b>314.54%</b>	<b>2,047</b>	<b>8,823</b>	<b>331.10%</b>	<b>1,723</b>	<b>6,803</b>	<b>294.87%</b>
Financial investment	773	1,077	39.32%	563	708	25.72%	210	369	75.78%
Transfers	2,991	14,529	385.79%	1,481	8,105	447.39%	1,510	6,425	325.40%
Other	6	20	249.60%	3	11	240.63%	3	10	260.02%
<b>Primary Spending</b>	<b>470,218</b>	<b>859,793</b>	<b>82.85%</b>	<b>310,655</b>	<b>548,646</b>	<b>76.61%</b>	<b>159,563</b>	<b>311,148</b>	<b>95.00%</b>
<b>Current Expenditures</b>	<b>424,223</b>	<b>767,843</b>	<b>81.00%</b>	<b>282,964</b>	<b>492,387</b>	<b>74.01%</b>	<b>141,259</b>	<b>275,456</b>	<b>95.00%</b>
Personnel spending	231,997	416,259	79.42%	158,351	272,649	72.18%	73,646	143,610	95.00%
Goods and services	44,087	76,823	74.25%	28,584	46,593	63.00%	15,503	30,230	95.00%
Transfers to public sector	45,970	97,506	112.11%	32,055	70,371	119.53%	13,915	27,135	95.00%
Other transfers & expenditures	102,170	177,254	73.49%	63,974	102,773	60.65%	38,195	74,481	95.00%
<b>Capital Expenditures</b>	<b>45,994</b>	<b>91,951</b>	<b>99.92%</b>	<b>27,691</b>	<b>56,259</b>	<b>103.17%</b>	<b>18,303</b>	<b>35,692</b>	<b>95.00%</b>
Real Investment	35,714	69,237	93.86%	21,567	41,651	93.12%	14,147	27,586	95.00%
Financial invest.	864	2,039	136.10%	461	1,254	172.00%	403	785	95.00%
Capital transfers	9,417	20,675	119.55%	5,662	13,354	135.83%	3,754	7,321	95.00%
<b>Primary balance</b>	<b>51138</b>	<b>98096</b>		<b>54318</b>	<b>93340</b>		<b>-3181</b>	<b>4756</b>	
as % of revenues	9.81%	10.24%	.43pp	14.88%	14.54%	-.34pp	-2.03%	1.51%	3.54pp
<b>Debt interest</b>	<b>8,320</b>	<b>11,367</b>	<b>36.6%</b>	<b>6,123</b>	<b>7,721</b>	<b>26.1%</b>	<b>2,198</b>	<b>3,646</b>	<b>65.9%</b>
<b>Fiscal balance</b>	<b>42817</b>	<b>86729</b>		<b>48196</b>	<b>85619</b>		<b>-5378</b>	<b>1110</b>	
as % of revenues	8.21%	9.05%	.84pp	13.21%	13.34%	.13pp	-3.44%	0.35%	3.79pp
<b>Social security and other</b>	<b>-47,605</b>	<b>-94,910</b>	<b>99.4%</b>	<b>-32,582</b>	<b>-65,615</b>	<b>101.4%</b>	<b>-15,023</b>	<b>-29,295</b>	<b>95.0%</b>
<b>Consolidated fiscal balance</b>	<b>-4788</b>	<b>-8181</b>		<b>15614</b>	<b>20004</b>		<b>-20401</b>	<b>-28185</b>	
as % of revenues	-0.92%	-0.85%	.06pp	4.28%	3.12%	-1.16pp	-13.05%	-8.92%	4.12pp

## How we read it:

- » In 4Q22, the total revenue grew by 102%yoy. Within the current revenue, all lines posted an increase above inflation. The capital revenue spiked, on the back of higher transfers. For spending, the increase was around 95%yoy, below the revenue pace but above inflation. The primary surplus closed at 1.5% of revenues, increasing 3.5ppyoy. After the debt interests and Soc.Sec. expenses, the consolidated balance ended at a deficit of -8.9% of revenues, improving 4.1ppyoy.
- » For FY22, the primary surplus remained almost flat at 10.2% of revenues. The total revenue grew by 83.7%yoy, while the capital revenue did it by 314%yoy. Regarding spending, the current revenue increased below inflation, while the capex did it above. After considering the debt interests, the fiscal surplus grew 0.8ppyoy to 9% of revenues. Factoring in the Soc.Sec and other expenses, the consolidated deficit stayed flat at -0.8% of revenues.

Source: TPCG Research based on Province's filing and E&R

## Santa Fe's leverage position remains minimal

Santa Fe	Debt Outstanding		2022 Services*		
	USD mn	2021	2022	Interest	Capital
<b>USDARS</b>	<b>\$ 102.74</b>	<b>\$ 177.13</b>	<b>\$ 130.85</b>		
National Government	53	49	2	24	
Multilateral	173	166	11	23	
Banks	117	94	36	14	
Consolidated Debt	0	0	0	0	
Bonds	515	348	37	147	
<b>Total Outstanding</b>	<b>857</b>	<b>656</b>	<b>87</b>	<b>208</b>	
<b>Total Services</b>			<b>295</b>		

\*Figures as of 4Q22

Ratios - Santa Fe	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	31.3%	32.0%	31.3%	31.3%	30.5%
Federal Taxes / Total Revenues	56.8%	59.8%	57.1%	58.8%	58.9%
Total Fed. Funds / Total Revenues	64.1%	64.3%	64.8%	63.7%	64.0%
Personnel Spend. / Total Expenditures	50.2%	52.2%	53.3%	49.3%	48.4%
Debt Interests / Total Revenues	0.6%	1.0%	1.4%	1.6%	1.2%
CapEx / Total Expenditures	16.3%	13.7%	7.8%	9.8%	10.7%
Primary Balance / Total Revenues	6.2%	1.0%	14.6%	9.8%	10.2%
Fiscal Balance / Total Revenues	5.6%	0.0%	13.2%	8.2%	9.1%
Debt Services / Total Revenues	1.0%	1.7%	2.0%	3.2%	4.0%
Total Debt / Total Revenues	14.9%	17.2%	20.6%	16.9%	12.1%

Source: TPCG Research based on Province's filing and E&R

Santa Fe's total debt outstanding adds up to USD 656mn, mainly distributed between bonds and multilateral. In March, the remaining of PROVSF23 was amortized, lowering the total debt by another USD 125mn.

With the leverage position at 12% of revenues, Santa Fe has the lowest indebtedness in the whole space.



# Mendoza: the consolidated surplus closed at 4.8% of revenues

Mendoza - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>279,695</b>	<b>507,786</b>	<b>81.55%</b>	<b>194,293</b>	<b>337,348</b>	<b>73.63%</b>	<b>85,402</b>	<b>170,437</b>	<b>99.57%</b>
<b>Current Revenue</b>	<b>255,466</b>	<b>478,709</b>	<b>87.39%</b>	<b>176,413</b>	<b>317,999</b>	<b>80.26%</b>	<b>79,053</b>	<b>160,710</b>	<b>103.29%</b>
Provincial taxes	78,460	140,712	79.34%	53,833	95,412	77.24%	24,626	45,300	83.95%
Federal taxes	140,216	260,149	85.53%	98,067	174,308	77.74%	42,150	85,842	103.66%
Other non-tax	17,796	47,798	168.60%	11,088	28,529	157.29%	6,707	19,269	187.29%
Royalties	12,659	20,146	59.14%	9,217	13,762	49.31%	3,442	6,384	85.45%
Discretionary Federal Gov transfe	6,335	9,904	56.34%	4,207	5,988	42.33%	2,128	3,917	84.06%
<b>Capital Revenue</b>	<b>24,229</b>	<b>29,077</b>	<b>20.01%</b>	<b>17,881</b>	<b>19,350</b>	<b>8.22%</b>	<b>6,348</b>	<b>9,727</b>	<b>53.22%</b>
Financial investment	651	370	-43.18%	112	285	154.07%	539	85	-84.30%
Transfers	0	0	-	0	0	-	0	0	-
Other	23,578	28,707	21.75%	17,768	19,064	7.29%	5,809	9,642	65.98%
<b>Primary Spending</b>	<b>256,604</b>	<b>458,097</b>	<b>78.52%</b>	<b>162,436</b>	<b>270,987</b>	<b>66.83%</b>	<b>94,168</b>	<b>187,109</b>	<b>98.70%</b>
<b>Current Expenditures</b>	<b>214,883</b>	<b>376,509</b>	<b>75.22%</b>	<b>138,447</b>	<b>232,743</b>	<b>68.11%</b>	<b>76,436</b>	<b>143,766</b>	<b>88.09%</b>
Personnel spending	111,101	194,808	75.34%	74,178	124,937	68.43%	36,922	69,870	89.24%
Goods and services	32,916	54,539	65.69%	19,911	30,190	51.62%	13,005	24,350	87.23%
Transfers to public sector	41,878	74,460	77.80%	26,338	45,307	72.02%	15,540	29,152	87.60%
Other transfers & expenditures	28,988	52,702	81.81%	18,020	32,309	79.30%	10,968	20,393	85.93%
<b>Capital Expenditures</b>	<b>41,721</b>	<b>81,588</b>	<b>95.56%</b>	<b>23,989</b>	<b>38,244</b>	<b>59.43%</b>	<b>17,732</b>	<b>43,344</b>	<b>144.44%</b>
Real Investment	7,705	18,683	142.49%	3,572	8,421	135.75%	4,133	10,262	148.31%
Financial invest.	31,359	46,371	47.87%	19,448	23,742	22.08%	11,912	22,630	89.98%
Capital transfers	2,657	16,534	522.37%	969	6,081	527.58%	1,688	10,452	519.38%
<b>Primary balance</b>	<b>23091</b>	<b>49689</b>		<b>31857</b>	<b>66361</b>		<b>-8766</b>	<b>-16672</b>	
as % of revenues	8.26%	9.79%	1.53pp	16.40%	19.67%	3.27pp	-10.26%	-9.78%	.48pp
<b>Debt interest</b>	<b>9,145</b>	<b>21,334</b>	<b>133.3%</b>	<b>7,479</b>	<b>15,173</b>	<b>102.9%</b>	<b>1,666</b>	<b>6,161</b>	<b>269.9%</b>
<b>Fiscal balance</b>	<b>13947</b>	<b>28355</b>		<b>24378</b>	<b>51188</b>		<b>-10432</b>	<b>-22833</b>	
as % of revenues	4.99%	5.58%	.6pp	12.55%	15.17%	2.63pp	-12.21%	-13.40%	-1.18pp
<b>Social security balance</b>	<b>-2,248</b>	<b>-3,913</b>	<b>74.1%</b>	<b>-1,411</b>	<b>-2,405</b>	<b>70.4%</b>	<b>-837</b>	<b>-1,508</b>	<b>80.2%</b>
<b>Consolidated fiscal balance</b>	<b>11699</b>	<b>24442</b>		<b>22967</b>	<b>48783</b>		<b>-11269</b>	<b>-24341</b>	
as % of revenues	4.18%	4.81%	.63pp	11.82%	14.46%	2.64pp	-13.19%	-14.28%	-1.09pp

