

# Argentina Provinces: **4Q23 Update**

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# Agenda

## Before we start: Snapshot of credits fundamentals

- In LTM 3Q23, the average fiscal position dropped 1.4pp from FY22, reaching a surplus of 3.5% of revenues.
- Regarding the leverage position, the space's average closed at 39.9% of revenues, increasing 3.8pp from 2022. The debt services ratio stood flat at 6.8% of revenues.

## The 2023 elections decoupled local and national leadership

- During 4Q23, the remaining provincial elections took place, leaving JxC with 10 provinces, UxP with 9, and no libertarian governors.
- The mismatch between the political color in the local departments relative to the national level leaves the provincial space in an uncertain position going forward.

## 2024 should rough up fiscal balances further

- With the discretionary transfer regime poised to be revised, provinces such as PBA and La Rioja are bound to have significant fiscal gaps to plug.
- In addition, increasing outlays, the FX devaluation and weak activity levels threaten fiscal balances and leverage ratios for 2024.

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

- In 3Q23, the average fiscal surplus weakened vs. 3Q22 standing at +6.3% of revenues.
- The acceleration in spending eroded most primary surpluses, mainly due to the electoral process entering its key stages.

# Comp sheet of Argy provincial fundamentals in LTM 3Q23

LTM 3Q23	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>41.6%</b>	<b>42.5%</b>	<b>46.9%</b>	<b>46.7%</b>	<b>2.6%</b>	<b>15.7%</b>	<b>8.4%</b>	<b>5.8%</b>	<b>4.9%</b>	<b>36.6%</b>
PBA	41.5%	44.4%	54.7%	51.6%	3.0%	9.2%	-0.2%	-3.2%	4.9%	61.4%
CABA	77.8%	9.9%	12.2%	46.5%	3.2%	16.5%	16.8%	13.7%	3.6%	24.5%
Córdoba	28.0%	50.6%	54.5%	44.0%	1.8%	20.0%	13.2%	11.4%	3.5%	46.2%
Santa Fe	30.3%	60.0%	64.0%	53.7%	1.6%	9.1%	6.1%	4.6%	4.0%	12.4%
Mendoza	30.4%	47.7%	49.0%	37.9%	3.7%	23.8%	6.2%	2.5%	8.6%	38.6%
<b>Oil &amp; Gas Backed Credits</b>	<b>45.0%</b>	<b>37.0%</b>	<b>38.9%</b>	<b>61.1%</b>	<b>3.2%</b>	<b>10.7%</b>	<b>6.1%</b>	<b>2.9%</b>	<b>9.5%</b>	<b>46.0%</b>
Chubut	46.4%	38.7%	40.2%	64.8%	4.2%	11.4%	13.5%	9.3%	14.0%	70.9%
Tierra del Fuego	25.6%	50.9%	53.3%	58.7%	2.6%	10.2%	-0.7%	-3.3%	6.4%	22.0%
Neuquén	63.1%	21.4%	23.1%	59.9%	2.8%	10.5%	5.6%	2.8%	8.2%	45.1%
<b>Smaller Credits</b>	<b>17.7%</b>	<b>68.7%</b>	<b>74.5%</b>	<b>54.1%</b>	<b>2.7%</b>	<b>13.6%</b>	<b>4.6%</b>	<b>1.9%</b>	<b>7.1%</b>	<b>39.6%</b>
Entre Ríos	21.4%	65.5%	69.5%	61.4%	1.9%	9.2%	9.8%	7.8%	5.6%	33.1%
Salta	24.4%	62.9%	66.6%	55.5%	2.1%	7.8%	-7.4%	-9.4%	3.7%	28.5%
La Rioja	7.6%	68.2%	81.0%	41.1%	2.2%	19.3%	3.8%	1.6%	3.3%	45.3%
Río Negro	27.4%	65.0%	66.5%	65.4%	4.7%	4.9%	1.5%	-3.1%	12.5%	34.7%
Jujuy	12.7%	75.5%	83.4%	52.3%	3.7%	19.9%	13.6%	9.8%	9.4%	70.9%
Chaco	12.4%	74.9%	80.1%	49.1%	1.6%	20.2%	6.5%	4.9%	8.1%	25.2%
<b>Average</b>	<b>32.1%</b>	<b>52.5%</b>	<b>57.0%</b>	<b>53.0%</b>	<b>2.8%</b>	<b>13.7%</b>	<b>6.3%</b>	<b>3.5%</b>	<b>6.8%</b>	<b>39.9%</b>

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

# The fiscal surplus fell by 1.4pp from FY22 to 3.5% of revenues in LTM 3Q23

Primary Bal. / Total Rev.	2019	2020	2021	2022	LTM 3Q23	1Q23	2Q23	3Q23
<b>Quasi-Sovereign Credits</b>	<b>4.4%</b>	<b>7.9%</b>	<b>9.3%</b>	<b>10.1%</b>	<b>8.4%</b>	<b>19.5%</b>	<b>6.3%</b>	<b>10.8%</b>
PBA	9.3%	4.3%	3.1%	1.9%	-0.2%	9.6%	-4.2%	6.4%
CABA	3.7%	0.9%	6.5%	14.2%	16.8%	37.0%	12.5%	18.9%
Córdoba	9.6%	15.7%	18.4%	15.5%	13.2%	16.8%	16.9%	13.4%
Santa Fe	0.9%	14.7%	10.4%	9.3%	6.1%	0.5%	9.5%	9.5%
Mendoza	-1.3%	4.1%	8.3%	9.8%	6.2%	33.8%	-3.1%	5.8%
<b>Oil &amp; Gas Backed Credits</b>	<b>0.8%</b>	<b>-3.0%</b>	<b>8.9%</b>	<b>5.7%</b>	<b>6.1%</b>	<b>8.5%</b>	<b>-1.6%</b>	<b>12.6%</b>
Chubut	-1.5%	-10.2%	14.3%	9.7%	13.5%	14.0%	8.0%	23.4%
Tierra del Fuego	2.6%	2.7%	2.7%	3.3%	-0.7%	5.0%	-11.9%	0.9%
Neuquén	1.3%	-1.5%	9.6%	4.0%	5.6%	6.6%	-0.8%	13.6%
<b>Smaller Credits</b>	<b>1.7%</b>	<b>6.6%</b>	<b>6.9%</b>	<b>7.1%</b>	<b>4.6%</b>	<b>6.3%</b>	<b>7.0%</b>	<b>6.4%</b>
Entre Ríos	6.9%	16.0%	19.1%	16.1%	9.8%	15.8%	9.9%	7.2%
Salta	2.6%	3.4%	7.3%	4.0%	-7.4%	1.3%	-2.9%	-15.9%
La Rioja	0.0%	6.0%	-2.2%	1.7%	3.8%	-6.8%	2.7%	16.9%
Río Negro	0.9%	-1.8%	1.4%	4.4%	1.5%	7.2%	-2.8%	4.5%
Jujuy	-4.5%	3.6%	7.7%	8.8%	13.6%	22.8%	18.5%	17.2%
Chaco	4.0%	12.3%	8.0%	7.2%	6.5%	-2.7%	16.8%	8.9%
<b>Average</b>	<b>2.5%</b>	<b>5.0%</b>	<b>8.2%</b>	<b>7.9%</b>	<b>6.3%</b>	<b>11.5%</b>	<b>4.9%</b>	<b>9.3%</b>
<b>YoY</b>		<b>2.5pp</b>	<b>3.2pp</b>	<b>-3.3pp</b>	<b>-1.5pp</b>	<b>-5.3pp</b>	<b>-4.9pp</b>	<b>-4.9pp</b>

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

The avg. primary surplus fell by 1.5pp from FY22, closing the LTM 3Q23 at 6.3% of revenues. The drop was mainly influenced by the increased levels of expenditure showcased by the provinces, which responded to the provincial elections taking place during the first three quarters of the year.

Fiscal Bal. / Total Rev.	2019	2020	2021	2022	LTM 3Q23	1Q23	2Q23	3Q23
<b>Quasi-Sovereign Credits</b>	<b>-1.7%</b>	<b>3.7%</b>	<b>5.7%</b>	<b>7.2%</b>	<b>5.8%</b>	<b>16.6%</b>	<b>4.0%</b>	<b>8.2%</b>
PBA	0.1%	0.6%	-0.6%	-0.9%	-3.2%	4.6%	-5.4%	2.6%
CABA	-5.3%	-7.3%	-1.0%	9.9%	13.7%	34.1%	8.6%	16.5%
Córdoba	5.7%	12.4%	16.1%	13.6%	11.4%	15.7%	14.4%	12.4%
Santa Fe	-0.2%	13.3%	8.9%	7.9%	4.6%	-0.8%	7.8%	7.9%
Mendoza	-8.5%	-0.6%	5.0%	5.6%	2.5%	29.3%	-5.7%	1.7%
<b>Oil &amp; Gas Backed Credits</b>	<b>-5.0%</b>	<b>-8.3%</b>	<b>5.3%</b>	<b>2.0%</b>	<b>2.9%</b>	<b>5.7%</b>	<b>-5.0%</b>	<b>9.7%</b>
Chubut	-8.5%	-16.9%	9.3%	5.3%	9.3%	9.5%	3.5%	19.5%
Tierra del Fuego	-2.2%	-1.0%	-0.2%	-0.3%	-3.3%	3.5%	-13.9%	-2.0%
Neuquén	-4.4%	-6.8%	6.6%	0.9%	2.8%	4.1%	-4.5%	11.7%
<b>Smaller Credits</b>	<b>-3.4%</b>	<b>3.3%</b>	<b>4.3%</b>	<b>4.5%</b>	<b>1.9%</b>	<b>2.8%</b>	<b>5.3%</b>	<b>3.0%</b>
Entre Ríos	3.6%	12.4%	16.0%	14.4%	7.8%	13.1%	8.8%	4.4%
Salta	-1.2%	0.2%	5.0%	1.6%	-9.4%	0.3%	-6.0%	-16.7%
La Rioja	-4.7%	3.6%	-2.5%	0.0%	1.6%	-10.1%	1.9%	13.4%
Río Negro	-6.4%	-6.5%	-2.2%	0.4%	-3.1%	1.3%	-5.4%	-1.8%
Jujuy	-9.3%	-0.4%	3.8%	5.0%	9.8%	17.4%	16.5%	12.1%
Chaco	-2.1%	10.3%	5.6%	5.5%	4.9%	-5.2%	15.9%	6.7%
<b>Average</b>	<b>-3.1%</b>	<b>0.9%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>3.5%</b>	<b>8.3%</b>	<b>2.6%</b>	<b>6.3%</b>
<b>YoY</b>		<b>4.1pp</b>	<b>4.0pp</b>	<b>-1.1pp</b>	<b>-1.4pp</b>	<b>-4.8pp</b>	<b>-4.5pp</b>	<b>-4.9pp</b>

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

After considering the debt interests, the fiscal surplus closed at 3.5% of revenues, falling by 1.4pp since FY22. We expect for the coming quarters to see a deterioration in the fiscal balances with the devaluation, inflexible spending, and weakened activity levels taking a toll on the provincial fiscal positions.

## The avg. leverage position closed at 39.9% of revenues in LTM 3Q23

Debt Serv / Total Rev.	2019	2020	2021	2022	LTM 3Q23
<b>Quasi-Sovereign Credits</b>	<b>9.6%</b>	<b>7.1%</b>	<b>7.2%</b>	<b>5.6%</b>	<b>4.9%</b>
PBA	18.4%	6.9%	6.1%	5.1%	4.9%
CABA	12.2%	11.7%	12.5%	7.1%	3.6%
Córdoba	6.2%	6.7%	5.6%	3.7%	3.5%
Santa Fe	1.8%	2.1%	3.2%	4.3%	4.0%
Mendoza	9.6%	7.9%	8.5%	8.1%	8.6%
<b>Oil &amp; Gas Backed Credits</b>	<b>11.7%</b>	<b>12.4%</b>	<b>9.1%</b>	<b>9.7%</b>	<b>9.5%</b>
Chubut	18.1%	16.5%	12.3%	13.0%	14.0%
Tierra del Fuego	8.7%	8.9%	7.4%	6.9%	6.4%
Neuquén	8.4%	11.9%	7.8%	9.1%	8.2%
<b>Smaller Credits</b>	<b>7.3%</b>	<b>5.6%</b>	<b>5.6%</b>	<b>6.4%</b>	<b>7.1%</b>
Entre Ríos	5.0%	5.3%	5.7%	3.9%	5.6%
Salta	5.8%	5.6%	4.8%	4.1%	3.7%
La Rioja	5.9%	3.2%	1.1%	2.6%	3.3%
Río Negro	9.7%	8.1%	9.9%	12.2%	12.5%
Jujuy	8.1%	7.6%	6.2%	7.8%	9.4%
Chaco	9.1%	3.6%	5.6%	7.5%	8.1%
<b>Average</b>	<b>9.1%</b>	<b>7.6%</b>	<b>6.9%</b>	<b>6.8%</b>	<b>6.8%</b>
<b>YoY</b>		<b>-1.5pp</b>	<b>-7pp</b>	<b>-1pp</b>	<b>.pp</b>

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

Since 2019, the provincial space has seen a de-leverage process. While this trend reversed for the leverage position, as it increased by 3.8pp to 39.9%, it remained almost flat for the debt services ratio at 6.8% of revenues.

Total Debt / Total Rev.	2019	2020	2021	2022	LTM 3Q23
<b>Quasi-Sovereign Credits</b>	<b>53.2%</b>	<b>55.7%</b>	<b>42.9%</b>	<b>34.5%</b>	<b>36.6%</b>
PBA	78.5%	75.4%	64.1%	53.8%	61.4%
CABA	47.5%	53.1%	40.0%	27.5%	24.5%
Córdoba	63.5%	66.4%	48.4%	41.3%	46.2%
Santa Fe	17.2%	20.8%	17.0%	12.5%	12.4%
Mendoza	59.5%	62.9%	45.2%	37.3%	38.6%
<b>Oil &amp; Gas Backed Credits</b>	<b>64.6%</b>	<b>74.0%</b>	<b>53.0%</b>	<b>41.6%</b>	<b>46.0%</b>
Chubut	87.8%	102.5%	77.1%	60.8%	70.9%
Tierra del Fuego	43.5%	45.5%	28.0%	19.0%	22.0%
Neuquén	62.4%	74.0%	53.8%	45.1%	45.1%
<b>Smaller Credits</b>	<b>56.6%</b>	<b>58.0%</b>	<b>41.5%</b>	<b>34.8%</b>	<b>39.6%</b>
Entre Ríos	50.8%	55.4%	37.8%	33.6%	33.1%
Salta	41.7%	41.6%	29.4%	26.3%	28.5%
La Rioja	59.9%	53.8%	35.9%	32.3%	45.3%
Río Negro	49.5%	58.4%	43.2%	31.8%	34.7%
Jujuy	96.6%	100.2%	70.9%	62.1%	70.9%
Chaco	40.9%	38.8%	31.6%	22.5%	25.2%
<b>Average</b>	<b>57.1%</b>	<b>60.6%</b>	<b>44.5%</b>	<b>36.1%</b>	<b>39.9%</b>
<b>YoY</b>		<b>3.5pp</b>	<b>-16.2pp</b>	<b>-8.3pp</b>	<b>3.8pp</b>

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

In this scenario we continue to believe that the perception of de-leverage could be misleading as it has been influenced by the effect of revenues growing at the inflation pace, which has some correlation with the BCS, and a contained official FX. With the FX structure nearly cracked, we expect the leverage position to resume an upwards trend.