## How we read it:

- » In 4Q22 the revenue growth pace was 99.5%yoy, close to the spending pace, and above inflation. The current revenue performed strongly in the federal taxes and other non-tax revenue. The capital revenue dropped sharply in real terms. For the primary spending, the current expenditures increased by 88%yoy, with personnel spending growing below inflation. The capex, on the other hand, spiked increasing above 100%yoy. With that, the primary deficit improved marginally compared to last year, ending at -9.8% of revenues. After the debt interests and Soc.Sec and other expenses, the consolidated deficit widened by -1ppyoy to -14.2% of rev.
- » For FY22, the revenues grew marginally above spending but below inflation. The primary surplus increased by 1.5ppyoy to 9.8% of revenues, and after considering the debt interests the fiscal surplus grew 0.6ppyoy to 5.6% of revenues. Finally, after the Soc.Sec and other expenses, the consolidated surplus closed at 4.8% of revenues.

Source: TPCG Research based on Province's filing and E&R

## Debt services for FY23 would amount to close USD 380mn

Mendoza	Debt Outstanding		2022 Services*		
	USD mn	2021	2022	Interest	Capital
	USDARS	\$ 102.74	\$ 177.13	\$ 130.85	
National Government	222	109	32	55	
Multilateral	202	173	11	20	
Banks	142	127	8	5	
Consolidated Debt	0	0	0	0	
Bonds	664	661	84	71	
<b>Total Outstanding</b>	<b>1,231</b>	<b>1,070</b>	<b>136</b>	<b>151</b>	
<b>Total Services</b>			<b>286</b>		

\*Figures as of 4Q22

Ratios - Mendoza	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	38.0%	35.6%	33.1%	32.6%	31.7%
Federal Taxes / Total Revenues	45.4%	46.6%	50.7%	50.1%	51.2%
Total Fed. Funds / Total Revenues	48.5%	48.3%	54.4%	52.4%	53.2%
Personnel Spend. / Total Expenditures	47.2%	51.7%	50.6%	39.7%	38.4%
Debt Interests / Total Revenues	7.2%	7.3%	4.7%	3.3%	4.2%
CapEx / Total Expenditures	11.7%	10.3%	7.7%	16.3%	17.8%
Primary Balance / Total Revenues	6.7%	-1.3%	4.1%	8.3%	9.8%
Fiscal Balance / Total Revenues	-0.5%	-8.5%	-0.6%	5.0%	5.6%
Debt Services / Total Revenues	11.6%	9.6%	7.9%	8.5%	8.1%
Total Debt / Total Revenues	59.2%	59.5%	62.9%	45.2%	37.3%

Source: TPCG Research based on Province's filing and E&R

Mendoza's total debt closed 2022 at USD 1bn, decreasing from last year mainly on the debt with the government. For FY23 debt services would amount to close USD 380mn, from which 65% would be in pesos.

Mendoza's share of own resources has decreased steadily since 2018, at the expense of a larger exposure to total federal funds. In terms of leverage, the figure closed at the lowest point in recent years at 37.3% of rev.

# Neuquén: the consolidated balance dropped 5.8ppyo to -2.2% of revenues

Neuquen - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>245,956</b>	<b>464,754</b>	<b>88.96%</b>	<b>171,592</b>	<b>307,292</b>	<b>79.08%</b>	<b>74,363</b>	<b>157,462</b>	<b>111.75%</b>
<b>Current Revenue</b>	<b>240,675</b>	<b>455,233</b>	<b>89.15%</b>	<b>168,944</b>	<b>300,864</b>	<b>78.08%</b>	<b>71,731</b>	<b>154,370</b>	<b>115.21%</b>
Provincial taxes	68,232	125,401	83.79%	48,487	84,590	74.46%	19,746	40,811	106.68%
Federal taxes	58,643	106,937	82.35%	41,261	72,042	74.60%	17,382	34,896	100.76%
Other non-tax	35,825	57,934	61.71%	26,582	34,752	30.74%	9,243	23,181	150.79%
Royalties	73,012	157,268	115.40%	49,813	104,325	109.43%	23,199	52,942	128.21%
Discretionary Federal Gov transf	4,963	7,694	55.04%	2,801	5,154	83.98%	2,161	2,540	17.52%
<b>Capital Revenue</b>	<b>5,280</b>	<b>9,521</b>	<b>80.30%</b>	<b>2,648</b>	<b>6,428</b>	<b>142.74%</b>	<b>2,632</b>	<b>3,092</b>	<b>17.48%</b>
Financial investment	1,492	4,073	173.08%	173	2,631	1423.16%	1,319	1,442	9.36%
Transfers	3,581	5,072	41.61%	2,329	3,537	51.88%	1,253	1,535	22.52%
Other	207	376	81.11%	147	261	77.54%	61	115	89.73%
<b>Primary Spending</b>	<b>222,245</b>	<b>446,294</b>	<b>100.81%</b>	<b>149,027</b>	<b>285,440</b>	<b>91.54%</b>	<b>73,219</b>	<b>160,853</b>	<b>119.69%</b>
<b>Current Expenditures</b>	<b>199,824</b>	<b>398,719</b>	<b>99.53%</b>	<b>135,755</b>	<b>256,149</b>	<b>88.68%</b>	<b>64,069</b>	<b>142,570</b>	<b>122.53%</b>
Personnel spending	135,132	264,860	96.00%	92,753	171,669	85.08%	42,379	93,192	119.90%
Goods and services	24,608	55,108	123.94%	15,353	33,171	116.05%	9,255	21,937	137.02%
Transfers to public sector	31,228	63,722	104.05%	21,631	40,971	89.40%	9,597	22,751	137.07%
Other transfers & expenditures	8,855	15,029	69.71%	6,018	10,339	71.81%	2,838	4,690	65.28%
<b>Capital Expenditures</b>	<b>22,421</b>	<b>47,575</b>	<b>112.19%</b>	<b>13,272</b>	<b>29,291</b>	<b>120.71%</b>	<b>9,150</b>	<b>18,284</b>	<b>99.83%</b>
Real Investment	13,842	30,586	120.96%	8,396	18,420	119.40%	5,447	12,166	123.37%
Financial invest.	6,782	13,087	92.98%	4,363	8,460	93.92%	2,419	4,628	91.28%
Capital transfers	1,797	3,902	117.14%	513	2,411	369.85%	1,284	1,490	16.10%
<b>Primary balance</b>	<b>23711</b>	<b>18460</b>		<b>22566</b>	<b>21852</b>		<b>1145</b>	<b>-3392</b>	
as % of revenues	9.64%	3.97%	-5.67pp	13.15%	7.11%	-6.04pp	1.5%	-2.2%	-3.69pp
<b>Debt interest</b>	<b>7,503</b>	<b>14,409</b>	<b>92.05%</b>	<b>5,413</b>	<b>9,014</b>	<b>66.54%</b>	<b>2,090</b>	<b>5,395</b>	<b>158.09%</b>
<b>Fiscal balance</b>	<b>16208</b>	<b>4051</b>		<b>17153</b>	<b>12838</b>		<b>-946</b>	<b>-8786</b>	
as % of revenues	6.59%	0.87%	-5.72pp	10.00%	4.18%	-5.82pp	-1.3%	-5.6%	-4.31pp
<b>Social security and other</b>	<b>-7,273</b>	<b>-14,323</b>	<b>96.92%</b>	<b>-5,362</b>	<b>-9,182</b>	<b>71.25%</b>	<b>-1,912</b>	<b>-5,141</b>	<b>168.92%</b>
<b>Consolidated fiscal balance</b>	<b>8934</b>	<b>-10272</b>		<b>11791</b>	<b>3655</b>		<b>-2857</b>	<b>-13927</b>	
as % of revenues	3.63%	-2.21%	-5.84pp	6.87%	1.19%	-5.68pp	-3.8%	-8.8%	-5.0pp

## How we read it:

- » In 4Q22, the primary spending growth pace outpaced that of revenue. Regarding the latter, the current revenues grew strongly by 115.2%yoy, while the capital revenue did it at 17.5%yoy. The primary spending increased by 119.7%yoy, with the personnels spending accelerating sharply. All in all, the primary balance fell by -3,7ppyo to a deficit of -2.2% of revenues. After considering the debt interests and Soc.Sec spending, the consolidated deficit widened -5ppyo to -8.8% of revenues.
- » For FY22, the revenues grew at a substantial lower pace than spending, and below inflation. Within the primary spending, the personnel, good and services, transfers to munies, and capex expenses accelerated substantially. Combining all, the primary position went down by -5.7ppyo to a surplus of 4% of revenues. After factoring in the debt interests and Soc.Sec. expenses, the consolidated deficit widened by -5.8ppyo to -2.2% of revenues.