# 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.				
	29/12/2023							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	85.00	2.15	12.80%	85.2%	1.35	6.8%	86.0	0.8	4.5	-29.4	-388.0	0.0%	0.0%	1.2%	13.1%	USD	499.2	5.8%	19/9/2023	19/3/2024
CORDOB 2027	77.50	1.45	28.13%	77.8%	1.56	8.1%	101.6	3.4	19.9	-334.7	-169.6	0.0%	0.0%	6.9%	24.0%	USD	155.7	6.3%	29/9/2023	29/3/2024
NEUQUE UNSECURED	83.00	2.50	13.78%	83.2%	1.16	8.1%	101.2	0.6	3.5	18.1	-473.6	0.0%	0.0%	0.0%	22.5%	USD	377.2	6.8%	27/10/2023	27/4/2024
NEUQUE SECURED	102.00	2.68	7.89%	102.0%	0.82	8.5%	73.4	0.0	-0.3	-73.5	-227.9	0.0%	0.0%	2.0%	6.8%	USD	253.1	8.6%	12/11/2023	12/2/2024
PRN 2028	62.50	1.34	35.36%	63.3%	2.08	11.0%	102.1	4.6	26.9	136.3	455.0	0.0%	0.0%	0.0%	12.6%	USD	320.2	6.9%	10/9/2023	10/3/2024
CHUBUT 2030	86.50	1.90	14.95%	86.7%	1.01	9.0%	75.8	0.9	5.1	-244.0	-119.6	0.0%	0.0%	5.5%	5.8%	USD	485.8	7.8%	26/10/2023	26/1/2024
PDCAR 2025	90.50	1.03	16.15%	90.5%	0.24	7.6%	66.9	2.1	12.6	-104.5	-505.5	0.0%	0.0%	-0.5%	11.4%	USD	601.7	6.9%	10/12/2023	10/6/2024
PDCAR 2027	84.50	2.25	14.23%	84.6%	0.54	8.3%	100.5	0.7	4.1	-215.0	-602.8	0.0%	0.0%	5.6%	26.1%	USD	516.1	7.0%	1/12/2023	1/6/2024
PDCAR 2029	77.00	3.34	14.19%	77.6%	2.83	8.9%	102.8	0.5	2.6	13.2	-300.7	0.0%	0.0%	0.0%	18.5%	USD	456.2	6.9%	1/8/2023	1/2/2024
SALTA 2027	81.50	1.81	19.09%	81.6%	0.60	10.4%	90.6	1.3	7.2	36.8	-500.7	0.0%	0.0%	0.0%	18.1%	USD	339.5	8.5%	1/12/2023	1/6/2024
JUJUY 2027	79.50	1.26	24.60%	80.0%	1.79	10.5%	79.6	2.8	16.9	-6.8	-239.4	0.0%	0.0%	1.3%	9.7%	USD	166.1	8.4%	20/9/2023	20/3/2024
ENTRIO 2028	79.50	1.65	20.51%	80.1%	2.91	10.4%	92.9	1.6	9.6	-167.9	-628.1	0.0%	0.0%	3.9%	21.4%	USD	465.7	8.3%	8/8/2023	8/2/2024
CHACO 2028	60.50	1.21	40.83%	61.4%	2.37	10.7%	102.4	6.2	36.5	645.8	722.3	0.0%	0.0%	-6.2%	12.6%	USD	262.7	6.5%	18/8/2023	18/2/2024
BUENOS 2037 A USD	38.50	5.00	29.17%	39.8%	2.09	16.6%	102.1	1.1	6.6	-140.1	89.8	0.0%	0.0%	5.5%	10.0%	USD	6202.1	6.4%	1/9/2023	1/3/2024
BUENOS 2037 B USD	31.75	5.22	25.31%	33.0%	1.80	17.3%	101.8	0.5	2.9	-36.8	65.3	0.0%	0.0%	2.4%	5.8%	USD	777.6	5.5%	1/9/2023	1/3/2024
BUENOS 2037 C USD	30.75	5.55	24.54%	31.9%	1.64	16.3%	101.6	0.5	2.8	14.5	-151.4	0.0%	0.0%	0.0%	18.3%	USD	153.2	5.0%	1/9/2023	1/3/2024
PRIO 2028	55.50	1.27	44.12%	55.5%	0.00	11.7%	100.0	6.2	36.3	764.5	1331.7	0.0%	0.0%	-8.3%	18.7%	USD	318.4	6.5%	24/8/2023	24/2/2024
BUEAIR 2027	99.50	2.13	7.73%	99.5%	0.58	7.5%	100.6	0.0	0.1	-68.4	-216.7	0.0%	0.0%	1.5%	6.7%	USD	890.0	7.5%	1/12/2023	1/6/2024
PDCAR 2026	39.50	1.35	4.20%	39.0%	0.46	18.0%	38.0	0.9	5.1	25.9	-516.9	0.0%	0.0%	0.0%	-19.0%	USD	112.5	7.1%	27/10/2023	27/1/2024
PROVSF 2027	89.50	2.39	11.39%	89.6%	1.11	7.7%	101.1	0.4	2.4	-125.0	-329.5	0.0%	0.0%	3.5%	14.7%	USD	250.0	6.9%	1/11/2023	1/5/2024
FUEGO 2027	93.50	3.01	11.11%	93.6%	0.88	9.6%	49.9	0.1	0.8	-30.0	-18.9	0.0%	0.0%	1.1%	0.5%	USD	98.0	9.0%	17/10/2023	21/1/2024
<b>BUENOS EUR Securities</b>																				
BUENOS 2037 A EUR	34.00	5.47	29.38%	35.0%	1.48	13.2%	101.5	1.3	6.8	-101.0	302.0	0.0%	0.0%	4.6%	3.8%	EUR	236.8	4.5%	1/9/2023	1/3/2024
BUENOS 2037 B EUR	27.25	5.33	26.62%	28.3%	1.48	16.5%	101.5	0.5	2.9	-1.5	146.0	0.0%	0.0%	0.9%	3.8%	EUR	116.3	4.5%	1/9/2023	1/3/2024
BUENOS 2037 C EUR	26.25	5.73	25.79%	27.2%	1.31	15.2%	101.3	0.5	2.9	56.2	-96.3	0.0%	0.0%	-1.9%	18.0%	EUR	138.8	4.0%	1/9/2023	1/3/2024

# Provincial Hard Currency Bonds Debt Services

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	Total
<b>Debt Services Hard Currency Bonds (USD mn)</b>															
<b>PBA</b>	<b>702.40</b>	<b>762.13</b>	<b>825.69</b>	<b>849.40</b>	<b>854.83</b>	<b>874.41</b>	<b>880.15</b>	<b>915.38</b>	<b>899.27</b>	<b>880.35</b>	<b>860.67</b>	<b>842.53</b>	<b>831.59</b>	<b>806.16</b>	<b>11,784.96</b>
BUENOS A USD	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	9,528.82
BUENOS B USD	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	1,235.71
BUENOS C USD	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	233.92
BUENOS A EUR	21.27	24.57	27.33	28.52	28.62	29.34	24.65	26.46	26.43	26.30	26.58	26.49	26.70	26.28	369.54
BUENOS B EUR	5.79	6.59	6.59	6.59	7.56	8.45	22.07	21.77	20.93	20.09	18.11	17.33	16.56	15.97	194.42
BUENOS C EUR	6.14	6.91	6.91	6.91	8.06	9.14	25.43	25.19	24.31	23.44	21.19	20.38	19.56	18.97	222.55
<b>CABA</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>	<b>1,056.88</b>
BUEAIR 2027	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	1,056.88
<b>Santa Fe</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>	<b>301.75</b>
PROVSF 2027	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	301.75
<b>Mendoza</b>	<b>99.99</b>	<b>95.57</b>	<b>91.16</b>	<b>86.74</b>	<b>82.33</b>	<b>39.51</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>495.29</b>
MENDOZ 2029	99.99	95.57	91.16	86.74	82.33	39.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	495.29
<b>Cordoba</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>	<b>1,868.86</b>
PDCAR 2026	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	125.53
PDCAR 2025	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	522.78
PDCAR 2027	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	615.33
PDCAR 2029	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	605.22
<b>Neuquen</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>	<b>794.21</b>
NQN Secured	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	326.74
NQN Unsecured	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	467.47
<b>TdF</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>	<b>115.54</b>
FUEGO 2027	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	115.54
<b>Chubut</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>	<b>592.37</b>
CHUBUT 2030	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	592.37
<b>Entre Rios</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>	<b>571.42</b>
ENTRIO 2028	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	571.42
<b>Jujuy</b>	<b>46.97</b>	<b>43.87</b>	<b>40.78</b>	<b>19.25</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>	<b>150.87</b>
JUJUUYA 2027	46.97	43.87	40.78	19.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.87
<b>Salta</b>	<b>75.82</b>	<b>104.72</b>	<b>97.51</b>	<b>90.29</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>	<b>368.35</b>
SALTA 2027	75.82	104.72	97.51	90.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	368.35
<b>Rio Negro</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>	<b>375.25</b>
PRN 2028	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	375.25
<b>La Rioja</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>	<b>386.63</b>
PRIO 2028	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	386.63
<b>Chaco</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>	<b>314.56</b>
CHACO 2028	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	314.56
<b>Total</b>	<b>2,075.22</b>	<b>2,624.66</b>	<b>2,469.69</b>	<b>2,302.53</b>	<b>1,586.51</b>	<b>1,147.44</b>	<b>934.94</b>	<b>915.38</b>	<b>899.27</b>	<b>880.35</b>	<b>860.67</b>	<b>842.53</b>	<b>831.59</b>	<b>806.16</b>	<b>19,176.94</b>

\*Principal plus Interests.

# Agenda

## Before we start: Snapshot of credits fundamentals

- In LTM 3Q23, the average fiscal position dropped 1.4pp from FY22, reaching a surplus of 3.5% of revenues.
- Regarding the leverage position, the space's average closed at 39.9% of revenues, increasing 3.8pp from 2022. The debt services ratio stood flat at 6.8% of revenues.

## The 2023 elections decoupled local and national leadership

- During 4Q23, the remaining provincial elections took place, leaving JxC with 10 provinces, UxP with 9, and no libertarian governors.
- The mismatch between the political color in the local departments relative to the national level leaves the provincial space in an uncertain position going forward.

## 2024 should rough up fiscal balances further

- With the discretionary transfer regime poised to be revised, provinces such as PBA and La Rioja are bound to have significant fiscal gaps to plug.
- In addition, increasing outlays, the FX devaluation and weak activity levels threaten fiscal balances and leverage ratios for 2024.

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

- In 3Q23, the average fiscal surplus weakened vs. 3Q22 standing at +6.3% of revenues.
- The acceleration in spending eroded most primary surpluses, mainly due to the electoral process entering its key stages.



# A quick snapshot of the aftermath of the electoral cycle

1

Peronism

Peronism was the biggest loser in terms of its performance in 2023. The party failed to retain several of its provinces. In fact, it only won 9 out of the 16 districts it controlled, including PBA, TdF, La Pampa, La Rioja, Catamarca, Tucumán, Salta, Formosa and Santiago del Estero.

2

Libertarians

Libertarianism failed to secure a single governorship. However, Mr. Milei's ballot managed to traction a significant number of seats in the Senate and Representatives Chamber, while the victory at the national level gives the party the ability to redistribute discretionary transfers to their liking.

3

JxC

JxC's failure at the national level was not replicated in the provincial elections, as the party more than doubled its holdings, flipping provinces such as Santa Fe, Chaco, Chubut, San Juan and San Luis, cementing the formation of a Governor's league, to form a center block with JxC remnants, ex. PRO.

# The 2023 Electoral Calendar came to an end



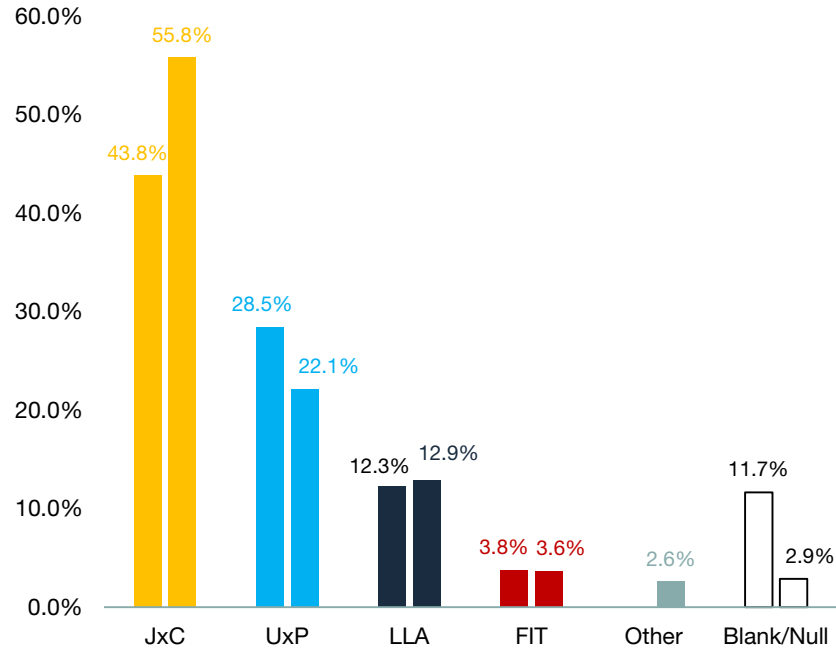
Note:  
1: Does not vote for Governor. Legislative election.

Source: TPCG Research

# In CABA, JxC secured policy continuity, as Mr. Macri came out on top

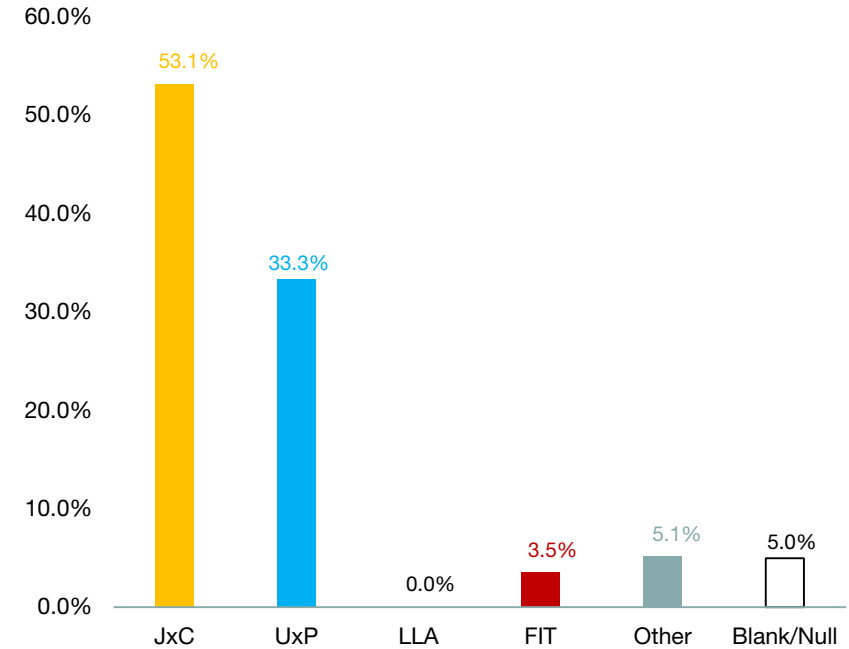
## 2023 Election Results | CABA

Left General Elections  
Right PASO



Source: TPCG Research based on Provincial Electoral Organs

## 2019 Election Results | CABA



\*Graphs reporting % of valid votes

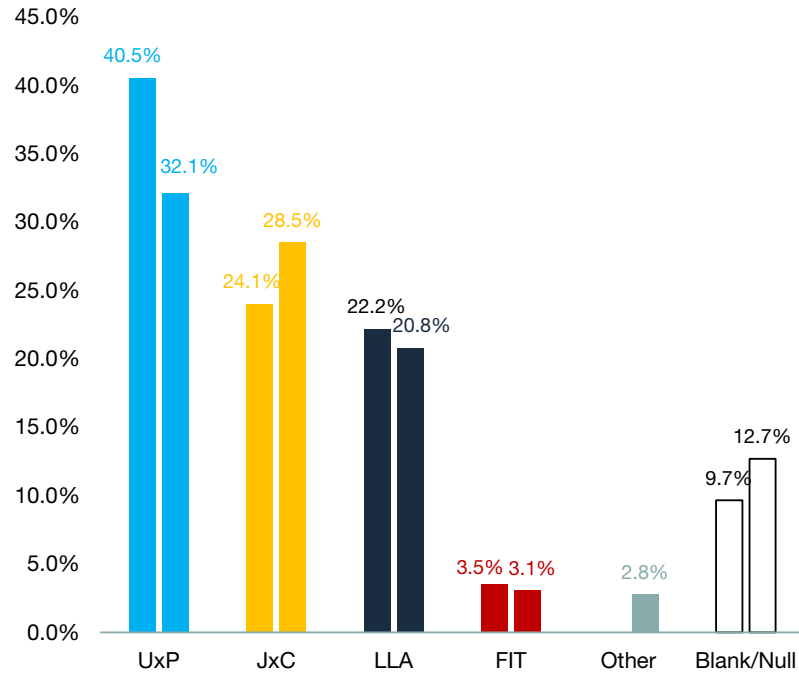
In CABA, JxC did not manage to win in the first round, as Mr. Macri obtained 49.6% of positive votes, 0.4% short of the 50% needed to not go to a second round. However, with Mr. Santoro stepping down from the 2<sup>nd</sup> round, JxC secured policy continuity.

We believe policy continuity cements the status of CABA as a top credit, even if the political color at the national level won't match the administration's. With solid fiscal figures and a strong liquidity position, CABA's outlook remains robust.

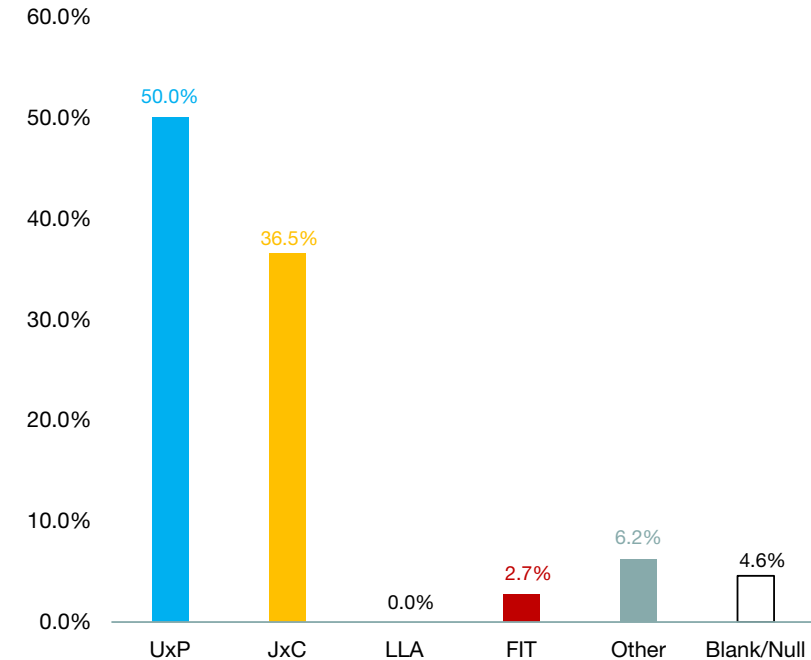
# After a tightish primary, Mr. Kicilloff steamrolled the opposition in PBA

2023 Election Results | PBA

Left General Election  
Right PASO



2019 Election Results | PBA



\*Graphs reporting % of valid votes

Source: TPCG Research based on Provincial Electoral Organs

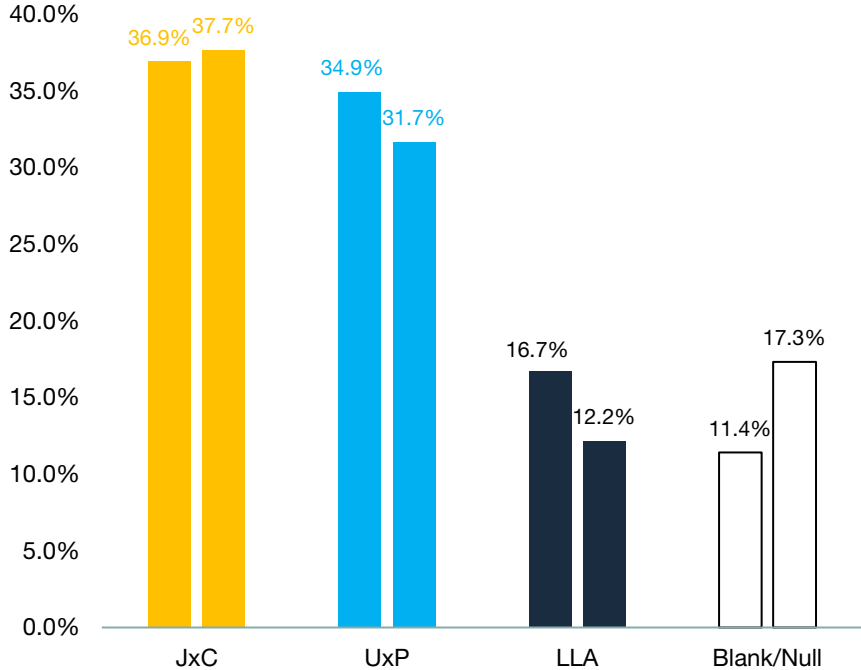
In PBA, the increase in participation rates and a very split opposition allowed Mr. Kicilloff to secure a second term with a landslide win. UxP managed to secure the governorship, obtaining 40.5% of the votes, edging both JxC and LLA by a wide margin.

Now, Mr. Kicilloff's administration is poised to face a hostile national government, which has fewer qualms about reducing national financing to PBA via discretionary transfers putting the province in a tight position going forward.

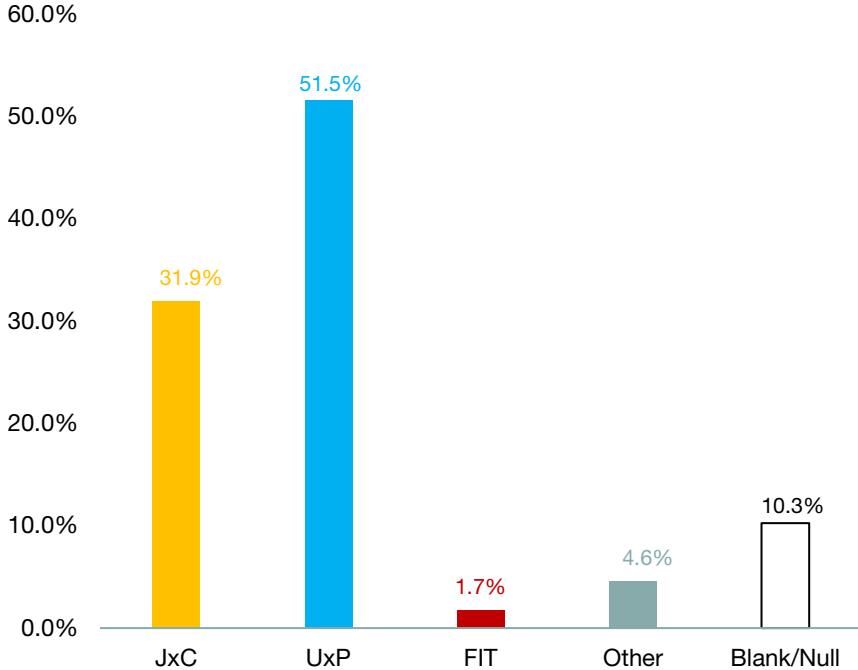
# Entre Ríos: Mr. Frigerio secured the province for JxC

## 2023 Election Results | Entre Ríos

Left General Election  
Right PASO



## 2019 Election Results | Entre Ríos



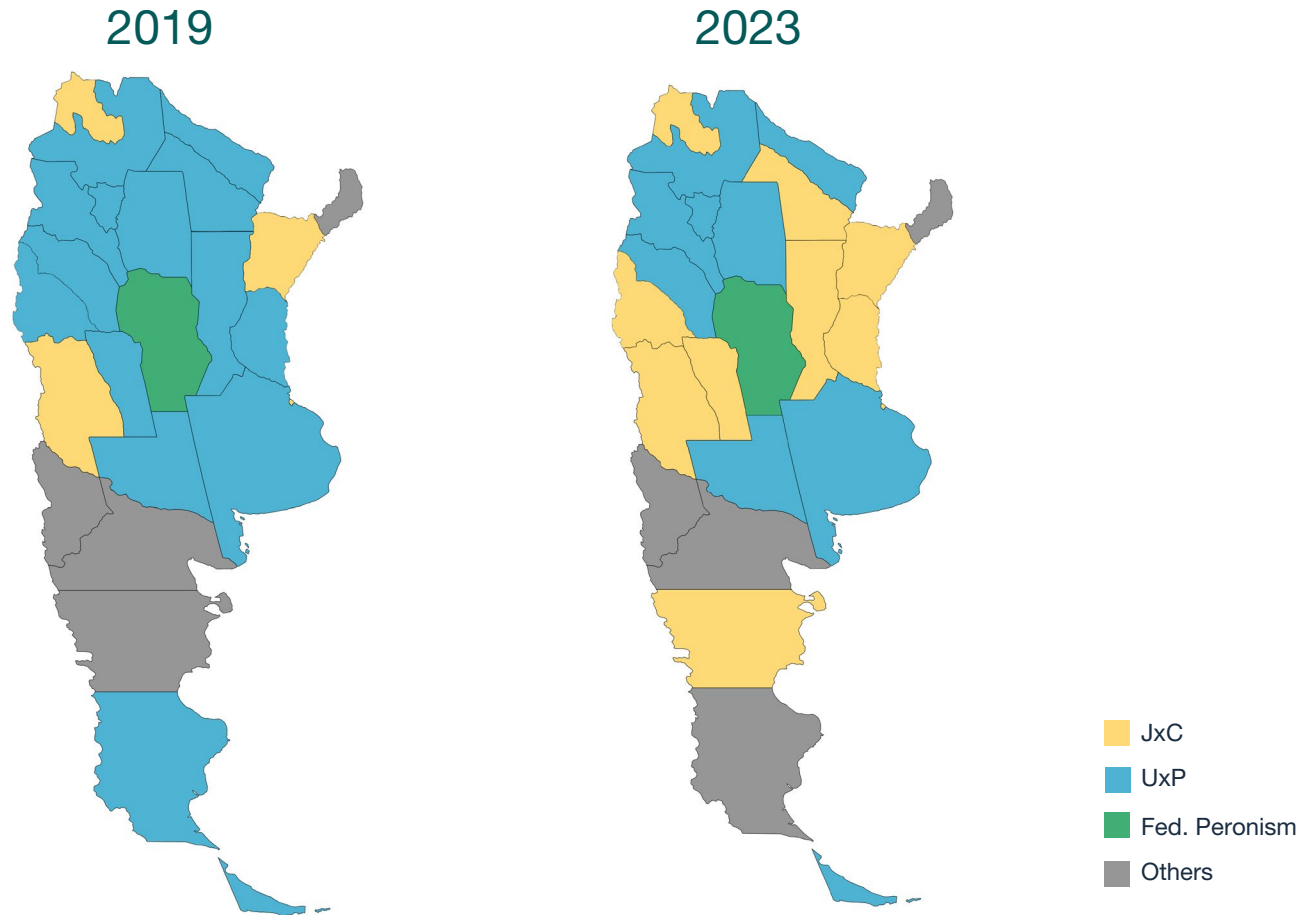
\*Graphs reporting % of valid votes

Source: TPCG Research based on Provincial Electoral Organs

Finally, JxC posted another win at the provincial level, with Mr. Frigerio obtaining the governor’s seat in Entre Ríos, ending a 20-year Peronist stint. JxC obtained 36.9% of the votes, trailed closely by UxP, which mustered 34.9% of the votes, with just a 2pp lead between the two.

We believe the news are positive for the province, even if the national elections and the economic scenario hint at a negative outlook for the space as a whole. Still, we expect the province to maintain its fiscal metrics, and track record.

# Our key takeaways from the provincial elections



- » The aftermath of the election cycle left an extremely interesting scenario for the provinces going forward. The mismatch between the political color in the local departments relative to the national level leaves the provincial space in a very uncomfortable position. On the one hand, the national level has little attachment to the provincial governments, which means it is less likely to bail them out in the event of massive fiscal slippage, even more so now that the administration is starting to execute a massive consolidation. Furthermore, it controls the magnitude and direction of discretionary transfers, on which the fate of many provinces relies.
- » On the other hand, the lack of support in congress and at the local level will surely soften the national govt. stance, giving governors some room to maneuver in what is likely to be a carrot-and-stick scheme.
- » All in all, the political landscape is poised to reshape the fiscal relationship between the national administration and the provinces, and such a reshuffle is bound to leave some winners and losers.

Source: TPCG Research based on Tribunal Supremo Electoral

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## 2024 should rough up fiscal balances further

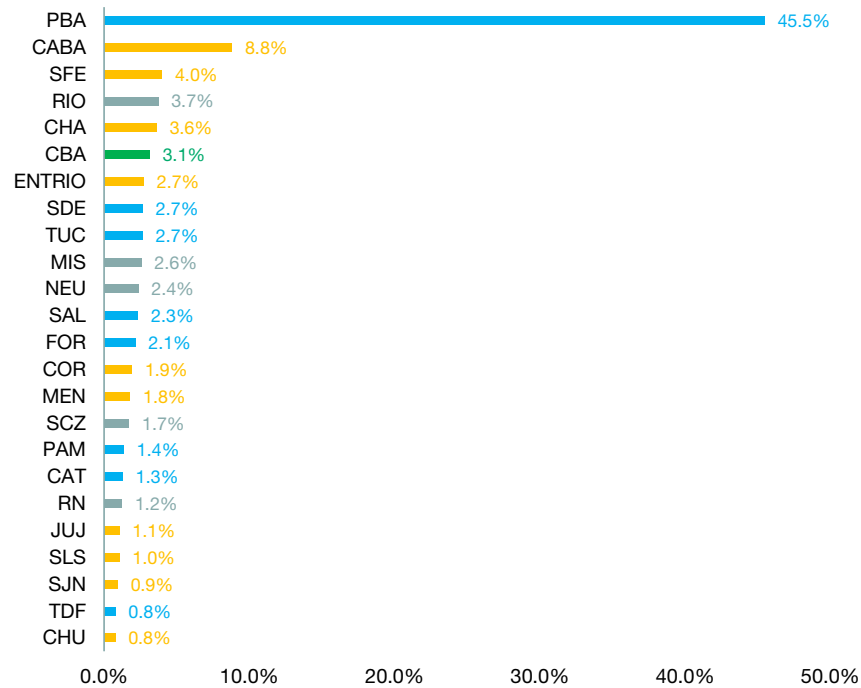
- With the discretionary transfer regime poised to be revised, provinces such as PBA and La Rioja are bound to have significant fiscal gaps to plug.
- In addition, increasing outlays, the FX devaluation and weak activity levels threaten fiscal balances and leverage ratios for 2024.

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

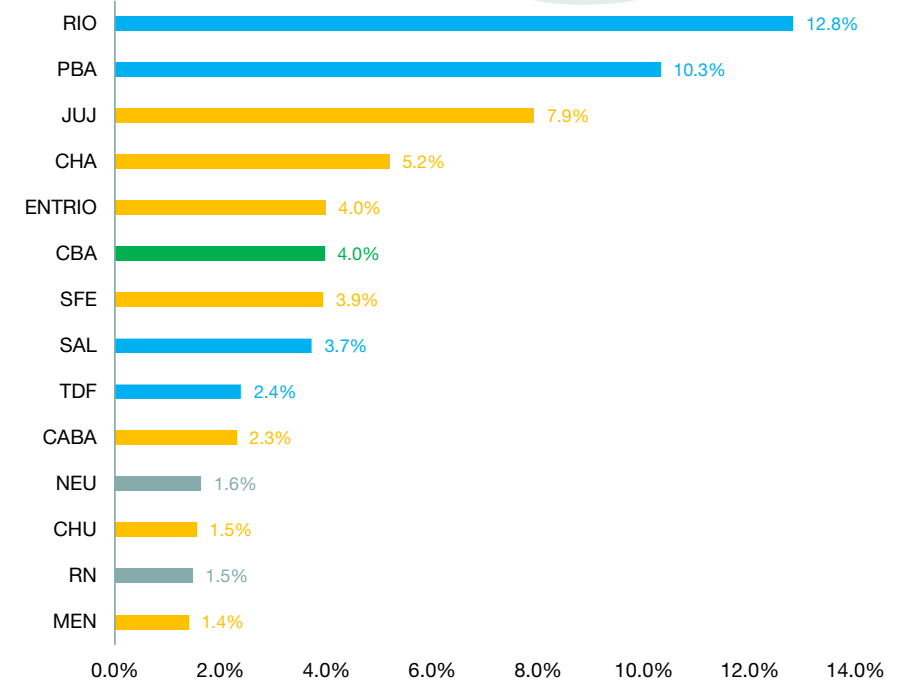
- In 3Q23, the average fiscal surplus weakened vs. 3Q22 standing at +6.3% of revenues.
- The acceleration in spending eroded most primary surpluses, mainly due to the electoral process entering its key stages.

# Mr. Kiciloff must plug the fiscal gap discretionary transfers could generate in PBA

Share of Discretionary transfers | as % of Total



Share of Discretionary transfers | as % of income



Source: TPCG Research based on Economy Ministry

By Nov-23, PBA received nearly 45% of the total discretionary transfers sent to provinces. While in terms of the Copa scheme, the province receives less than what it contributes, the current situation leaves the province over-relying in discretionary government transfers, with a regime sworn to dial them back.