Source: TPCG Research based on Province's filing and E&R

## Neuquén's leverage position closed at 45% of revenues

Neuquen	Debt Outstanding		2022 Services*	
USD mn	2021	2022	Interest	Capital
USDARS	\$ 102.74	\$ 177.13	\$ 130.85	
National Government	181	91	11	60
Multilateral	85	115	5	12
Banks	166	158	16	13
Consolidated Debt	0	0	0	0
Bonds	856	819	78	129
<b>Total Outstanding</b>	<b>1,287</b>	<b>1,183</b>	<b>110</b>	<b>214</b>
<b>Total Services</b>			<b>324</b>	

\*Figures as of 4Q22

Ratios - Neuquen	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	58.0%	60.0%	51.7%	57.4%	60.8%
Federal Taxes / Total Revenues	21.8%	21.9%	25.1%	23.8%	23.0%
Total Fed. Funds / Total Revenues	24.4%	23.5%	27.9%	25.9%	24.7%
Personnel Spend. / Total Expenditures	59.1%	60.5%	63.9%	60.8%	59.3%
Debt Interests / Total Revenues	5.7%	5.7%	5.3%	3.1%	3.1%
CapEx / Total Expenditures	11.7%	10.9%	9.1%	10.1%	10.7%
Primary Balance / Total Revenues	6.4%	1.3%	-1.5%	9.6%	4.0%
Fiscal Balance / Total Revenues	0.7%	-4.4%	-6.8%	6.6%	0.9%
Debt Services / Total Revenues	12.5%	8.4%	11.9%	7.8%	9.1%
Total Debt / Total Revenues	59.5%	62.4%	74.0%	53.8%	45.1%

Source: TPCG Research based on Province's filing and E&R

Neuquén's total debt closed at USD 1.1bn, slightly decreasing from last year, and resulting in a leverage position of 45% in revenues.

The share of own revenues closed at the highest figure since 2018, around 60.8%yoy, and influenced by royalties.

# Chubut: the consolidated balance closed at a surplus of 4.7% of revenues

Chubut - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>143,516</b>	<b>257,246</b>	<b>79.25%</b>	<b>100,933</b>	<b>173,057</b>	<b>71.46%</b>	<b>42,584</b>	<b>84,189</b>	<b>97.70%</b>
<b>Current Revenue</b>	<b>141,448</b>	<b>254,843</b>	<b>80.17%</b>	<b>99,371</b>	<b>171,725</b>	<b>72.81%</b>	<b>42,077</b>	<b>83,118</b>	<b>97.54%</b>
Provincial taxes	31,479	53,978	71.47%	22,470	36,240	61.28%	9,009	17,738	96.89%
Federal taxes	54,714	99,735	82.28%	38,495	67,211	74.60%	16,219	32,524	100.53%
Other non-tax	15,625	32,710	109.35%	10,802	23,306	115.75%	4,823	9,404	95.00%
Royalties	36,341	62,334	71.52%	26,012	42,192	62.20%	10,329	20,142	95.00%
Discretionary Federal Gov transfe	3,289	6,086	85.04%	1,592	2,777	74.41%	1,697	3,309	95.00%
<b>Capital Revenue</b>	<b>2,068</b>	<b>2,404</b>	<b>16.23%</b>	<b>1,562</b>	<b>1,332</b>	<b>-14.68%</b>	<b>506</b>	<b>1,071</b>	<b>111.55%</b>
Financial investment	610	910	49.13%	441	602	36.60%	169	307	81.81%
Transfers	1,444	1,480	2.52%	1,109	718	-35.29%	335	763	127.77%
Other	15	14	-3.50%	12	12	4.60%	3	2	-40.05%
<b>Primary Spending</b>	<b>122,991</b>	<b>225,081</b>	<b>83.01%</b>	<b>84,357</b>	<b>150,114</b>	<b>77.95%</b>	<b>38,634</b>	<b>74,967</b>	<b>94.05%</b>
<b>Current Expenditures</b>	<b>108,817</b>	<b>199,383</b>	<b>83.23%</b>	<b>75,128</b>	<b>133,690</b>	<b>77.95%</b>	<b>33,689</b>	<b>65,693</b>	<b>95.00%</b>
Personnel spending	79,226	145,496	83.65%	55,437	99,108	78.77%	23,788	46,388	95.00%
Goods and services	11,384	19,594	72.12%	7,280	11,591	59.22%	4,104	8,003	95.00%
Transfers to public sector	7,122	12,915	81.34%	4,921	8,609	74.94%	2,208	4,306	95.00%
Other transfers & expenditures	11,085	21,377	92.85%	7,490	14,382	92.01%	3,588	6,996	95.00%
<b>Capital Expenditures</b>	<b>14,174</b>	<b>25,699</b>	<b>81.31%</b>	<b>9,229</b>	<b>16,424</b>	<b>77.97%</b>	<b>4,945</b>	<b>9,275</b>	<b>87.56%</b>
Real Investment	5,451	10,255	88.13%	2,983	5,836	95.65%	2,468	4,419	79.04%
Financial invest.	215	491	128.83%	177	186	5.30%	38	305	704.34%
Capital transfers	8,508	14,953	75.75%	6,069	10,402	71.39%	2,439	4,551	86.57%
<b>Primary balance</b>	<b>20526</b>	<b>32165</b>		<b>16576</b>	<b>22943</b>		<b>3950</b>	<b>9222</b>	
as % of revenues	14.30%	12.50%	-1.8pp	16.42%	13.26%	-3.17pp	9.28%	10.95%	1.68pp
<b>Debt interest</b>	<b>7,133</b>	<b>11,333</b>	<b>58.9%</b>	<b>5,314</b>	<b>7,787</b>	<b>46.5%</b>	<b>1,819</b>	<b>3,547</b>	<b>95.0%</b>
<b>Fiscal balance</b>	<b>13393</b>	<b>20832</b>		<b>11262</b>	<b>15156</b>		<b>2131</b>	<b>5676</b>	
as % of revenues	9.33%	8.10%	-1.23pp	11.16%	8.76%	-2.4pp	5.01%	6.74%	1.74pp
<b>Social security and other</b>	<b>-4,127</b>	<b>-8,659</b>	<b>109.8%</b>	<b>-3,164</b>	<b>-6,783</b>	<b>114.4%</b>	<b>-962</b>	<b>-1,876</b>	<b>95.0%</b>
<b>Consolidated fiscal balance</b>	<b>9266</b>	<b>12172</b>		<b>8097</b>	<b>8373</b>		<b>1169</b>	<b>3799</b>	
as % of revenues	6.5%	4.7%	-1.72pp	8.0%	4.8%	-3.18pp	2.7%	4.5%	1.77pp

## How we read it:

- » In 4Q22, the primary surplus grew by 1.7ppyoy to 10.9% of revenues. The total revenue increased by 97.7%yoyo above inflation and spending. The current revenue did it at 97.5%, and the capital revenue at 111.5%yoy. In terms of spending, it grew by 94%yoy. After considering the debt interests, the fiscal position closed at 6.7% of revenues, +1.7ppyoy. Factoring in the Soc.Sec. and other expenses, the consolidated surplus closed at 4.5% of revenues, +1.7ppyoy.
- » For FY22, the primary balance dropped -1.8ppyoy to a surplus of 12.5% of revenues. The total revenue grew below the inflation and spending pace, with only the other non-tax line growing the most. For the spending, both the current and capital expenditures grew at a similar pace, with transfer to the private sector growing the most. After considering the debt interests and social security and other expenses, the consolidated balance closed at a surplus of 4.7% of revenues, or -1.7ppyoy.

Source: TPCG Research based on Province's filing and E&R

## Chubut's leverage position closed at 60% of revenues

Chubut	Debt Outstanding		2022 Services*		
	USD mn	2021	2022	Interest	Capital
<b>USDARS</b>	<b>\$ 102.74</b>	<b>\$ 177.13</b>	<b>\$ 130.85</b>		
National Government	237	174	13	73	
Multilateral	41	38	1	4	
Banks	0	0	0	0	
Consolidated Debt	25	10	0	9	
Bonds	774	654	71	82	
<b>Total Outstanding</b>	<b>1,077</b>	<b>875</b>	<b>87</b>	<b>167</b>	
<b>Total Services</b>			<b>254</b>		

\*Figures as of 4Q22

Ratios - Chubut	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	47.6%	48.6%	44.5%	47.3%	45.2%
Federal Taxes / Total Revenues	34.0%	35.6%	40.3%	38.1%	38.8%
Total Fed. Funds / Total Revenues	36.9%	36.7%	43.9%	40.4%	41.1%
Personnel Spend. / Total Expenditures	66.8%	72.8%	74.6%	64.4%	64.6%
Debt Interests / Total Revenues	7.6%	7.0%	6.7%	5.0%	4.4%
CapEx / Total Expenditures	15.4%	10.3%	8.9%	11.5%	11.4%
Primary Balance / Total Revenues	15.2%	-1.5%	-10.2%	14.3%	12.5%
Fiscal Balance / Total Revenues	7.6%	-8.5%	-16.9%	9.3%	8.1%
Debt Services / Total Revenues	19.2%	18.1%	16.5%	12.3%	12.9%
Total Debt / Total Revenues	82.0%	87.8%	102.5%	77.1%	60.3%

Source: TPCG Research based on Province's filing and E&R

Chubut's total debt closed at USD 875mn, decreasing from last year at USD 1bn. The main change was in bonds and national government debt.

Chubut's leverage position continued decreasing but remains above the space's average at 35%.

# TdF: the consolidated deficit widened 0.6pppyoy to -1.4% of revenues

Tierra del Fuego - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>76,130</b>	<b>137,425</b>	<b>80.51%</b>	<b>52,587</b>	<b>90,655</b>	<b>72.39%</b>	<b>23,543</b>	<b>46,770</b>	<b>98.66%</b>
<b>Current Revenue</b>	<b>74,892</b>	<b>135,664</b>	<b>81.15%</b>	<b>51,936</b>	<b>89,599</b>	<b>72.52%</b>	<b>22,956</b>	<b>46,065</b>	<b>100.67%</b>
Provincial taxes	15,579	29,211	87.50%	10,866	19,781	82.04%	4,712	9,430	100.11%
Federal taxes	41,508	75,925	82.92%	29,187	50,839	74.18%	12,321	25,087	103.61%
Other non-tax	10,409	17,900	71.97%	6,941	11,138	60.47%	3,468	6,762	95.00%
Royalties	5,884	9,337	58.68%	4,274	6,198	45.00%	1,610	3,139	95.00%
Discretionary Federal Gov transfe	1,513	3,291	117.58%	668	1,644	146.12%	844	1,647	95.00%
<b>Capital Revenue</b>	<b>1,238</b>	<b>1,761</b>	<b>42.26%</b>	<b>651</b>	<b>1,056</b>	<b>62.30%</b>	<b>587</b>	<b>705</b>	<b>20.06%</b>
Financial investment	483	420	-13.05%	193	288	48.71%	290	132	-54.31%
Transfers	731	1,276	74.46%	441	715	62.02%	290	561	93.38%
Other	24	66	175.03%	16	54	232.57%	8	12	54.14%
<b>Primary Spending</b>	<b>74,014</b>	<b>137,126</b>	<b>85.27%</b>	<b>49,025</b>	<b>88,398</b>	<b>80.31%</b>	<b>24,989</b>	<b>48,728</b>	<b>95.00%</b>
<b>Current Expenditures</b>	<b>68,500</b>	<b>123,574</b>	<b>80.40%</b>	<b>45,556</b>	<b>78,834</b>	<b>73.05%</b>	<b>22,943</b>	<b>44,739</b>	<b>95.00%</b>
Personnel spending	41,048	75,012	82.74%	27,616	48,818	76.78%	13,433	26,194	95.00%
Goods and services	5,672	9,858	73.79%	3,573	5,764	61.33%	2,100	4,094	95.00%
Transfers to public sector	13,252	23,049	73.93%	8,872	15,027	69.37%	4,113	8,021	95.00%
Other transfers & expenditures	8,527	15,655	83.60%	5,495	9,225	67.86%	3,298	6,431	95.00%
<b>Capital Expenditures</b>	<b>5,514</b>	<b>13,552</b>	<b>145.77%</b>	<b>3,469</b>	<b>9,564</b>	<b>175.70%</b>	<b>2,045</b>	<b>3,988</b>	<b>95.00%</b>
Real Investment	2,438	8,486	248.08%	1,558	6,769	334.60%	880	1,717	95.00%
Financial invest.	1,167	997	-14.59%	764	210	-72.45%	403	786	95.00%
Capital transfers	1,909	4,069	113.16%	1,147	2,584	125.21%	762	1,485	95.00%
<b>Primary balance</b>	<b>2116</b>	<b>300</b>		<b>3562</b>	<b>2257</b>		<b>-1446</b>	<b>-1958</b>	
as % of revenues	2.78%	0.22%	-2.56pp	6.77%	2.49%	-4.28pp	-6.14%	-4.19%	1.95pp
<b>Debt interest</b>	<b>1,562</b>	<b>4,122</b>	<b>163.9%</b>	<b>1,346</b>	<b>2,437</b>	<b>81.1%</b>	<b>216</b>	<b>1,684</b>	<b>681.5%</b>
<b>Fiscal balance</b>	<b>555</b>	<b>-3822</b>		<b>2216</b>	<b>-180</b>		<b>-1661</b>	<b>-3642</b>	
as % of revenues	0.73%	-2.78%	-3.51pp	4.21%	-0.20%	-4.41pp	-7.06%	-7.79%	-0.73pp
<b>Social security and other</b>	<b>-1,080</b>	<b>1,952</b>	<b>-280.8%</b>	<b>177</b>	<b>1,951</b>	<b>1000.1%</b>	<b>-1,257</b>	<b>1</b>	<b>-100.1%</b>
<b>Consolidated fiscal balance</b>	<b>-525</b>	<b>-1870</b>		<b>2393</b>	<b>1771</b>		<b>-2918</b>	<b>-3641</b>	
as % of revenues	-0.7%	-1.4%	-0.67pp	4.6%	2.0%	-2.6pp	-12.4%	-7.8%	4.61pp

## How we read it:

- » In 4Q22, the primary position ended in a deficit of -4.2% of revenues, though improving 1.9pppyoy. The total revenue grew by 98.6%yoy with a strong growth in the current revenue, but with a substantial drop in the capital revenue in real terms. The primary spending did it at 95%yoy. After considering the debt interests, the fiscal position ended in a deficit of -7.8% of revenues, widening by 0.7pppyoy.
- » For the FY22, the revenue grew by 80.5%yoy below inflation and spending which did it at 85.2% of revenues. Factoring in both, the primary balance closed at a surplus of 0.2% of revenues, dropping -2.5pppyoy. When considering the debt interests, that increased by 163%yoy, the fiscal deficit closed at -2.7% of revenues, and decreasing -3.5pppyoy.

Source: TPCG Research based on Province's filing and E&R

## Fuego's total debt is mainly related to its global bond

Tierra del Fuego	Debt Outstanding		2022 Services*	
USD mn	2021	2022	Interest	Capital
USDARS	\$ 102.74	\$ 177.13	\$ 130.85	
National Government	56	30	7	13
Multilateral	0	0	0	0
Banks	0	0	2	0
Consolidated Debt	5	3	1	1
Bonds	145	123	22	23
<b>Total Outstanding</b>	<b>206</b>	<b>156</b>	<b>31</b>	<b>37</b>
<b>Total Services</b>			<b>68</b>	

\*Figures as of 4Q22

Ratios - Tierra del Fuego	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	34.3%	30.5%	27.2%	28.2%	28.0%
Federal Taxes / Total Revenues	48.2%	49.6%	56.7%	54.5%	55.2%
Total Fed. Funds / Total Revenues	50.6%	52.4%	59.9%	56.5%	57.6%
Personnel Spend. / Total Expenditures	52.3%	48.9%	55.6%	55.5%	54.7%
Debt Interests / Total Revenues	4.8%	4.6%	3.9%	2.1%	3.0%
CapEx / Total Expenditures	13.7%	13.1%	5.9%	7.5%	9.9%
Primary Balance / Total Revenues	3.6%	5.0%	5.3%	2.8%	0.2%
Fiscal Balance / Total Revenues	-1.3%	0.5%	1.4%	0.7%	-2.8%
Debt Services / Total Revenues	7.0%	8.5%	9.0%	6.5%	6.5%
Total Debt / Total Revenues	49.2%	43.8%	45.3%	27.8%	20.1%

Source: TPCG Research based on Province's filing and E&R

FUEGO's total debt closed at USD 156mn, decreasing from USD 206mn in last year. It is worth noting that almost all of the province's debt is related to the FUEGO27 note.

The leverage metrics of the province remain manageable. Still, since 2018 the fiscal balance has not ended in a deficit. This is particularly important when considering that Argentina is heading to an electoral year.



# Entre Rios: the consolidated surplus dropped by 3.4ppyoy to 3.8% of revenues

Entre Rios - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>253,258</b>	<b>457,982</b>	<b>80.84%</b>	<b>175,879</b>	<b>305,621</b>	<b>73.77%</b>	<b>77,379</b>	<b>152,361</b>	<b>96.90%</b>
<b>Current Revenue</b>	<b>248,242</b>	<b>448,145</b>	<b>80.53%</b>	<b>173,035</b>	<b>299,724</b>	<b>73.22%</b>	<b>75,207</b>	<b>148,421</b>	<b>97.35%</b>
Provincial taxes	62,215	99,282	59.58%	43,335	68,129	57.21%	18,880	31,153	65.01%
Federal taxes	159,406	294,393	84.68%	112,205	197,979	76.44%	47,200	96,414	104.27%
Other non-tax	13,301	31,737	138.60%	8,941	17,604	96.88%	4,360	14,133	224.16%
Royalties	851	1,999	134.88%	385	710	84.27%	465	1,288	176.80%
Discretionary Federal Gov transfe	12,470	20,734	66.27%	8,168	15,302	87.34%	4,302	5,432	26.27%
<b>Capital Revenue</b>	<b>5,015</b>	<b>9,838</b>	<b>96.16%</b>	<b>2,844</b>	<b>5,897</b>	<b>107.38%</b>	<b>2,172</b>	<b>3,941</b>	<b>81.47%</b>
Financial investment	715	989	38.38%	415	665	60.29%	300	324	8.10%
Transfers	4,299	8,849	105.83%	2,427	5,232	115.55%	1,872	3,617	93.22%
Other	2	0	-76.19%	2	0	-76.19%	0	0	-
<b>Primary Spending</b>	<b>205,008</b>	<b>384,212</b>	<b>87.41%</b>	<b>134,575</b>	<b>243,823</b>	<b>81.18%</b>	<b>70,433</b>	<b>140,389</b>	<b>99.32%</b>
<b>Current Expenditures</b>	<b>189,109</b>	<b>353,023</b>	<b>86.68%</b>	<b>126,268</b>	<b>227,256</b>	<b>79.98%</b>	<b>62,841</b>	<b>125,767</b>	<b>100.14%</b>
Personnel spending	121,739	235,322	93.30%	81,401	152,043	86.78%	40,338	83,279	106.45%
Goods and services	19,233	31,211	62.28%	11,920	19,284	61.77%	7,313	11,927	63.09%
Transfers to public sector	31,577	56,974	80.43%	22,023	38,168	73.31%	9,554	18,806	96.83%
Other transfers & expenditures	16,560	29,517	78.25%	10,924	17,761	62.59%	5,636	11,756	108.59%
<b>Capital Expenditures</b>	<b>15,899</b>	<b>31,189</b>	<b>96.17%</b>	<b>8,307</b>	<b>16,567</b>	<b>99.43%</b>	<b>7,592</b>	<b>14,622</b>	<b>92.59%</b>
Real Investment	11,859	23,345	96.85%	6,456	12,889	99.64%	5,403	10,455	93.52%
Financial invest.	3,187	4,753	49.15%	1,468	1,998	36.13%	1,719	2,755	60.26%
Capital transfers	853	3,091	262.31%	383	1,679	338.61%	470	1,411	200.17%
<b>Primary balance</b>	<b>48249</b>	<b>73771</b>		<b>41304</b>	<b>61798</b>		<b>6946</b>	<b>11972</b>	
as % of revenues	19.05%	16.11%	-2.94pp	23.48%	20.22%	-3.26pp	8.98%	7.86%	-1.12pp
<b>Debt interest</b>	<b>7,835</b>	<b>7,964</b>	<b>1.6%</b>	<b>7,278</b>	<b>6,650</b>	<b>-8.6%</b>	<b>558</b>	<b>1,315</b>	<b>135.8%</b>
<b>Fiscal balance</b>	<b>40414</b>	<b>65806</b>		<b>34026</b>	<b>55149</b>		<b>6388</b>	<b>10657</b>	
as % of revenues	15.96%	14.37%	-1.59pp	19.35%	18.04%	-1.3pp	8.26%	6.99%	-1.26pp
<b>Social security and other</b>	<b>-22,186</b>	<b>-48,457</b>	<b>118.4%</b>	<b>-14,465</b>	<b>-29,667</b>	<b>105.1%</b>	<b>-7,721</b>	<b>-18,790</b>	<b>143.4%</b>
<b>Consolidated fiscal balance</b>	<b>18228</b>	<b>17349</b>		<b>19562</b>	<b>25482</b>		<b>-1333</b>	<b>-8133</b>	
as % of revenues	7.20%	3.79%	-3.41pp	11.12%	8.34%	-2.78pp	-1.72%	-5.34%	-3.61pp