In addition, Discretionary transfers represent roughly 10.3% of PBA's revenue sources. In this department, La Rioja (12.8%) Jujuy (7.9%) and Chaco (5.2%) are also heavily dependent on this instrument, raising questions over the robustness of their fiscal positions.



## Some other provincial balances are also sensitive to reductions in discretionary transfers

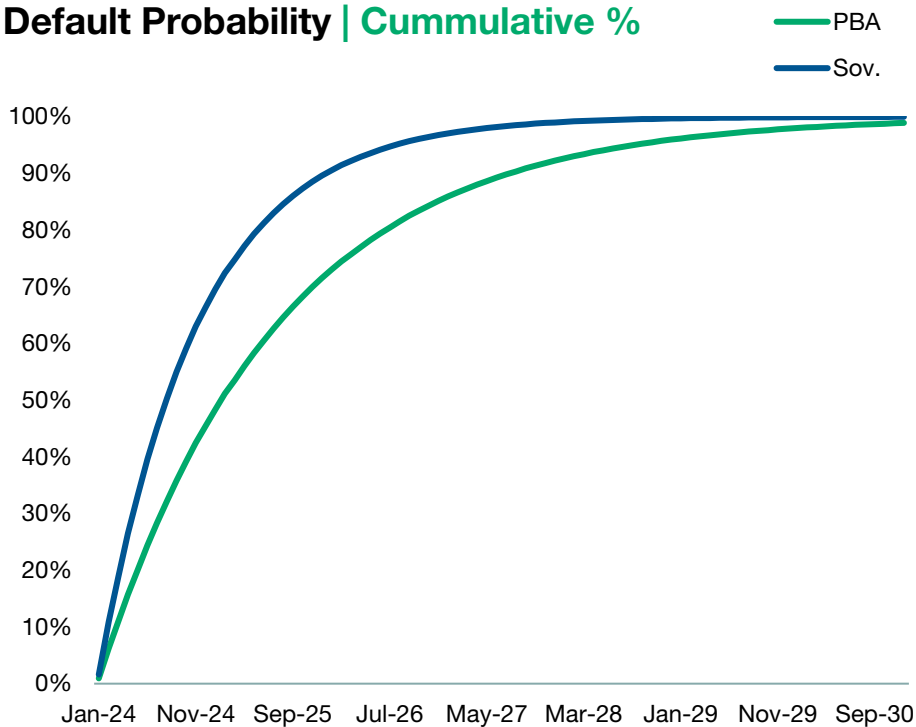
	Primary Balance LTM 3Q23		Fiscal Balance LTM 3Q23		Cons. Fiscal Balance LTM 3Q23		Δ
	Current	W/o discretionary transfers	Current	W/o discretionary transfers	Current	W/o discretionary transfers	
<b>Quasi-Sovereign Credits</b>	<b>8.4%</b>	<b>4.1%</b>	<b>5.8%</b>	<b>1.4%</b>	<b>2.7%</b>	<b>-1.7%</b>	<b>-4.4pp</b>
PBA	-0.2%	-10.5%	-3.2%	-13.5%	-7.0%	-17.3%	-10.3pp
CABA	16.8%	14.6%	13.7%	11.4%	13.7%	11.4%	-2.3pp
Córdoba	13.2%	9.2%	11.4%	7.5%	7.6%	3.6%	-4.pp
Santa Fe	6.1%	2.2%	4.6%	0.7%	-2.7%	-6.6%	-3.9pp
Mendoza	6.2%	4.8%	2.5%	1.1%	1.9%	0.5%	-1.4pp
<b>Oil &amp; Gas Backed Credits</b>	<b>6.1%</b>	<b>4.3%</b>	<b>2.9%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>-0.7%</b>	<b>-1.9pp</b>
Chubut	13.5%	12.0%	9.3%	7.8%	5.5%	4.0%	-1.5pp
Tierra del Fuego	-0.7%	-3.1%	-3.3%	-5.7%	-1.4%	-3.8%	-2.4pp
Neuquén	5.6%	3.9%	2.8%	1.2%	-0.7%	-2.3%	-1.6pp
<b>Smaller Credits</b>	<b>4.6%</b>	<b>-1.2%</b>	<b>1.9%</b>	<b>-3.9%</b>	<b>0.1%</b>	<b>-5.8%</b>	<b>-5.8pp</b>
Entre Ríos	9.8%	5.8%	7.8%	3.9%	-4.2%	-8.2%	-4.pp
Salta	-7.4%	-11.1%	-9.4%	-13.1%	-1.7%	-5.4%	-3.7pp
La Rioja	3.8%	-9.0%	1.6%	-11.2%	-0.2%	-12.9%	-12.8pp
Río Negro	1.5%	0.1%	-3.1%	-4.6%	-3.5%	-4.9%	-1.5pp
Jujuy	13.6%	5.6%	9.8%	1.9%	9.8%	1.9%	-7.9pp
Chaco	6.5%	1.4%	4.9%	-0.3%	0.2%	-5.0%	-5.2pp

Source: TPCG Research based on Economy Ministry and E&R

With the discretionary transfer scheme poised to be revised by the new administration, provincial balances could rapidly worsen if resources are reassigned. In this context, both PBA's and La Rioja's fiscal position could worsen by 10pp of revenues.

The provinces which would show more resilience to cuts in this department are, unsurprisingly, CABA and Córdoba, as several balances would be painted red by cuts. However, the direction and magnitude of said trims are still an open question.

# We run our pricing model to dissect the market's view on the PBA bonds



Source: TPCG Research based on TPCG Trading Desk

NPVs under default prob. term structure implicit in market prices						
	NPV	Price	Discounted Cash Flows			Recovery Value
			Total	2024-2025	2026-EOL	
<b>BUENOSA</b>	38.52	38.50	16.08	11.57	4.51	24.13
<b>BUENOSB</b>	31.58	31.75	8.90	6.34	2.56	24.13
<b>BUENOSC</b>	30.90	30.75	8.06	5.73	2.33	24.13
<b>Avg</b>	<b>33.67</b>	<b>33.67</b>	<b>11.02</b>	<b>7.88</b>	<b>3.14</b>	<b>24.13</b>

NPVs under default prob. term structure implicit in market prices						
	Clean PX	V <sub>0</sub>	Discounted Cash Flows			Recovery Value
			Total	2024-25	2026-EOL	
<b>Argent29</b>	40.50	40.27	7.24	5.32	1.91	33.50
<b>Argent30</b>	40.75	40.99	7.82	6.29	1.54	33.52
<b>Argent35</b>	34.75	35.80	3.97	3.58	0.39	33.52
<b>Argent38</b>	40.25	36.37	4.83	4.23	0.60	33.52
<b>Argent41</b>	34.75	35.63	3.73	3.35	0.38	33.52
<b>Argent46</b>	35.25	37.18	5.35	4.57	0.78	33.52
<b>Avg excl PDI</b>	<b>37.15</b>	<b>37.20</b>	<b>5.14</b>	<b>4.40</b>	<b>0.74</b>	<b>33.52</b>

The market prices a steeper default prob. curve for the sov, rather than for the PBA space. Therefore, even with the sov. compressing due to the rally, PBA's default prob. continues to stand below the globals'.

The market assigns a higher recovery value to the sov. bonds. Globals have a 33.5c recovery value, while PBA bonds have 24.1c. While we expect the default prob. for PBA to be higher, we also believe its recovery value to be more similar to the sov's.

## We present additional calibrations regarding the BUENOS space

NPVs under default prob. term structure implicit in market prices						
	NPV	Price	Discounted Cash Flows			Recovery Value
			Total	2024-2025	2026-EOL	
BUENOSA	38.52	38.50	16.08	11.57	4.51	24.13
BUENOSB	31.58	31.75	8.90	6.34	2.56	24.13
BUENOSC	30.90	30.75	8.06	5.73	2.33	24.13
<b>Avg</b>	<b>33.67</b>	<b>33.67</b>	<b>11.02</b>	<b>7.88</b>	<b>3.14</b>	<b>24.13</b>

NPVs under default prob. term structure implicit in Argy Global Curve						
	NPV	Discounted Cash Flows			Recovery Value	
		Total	2024-2025	2026-EOL		
BUENOSA	32.91	8.79	8.79	0.00	24.13	
BUENOSB	28.95	4.82	4.82	0.00	24.13	
BUENOSC	28.50	4.38	4.38	0.00	24.13	
<b>Avg</b>	<b>30.12</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>	<b>24.13</b>	

NPVs under default prob. term structure and RV implicit in Argy Global Curve						
	NPV	Discounted Cash Flows			Recovery Value	
		Total	2024-2025	2026-EOL		
BUENOSA	42.31	8.79	8.79	0.00	33.52	
BUENOSB	38.34	4.82	4.82	0.00	33.52	
BUENOSC	37.89	4.38	4.38	0.00	33.52	
<b>Avg</b>	<b>39.51</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>	<b>33.52</b>	

- » In addition to the values implicit in market prices, we construct two alternative scenarios to value the PBA bonds. In the first, we value bond cashflows, discounted with the default prob. implicit in sovereign bond prices, leaving the recovery value unchanged from the market valuations. In such a case, PBA bonds would seem to be overvalued, with current prices exceeding the NPVs value.
- » Alternatively, we combine these valuations with the recovery value priced for the sovereign space. In that scenario, bonds seem to be slightly undervalued, with NPVs surpassing current bond prices.
- » In our view, while we do find BUENOS recovery values should be closer to the figures exhibited by the sovereign, the increased fiscal risks present in the province also suggest default probability should also be similar to the sovs. In addition, while ability to pay may differ between the sov. and the provincial government, the willingness to pay of the former does currently seem somewhat more convincing than that of Mr. Kiciloff.

Source: TPCG Research based on TPCG Trading Desk

# The official FX devaluation should strain debt service ratios and fiscal balances

2024 HC debt services	USDmn	Official FX		BCS		pre-deval FX	
		ARSmn	as % of LTM Revenues	ARSmn	as % of LTM Revenues	ARSmn	as % of LTM Revenues
<b>Quasi-Sovereign Credits</b>	<b>1,268</b>	<b>1,024,551</b>	<b>8.0%</b>	<b>1,198,997</b>	<b>9.3%</b>	<b>464,745</b>	<b>3.6%</b>
PBA	702	567,538	9.8%	664,170	11.4%	257,440	4.4%
CABA	67	53,934	2.1%	63,117	2.5%	24,465	1.0%
Santa Fe	17	13,938	0.9%	16,311	1.0%	6,322	0.4%
Mendoza	100	80,792	8.4%	94,548	9.8%	36,648	3.8%
Cordoba	382	308,349	16.2%	360,850	18.9%	139,870	7.3%
<b>Oil &amp; Gas Backed Credits</b>	<b>309</b>	<b>249,926</b>	<b>15.7%</b>	<b>292,480</b>	<b>18.4%</b>	<b>113,368</b>	<b>7.1%</b>
Neuquen	142	114,742	13.1%	134,278	15.3%	52,048	5.9%
TdF	32	25,828	9.9%	30,226	11.6%	11,716	4.5%
Chubut	135	109,356	24.1%	127,975	28.2%	49,605	10.9%
<b>Smaller Credits</b>	<b>498</b>	<b>402,297</b>	<b>12.0%</b>	<b>470,795</b>	<b>14.0%</b>	<b>182,485</b>	<b>5.4%</b>
Entre Rios	130	104,760	13.2%	122,597	15.4%	47,520	6.0%
Jujuy	47	37,948	9.2%	44,410	10.8%	17,214	4.2%
Salta	76	61,264	9.3%	71,695	10.9%	27,790	4.2%
Rio Negro	92	74,296	17.3%	86,946	20.3%	33,701	7.9%
La Rioja	77	62,168	19.2%	72,753	22.4%	28,200	8.7%
Chaco	77	61,862	8.4%	72,395	9.9%	28,061	3.8%
<b>Total</b>	<b>2,075</b>	<b>1,676,774</b>	<b>9.4%</b>	<b>1,962,271</b>	<b>11.0%</b>	<b>760,598</b>	<b>4.3%</b>

- » The deleveraging window for provinces seems to be over, after the national administration decided to devalue the currency to the 800USDARS level. Since 2020, the provincial space had been to deleverage, as access to the cheap official FX rate to pay for HC debt, in conjunction with revenue sources growing at inflation pace, resulted in significant drops in leverage ratios.
- » However, the devaluation massively spiked the cost for provincial governments to serve their debt payments. Prior to the devaluation, the 2024 HC services represented 4.4% of total revenues for the space, now skyrocketing to 11.2%, with some provinces now even facing ratios of over 15% of revenues for their HC services.
- » While income sources should be able to recover some ground relative to the USD, they part under a significant disadvantage. If this effect compounds with sluggish income growth due to poor activity levels, then, failing to catch up to the devaluation will mean a significant spike in the HC debt services to revenues ratio, straining provincial finances further.

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

# Agenda

## Before we start: Snapshot of credits fundamentals

- In LTM 3Q23, the average fiscal position dropped 1.4pp from FY22, reaching a surplus of 3.5% of revenues.
- Regarding the leverage position, the space's average closed at 39.9% of revenues, increasing 3.8pp from 2022. The debt services ratio stood flat at 6.8% of revenues.

## The 2023 elections decoupled local and national leadership

- During 4Q23, the remaining provincial elections took place, leaving JxC with 10 provinces, UxP with 9, and no libertarian governors.
- The mismatch between the political color in the local departments relative to the national level leaves the provincial space in an uncertain position going forward.

## 2024 should rough up fiscal balances further

- With the discretionary transfer regime poised to be revised, provinces such as PBA and La Rioja are bound to have significant fiscal gaps to plug.
- In addition, increasing outlays, the FX devaluation and weak activity levels threaten fiscal balances and leverage ratios for 2024.

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

- In 3Q23, the average fiscal surplus weakened vs. 3Q22 standing at +6.3% of revenues.
- The acceleration in spending eroded most primary surpluses, mainly due to the electoral process entering its key stages.