## How we read it:

- » In 4Q22, the primary spending accelerated substantially growing above inflation and revenues. Within the current revenue, the federal taxes, other non-tax revenues, and royalties were the lines that increased the most. The capital revenue did below inflation. For the primary spending, the province saw a sharp increase in personnel spending, transfer to the public and private sectors, and capex. All in all, the primary surplus closed at 7.8% of revenues, -1.1ppyoy. After the debt interests and Soc.Sec expenses, the consolidated deficit widened by 3.6ppyoy to -5.3% of rev.
- » For FY22, the primary balance narrowed 3ppyoy to a surplus of 16.1% of revenues, given that the spending grew above revenues. After the debt interests and social security and other expenses, the consolidated surplus closed at 3.8% of revenues, though decreasing 3.4ppyoy.

Source: TPCG Research based on Province's filing and E&R

## Overview of Entre Rios main ratios

Entre Rios	Debt Outstanding		2022 Services*		
	USD mn	2021	2022	Interest	Capital
<b>USDARS</b>	<b>\$ 102.74</b>	<b>\$ 177.13</b>	<b>\$ 130.85</b>		
National Government	200	155	16	46	
Multilateral	197	79	4	10	
Banks	13	1	4	8	
Consolidated Debt	0	0	0	0	
Bonds	520	634	36	12	
<b>Total Outstanding</b>	<b>931</b>	<b>869</b>	<b>61</b>	<b>75</b>	
<b>Total Services</b>			<b>135</b>		

\*Figures as of 4Q22

Ratios - Entre Rios	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	24.3%	25.9%	23.7%	24.9%	22.1%
Federal Taxes / Total Revenues	61.0%	65.1%	63.3%	62.9%	64.3%
Total Fed. Funds / Total Revenues	68.9%	70.1%	73.1%	67.9%	68.8%
Personnel Spend. / Total Expenditures	63.3%	63.6%	63.5%	59.4%	61.2%
Debt Interests / Total Revenues	3.5%	3.3%	3.5%	3.1%	1.7%
CapEx / Total Expenditures	7.3%	6.5%	5.4%	7.8%	8.1%
Primary Balance / Total Revenues	12.3%	6.9%	16.0%	19.1%	16.1%
Fiscal Balance / Total Revenues	8.8%	3.6%	12.4%	16.0%	14.4%
Debt Services / Total Revenues	8.4%	5.0%	5.3%	5.7%	3.9%
Total Debt / Total Revenues	43.7%	50.8%	55.4%	37.8%	33.6%

Source: TPCG Research based on Province's filing and E&R

ENTRIO's total debt reached USD 869mn, slightly below last year, given a drop in multilateral debt and with the national government.

The province's leverage position closed the period at 33.6%, the lowest figure since 2018.

# Salta: the consolidated surplus fell by 3.4ppyoy to 1.4% of revenues

Salta - ARS mn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>194,271</b>	<b>365,628</b>	<b>88.21%</b>	<b>134,337</b>	<b>243,514</b>	<b>81.27%</b>	<b>59,935</b>	<b>122,114</b>	<b>103.75%</b>
<b>Current Revenue</b>	<b>191,001</b>	<b>357,433</b>	<b>87.14%</b>	<b>133,023</b>	<b>238,851</b>	<b>79.56%</b>	<b>57,978</b>	<b>118,583</b>	<b>104.53%</b>
Provincial taxes	41,633	86,062	106.71%	28,997	51,585	77.90%	12,637	34,477	172.83%
Federal taxes	131,739	231,443	75.68%	92,801	162,890	75.53%	38,938	68,554	76.06%
Other non-tax	7,335	23,004	213.62%	5,132	13,142	156.07%	2,203	9,862	347.68%
Royalties	3,120	5,212	67.07%	2,266	3,472	53.25%	854	1,739	103.74%
Discretionary Federal Gov transf	7,174	11,712	63.26%	3,828	7,761	102.75%	3,346	3,951	18.08%
<b>Capital Revenue</b>	<b>3,270</b>	<b>8,195</b>	<b>150.59%</b>	<b>1,313</b>	<b>4,664</b>	<b>255.08%</b>	<b>1,957</b>	<b>3,531</b>	<b>80.46%</b>
Financial investment	1,077	518	-51.93%	363	405	11.67%	714	112	-84.27%
Transfers	2,122	7,627	259.51%	935	4,239	353.58%	1,187	3,388	185.45%
Other	72	50	-30.09%	16	19	22.09%	56	31	-44.97%
<b>Primary Spending</b>	<b>180,004</b>	<b>350,840</b>	<b>94.91%</b>	<b>121,928</b>	<b>220,072</b>	<b>80.49%</b>	<b>58,077</b>	<b>130,768</b>	<b>125.16%</b>
<b>Current Expenditures</b>	<b>169,471</b>	<b>318,884</b>	<b>88.17%</b>	<b>115,169</b>	<b>201,769</b>	<b>75.19%</b>	<b>54,302</b>	<b>117,116</b>	<b>115.67%</b>
Personnel spending	106,606	202,419	89.88%	72,796	129,057	77.29%	33,810	73,362	116.98%
Goods and services	16,691	26,796	60.54%	11,737	15,556	32.54%	4,954	11,239	126.87%
Transfers to public sector	19,048	54,637	186.85%	13,288	23,369	75.86%	5,759	31,268	442.93%
Other transfers & expenditures	27,127	35,033	29.14%	17,347	33,786	94.76%	9,779	1,247	-87.25%
<b>Capital Expenditures</b>	<b>10,534</b>	<b>31,955</b>	<b>203.36%</b>	<b>6,759</b>	<b>18,303</b>	<b>170.79%</b>	<b>3,775</b>	<b>13,652</b>	<b>261.69%</b>
Real Investment	9,518	30,121	216.46%	6,010	17,225	186.61%	3,508	12,896	267.60%
Financial invest.	10	21	118.03%	2	12	409.62%	7	9	21.70%
Capital transfers	1,006	1,813	80.25%	747	1,066	42.75%	259	747	188.39%
<b>Primary balance</b>	<b>14267</b>	<b>14789</b>		<b>12409</b>	<b>23443</b>		<b>1858</b>	<b>-8654</b>	
as % of revenues	7.34%	4.04%	-3.3pp	9.24%	9.63%	.39pp	3.1%	-7.1%	-10.19pp
<b>Debt interest</b>	<b>4,539</b>	<b>9,087</b>	<b>100.2%</b>	<b>3,318</b>	<b>4,293</b>	<b>29.4%</b>	<b>1,221</b>	<b>4,794</b>	<b>292.7%</b>
<b>Fiscal balance</b>	<b>9727</b>	<b>5702</b>		<b>9090</b>	<b>19149</b>		<b>637</b>	<b>-13448</b>	
as % of revenues	5.01%	1.56%	-3.45pp	6.77%	7.86%	1.1pp	1.1%	-11.0%	-12.08pp
<b>Social security and other</b>	<b>-225</b>	<b>-441</b>	<b>96.0%</b>	<b>-160</b>	<b>-279</b>	<b>74.8%</b>	<b>-65</b>	<b>-162</b>	<b>148.1%</b>
<b>Consolidated fiscal balance</b>	<b>9502</b>	<b>5260</b>		<b>8930</b>	<b>18870</b>		<b>572</b>	<b>-13610</b>	
as % of revenues	4.89%	1.44%	-3.45pp	6.65%	7.75%	1.1pp	0.95%	-11.15%	-12.1pp

## How we read it:

- » In 4Q22, the primary spending grew by 125%yoy, compared to the revenue at 103%yoy. Within total revenue, the provincial taxes and other non-tax revenues increased substantially. In terms of primary spending, most lines grew well above inflation. All in all, the primary position dropped by -10.1ppyoy to a deficit of -7.1% of revenues. After considering the debt interests and social spending, the consolidated deficit closed at -11.1% of revenues, widening by -12ppyoy.
- » In FY22 the primary surplus narrowed by -3.3ppyoy to 4% of revenues. Within revenue, the provincial taxes, other non-tax, and capital transfer were the lines growing the most. For spending, it was the transfer to munies and capex. Factoring in the debt services and social security and other expenses, the consolidated surplus ended at 1.4% of revenues, going down -3.4ppyoy.