# City of BA: the fiscal surplus remained solid in 3Q23 at 16.52% of revenues

CABA - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>678,609</b>	<b>1,322,630</b>	<b>94.90%</b>	<b>857,184</b>	<b>2,092,755</b>	<b>144.14%</b>	<b>350,144</b>	<b>920,622</b>	<b>162.93%</b>
<b>Current Revenue</b>	<b>674,751</b>	<b>1,302,474</b>	<b>93.03%</b>	<b>847,985</b>	<b>2,066,456</b>	<b>143.69%</b>	<b>347,034</b>	<b>914,197</b>	<b>163.43%</b>
Provincial taxes	532,991	1,017,915	90.98%	667,860	1,639,758	145.52%	271,220	705,384	160.08%
Federal taxes	73,483	141,448	92.49%	92,468	204,684	121.36%	36,955	86,732	134.70%
Other non-tax	26,213	71,555	172.98%	39,127	186,334	376.23%	18,277	107,584	488.64%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfers	42,064	71,556	70.11%	48,530	35,681	-26.48%	20,583	14,497	-29.57%
<b>Capital Revenue</b>	<b>3,858</b>	<b>20,156</b>	<b>422.40%</b>	<b>9,199</b>	<b>26,299</b>	<b>185.88%</b>	<b>3,109</b>	<b>6,424</b>	<b>106.61%</b>
Financial investment	220	374	70.12%	243	308	26.61%	82	169	106.65%
Transfers	125	2,681	2044.71%	1,511	2,106	39.39%	961	206	-78.52%
Other	3,513	17,101	386.75%	7,445	23,885	220.81%	2,067	6,049	192.69%
<b>Primary Spending</b>	<b>634,252</b>	<b>1,134,406</b>	<b>78.86%</b>	<b>656,330</b>	<b>1,649,119</b>	<b>151.26%</b>	<b>272,876</b>	<b>746,965</b>	<b>173.74%</b>
<b>Current Expenditures</b>	<b>551,871</b>	<b>959,983</b>	<b>73.95%</b>	<b>576,169</b>	<b>1,392,748</b>	<b>141.73%</b>	<b>233,057</b>	<b>610,970</b>	<b>162.16%</b>
Personnel spending	305,858	528,443	72.77%	336,320	797,804	137.22%	125,283	331,020	164.22%
Goods and services	160,678	282,095	75.57%	150,584	375,613	149.44%	70,810	178,775	152.47%
Transfers to public sector	26,835	53,388	98.95%	31,877	83,207	161.03%	13,049	38,206	192.79%
Other transfers & expenditures	58,500	96,057	64.20%	57,388	136,124	137.20%	23,915	62,969	163.30%
<b>Capital Expenditures</b>	<b>82,380</b>	<b>174,423</b>	<b>111.73%</b>	<b>80,161</b>	<b>256,371</b>	<b>219.82%</b>	<b>39,819</b>	<b>135,995</b>	<b>241.53%</b>
Real Investment	81,354	172,960	112.60%	79,326	253,527	219.60%	39,477	134,791	241.44%
Financial invest.	271	308	13.55%	129	1,173	807.09%	59	149	151.66%
Capital transfers	755	1,156	53.07%	705	1,671	136.95%	283	1,056	273.30%
<b>Primary balance</b>	<b>44357</b>	<b>188224</b>		<b>200854</b>	<b>443636</b>		<b>77268</b>	<b>173656</b>	
as % of revenues	6.54%	14.23%	7.69pp	23.43%	21.20%	-2.23pp	22.07%	18.86%	-3.2pp
<b>Debt interest</b>	<b>50,852</b>	<b>57,507</b>	<b>13.1%</b>	<b>37,624</b>	<b>61,718</b>	<b>64.0%</b>	<b>11,349</b>	<b>21,533</b>	<b>89.7%</b>
<b>Fiscal balance</b>	<b>-6494</b>	<b>130718</b>		<b>163230</b>	<b>381918</b>		<b>65919</b>	<b>152123</b>	
as % of revenues	-0.96%	9.88%	10.84pp	19.04%	18.25%	-0.79pp	18.83%	16.52%	-2.3pp
<b>Social security and other</b>	<b>-871</b>	<b>3,155</b>	<b>-462.2%</b>	<b>1,298</b>	<b>221</b>	<b>-</b>	<b>-1,296</b>	<b>19</b>	<b>-101.5%</b>
<b>Consolidated fiscal balance</b>	<b>-7365</b>	<b>133872</b>		<b>164528</b>	<b>382139</b>		<b>64622</b>	<b>152142</b>	
as % of revenues	-1.09%	10.12%	11.21pp	19.19%	18.26%	-0.93pp	18.46%	16.53%	-1.93pp

## How we read it:

- » In 3Q23, the total revenue increased by 162.9%yoy, over inflation pace. Regarding the current revenue, it grew by 163.43%yoy, with all lines increasing excluding the disc. Transfers, which fell -29.57%yoy. The capital revenue rose by 106.65%yoy, with its meager contribution lagging the pace of other revenue sources.
- » The primary spending accelerated substantially from FY22, increasing by 173.74%yoy outpacing income sources. The current expenditures increased by 162.11%, being Transfers to the Public Sector & Personnel Spending the segments increasing the most. Capex spiked, going up by 241.53%yoy, highly influenced by the financial and capital transfer lines.
- » All in all, the primary surplus weakened slightly to 18.86% of revenues. After considering the debt interest services, the fiscal surplus also weakened to 16.52% of revenues. For the 9M23, the consolidated balance remained roughly flat at 18.26% of revenues.

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

## The City's leverage position stands at 24.5% of revenues

CABA	Debt Outstanding		YTD Services*	
USD mn	3Q22	3Q23	Interest	Capital
USDARS	\$ 147.32	\$ 350.00	\$ 283.56	
National Government	19	17	12	1
Multilateral	639	622	36	1
Banks	30	73	3	0
Consolidated Debt	0	0	0	0
Bonds	1,446	1,081	179	19
<b>Total Outstanding</b>	<b>2,133</b>	<b>1,794</b>	<b>230</b>	<b>21</b>
<b>Total Services</b>	<b>250</b>			

\*Figures as of 3Q23

Ratios - CABA	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	64.1%	71.7%	78.5%	77.0%	77.8%
Federal Taxes / Total Revenues	23.1%	22.0%	10.8%	10.7%	9.9%
Total Fed. Funds / Total Revenues	26.2%	23.6%	17.0%	16.1%	12.2%
Personnel Spend. / Total Expenditures	45.8%	50.1%	48.2%	46.6%	46.5%
Debt Interests / Total Revenues	9.0%	8.2%	7.5%	4.3%	3.2%
CapEx / Total Expenditures	20.4%	11.7%	13.0%	15.4%	16.5%
Primary Balance / Total Revenues	3.7%	0.9%	6.5%	14.2%	16.8%
Fiscal Balance / Total Revenues	-5.3%	-7.3%	-1.0%	9.9%	13.7%
Debt Services / Total Revenues	12.2%	11.7%	12.5%	7.1%	3.6%
Total Debt / Total Revenues	47.5%	53.1%	40.0%	27.5%	24.5%

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

The City's total debt closed at USD 1.8bn, dropping from FY22 mostly driven by a decrease in debt with bondholders. The percentage of foreign currency debt stands at 61.4%.

The City maintains a buoyant fiscal position, now standing nearly record high levels. This also compounds with very healthy leverage metrics, which remain minimal.

# Province of BA: the fiscal position suffered in 3Q23

PBA - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>1,826,129</b>	<b>3,316,300</b>	<b>81.60%</b>	<b>2,266,750</b>	<b>4,754,500</b>	<b>109.75%</b>	<b>890,864</b>	<b>1,933,590</b>	<b>117.05%</b>
<b>Current Revenue</b>	<b>1,810,471</b>	<b>3,307,181</b>	<b>82.67%</b>	<b>2,261,240</b>	<b>4,738,585</b>	<b>109.56%</b>	<b>888,977</b>	<b>1,929,344</b>	<b>117.03%</b>
Provincial taxes	792,679	1,410,576	77.95%	987,818	1,987,363	101.19%	394,487	825,558	109.27%
Federal taxes	807,271	1,471,987	82.34%	999,680	2,103,575	110.42%	391,250	871,496	122.75%
Other non-tax	35,701	114,811	221.59%	61,743	147,392	138.72%	25,859	58,182	125.00%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfers	174,820	309,807	77.22%	212,001	500,255	135.97%	77,381	174,108	125.00%
<b>Capital Revenue</b>	<b>15,658</b>	<b>9,118</b>	<b>-41.77%</b>	<b>5,510</b>	<b>15,915</b>	<b>188.86%</b>	<b>1,887</b>	<b>4,246</b>	<b>125.00%</b>
Financial investment	738	390	-47.10%	275	479	74.51%	110	248	125.00%
Transfers	14,920	8,728	-41.50%	5,235	15,436	194.85%	1,777	3,998	125.00%
Other	0	0	-	0	0	-	0	0	-
<b>Primary Spending</b>	<b>1,768,755</b>	<b>3,253,808</b>	<b>83.96%</b>	<b>2,027,173</b>	<b>4,586,178</b>	<b>126.24%</b>	<b>804,235</b>	<b>1,809,530</b>	<b>125.00%</b>
<b>Current Expenditures</b>	<b>1,653,034</b>	<b>2,971,647</b>	<b>79.77%</b>	<b>1,878,148</b>	<b>4,183,635</b>	<b>122.75%</b>	<b>729,863</b>	<b>1,642,192</b>	<b>125.00%</b>
Personnel spending	910,981	1,645,111	80.59%	1,063,949	2,415,476	127.03%	394,612	887,878	125.00%
Goods and services	129,647	225,952	74.28%	120,592	244,302	102.59%	52,012	117,028	125.00%
Transfers to public sector	261,654	472,945	80.75%	333,138	716,058	114.94%	131,022	294,800	125.00%
Other transfers & expenditures	350,751	627,640	78.94%	360,468	807,798	124.10%	152,216	342,486	125.00%
<b>Capital Expenditures</b>	<b>115,721</b>	<b>282,160</b>	<b>143.83%</b>	<b>149,025</b>	<b>402,544</b>	<b>170.12%</b>	<b>74,372</b>	<b>167,338</b>	<b>125.00%</b>
Real Investment	58,559	133,909	128.67%	63,504	165,505	160.62%	29,807	67,066	125.00%
Financial invest.	19,671	50,930	158.90%	25,918	65,181	151.48%	11,469	25,805	125.00%
Capital transfers	37,491	97,322	159.59%	59,602	171,857	188.34%	33,096	74,466	125.00%
<b>Primary balance</b>	<b>57374</b>	<b>62492</b>		<b>239577</b>	<b>168322</b>		<b>86628</b>	<b>124060</b>	
as % of revenues	3.14%	1.88%	-1.26pp	10.57%	3.54%	-7.03pp	9.72%	6.42%	-3.31pp
<b>Debt interest</b>	<b>68,361</b>	<b>93,558</b>	<b>36.86%</b>	<b>70,923</b>	<b>152,338</b>	<b>114.79%</b>	<b>32,636</b>	<b>73,431</b>	<b>125.00%</b>
<b>Fiscal balance</b>	<b>-10987</b>	<b>-31066</b>		<b>168654</b>	<b>15984</b>		<b>53992</b>	<b>50629</b>	
as % of revenues	-0.60%	-0.94%	-0.34pp	7.44%	0.34%	-7.1pp	6.06%	2.62%	-3.44pp
<b>Social security and other</b>	<b>-83,725</b>	<b>-114,040</b>	<b>36.21%</b>	<b>-64,288</b>	<b>-172,213</b>	<b>167.88%</b>	<b>-12,507</b>	<b>-28,141</b>	<b>125.00%</b>
<b>Consolidated fiscal balance</b>	<b>-94712</b>	<b>-145106</b>		<b>104365</b>	<b>-156229</b>		<b>41485</b>	<b>22488</b>	
as % of revenues	-5.19%	-4.38%	.81pp	4.60%	-3.29%	-7.89pp	4.66%	1.16%	-3.49pp

## How we read it:

- » During 3Q23, the total revenue grew by 117.05%yoy, outpaced by both inflation and spending. The current revenue increased by 117.03%yoy, with both provincial taxes and federal taxes growing below inflation. Instead, capital revenue grew by 125%yoy, albeit with its contribution being marginal at best.
- » Primary spending rose at 125%yoy, roughly in line with inflation. All lines rose similarly, being marginally outpaced by inflation.
- » All in all, the primary position dropped -3.3pp to a +6.42% of revenues surplus. After considering higher debt interests and Soc.Sec expenses, the consolidated position closed at 1.16% of revenues, marking a -3.5pp fall from 3Q22 figures. On the YTD front, the fiscal deficit clocked in at -3.29% of revenues, -7.9pp below 9M22 figures.

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



## PBA's leverage position increased to 61.4% of revenues

PBA	Debt Outstanding		YTD Services*		
	USD mn	3Q22	3Q23	Interest	Capital
<b>USDARS</b>		<b>\$ 147.32</b>	<b>\$ 350.00</b>	<b>\$ 283.56</b>	
National Government	138	106	33	25	
Multilateral	944	966	20	26	
Banks	2	2	0	0	
Consolidated Debt	0	0	0	0	
Bonds	9,502	9,105	484	436	
<b>Total Outstanding</b>		<b>10,585</b>	<b>10,178</b>	<b>537</b>	<b>487</b>
<b>Total Services</b>				<b>1,024</b>	

\*Figures as of 3Q23

Ratios - PBA	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	44.0%	40.8%	43.4%	42.5%	41.5%
Federal Taxes / Total Revenues	43.4%	43.9%	44.2%	44.4%	44.4%
Total Fed. Funds / Total Revenues	50.0%	57.8%	53.8%	53.7%	54.7%
Personnel Spend. / Total Expenditures	57.3%	53.4%	51.5%	50.6%	51.6%
Debt Interests / Total Revenues	9.2%	3.6%	3.7%	2.8%	3.0%
CapEx / Total Expenditures	5.7%	6.1%	6.5%	8.7%	9.2%
Primary Balance / Total Revenues	9.3%	4.3%	3.1%	1.9%	-0.2%
Fiscal Balance / Total Revenues	0.1%	0.6%	-0.6%	-0.9%	-3.2%
Debt Services / Total Revenues	18.4%	6.9%	6.1%	5.1%	4.9%
Total Debt / Total Revenues	78.5%	75.4%	64.1%	53.8%	61.4%

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

The province's total debt position closed at USD 10.2bn, from which most of it is in the form of bonds. Around 87% of the total debt is denominated in foreign currency.

The leverage position increased to 61.4% of revenues in the period. The share distribution of provincial and federal taxes tilted slightly in the latter's favor during the first 9 months of the year.

# Cordoba: the consolidated surplus fell by 7.11pp to 9.31% of rev. in 9M23

Cordoba - ARS mn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>572,622</b>	<b>1,025,942</b>	<b>79.17%</b>	<b>692,053</b>	<b>1,575,191</b>	<b>127.61%</b>	<b>267,522</b>	<b>643,431</b>	<b>140.52%</b>
<b>Current Revenue</b>	<b>561,454</b>	<b>1,010,344</b>	<b>79.95%</b>	<b>681,192</b>	<b>1,556,379</b>	<b>128.48%</b>	<b>262,940</b>	<b>636,008</b>	<b>141.88%</b>
Provincial taxes	184,432	314,013	70.26%	219,763	440,524	100.45%	85,542	179,821	110.21%
Federal taxes	294,301	543,320	84.61%	365,307	787,774	115.65%	144,743	330,590	128.40%
Other non-tax	43,075	105,071	143.92%	62,411	266,794	327.48%	18,683	100,768	439.37%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfers	39,645	47,940	20.92%	33,711	61,286	81.80%	13,973	24,829	77.69%
<b>Capital Revenue</b>	<b>11,168</b>	<b>15,598</b>	<b>39.67%</b>	<b>10,861</b>	<b>18,812</b>	<b>73.21%</b>	<b>4,582</b>	<b>7,423</b>	<b>62.01%</b>
Financial investment	798	1,628	104.03%	1,120	2,647	136.27%	376	1,209	221.80%
Transfers	10,370	13,970	34.71%	9,740	16,165	65.96%	4,206	6,214	47.74%
Other	0	0	-	0	12	-	0	1	-
<b>Primary Spending</b>	<b>467,534</b>	<b>867,244</b>	<b>85.49%</b>	<b>541,611</b>	<b>1,332,183</b>	<b>145.97%</b>	<b>209,525</b>	<b>557,371</b>	<b>166.02%</b>
<b>Current Expenditures</b>	<b>408,348</b>	<b>703,359</b>	<b>72.25%</b>	<b>454,100</b>	<b>1,077,285</b>	<b>137.24%</b>	<b>167,609</b>	<b>449,620</b>	<b>168.25%</b>
Personnel spending	208,937	369,487	76.84%	236,312	596,312	152.34%	83,421	241,323	189.28%
Goods and services	64,849	94,976	46.46%	58,793	137,577	134.00%	22,546	63,036	179.59%
Transfers to public sector	88,601	158,951	79.40%	106,783	228,880	114.34%	42,478	96,212	126.50%
Other transfers & expenditures	45,961	79,945	73.94%	52,211	114,515	119.33%	19,164	49,048	155.94%
<b>Capital Expenditures</b>	<b>59,186</b>	<b>163,885</b>	<b>176.90%</b>	<b>87,512</b>	<b>254,898</b>	<b>191.27%</b>	<b>41,915</b>	<b>107,751</b>	<b>157.07%</b>
Real Investment	43,376	118,489	173.16%	64,679	175,828	171.84%	29,525	66,373	124.80%
Financial invest.	9,042	27,177	200.55%	13,323	44,292	232.46%	8,214	19,605	138.66%
Capital transfers	6,767	18,220	169.23%	9,510	34,779	265.72%	4,176	21,773	421.40%
<b>Primary balance</b>	<b>105088</b>	<b>158698</b>		<b>150442</b>	<b>243008</b>		<b>57997</b>	<b>86061</b>	
as % of revenues	18.35%	15.47%	-2.88pp	21.74%	15.43%	-6.31pp	21.68%	13.38%	-8.3pp
<b>Debt interest</b>	<b>13,078</b>	<b>18,833</b>	<b>44.0%</b>	<b>9,456</b>	<b>24,119</b>	<b>155.1%</b>	<b>2,317</b>	<b>6,155</b>	<b>165.7%</b>
<b>Fiscal balance</b>	<b>92010</b>	<b>139865</b>		<b>140986</b>	<b>218888</b>		<b>55681</b>	<b>79906</b>	
as % of revenues	16.07%	13.63%	-2.44pp	20.37%	13.90%	-6.48pp	20.81%	12.42%	-8.39pp
<b>Social security and other</b>	<b>-24,415</b>	<b>-28,056</b>	<b>14.9%</b>	<b>-27,398</b>	<b>-72,280</b>	<b>163.8%</b>	<b>-10,430</b>	<b>-30,358</b>	<b>191.1%</b>
<b>Consolidated fiscal balance</b>	<b>67596</b>	<b>111808</b>		<b>113588</b>	<b>146609</b>		<b>45251</b>	<b>49548</b>	
as % of revenues	11.80%	10.90%	-91pp	16.41%	9.31%	-7.11pp	16.91%	7.70%	-9.21pp

## How we read it:

- » In 3Q23, the total revenue grew by 140.52%yoy, in line with the inflation pace but below spending. Within income sources, the only line that posted real growth was other non-tax revenues.
- » Primary spending accelerated substantially, rising by 166.02%yoy with personnel spending going up by 189.28%yoy, Goods & Services rising by 179.59%yoy and capex growing 157.07%yoy. Combining all three, the primary surplus narrowed by 8.3ppoy to 13.4% of revenues. After considering the debt interest services and Soc.Sec. spending, the consolidated surplus dropped by 9.21ppoy to 7.7% of revenues.
- » For the 9M23 period, the primary surplus fell by 6.31pp to 15.43% of revenues, after an acceleration in spending that outpaced the revenue growth pace by a 19pp margin. Factoring in the debt interests and social security and other expenses, the consolidated surplus closed at 9.31% of revenues, going down by 7.11pp.

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

# Cordoba's leverage position closed at 46.2% of revenues

Cordoba	Debt Outstanding		YTD Services*	
USD mn	3Q22	3Q23	Interest	Capital
USDARS	\$ 147.32	\$ 350.00	\$ 283.56	
National Government	100	71	3	15
Multilateral	451	438	12	26
Banks	168	173	1	7
Consolidated Debt	0	0	0	0
Bonds	1,899	1,836	50	49
<b>Total Outstanding</b>	<b>2,617</b>	<b>2,518</b>	<b>65</b>	<b>97</b>
<b>Total Services</b>			<b>162</b>	

\*Figures as of 3Q23

Ratios - Cordoba	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	29.3%	32.6%	32.2%	30.6%	28.0%
Federal Taxes / Total Revenues	52.4%	52.0%	51.4%	53.0%	50.6%
Total Fed. Funds / Total Revenues	57.7%	59.7%	58.3%	57.6%	54.5%
Personnel Spend. / Total Expenditures	47.7%	49.3%	44.7%	42.6%	44.0%
Debt Interests / Total Revenues	4.0%	3.3%	2.3%	1.8%	1.8%
CapEx / Total Expenditures	14.5%	9.6%	12.7%	18.9%	20.0%
Primary Balance / Total Revenues	9.6%	15.7%	18.4%	15.5%	13.2%
Fiscal Balance / Total Revenues	5.7%	12.4%	16.1%	13.6%	11.4%
Debt Services / Total Revenues	6.2%	6.7%	5.6%	3.7%	3.5%
Total Debt / Total Revenues	63.5%	66.4%	48.4%	41.3%	46.2%

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

PDCAR's total debt dropped in 3Q23, reaching USD 2.5bn. During the 2Q23, the province started to sink its global notes, for an amount close to USD 120mn. Total debt denominated in foreign currency stands at 90.3%.

The province's leverage position closed the period at 46.2% of revenues, registering some acceleration. The capex continued growing, influenced by the electoral calendar, now reaching 19.1% of total expenditures.

# Santa Fe: overview of 3Q23 figures

Santa Fe - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>518,906</b>	<b>933,526</b>	<b>79.90%</b>	<b>631,755</b>	<b>1,325,377</b>	<b>109.79%</b>	<b>250,031</b>	<b>564,690</b>	<b>125.85%</b>
<b>Current Revenue</b>	<b>512,348</b>	<b>919,574</b>	<b>79.48%</b>	<b>622,932</b>	<b>1,313,904</b>	<b>110.92%</b>	<b>247,520</b>	<b>559,397</b>	<b>126.00%</b>
Provincial taxes	163,377	285,107	74.51%	198,103	405,740	104.81%	78,587	176,108	124.09%
Federal taxes	298,181	550,629	84.66%	370,099	796,563	115.23%	146,606	334,481	128.15%
Other non-tax	22,594	37,366	65.38%	21,447	60,811	183.54%	8,558	27,625	222.80%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfers	28,196	46,472	64.81%	33,283	50,790	52.60%	13,769	21,183	53.85%
<b>Capital Revenue</b>	<b>6,559</b>	<b>13,952</b>	<b>112.74%</b>	<b>8,823</b>	<b>11,473</b>	<b>30.03%</b>	<b>2,511</b>	<b>5,293</b>	<b>110.80%</b>
Financial investment	773	2,185	182.71%	708	1,122	58.61%	251	439	75.23%
Transfers	5,780	11,757	103.41%	8,105	10,338	27.56%	2,257	4,852	115.03%
Other	6	11	83.11%	11	12	12.67%	4	2	-58.62%
<b>Primary Spending</b>	<b>464,770</b>	<b>846,956</b>	<b>82.23%</b>	<b>548,091</b>	<b>1,228,216</b>	<b>124.09%</b>	<b>211,958</b>	<b>511,228</b>	<b>141.19%</b>
<b>Current Expenditures</b>	<b>419,540</b>	<b>756,240</b>	<b>80.25%</b>	<b>491,834</b>	<b>1,123,724</b>	<b>128.48%</b>	<b>186,932</b>	<b>475,730</b>	<b>154.49%</b>
Personnel spending	231,577	421,361	81.95%	272,169	670,593	146.39%	99,275	276,324	178.34%
Goods and services	43,389	70,569	62.64%	46,146	100,914	118.69%	18,241	51,891	184.48%
Transfers to public sector	59,801	109,162	82.54%	72,756	178,425	145.24%	30,019	97,252	223.97%
Other transfers & expenditures	84,773	155,148	83.02%	100,764	173,791	72.47%	39,397	50,264	27.58%
<b>Capital Expenditures</b>	<b>45,229</b>	<b>90,716</b>	<b>100.57%</b>	<b>56,258</b>	<b>104,492</b>	<b>85.74%</b>	<b>25,025</b>	<b>35,497</b>	<b>41.84%</b>
Real Investment	34,949	68,046	94.70%	41,650	85,125	104.38%	17,294	26,572	53.65%
Financial invest.	864	1,807	109.23%	1,254	1,847	47.30%	262	519	98.24%
Capital transfers	9,417	20,863	121.56%	13,354	17,520	31.20%	7,470	8,407	12.54%
<b>Primary balance</b>	<b>54137</b>	<b>86570</b>		<b>83664</b>	<b>97161</b>		<b>38073</b>	<b>53462</b>	
<i>as % of revenues</i>	<i>10.43%</i>	<i>9.27%</i>	<i>-1.16pp</i>	<i>13.24%</i>	<i>7.33%</i>	<i>-5.91pp</i>	<i>15.23%</i>	<i>9.47%</i>	<i>-5.76pp</i>
<b>Debt interest</b>	<b>8,199</b>	<b>12,706</b>	<b>55.0%</b>	<b>7,721</b>	<b>20,462</b>	<b>165.0%</b>	<b>2,469</b>	<b>8,965</b>	<b>263.1%</b>
<b>Fiscal balance</b>	<b>45938</b>	<b>73864</b>		<b>75943</b>	<b>76699</b>		<b>35605</b>	<b>44498</b>	
<i>as % of revenues</i>	<i>8.85%</i>	<i>7.91%</i>	<i>-.94pp</i>	<i>12.02%</i>	<i>5.79%</i>	<i>-6.23pp</i>	<i>14.24%</i>	<i>7.88%</i>	<i>-6.36pp</i>
<b>Social security and other</b>	<b>-45,414</b>	<b>-73,259</b>	<b>61.3%</b>	<b>-60,525</b>	<b>-106,006</b>	<b>75.1%</b>	<b>-14,930</b>	<b>-36,205</b>	<b>142.5%</b>
<b>Consolidated fiscal balance</b>	<b>524</b>	<b>605</b>		<b>15418</b>	<b>-29307</b>		<b>20675</b>	<b>8292</b>	
<i>as % of revenues</i>	<i>0.10%</i>	<i>0.06%</i>	<i>-.04pp</i>	<i>2.44%</i>	<i>-2.21%</i>	<i>-4.65pp</i>	<i>8.27%</i>	<i>1.47%</i>	<i>-6.8pp</i>

## How we read it:

- » In 3Q23, the total revenue grew by 125.85%yoy. Within the current revenue, most lines posted an increase below inflation, with the exception of other non-tax. The capital revenue performed even worse, on the back of other capital revenues.
- » For spending, the increase was around 141.19%yoy, substantially over revenue pace. This was mostly explained by a higher-than-inflation rise in Personnel expenditure, which hiked by 178.34%yoy. Capex experienced a 41.8%yoy rise, well below inflation, on the back of lower capital transfers.
- » The primary surplus closed at 9.47% of revenues, falling 5.76ppyoy. After the debt interests and Soc.Sec. expenses, the consolidated balance ended at a surplus of +1.47% of revenues, worsening by 6.36pp.
- » For the 9M23, the consolidated balance turned to a slight deficit, falling 4.65pp to -2.21% of revenues.

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

## Santa Fe's main metrics

Santa Fe	Debt Outstanding		YTD Services*		
	USD mn	3Q22	3Q23	Interest	Capital
<b>USDARS</b>		<b>\$ 147.32</b>	<b>\$ 350.00</b>	<b>\$ 283.56</b>	
National Government	53	17	2	13	
Multilateral	181	232	9	12	
Banks	103	69	30	8	
Consolidated Debt	0	0	0	0	
Bonds	380	257	31	81	
<b>Total Outstanding</b>	<b>718</b>	<b>575</b>	<b>72</b>	<b>115</b>	
<b>Total Services</b>			<b>187</b>		

\*Figures as of 3Q23

Ratios - Santa Fe	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	32.0%	31.5%	31.5%	30.5%	30.3%
Federal Taxes / Total Revenues	58.1%	55.9%	57.5%	59.0%	60.0%
Total Fed. Funds / Total Revenues	63.2%	63.8%	62.9%	64.0%	64.0%
Personnel Spend. / Total Expenditures	52.0%	53.8%	49.8%	49.8%	53.7%
Debt Interests / Total Revenues	1.1%	1.4%	1.6%	1.4%	1.6%
CapEx / Total Expenditures	14.6%	7.8%	9.7%	10.7%	9.1%
Primary Balance / Total Revenues	0.9%	14.7%	10.4%	9.3%	6.1%
Fiscal Balance / Total Revenues	-0.2%	13.3%	8.9%	7.9%	4.6%
Debt Services / Total Revenues	1.8%	2.1%	3.2%	4.3%	4.0%
Total Debt / Total Revenues	17.2%	20.8%	17.0%	12.5%	12.4%

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

Santa Fe's total debt closed the 3Q23 period at USD575mn, marking a substantial 20% reduction in yoy terms. The percentage of debt denominated in foreign currency stands at 81%.

The province's leverage position remains minimal, with total debt at 12.4% of revenues, marginally below FY 2022 figures.

# Mendoza: overview of 3Q23 figures

Mendoza - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>279,695</b>	<b>507,786</b>	<b>81.55%</b>	<b>337,348</b>	<b>793,974</b>	<b>135.36%</b>	<b>136,283</b>	<b>342,525</b>	<b>151.33%</b>
<b>Current Revenue</b>	<b>255,466</b>	<b>478,709</b>	<b>87.39%</b>	<b>317,999</b>	<b>711,837</b>	<b>123.85%</b>	<b>129,277</b>	<b>305,396</b>	<b>136.23%</b>
Provincial taxes	78,460	140,712	79.34%	95,412	213,262	123.52%	37,393	88,738	137.31%
Federal taxes	140,216	260,149	85.53%	174,308	373,760	114.43%	69,728	161,133	131.09%
Other non-tax	17,796	47,798	168.60%	28,529	86,879	204.53%	13,218	41,114	211.04%
Royalties	12,659	20,146	59.14%	13,762	28,477	106.92%	5,742	11,871	106.74%
Discretionary Federal Gov transfers	6,335	9,904	56.34%	5,988	9,459	57.97%	3,195	2,540	-20.52%
<b>Capital Revenue</b>	<b>24,229</b>	<b>29,077</b>	<b>20.01%</b>	<b>19,350</b>	<b>82,137</b>	<b>324.49%</b>	<b>7,007</b>	<b>37,129</b>	<b>429.90%</b>
Financial investment	651	370	-43.18%	285	479	67.82%	13	5	-59.86%
Transfers	0	0	-	0	0	-	0	0	-
Other	23,578	28,707	21.75%	19,064	81,658	328.33%	6,994	37,124	430.79%
<b>Primary Spending</b>	<b>256,604</b>	<b>458,097</b>	<b>78.52%</b>	<b>270,987</b>	<b>717,244</b>	<b>164.68%</b>	<b>113,208</b>	<b>322,739</b>	<b>185.09%</b>
<b>Current Expenditures</b>	<b>214,883</b>	<b>376,509</b>	<b>75.22%</b>	<b>232,743</b>	<b>545,139</b>	<b>134.22%</b>	<b>93,857</b>	<b>241,234</b>	<b>157.02%</b>
Personnel spending	111,101	194,808	75.34%	124,937	295,426	136.46%	47,028	126,622	169.25%
Goods and services	32,916	54,539	65.69%	30,190	73,956	144.97%	13,008	34,386	164.34%
Transfers to public sector	41,878	74,460	77.80%	45,307	99,201	118.95%	20,288	46,407	128.74%
Other transfers & expenditures	28,988	52,702	81.81%	32,309	76,556	136.95%	13,533	33,819	149.90%
<b>Capital Expenditures</b>	<b>41,721</b>	<b>81,588</b>	<b>95.56%</b>	<b>38,244</b>	<b>172,104</b>	<b>350.01%</b>	<b>19,351</b>	<b>81,505</b>	<b>321.20%</b>
Real Investment	7,705	18,683	142.49%	8,421	27,389	225.23%	4,633	13,291	186.89%
Financial invest.	31,359	46,371	47.87%	23,742	114,532	382.41%	11,078	50,339	354.41%
Capital transfers	2,657	16,534	522.37%	6,081	30,183	396.34%	3,640	17,875	391.08%
<b>Primary balance</b>	<b>23091</b>	<b>49689</b>		<b>66361</b>	<b>76731</b>		<b>23076</b>	<b>19786</b>	
as % of revenues	8.26%	9.79%	1.53pp	19.67%	9.66%	-10.01pp	16.93%	5.78%	-11.16pp
<b>Debt interest</b>	<b>9,145</b>	<b>21,334</b>	<b>133.3%</b>	<b>15,173</b>	<b>29,571</b>	<b>94.9%</b>	<b>6,832</b>	<b>14,116</b>	<b>106.6%</b>
<b>Fiscal balance</b>	<b>13947</b>	<b>28355</b>		<b>51188</b>	<b>47159</b>		<b>16244</b>	<b>5670</b>	
as % of revenues	4.99%	5.58%	.6pp	15.17%	5.94%	-9.23pp	11.92%	1.66%	-10.26pp
<b>Social security and other</b>	<b>-2,248</b>	<b>-3,913</b>	<b>74.1%</b>	<b>-2,405</b>	<b>-4,358</b>	<b>81.2%</b>	<b>-1,165</b>	<b>-2,236</b>	<b>91.9%</b>
<b>Consolidated fiscal balance</b>	<b>11699</b>	<b>24442</b>		<b>48783</b>	<b>42801</b>		<b>15079</b>	<b>3434</b>	
as % of revenues	4.18%	4.81%	.63pp	14.46%	5.39%	-9.07pp	11.06%	1.00%	-10.06pp

## How we read it:

- » In 3Q23 the revenue growth pace was 151.33%yoy, way below spending pace, albeit slightly over inflation. The current revenue performed strongly in other non-tax revenue, with the rest of the lines increasing roughly at inflation pace. Capital revenue rose sharply in real terms.
- » For the primary spending, the current expenditures increased by 185.1%yoy, with most segments growing over inflation. The capex followed suit spiking even further to 321.2%yoy, mostly on the back of financial investment and capital transfers. In this context, it seems the political cycle took a significant toll on the province's finances. With that, the primary position weakened considerably, ending 3Q23 at a +5.78% of revenues surplus (-11.16pp). After the debt interests and Soc.Sec and other expenses, the consolidated surplus tightened by -10pp to +1% of revenues.
- » For the 9M23, the consolidated surplus fell by 9.1pp to 5.39% of revenues.