Source: TPCG Research based on Province's filing and E&R

## Salta's leverage position reached 26.3% of revenues

Salta	Debt Outstanding		2022 Services*		
	USD mn	2021	2022	Interest	Capital
<b>USDARS</b>	<b>\$ 102.74</b>	<b>\$ 177.13</b>	<b>\$ 130.85</b>		
National Government	144	147	25	23	
Multilateral	45	31	3	7	
Banks	0	0	0	0	
Consolidated Debt	5	0	2	0	
Bonds	361	366	39	14	
<b>Total Outstanding</b>	<b>556</b>	<b>544</b>	<b>69</b>	<b>45</b>	
<b>Total Services</b>			<b>114</b>		

\*Figures as of 4Q22

Ratios - Salta	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	23.6%	23.6%	21.8%	23.0%	25.0%
Federal Taxes / Total Revenues	61.5%	67.7%	69.6%	67.8%	63.3%
Total Fed. Funds / Total Revenues	66.0%	69.9%	74.9%	71.5%	66.5%
Personnel Spend. / Total Expenditures	56.7%	58.5%	63.5%	59.2%	57.7%
Debt Interests / Total Revenues	3.4%	3.8%	3.2%	2.3%	2.5%
CapEx / Total Expenditures	9.9%	7.3%	4.5%	5.9%	9.1%
Primary Balance / Total Revenues	10.0%	2.6%	3.4%	7.3%	4.0%
Fiscal Balance / Total Revenues	6.7%	-1.2%	0.2%	5.0%	1.6%
Debt Services / Total Revenues	5.7%	5.8%	5.6%	4.8%	4.1%
Total Debt / Total Revenues	41.6%	41.7%	41.6%	29.4%	26.3%

Source: TPCG Research based on Province's filing and E&R

The province's total debt closed at USD 544mn, mostly comprised of debt with the national government and in the form of bonds. Total services for its global note in 2023 would amount to USD 65.3mn.

The province's share of its own resources has reached the highest point since 2018 at 25% of revenues. Looking at leverage metrics, Salta continues to post manageable figures.

# Rio Negro: the consolidated position ended balanced in 2022

Rio Negro - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>139,241</b>	<b>244,495</b>	<b>75.59%</b>	<b>98,601</b>	<b>166,717</b>	<b>69.08%</b>	<b>40,640</b>	<b>77,779</b>	<b>91.38%</b>
<b>Current Revenue</b>	<b>134,327</b>	<b>238,134</b>	<b>77.28%</b>	<b>94,717</b>	<b>162,851</b>	<b>71.93%</b>	<b>39,609</b>	<b>75,283</b>	<b>90.06%</b>
Provincial taxes	30,010	52,775	75.86%	21,490	36,874	71.59%	8,520	15,901	86.64%
Federal taxes	85,198	156,735	83.97%	59,982	105,601	76.05%	25,216	51,135	102.78%
Other non-tax	7,112	11,878	67.02%	4,810	8,964	86.37%	2,302	2,914	26.59%
Royalties	9,437	13,187	39.73%	7,044	9,108	29.31%	2,394	4,079	70.41%
Discretionary Federal Gov transfe	2,570	3,559	38.50%	1,392	2,304	65.58%	1,178	1,255	6.50%
<b>Capital Revenue</b>	<b>4,915</b>	<b>6,361</b>	<b>29.43%</b>	<b>3,884</b>	<b>3,866</b>	<b>-0.48%</b>	<b>1,031</b>	<b>2,496</b>	<b>142.13%</b>
Financial investment	2,771	3,241	16.99%	2,293	1,879	-18.04%	478	1,362	185.03%
Transfers	1,885	2,811	49.13%	1,432	1,840	28.55%	453	970	114.18%
Other	259	309	-	160	146	-	100	163	-
<b>Primary Spending</b>	<b>137,274</b>	<b>233,681</b>	<b>70.23%</b>	<b>92,020</b>	<b>152,824</b>	<b>66.08%</b>	<b>45,254</b>	<b>80,857</b>	<b>78.67%</b>
<b>Current Expenditures</b>	<b>124,699</b>	<b>218,779</b>	<b>75.45%</b>	<b>84,510</b>	<b>143,757</b>	<b>70.11%</b>	<b>40,188</b>	<b>75,022</b>	<b>86.68%</b>
Personnel spending	81,578	149,089	82.76%	55,672	98,244	76.47%	25,906	50,845	96.26%
Goods and services	14,958	21,039	40.66%	9,427	12,969	37.57%	5,530	8,070	45.92%
Transfers to public sector	17,639	32,196	82.53%	12,164	21,703	78.42%	5,475	10,493	91.66%
Other transfers & expenditures	10,524	16,454	56.35%	7,247	10,840	49.58%	3,277	5,614	71.32%
<b>Capital Expenditures</b>	<b>12,575</b>	<b>14,902</b>	<b>18.50%</b>	<b>7,509</b>	<b>9,068</b>	<b>20.75%</b>	<b>5,066</b>	<b>5,835</b>	<b>15.17%</b>
Real Investment	9,553	12,483	30.67%	5,789	7,913	36.67%	3,763	4,570	21.44%
Financial invest.	254	117	-53.89%	185	29	-84.09%	70	88	26.11%
Capital transfers	2,768	2,302	-16.84%	1,535	1,126	-26.70%	1,233	1,176	-4.57%
<b>Primary balance</b>	<b>1967</b>	<b>10814</b>		<b>6582</b>	<b>13893</b>		<b>-4614</b>	<b>-3078</b>	
as % of revenues	1.41%	4.42%	3.01pp	6.68%	8.33%	1.66pp	-11.35%	-3.96%	7.4pp
<b>Debt interest</b>	<b>4,988</b>	<b>9,927</b>	<b>99.02%</b>	<b>3,450</b>	<b>7,318</b>	<b>112.13%</b>	<b>1,538</b>	<b>2,609</b>	<b>69.62%</b>
<b>Fiscal balance</b>	<b>-3021</b>	<b>887</b>		<b>3132</b>	<b>6575</b>		<b>-6153</b>	<b>-5688</b>	
as % of revenues	-2.17%	0.36%	2.53pp	3.18%	3.94%	.77pp	-15.14%	-7.31%	7.83pp
<b>Social security and other</b>	<b>-492</b>	<b>-854</b>	<b>73.62%</b>	<b>-332</b>	<b>-555</b>	<b>67.28%</b>	<b>-160</b>	<b>-300</b>	<b>86.74%</b>
<b>Consolidated fiscal balance</b>	<b>-3513</b>	<b>33</b>		<b>2801</b>	<b>6020</b>		<b>-6313</b>	<b>-5987</b>	
as % of revenues	-2.52%	0.01%	2.54pp	2.84%	3.61%	.77pp	-15.53%	-7.70%	7.84pp

## How we read it:

- » In 4Q22, the total revenue grew by 91.3%yoy, on the back of a strong increase in federal taxes and capital revenue. Within the primary spending, the only two lines growing above inflation were personnel spending and transfer to munies. Combining all, the primary position ended in a deficit of -3.9% of revenues, improving 7.4ppyoy. After considering the debt interests, and other expenses, the consolidated deficit closed at -7.7% of revenues, although improving by 7.8ppyoy.
- » For FY22 the primary surplus grew by 3ppyoy to 4.4% of revenues. The total revenue grew by 75.5%yoy, below inflation but above spending. After the debt interests and social security expenses, the consolidated position ended balanced, and improving by 2.5ppyoy.

Source: TPCG Research based on Province's filing and E&R

## PRN's FY23 debt services would amount to close to USD 140mn

Rio Negro	Debt Outstanding		2022 Services*	
USD mn	2021	2022	Interest	Capital
USDARS	\$ 102.74	\$ 177.13	\$ 130.85	
National Government	123	78	13	61
Multilateral	63	40	3	12
Banks	0	1	5	0
Consolidated Debt	0	0	0	0
Bonds	399	321	59	80
<b>Total Outstanding</b>	<b>586</b>	<b>439</b>	<b>80</b>	<b>153</b>
<b>Total Services</b>			<b>233</b>	

\*Figures as of 4Q22

Ratios - Rio Negro	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	33.4%	31.6%	28.0%	28.3%	27.0%
Federal Taxes / Total Revenues	52.7%	54.3%	60.0%	61.2%	64.1%
Total Fed. Funds / Total Revenues	53.7%	55.0%	62.7%	63.0%	65.6%
Personnel Spend. / Total Expenditures	61.6%	59.4%	62.0%	59.4%	63.8%
Debt Interests / Total Revenues	6.0%	7.3%	4.6%	3.6%	4.1%
CapEx / Total Expenditures	10.1%	11.8%	9.7%	9.2%	6.4%
Primary Balance / Total Revenues	7.3%	0.9%	-1.8%	1.4%	4.4%
Fiscal Balance / Total Revenues	1.3%	-6.4%	-6.5%	-2.2%	0.4%
Debt Services / Total Revenues	12.6%	9.7%	8.1%	9.9%	12.2%
Total Debt / Total Revenues	48.9%	49.5%	58.4%	43.2%	31.8%

Source: TPCG Research based on Province's filing and E&R

PRN's total debt closed at USD 439mn, of which 81% is denominated in dollars.

The province's leverage position closed at 31.8% of revenues. The debt-to-services ratio increased from 9.9% last year to 12.2% of revenues.