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

## Mendoza's leverage position stands at 38.6% of revenues

Mendoza	Debt Outstanding		YTD Services*		
	USD mn	3Q22	3Q23	Interest	Capital
<b>USDARS</b>		<b>\$ 147.32</b>	<b>\$ 350.00</b>	<b>\$ 283.56</b>	
National Government	113	57	24	58	
Multilateral	179	184	6	19	
Banks	132	100	5	4	
Consolidated Debt	0	0	0	0	
Bonds	686	722	61	70	
<b>Total Outstanding</b>	<b>1,110</b>	<b>1,063</b>	<b>96</b>	<b>151</b>	
<b>Total Services</b>			<b>247</b>		

\*Figures as of 3Q23

Ratios - Mendoza	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	35.6%	33.1%	32.6%	31.7%	30.4%
Federal Taxes / Total Revenues	46.6%	50.7%	50.1%	51.2%	47.7%
Total Fed. Funds / Total Revenues	48.3%	54.4%	52.4%	53.2%	49.0%
Personnel Spend. / Total Expenditures	51.7%	50.6%	39.7%	38.4%	37.9%
Debt Interests / Total Revenues	7.3%	4.7%	3.3%	4.2%	3.7%
CapEx / Total Expenditures	10.3%	7.7%	16.3%	17.8%	23.8%
Primary Balance / Total Revenues	-1.3%	4.1%	8.3%	9.8%	6.2%
Fiscal Balance / Total Revenues	-8.5%	-0.6%	5.0%	5.6%	2.5%
Debt Services / Total Revenues	9.6%	7.9%	8.5%	8.1%	8.6%
Total Debt / Total Revenues	59.5%	62.9%	45.2%	37.3%	38.6%

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

Mendoza's total debt remained level at USD1.1bn. Total debt denominated in foreign currency stands at 63.8%.

Mendoza's leverage position closed at 38.6% of revenues, slightly over FY22 figures. The capex, on the other hand, increased by 6pp from last year.

## Neuquén: The fiscal balance improved in 3Q23, but remained unchanged in 9M23

Neuquen - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>245,956</b>	<b>464,754</b>	<b>88.96%</b>	<b>307,292</b>	<b>720,089</b>	<b>134.33%</b>	<b>128,976</b>	<b>312,341</b>	<b>142.17%</b>
<b>Current Revenue</b>	<b>240,675</b>	<b>455,233</b>	<b>89.15%</b>	<b>300,864</b>	<b>709,617</b>	<b>135.86%</b>	<b>125,750</b>	<b>305,370</b>	<b>142.84%</b>
Provincial taxes	68,232	125,401	83.79%	84,590	203,690	140.80%	36,390	88,695	143.74%
Federal taxes	58,643	106,937	82.35%	72,042	153,245	112.72%	28,598	64,690	126.21%
Other non-tax	35,825	57,934	61.71%	34,752	84,672	143.64%	13,387	33,853	152.89%
Royalties	73,012	157,268	115.40%	104,325	256,248	145.62%	45,480	112,360	147.05%
Discretionary Federal Gov transfers	4,963	7,694	55.04%	5,154	11,763	128.22%	1,896	5,773	204.46%
<b>Capital Revenue</b>	<b>5,280</b>	<b>9,521</b>	<b>80.30%</b>	<b>6,428</b>	<b>10,472</b>	<b>62.90%</b>	<b>3,226</b>	<b>6,971</b>	<b>116.12%</b>
Financial investment	1,492	4,073	173.08%	2,631	4,424	68.15%	2,334	3,815	63.47%
Transfers	3,581	5,072	41.61%	3,537	5,600	58.33%	777	3,022	288.87%
Other	207	376	81.11%	261	448	71.97%	115	134	16.81%
<b>Primary Spending</b>	<b>222,245</b>	<b>446,294</b>	<b>100.81%</b>	<b>285,440</b>	<b>667,963</b>	<b>134.01%</b>	<b>113,527</b>	<b>270,014</b>	<b>137.84%</b>
<b>Current Expenditures</b>	<b>199,824</b>	<b>398,719</b>	<b>99.53%</b>	<b>256,149</b>	<b>598,860</b>	<b>133.79%</b>	<b>100,472</b>	<b>239,931</b>	<b>138.80%</b>
Personnel spending	135,132	264,860	96.00%	171,669	403,388	134.98%	65,241	155,165	137.83%
Goods and services	24,608	55,108	123.94%	33,171	70,496	112.52%	13,792	30,593	121.82%
Transfers to public sector	31,228	63,722	104.05%	40,971	98,537	140.51%	17,510	42,919	145.11%
Other transfers & expenditures	8,855	15,029	69.71%	10,339	26,439	155.72%	3,929	11,253	186.40%
<b>Capital Expenditures</b>	<b>22,421</b>	<b>47,575</b>	<b>112.19%</b>	<b>29,291</b>	<b>69,103</b>	<b>135.92%</b>	<b>13,055</b>	<b>30,084</b>	<b>130.44%</b>
Real Investment	13,842	30,586	120.96%	18,420	47,270	156.62%	7,949	20,816	161.86%
Financial invest.	6,782	13,087	92.98%	8,460	18,269	115.95%	3,640	7,560	107.67%
Capital transfers	1,797	3,902	117.14%	2,411	3,564	47.79%	1,465	1,708	16.56%
<b>Primary balance</b>	<b>23711</b>	<b>18460</b>		<b>21852</b>	<b>52126</b>		<b>15449</b>	<b>42326</b>	
as % of revenues	9.64%	3.97%	-5.67pp	7.11%	7.24%	.13pp	12.0%	13.6%	1.57pp
<b>Debt interest</b>	<b>7,503</b>	<b>14,409</b>	<b>92.05%</b>	<b>9,014</b>	<b>18,793</b>	<b>108.48%</b>	<b>3,114</b>	<b>5,644</b>	<b>81.25%</b>
<b>Fiscal balance</b>	<b>16208</b>	<b>4051</b>		<b>12838</b>	<b>33333</b>		<b>12335</b>	<b>36682</b>	
as % of revenues	6.59%	0.87%	-5.72pp	4.18%	4.63%	.45pp	9.6%	11.7%	2.18pp
<b>Social security and other</b>	<b>-7,273</b>	<b>-14,323</b>	<b>96.92%</b>	<b>-9,182</b>	<b>-25,193</b>	<b>174.37%</b>	<b>-3,637</b>	<b>-8,566</b>	<b>135.51%</b>
<b>Consolidated fiscal balance</b>	<b>8934</b>	<b>-10272</b>		<b>3655</b>	<b>8141</b>		<b>8698</b>	<b>28116</b>	
as % of revenues	3.63%	-2.21%	-5.84pp	1.19%	1.13%	-.06pp	6.7%	9.0%	2.26pp

### How we read it:

- » In 3Q23, the total revenue went up by 142.2%yoy. The current revenue did it by 142.8%, with a strong increase in discretionary transfers, provincial taxes and royalties. The capital revenue dropped substantially in real terms, but its contribution remains minimal to the overall revenue balance.
- » The primary spending growth pace came in line with inflation and was edged slightly by revenues, rising by 137.8%yoy. For current expenditures, all lines grew in line or above inflation, with the exception of G&S, while personnel spending grew by 137.8%yoy. Capex followed suit, increasing by 130.4%yoy, with a ramp-up in real investments.
- » All in all, the primary surplus widened by 1.57pp to +13.6% of revenues. After the debt interests, and Soc.Sec expenses, the consolidated balance turned in a +9% of revenues surplus, improving by 2.26pp. For 9M23, the consolidated deficit remained anchored at 1.13% of revenues.

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



## Neuquén closed 3Q23 with a leverage position of 45.1% of revenues.

Neuquen	Debt Outstanding		YTD Services*	
	USD mn	3Q22	3Q23	Interest
<b>USDARS</b>	<b>\$ 147.32</b>	<b>\$ 350.00</b>	<b>\$ 283.56</b>	
National Government	96	61	6	38
Multilateral	121	118	3	8
Banks	166	157	10	8
Consolidated Debt	0	0	0	0
Bonds	859	796	47	82
<b>Total Outstanding</b>	<b>1,241</b>	<b>1,132</b>	<b>66</b>	<b>136</b>
<b>Total Services</b>			<b>202</b>	

\*Figures as of 3Q23

Ratios - Neuquen	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	60.0%	51.7%	57.4%	60.8%	63.1%
Federal Taxes / Total Revenues	21.9%	25.1%	23.8%	23.0%	21.4%
Total Fed. Funds / Total Revenues	23.5%	27.9%	25.9%	24.7%	23.1%
Personnel Spend. / Total Expenditures	60.5%	63.9%	60.8%	59.3%	59.9%
Debt Interests / Total Revenues	5.7%	5.3%	3.1%	3.1%	2.8%
CapEx / Total Expenditures	10.9%	9.1%	10.1%	10.7%	10.5%
Primary Balance / Total Revenues	1.3%	-1.5%	9.6%	4.0%	5.6%
Fiscal Balance / Total Revenues	-4.4%	-6.8%	6.6%	0.9%	2.8%
Debt Services / Total Revenues	8.4%	11.9%	7.8%	9.1%	8.2%
Total Debt / Total Revenues	62.4%	74.0%	53.8%	45.1%	45.1%

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

Neuquén's total debt stands around USD 1.1bn, slightly decreasing from last year. Around 81.8% of the province's total debt is denominated in foreign currency.

The province's leverage position now stands flat with FY2022 figures, showing no variation, now closing the period at 45.1% of revenues.

# Chubut: the consolidated fiscal balance improved in 9M23

Chubut - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>143,516</b>	<b>254,903</b>	<b>77.61%</b>	<b>173,057</b>	<b>372,070</b>	<b>115.00%</b>	<b>70,091</b>	<b>158,980</b>	<b>126.82%</b>
<b>Current Revenue</b>	<b>141,448</b>	<b>253,117</b>	<b>78.95%</b>	<b>171,725</b>	<b>369,275</b>	<b>115.04%</b>	<b>69,465</b>	<b>157,571</b>	<b>126.84%</b>
Provincial taxes	31,479	54,361	72.69%	36,240	84,313	132.65%	15,449	35,728	131.27%
Federal taxes	54,714	99,735	82.28%	67,211	143,179	113.03%	26,538	60,018	126.16%
Other non-tax	15,625	32,430	107.55%	23,306	48,106	106.41%	9,819	22,093	125.00%
Royalties	36,341	62,126	70.95%	42,192	88,375	109.46%	16,791	37,779	125.00%
Discretionary Federal Gov transfers	3,289	4,466	35.78%	2,777	5,302	90.96%	868	1,953	125.00%
<b>Capital Revenue</b>	<b>2,068</b>	<b>1,785</b>	<b>-13.69%</b>	<b>1,332</b>	<b>2,795</b>	<b>109.73%</b>	<b>626</b>	<b>1,409</b>	<b>125.00%</b>
Financial investment	610	889	45.65%	602	1,285	113.32%	260	584	125.00%
Transfers	1,444	880	-39.05%	718	1,483	106.71%	361	812	125.00%
Other	15	17	15.04%	12	26	110.54%	5	12	125.00%
<b>Primary Spending</b>	<b>122,991</b>	<b>230,249</b>	<b>87.21%</b>	<b>150,114</b>	<b>312,318</b>	<b>108.05%</b>	<b>54,108</b>	<b>121,743</b>	<b>125.00%</b>
<b>Current Expenditures</b>	<b>108,817</b>	<b>204,356</b>	<b>87.80%</b>	<b>133,690</b>	<b>277,129</b>	<b>107.29%</b>	<b>47,142</b>	<b>106,070</b>	<b>125.00%</b>
Personnel spending	79,226	148,559	87.51%	99,108	204,869	106.71%	36,035	81,078	125.00%
Goods and services	11,384	19,523	71.49%	11,591	25,260	117.93%	5,021	11,297	125.00%
Transfers to public sector	7,122	12,915	81.34%	8,609	17,736	106.01%	1,723	3,877	125.00%
Other transfers & expenditures	11,085	23,359	110.73%	14,382	29,264	103.49%	4,364	9,819	125.00%
<b>Capital Expenditures</b>	<b>14,174</b>	<b>25,893</b>	<b>82.68%</b>	<b>16,424</b>	<b>35,189</b>	<b>114.25%</b>	<b>6,966</b>	<b>15,674</b>	<b>125.00%</b>
Real Investment	5,451	10,525	93.08%	5,836	12,921	121.39%	2,659	5,982	125.00%
Financial invest.	215	329	53.29%	186	528	183.57%	89	201	125.00%
Capital transfers	8,508	15,040	76.77%	10,402	21,740	109.00%	4,218	9,491	125.00%
<b>Primary balance</b>	<b>20526</b>	<b>24653</b>		<b>22943</b>	<b>59751</b>		<b>15983</b>	<b>37236</b>	
as % of revenues	14.30%	9.67%	-4.63pp	13.26%	16.06%	2.8pp	22.80%	23.42%	.62pp
<b>Debt interest</b>	<b>7,133</b>	<b>11,182</b>	<b>56.8%</b>	<b>7,787</b>	<b>15,874</b>	<b>103.9%</b>	<b>2,782</b>	<b>6,260</b>	<b>125.0%</b>
<b>Fiscal balance</b>	<b>13393</b>	<b>13471</b>		<b>15156</b>	<b>43877</b>		<b>13200</b>	<b>30976</b>	
as % of revenues	9.33%	5.28%	-4.05pp	8.76%	11.79%	3.03pp	18.83%	19.48%	.65pp
<b>Social security and other</b>	<b>-4,127</b>	<b>-9,332</b>	<b>126.2%</b>	<b>-6,783</b>	<b>-14,649</b>	<b>116.0%</b>	<b>-2,499</b>	<b>-5,622</b>	<b>125.0%</b>
<b>Consolidated fiscal balance</b>	<b>9266</b>	<b>4139</b>		<b>8373</b>	<b>29228</b>		<b>10701</b>	<b>25354</b>	
as % of revenues	6.46%	1.62%	-4.83pp	4.84%	7.86%	3.02pp	15.27%	15.95%	.68pp

## How we read it:

- » In 3Q23, the total revenues grew by 125.9%yoy, below inflation but in line with spending. The only line coming close to real growth during the period was provincial taxes. The primary spending grew at 125%yoy. Combining both, the primary surplus grew by 0.6pp to 23.42% of revenues. After the debt interests and the social security and other expenses, the consolidated surplus clocked in at +15.95% of revenues.
- » For the 9M23 period, total revenue grew by 115%yoy compared to spending at 108%yoy, resulting in a primary surplus of 16% of revenues, +2.8pp. After considering the debt interests, the fiscal surplus closed at 11.8% of revenues. Finally, factoring in the Soc.Sec and other spending, the consolidated balance turned into a surplus of 7.86% of revenues.

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

## Chubut's leverage position grew by 10pp from FY22 to 70.9% of revenues

Chubut	Debt Outstanding		YTD Services*		
	USD mn	3Q22	3Q23	Interest	Capital
	USDARS	\$ 147.32	\$ 350.00	\$ 283.56	
National Government	190	168	9	60	
Multilateral	41	36	1	4	
Banks	0	0	0	0	
Consolidated Debt	0	0	0	7	
Bonds	715	707	46	68	
<b>Total Outstanding</b>	<b>946</b>	<b>911</b>	<b>56</b>	<b>138</b>	
<b>Total Services</b>			<b>194</b>		

\*Figures as of 3Q23

Ratios - Chubut	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	48.6%	44.5%	47.3%	45.7%	46.4%
Federal Taxes / Total Revenues	35.6%	40.3%	38.1%	39.1%	38.7%
Total Fed. Funds / Total Revenues	36.7%	43.9%	40.4%	40.9%	40.2%
Personnel Spend. / Total Expenditures	72.8%	74.6%	64.4%	64.5%	64.8%
Debt Interests / Total Revenues	7.0%	6.7%	5.0%	4.4%	4.2%
CapEx / Total Expenditures	10.3%	8.9%	11.5%	11.2%	11.4%
Primary Balance / Total Revenues	-1.5%	-10.2%	14.3%	9.7%	13.5%
Fiscal Balance / Total Revenues	-8.5%	-16.9%	9.3%	5.3%	9.3%
Debt Services / Total Revenues	18.1%	16.5%	12.3%	13.0%	14.0%
Total Debt / Total Revenues	87.8%	102.5%	77.1%	60.8%	70.9%

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

Chubut's total debt closed at USD 911mn, representing a leverage position of 70% of revenues. YTD, debt services amounted to USD 194mn, mostly related to bonds.