# Jujuy: the fiscal surplus grew by 1.5ppyoy to 5.3% of revenues

Jujuy - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>128,688</b>	<b>232,519</b>	<b>80.68%</b>	<b>89,041</b>	<b>154,451</b>	<b>73.46%</b>	<b>39,647</b>	<b>78,068</b>	<b>96.91%</b>
<b>Current Revenue</b>	<b>125,888</b>	<b>230,334</b>	<b>82.97%</b>	<b>87,492</b>	<b>153,291</b>	<b>75.21%</b>	<b>38,396</b>	<b>77,043</b>	<b>100.65%</b>
Provincial taxes	15,526	28,376	82.77%	10,870	19,297	77.53%	4,656	9,079	95.00%
Federal taxes	95,404	175,441	83.89%	67,130	118,136	75.98%	28,274	57,305	102.68%
Other non-tax	3,392	5,785	70.55%	2,179	3,420	56.94%	1,213	2,365	95.00%
Royalties	312	56	-81.94%	312	56	-81.94%	0	0	-
Discretionary Federal Gov transfe	11,254	20,675	83.72%	7,000	12,381	76.86%	4,253	8,294	95.00%
<b>Capital Revenue</b>	<b>2,800</b>	<b>2,185</b>	<b>-21.97%</b>	<b>1,549</b>	<b>1,160</b>	<b>-25.12%</b>	<b>1,251</b>	<b>1,025</b>	<b>-18.07%</b>
Financial investment	1,094	31	-97.19%	200	21	-89.27%	893	9	-
Transfers	1,444	1,581	9.55%	1,114	871	-21.81%	329	710	115.60%
Other	263	573	-	235	267	-	28	305	-
<b>Primary Spending</b>	<b>118,760</b>	<b>209,078</b>	<b>76.05%</b>	<b>75,826</b>	<b>125,959</b>	<b>66.12%</b>	<b>42,934</b>	<b>83,119</b>	<b>93.59%</b>
<b>Current Expenditures</b>	<b>101,037</b>	<b>172,311</b>	<b>70.54%</b>	<b>65,464</b>	<b>102,943</b>	<b>57.25%</b>	<b>35,573</b>	<b>69,368</b>	<b>95.00%</b>
Personnel spending	64,209	109,597	70.69%	43,365	68,953	59.00%	20,843	40,644	95.00%
Goods and services	8,096	14,043	73.46%	4,391	6,818	55.28%	3,705	7,225	95.00%
Transfers to public sector	9,449	14,256	50.87%	6,552	8,621	31.57%	2,890	5,635	95.00%
Other transfers & expenditures	19,283	34,415	78.47%	11,155	18,551	66.30%	8,135	15,864	95.00%
<b>Capital Expenditures</b>	<b>17,724</b>	<b>36,767</b>	<b>107.45%</b>	<b>10,362</b>	<b>23,016</b>	<b>122.11%</b>	<b>7,361</b>	<b>13,751</b>	<b>86.80%</b>
Real Investment	10,458	24,314	132.50%	5,862	15,353	161.90%	4,595	8,961	95.00%
Financial invest.	6,676	11,233	68.24%	4,267	7,138	67.28%	2,409	4,094	69.96%
Capital transfers	590	1,220	106.94%	233	524	125.22%	357	696	95.00%
<b>Primary balance</b>	<b>9928</b>	<b>23441</b>		<b>13215</b>	<b>28492</b>		<b>-3287</b>	<b>-5051</b>	
as % of revenues	7.71%	10.08%	2.37pp	14.84%	18.45%	3.61pp	-8.29%	-6.47%	1.82pp
<b>Debt interest</b>	<b>5,074</b>	<b>11,081</b>	<b>118.40%</b>	<b>4,079</b>	<b>7,307</b>	<b>79.12%</b>	<b>995</b>	<b>3,775</b>	<b>279.47%</b>
<b>Fiscal balance</b>	<b>4854</b>	<b>12360</b>		<b>9136</b>	<b>21185</b>		<b>-4282</b>	<b>-8826</b>	
as % of revenues	3.77%	5.32%	1.54pp	10.26%	13.72%	3.46pp	-10.80%	-11.31%	-0.51pp

## How we read it:

- » In 4Q22 the primary position closed at a deficit of -6.5% of revenues, though improving by 1.8ppyoy. The total revenue increased by 96.9%yoy, with strong growth in all lines excluding the capital revenue. The primary spending went up by 93.6%yoy, with only the current revenue increasing above inflation. After considering the debt interests, the fiscal deficit ended at -11.3% of revenues, deteriorating by -0.5ppyoy.
- » For FY22, the primary position closed at a surplus of 10% of revenues, going up by 2.3ppyoy. The increase was mainly due to the total revenue growing above spending. Factoring in the debt interest payments, the fiscal balance closed at a surplus of 5.3% of revenues, increasing by 1.5ppyoy. It is worth noting that it was only the capex line growing above inflation.

Source: TPCG Research based on Province's filing and E&R

## Overview of Jujuy's main ratios

Jujuy	Debt Outstanding		2022 Services*		
	USD mn	2021	2022	Interest	Capital
	USDARS	\$ 102.74	\$ 177.13	\$ 130.85	
National Government	602	446	46	58	
Multilateral	47	75	3	2	
Banks	26	61	10	2	
Consolidated Debt	0	0	0	5	
Bonds	214	216	26	5	
<b>Total Outstanding</b>	<b>888</b>	<b>798</b>	<b>85</b>	<b>71</b>	
<b>Total Services</b>			<b>155</b>		

\*Figures as of 4Q22

Ratios - Jujuy	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	11.8%	11.3%	9.7%	12.3%	12.2%
Federal Taxes / Total Revenues	69.1%	74.5%	74.8%	74.1%	75.5%
Total Fed. Funds / Total Revenues	81.1%	83.3%	86.1%	82.9%	84.3%
Personnel Spend. / Total Expenditures	54.2%	57.6%	57.0%	54.1%	52.4%
Debt Interests / Total Revenues	6.0%	4.8%	4.0%	3.9%	4.8%
CapEx / Total Expenditures	17.2%	13.4%	13.4%	14.9%	17.6%
Primary Balance / Total Revenues	-8.2%	-4.5%	3.6%	7.7%	10.1%
Fiscal Balance / Total Revenues	-14.2%	-9.3%	-0.4%	3.8%	5.3%
Debt Services / Total Revenues	8.7%	8.1%	7.6%	6.2%	8.7%
Total Debt / Total Revenues	76.1%	96.6%	100.2%	70.9%	60.8%

Source: TPCG Research based on Province's filing and E&R

The province's total debt closed at USD 798mn, dropping from last year at USD 888mn, given a drop in the debt with the national government.

The leverage position closed at 60.8% of revenues. Even though it continues decreasing from previous years, it is still well above the space's average.



# La Rioja: the consolidated surplus grew by 3ppyoy to 2.32% of revenues

La Rioja - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>98,455</b>	<b>194,681</b>	<b>97.73%</b>	<b>67,250</b>	<b>130,748</b>	<b>94.42%</b>	<b>31,205</b>	<b>63,932</b>	<b>104.88%</b>
<b>Current Revenue</b>	<b>80,672</b>	<b>170,359</b>	<b>111.17%</b>	<b>55,848</b>	<b>118,868</b>	<b>112.84%</b>	<b>24,825</b>	<b>51,491</b>	<b>107.42%</b>
Provincial taxes	7,379	13,961	89.21%	5,173	9,293	79.64%	2,206	4,668	111.65%
Federal taxes	68,804	126,111	83.29%	48,416	83,639	72.75%	20,388	42,472	108.31%
Other non-tax	1,033	1,887	82.56%	598	1,038	73.43%	435	849	95.13%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transf	3,456	28,400	721.80%	1,660	24,899	1399.72%	1,796	3,501	95.00%
<b>Capital Revenue</b>	<b>17,783</b>	<b>24,322</b>	<b>36.77%</b>	<b>11,403</b>	<b>11,880</b>	<b>4.18%</b>	<b>6,380</b>	<b>12,442</b>	<b>95.00%</b>
Financial investment	206	354	71.48%	106	157	49.03%	101	197	95.00%
Transfers	17,577	23,967	36.36%	11,297	11,722	3.77%	6,280	12,245	95.00%
Other	0	0	-	0	0	-	0	0	-
<b>Primary Spending</b>	<b>96,246</b>	<b>186,966</b>	<b>94.26%</b>	<b>61,457</b>	<b>121,215</b>	<b>97.23%</b>	<b>34,789</b>	<b>65,751</b>	<b>89.00%</b>
<b>Current Expenditures</b>	<b>79,179</b>	<b>151,057</b>	<b>90.78%</b>	<b>51,800</b>	<b>97,667</b>	<b>88.55%</b>	<b>27,380</b>	<b>53,390</b>	<b>95.00%</b>
Personnel spending	38,861	73,579	89.34%	26,047	48,593	86.56%	12,814	24,986	95.00%
Goods and services	15,085	30,188	100.12%	9,466	19,231	103.16%	5,619	10,957	95.00%
Transfers to public sector	14,383	27,029	87.92%	9,165	16,871	84.08%	5,209	10,158	95.00%
Other transfers & expenditures	10,851	20,261	86.72%	7,122	12,973	82.14%	3,738	7,289	95.00%
<b>Capital Expenditures</b>	<b>17,067</b>	<b>35,909</b>	<b>110.41%</b>	<b>9,657</b>	<b>23,548</b>	<b>143.83%</b>	<b>7,409</b>	<b>12,361</b>	<b>66.84%</b>
Real Investment	11,095	25,658	131.26%	6,348	15,353	141.85%	4,747	10,306	117.09%
Financial invest.	4,972	9,077	82.55%	2,524	7,438	194.72%	2,448	1,639	-33.06%
Capital transfers	999	1,174	17.43%	786	757	-3.66%	214	417	95.00%
<b>Primary balance</b>	<b>2210</b>	<b>7714</b>		<b>5793</b>	<b>9533</b>		<b>-3584</b>	<b>-1819</b>	
as % of revenues	2.24%	3.96%	1.72pp	8.61%	7.29%	-1.32pp	-11.48%	-2.85%	8.64pp
<b>Debt interest</b>	<b>2,940</b>	<b>3,009</b>	<b>2.3%</b>	<b>2,909</b>	<b>2,846</b>	<b>-2.2%</b>	<b>31</b>	<b>163</b>	<b>424.67%</b>
<b>Fiscal balance</b>	<b>-731</b>	<b>4706</b>		<b>2884</b>	<b>6688</b>		<b>-3615</b>	<b>-1982</b>	
as % of revenues	-0.74%	2.42%	3.16pp	4.29%	5.11%	.83pp	-11.58%	-3.10%	8.48pp
<b>Social security and other</b>	<b>0</b>	<b>-196</b>	<b>-</b>	<b>0</b>	<b>-196</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Consolidated fiscal balance</b>	<b>-731</b>	<b>4510</b>		<b>2884</b>	<b>6492</b>		<b>-3615</b>	<b>-1982</b>	
as % of revenues	-0.74%	2.32%	3.06pp	4.29%	4.97%	.68pp	-11.58%	-3.10%	8.5pp

## How we read it:

- » In 4Q22 the total revenue grew substantially above inflation and spending, by 104.8%yoy. Within it, the provincial and federal taxes posted a notable performance. In the case of primary spending, it was only the current expenditures increasing above inflation. Combining all, the primary position ended at a deficit of -2.8% of revenues, still improving by 8.6ppyoy. After the debt interest, the fiscal deficit closed at -3.1% of revenues, though 8.5ppyoy higher than last year.
- » For FY22, the primary balance closed at a surplus of 3.9% of revenues, increasing by 1.7ppyoy. After considering the debt interests, the fiscal position reached 2.4% of revenues, +3ppyoy. Finally, when factoring in the social security expenses the consolidated surplus grew by 3ppyoy to 2.3% of revenues.

Source: TPCG Research based on Province's filing and E&R

# Overview of La Rioja's main metrics

La Rioja	Debt Outstanding		2022 Services*	
	USD mn	2021	2022	Interest
<b>USDARS</b>	<b>\$ 102.74</b>	<b>\$ 177.13</b>	<b>\$ 130.85</b>	
National Government	48	23	7	5
Multilateral	34	30	0	1
Banks	2	1	0	0
Consolidated Debt	0	1	0	1
Bonds	301	291	16	5
<b>Total Outstanding</b>	<b>385</b>	<b>346</b>	<b>23</b>	<b>13</b>
<b>Total Services</b>			<b>36</b>	

\*Figures as of 4Q22

Ratios - La Rioja	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	8.2%	7.4%	6.0%	7.5%	7.2%
Federal Taxes / Total Revenues	74.0%	75.9%	71.5%	69.9%	64.8%
Total Fed. Funds / Total Revenues	76.7%	77.5%	75.8%	73.4%	79.4%
Personnel Spend. / Total Expenditures	48.8%	52.4%	47.0%	40.4%	39.4%
Debt Interests / Total Revenues	4.0%	4.9%	3.0%	3.0%	1.5%
CapEx / Total Expenditures	15.3%	7.7%	12.7%	17.7%	19.2%
Primary Balance / Total Revenues	-4.4%	0.3%	6.5%	2.2%	4.0%
Fiscal Balance / Total Revenues	-8.4%	-4.6%	3.5%	-0.7%	2.4%
Debt Services / Total Revenues	5.1%	6.0%	3.9%	3.9%	2.4%
Total Debt / Total Revenues	58.4%	60.0%	54.2%	40.1%	31.5%

Source: TPCG Research based on Province's filing and E&R

The province's total debt closed at USD 346mn, which resulted in a leverage position of 31.5% of revenues.

The province continues to be one of the credits with the lowest share of own resources to total revenue, at 7.2% at the end of 2022.

# Chaco: the consolidated surplus grew by 1.1ppyoY to 2.4% of revenues

Chaco - ARSmn	2021	2022	%YoY	9M21	9M22	%YoY	4Q21	4Q22	%YoY
<b>Total Revenue</b>	<b>222,745</b>	<b>414,893</b>	<b>86.26%</b>	<b>155,560</b>	<b>282,838</b>	<b>81.82%</b>	<b>67,185</b>	<b>132,054</b>	<b>96.55%</b>
<b>Current Revenue</b>	<b>212,033</b>	<b>399,025</b>	<b>88.19%</b>	<b>149,002</b>	<b>270,028</b>	<b>81.22%</b>	<b>63,031</b>	<b>128,998</b>	<b>104.66%</b>
Provincial taxes	27,173	51,063	87.92%	19,485	33,869	73.82%	7,689	17,194	123.63%
Federal taxes	168,941	310,889	84.02%	118,885	209,394	76.13%	50,056	101,495	102.76%
Other non-tax	4,608	15,614	238.84%	2,367	11,243	375.03%	2,241	4,370	95.00%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfe	11,311	21,459	89.73%	8,265	15,520	87.79%	3,046	5,939	95.00%
<b>Capital Revenue</b>	<b>10,712</b>	<b>15,867</b>	<b>48.12%</b>	<b>6,559</b>	<b>12,811</b>	<b>95.33%</b>	<b>4,154</b>	<b>3,056</b>	<b>-26.42%</b>
Financial investment	794	5,853	637.40%	493	4,607	835.24%	301	1,246	313.84%
Transfers	9,697	9,620	-0.79%	5,917	7,959	34.50%	3,780	1,661	-56.05%
Other	222	394	77.92%	149	245	64.95%	73	149	-
<b>Primary Spending</b>	<b>204,835</b>	<b>379,842</b>	<b>85.44%</b>	<b>131,983</b>	<b>244,397</b>	<b>85.17%</b>	<b>72,852</b>	<b>135,445</b>	<b>85.92%</b>
<b>Current Expenditures</b>	<b>168,109</b>	<b>317,388</b>	<b>88.80%</b>	<b>110,458</b>	<b>204,969</b>	<b>85.56%</b>	<b>57,651</b>	<b>112,420</b>	<b>95.00%</b>
Personnel spending	101,036	191,647	89.68%	66,782	124,851	86.95%	34,254	66,796	95.00%
Goods and services	16,853	28,320	68.04%	10,402	15,741	51.33%	6,451	12,579	95.00%
Transfers to public sector	25,168	48,771	93.78%	17,506	33,832	93.25%	7,661	14,939	95.00%
Other transfers & expenditures	25,052	48,650	94.20%	15,767	30,545	93.72%	9,285	18,105	95.00%
<b>Capital Expenditures</b>	<b>36,726</b>	<b>62,453</b>	<b>70.05%</b>	<b>21,526</b>	<b>39,429</b>	<b>83.17%</b>	<b>15,201</b>	<b>23,025</b>	<b>51.47%</b>
Real Investment	27,876	47,830	71.58%	16,897	29,673	75.61%	10,979	18,157	65.37%
Financial invest.	5,937	8,276	39.40%	2,884	5,309	84.08%	3,053	2,967	-2.81%
Capital transfers	2,913	6,347	117.87%	1,744	4,446	154.88%	1,169	1,901	62.65%
<b>Primary balance</b>	<b>17910</b>	<b>35051</b>		<b>23577</b>	<b>38441</b>		<b>-5667</b>	<b>-3390</b>	
as % of revenues	8.04%	8.45%	.41pp	15.16%	13.59%	-1.57pp	-8.44%	-2.57%	5.87pp
<b>Debt interest</b>	<b>5,374</b>	<b>7,494</b>	<b>39.4%</b>	<b>4,826</b>	<b>5,956</b>	<b>23.4%</b>	<b>548</b>	<b>1,538</b>	<b>180.38%</b>
<b>Fiscal balance</b>	<b>12536</b>	<b>27557</b>		<b>18751</b>	<b>32485</b>		<b>-6216</b>	<b>-4928</b>	
as % of revenues	5.63%	6.64%	1.01pp	12.05%	11.49%	-.57pp	-9.25%	-3.73%	5.52pp
<b>Social security and other</b>	<b>-9,654</b>	<b>-17,509</b>	<b>81.4%</b>	<b>-6,000</b>	<b>-12,835</b>	<b>113.9%</b>	<b>-3,654</b>	<b>-4,674</b>	<b>27.93%</b>
<b>Consolidated fiscal balance</b>	<b>2882</b>	<b>10048</b>		<b>12751</b>	<b>19650</b>		<b>-9869</b>	<b>-9602</b>	
as % of revenues	1.29%	2.42%	1.13pp	8.20%	6.95%	-1.25pp	-14.69%	-7.27%	7.4pp

## How we read it:

- » In 4Q22, the primary position improved by 5.9ppyoY, ending at a deficit of -2.6% of revenues. The current revenue was the only line growing, with a strong increase in all of its accounts. For the primary spending, it was the current expenditures the one that grew the most. After factoring in the debt interests and social security expenses the consolidated deficit reached -7.3% of revenues, though improving by 7.4ppyoY.
- » For FY22, the primary surplus closed almost flat at 8.4% of revenues. In that sense, the total revenue grew by 86.2%yoY, while the primary spending did it at 85.4%yoY. After the debt interest and Soc.Sec expenses, the consolidated position ended on a surplus of 2.4% of revenues, increasing 1.1ppyoY.

Source: TPCG Research based on Province's filing and E&R

## Chaco's leverage position ended at 22.2% of revenue

Chaco	Debt Outstanding		2022 Services*	
USD mn	2021	2022	Interest	Capital
USDARS	\$ 102.74	\$ 177.13	\$ 130.85	
National Government	226	164	18	77
Multilateral	43	47	3	5
Banks	84	52	5	35
Consolidated Debt	0	0	0	0
Bonds	333	257	31	66
<b>Total Outstanding</b>	<b>686</b>	<b>520</b>	<b>57</b>	<b>182</b>
<b>Total Services</b>			<b>240</b>	

\*Figures as of 4Q22

Ratios - Chaco	2018	2019	2020	2021	2022
Provincial Taxes / Total Revenues	13.0%	11.8%	11.9%	12.2%	12.3%
Federal Taxes / Total Revenues	73.3%	79.5%	77.5%	75.8%	74.9%
Total Fed. Funds / Total Revenues	80.3%	84.5%	84.0%	80.9%	80.1%
Personnel Spend. / Total Expenditures	56.9%	56.3%	58.5%	49.3%	50.5%
Debt Interests / Total Revenues	4.2%	6.1%	2.0%	2.4%	1.8%
CapEx / Total Expenditures	11.9%	9.8%	8.7%	17.9%	16.4%
Primary Balance / Total Revenues	3.8%	4.0%	12.3%	8.0%	8.4%
Fiscal Balance / Total Revenues	-0.4%	-2.1%	10.3%	5.6%	6.6%
Debt Services / Total Revenues	6.8%	9.1%	3.6%	5.6%	7.6%
Total Debt / Total Revenues	35.1%	40.9%	38.8%	31.6%	22.2%

Source: TPCG Research based on Province's filing and E&R

The province's total debt went down to USD 520mn, from USD 686mn last year, resulting in a leverage position of 22.2% of revenues.

Chaco's dependency on federal sources continues to be substantial, reaching 80% of total revenue at the end of 2022.

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