Excluding the leverage ratio, the remaining main metrics for Chubut closed mostly flat relative to FY22.

# TdF: the primary surplus turned into a deficit, amounting to -2.1% of revenues in 9M23

Tierra del Fuego - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>75,625</b>	<b>145,251</b>	<b>92.07%</b>	<b>90,206</b>	<b>205,402</b>	<b>127.70%</b>	<b>36,756</b>	<b>83,376</b>	<b>126.84%</b>
<b>Current Revenue</b>	<b>74,539</b>	<b>143,397</b>	<b>92.38%</b>	<b>89,106</b>	<b>198,835</b>	<b>123.14%</b>	<b>36,380</b>	<b>79,971</b>	<b>119.82%</b>
Provincial taxes	15,579	29,226	87.60%	19,781	43,908	121.97%	8,394	18,571	121.25%
Federal taxes	41,113	75,215	82.94%	50,630	108,064	113.44%	20,017	45,368	126.65%
Other non-tax	10,353	27,506	165.69%	10,992	31,193	183.79%	4,771	8,882	86.16%
Royalties	5,884	8,707	47.97%	6,198	10,706	72.75%	2,724	4,954	81.88%
Discretionary Federal Gov transfers	1,609	2,743	70.43%	1,506	4,964	229.62%	475	2,196	362.39%
<b>Capital Revenue</b>	<b>1,086</b>	<b>1,854</b>	<b>70.65%</b>	<b>1,100</b>	<b>6,567</b>	<b>497.22%</b>	<b>376</b>	<b>3,405</b>	<b>806.24%</b>
Financial investment	480	377	-21.40%	287	1,420	395.21%	118	832	604.42%
Transfers	583	1,411	141.94%	759	5,082	569.46%	247	2,543	930.80%
Other	24	67	178.63%	54	65	21.48%	11	31	181.92%
<b>Primary Spending</b>	<b>73,602</b>	<b>140,435</b>	<b>90.80%</b>	<b>87,872</b>	<b>209,719</b>	<b>138.66%</b>	<b>35,597</b>	<b>82,603</b>	<b>132.05%</b>
<b>Current Expenditures</b>	<b>68,318</b>	<b>126,217</b>	<b>84.75%</b>	<b>78,649</b>	<b>187,982</b>	<b>139.01%</b>	<b>32,246</b>	<b>74,183</b>	<b>130.05%</b>
Personnel spending	40,806	78,129	91.46%	48,542	124,260	155.98%	18,918	47,082	148.87%
Goods and services	5,636	9,941	76.38%	5,575	13,348	139.42%	2,483	4,523	82.15%
Transfers to public sector	13,241	23,842	80.06%	15,317	33,145	116.39%	6,622	15,068	127.53%
Other transfers & expenditures	8,634	14,306	65.69%	9,215	17,230	86.97%	4,223	7,510	77.84%
<b>Capital Expenditures</b>	<b>5,284</b>	<b>14,218</b>	<b>169.06%</b>	<b>9,223</b>	<b>21,737</b>	<b>135.69%</b>	<b>3,351</b>	<b>8,420</b>	<b>151.30%</b>
Real Investment	2,211	9,413	325.69%	6,431	14,136	119.80%	2,091	5,282	152.58%
Financial invest.	1,164	550	-52.72%	208	3,893	1775.65%	83	1,644	1882.91%
Capital transfers	1,909	4,254	122.86%	2,584	3,708	43.51%	1,176	1,493	26.96%
<b>Primary balance</b>	<b>2023</b>	<b>4815</b>		<b>2334</b>	<b>-4318</b>		<b>1159</b>	<b>773</b>	
as % of revenues	2.67%	3.32%	.64pp	2.59%	-2.10%	-4.69pp	3.15%	0.93%	-2.23pp
<b>Debt interest</b>	<b>2,146</b>	<b>5,205</b>	<b>142.5%</b>	<b>2,908</b>	<b>4,564</b>	<b>56.9%</b>	<b>1,614</b>	<b>2,449</b>	<b>51.8%</b>
<b>Fiscal balance</b>	<b>-123</b>	<b>-389</b>		<b>-574</b>	<b>-8882</b>		<b>-455</b>	<b>-1676</b>	
as % of revenues	-0.16%	-0.27%	-.1pp	-0.64%	-4.32%	-3.69pp	-1.24%	-2.01%	-.77pp
<b>Social security and other</b>	<b>-1,972</b>	<b>-295</b>	<b>-85.0%</b>	<b>3,485</b>	<b>8,882</b>	<b>154.8%</b>	<b>1,787</b>	<b>11,836</b>	<b>562.2%</b>
<b>Consolidated fiscal balance</b>	<b>-2096</b>	<b>-684</b>		<b>2911</b>	<b>0</b>		<b>1332</b>	<b>10160</b>	
as % of revenues	-2.8%	-0.5%	2.3pp	3.2%	0.0%	-3.23pp	3.6%	12.2%	8.56pp

## How we read it:

- » In 3Q23, total revenue grew by 119.82%yoy. Within the current revenues, the only line to surpass inflation was disc. Transfers, posting a massive 362.39%yoy rise. Capital revenues skyrocketed, though its contribution is minimal. In terms of spending, the current expenditures rose over revenues, with the personnel spending clocking in at 148.87%yoy. Capex accelerated in the 3Q23, increasing by 151.3%yoy. All in all, the consolidated position turned in a 12.2% of revenues surplus widening by 8.6pp vs 3Q22.
- » For the 9M23 period, revenues increased by 127.% relative to spending at 138.66%. The primary position weakened by 4.7ppyoy to a deficit of -2.1% of revenues. After the debt interests and social security and other expenses, the consolidated figures closed at a neutral position, worsening by -3.22pp yoy.

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

## Fuego's main metrics

Tierra del Fuego	Debt Outstanding		YTD Services*	
	USD mn	3Q22	3Q23	Interest
<b>USDARS</b>	<b>\$ 147.32</b>	<b>\$ 350.00</b>	<b>\$ 283.56</b>	
National Government	33	19	4	10
Multilateral	0	0	0	0
Banks	0	0	1	0
Consolidated Debt	0	0	0	1
Bonds	134	142	13	18
<b>Total Outstanding</b>	<b>167</b>	<b>161</b>	<b>19</b>	<b>30</b>
<b>Total Services</b>			<b>49</b>	

\*Figures as of 3Q23

Ratios - Tierra del Fuego	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	29.3%	26.4%	28.4%	26.1%	25.6%
Federal Taxes / Total Revenues	49.3%	56.2%	54.4%	51.8%	50.9%
Total Fed. Funds / Total Revenues	53.5%	59.6%	56.5%	53.7%	53.3%
Personnel Spend. / Total Expenditures	47.3%	55.6%	55.4%	55.6%	58.7%
Debt Interests / Total Revenues	4.8%	3.8%	2.8%	3.6%	2.6%
CapEx / Total Expenditures	15.1%	5.4%	7.2%	10.1%	10.2%
Primary Balance / Total Revenues	2.6%	2.7%	2.7%	3.3%	-0.7%
Fiscal Balance / Total Revenues	-2.2%	-1.0%	-0.2%	-0.3%	-3.3%
Debt Services / Total Revenues	8.7%	8.9%	7.4%	6.9%	6.4%
Total Debt / Total Revenues	43.5%	45.5%	28.0%	19.0%	22.0%

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

FUEGO's total debt closed at USD 161mn and is mostly related to bonds. Around 72.3% of the province's debt is denominated in foreign currency.

The leverage position of the province widened vs 2Q23, now reaching the 22% of revenues mark, 3pp wider than FY22. The primary balance continues exhibiting a moderate deficit.

# Entre Rios: the consolidated balance continues in a deficit in 9M23

Entre Rios - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>253,258</b>	<b>457,982</b>	<b>80.84%</b>	<b>305,621</b>	<b>643,952</b>	<b>110.70%</b>	<b>122,184</b>	<b>267,969</b>	<b>119.32%</b>
<b>Current Revenue</b>	<b>248,242</b>	<b>448,145</b>	<b>80.53%</b>	<b>299,724</b>	<b>633,792</b>	<b>111.46%</b>	<b>119,582</b>	<b>263,690</b>	<b>120.51%</b>
Provincial taxes	62,215	99,282	59.58%	68,129	136,486	100.34%	26,368	56,559	114.50%
Federal taxes	159,406	294,393	84.68%	197,979	425,525	114.93%	78,418	178,690	127.87%
Other non-tax	13,301	31,737	138.60%	17,604	44,392	152.17%	8,587	17,376	102.35%
Royalties	851	1,999	134.88%	710	1,150	61.97%	123	499	305.17%
Discretionary Federal Gov transfers	12,470	20,734	66.27%	15,302	26,238	71.47%	6,085	10,566	73.64%
<b>Capital Revenue</b>	<b>5,015</b>	<b>9,838</b>	<b>96.16%</b>	<b>5,897</b>	<b>10,159</b>	<b>72.28%</b>	<b>2,602</b>	<b>4,280</b>	<b>64.47%</b>
Financial investment	715	989	38.38%	665	1,235	85.91%	280	502	79.19%
Transfers	4,299	8,849	105.83%	5,232	8,924	70.56%	2,322	3,778	62.72%
Other	2	0	-76.19%	0	0	-100.00%	0	0	-100.00%
<b>Primary Spending</b>	<b>205,008</b>	<b>384,212</b>	<b>87.41%</b>	<b>243,823</b>	<b>578,180</b>	<b>137.13%</b>	<b>95,491</b>	<b>248,704</b>	<b>160.45%</b>
<b>Current Expenditures</b>	<b>189,109</b>	<b>353,023</b>	<b>86.68%</b>	<b>227,256</b>	<b>526,647</b>	<b>131.74%</b>	<b>87,738</b>	<b>225,065</b>	<b>156.52%</b>
Personnel spending	121,739	235,322	93.30%	152,043	358,158	135.56%	57,677	151,354	162.42%
Goods and services	19,233	31,211	62.28%	19,284	40,821	111.68%	8,103	17,840	120.17%
Transfers to public sector	31,577	56,974	80.43%	38,168	82,824	117.00%	15,051	35,782	137.73%
Other transfers & expenditures	16,560	29,517	78.25%	17,761	44,845	152.49%	6,907	20,089	190.86%
<b>Capital Expenditures</b>	<b>15,899</b>	<b>31,189</b>	<b>96.17%</b>	<b>16,567</b>	<b>51,533</b>	<b>211.07%</b>	<b>7,753</b>	<b>23,639</b>	<b>204.90%</b>
Real Investment	11,859	23,345	96.85%	12,889	37,917	194.17%	5,749	17,049	196.58%
Financial invest.	3,187	4,753	49.15%	1,998	7,477	274.26%	1,070	3,583	234.92%
Capital transfers	853	3,091	262.31%	1,679	6,139	265.52%	935	3,007	221.68%
<b>Primary balance</b>	<b>48249</b>	<b>73771</b>		<b>61798</b>	<b>65771</b>		<b>26692</b>	<b>19266</b>	
as % of revenues	19.05%	16.11%	-2.94pp	20.22%	10.21%	-10.01pp	21.85%	7.19%	-14.66pp
<b>Debt interest</b>	<b>7,835</b>	<b>7,964</b>	<b>1.6%</b>	<b>6,650</b>	<b>14,014</b>	<b>110.7%</b>	<b>2,687</b>	<b>7,565</b>	<b>181.6%</b>
<b>Fiscal balance</b>	<b>40414</b>	<b>65806</b>		<b>55149</b>	<b>51757</b>		<b>24006</b>	<b>11701</b>	
as % of revenues	15.96%	14.37%	-1.59pp	18.04%	8.04%	-10.01pp	19.65%	4.37%	-15.28pp
<b>Social security and other</b>	<b>-22,186</b>	<b>-48,457</b>	<b>118.4%</b>	<b>-29,667</b>	<b>-77,155</b>	<b>160.1%</b>	<b>-10,048</b>	<b>-29,946</b>	<b>198.0%</b>
<b>Consolidated fiscal balance</b>	<b>18228</b>	<b>17349</b>		<b>25482</b>	<b>-25397</b>		<b>13958</b>	<b>-18245</b>	
as % of revenues	7.20%	3.79%	-3.41pp	8.34%	-3.94%	-12.28pp	11.42%	-6.81%	-18.23pp

## How we read it:

- » In 3Q23, the consolidated fiscal balance turned into a deficit of -6.81% of revenues, after dropping 18.23pp vs 3Q22. Total revenue grew by 119.3%yoy, below inflation and spending, with only the royalties line increasing above inflation. Primary spending went up by 160.45%yoy, well over inflation, with both personnel spending and capex accelerating substantially. The debt interests, social security and other spending contributed to the drop increasing over 180%yoy.
- » For the 9M23, the total revenue increased by 110.7%yoy, well below spending at 137.13%yoy. With that, the primary surplus fell by 10pp to 10.2% of revenues. After considering the debt interests, the fiscal surplus narrowed by 10pp to 8.04% of revenues. Factoring in the social security and others, the consolidated balance turned red, falling 12.28pp to -3.94% of revenues.

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

# Overview of Entre Rios

Entre Rios	Debt Outstanding		YTD Services*	
	USD mn	3Q22	3Q23	Interest
<b>USDARS</b>	<b>\$ 147.32</b>	<b>\$ 350.00</b>	<b>\$ 283.56</b>	
National Government	222	90	13	59
Multilateral	140	185	3	12
Banks	2	0	3	10
Consolidated Debt	0	0	0	0
Bonds	542	479	29	15
<b>Total Outstanding</b>	<b>906</b>	<b>753</b>	<b>49</b>	<b>96</b>
<b>Total Services</b>	<b>145</b>			

\*Figures as of 3Q23

Ratios - Entre Rios	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	25.9%	23.7%	24.9%	22.1%	21.4%
Federal Taxes / Total Revenues	65.1%	63.3%	62.9%	64.3%	65.5%
Total Fed. Funds / Total Revenues	70.1%	73.1%	67.9%	68.8%	69.5%
Personnel Spend. / Total Expenditures	63.6%	63.5%	59.4%	61.2%	61.4%
Debt Interests / Total Revenues	3.3%	3.5%	3.1%	1.7%	1.9%
CapEx / Total Expenditures	6.5%	5.4%	7.8%	8.1%	9.2%
Primary Balance / Total Revenues	6.9%	16.0%	19.1%	16.1%	9.8%
Fiscal Balance / Total Revenues	3.6%	12.4%	16.0%	14.4%	7.8%
Debt Services / Total Revenues	5.0%	5.3%	5.7%	3.9%	5.6%
Total Debt / Total Revenues	50.8%	55.4%	37.8%	33.6%	33.1%

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

ENTRIO's total debt closed at USD 753mn, mostly related to bonds, and resulted in a leverage position of 33.1%. During 2023, ENTRIO28 paid its first two principal installments leaving a residual outstanding of 90%.

While debt metrics remain manageable, the fiscal indicators weakened during LTM 3Q23 on the back of higher spending. 82% of Entre Rios debt is foreign currency denominated.

# Salta: the primary balance weakened massively in 3Q23

Salta - ARS mn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>194,271</b>	<b>365,628</b>	<b>88.21%</b>	<b>243,514</b>	<b>536,870</b>	<b>120.47%</b>	<b>100,104</b>	<b>229,167</b>	<b>128.93%</b>
<b>Current Revenue</b>	<b>191,001</b>	<b>357,433</b>	<b>87.14%</b>	<b>238,851</b>	<b>520,272</b>	<b>117.82%</b>	<b>97,931</b>	<b>223,010</b>	<b>127.72%</b>
Provincial taxes	41,633	86,062	106.71%	51,585	117,348	127.48%	22,411	52,323	133.47%
Federal taxes	131,739	231,443	75.68%	162,890	345,983	112.40%	64,282	144,645	125.02%
Other non-tax	7,335	23,004	213.62%	13,142	29,347	123.31%	7,129	12,379	73.65%
Royalties	3,120	5,212	67.07%	3,472	7,050	103.02%	1,555	3,251	109.01%
Discretionary Federal Gov transfers	7,174	11,712	63.26%	7,761	20,544	164.71%	2,553	10,412	307.78%
<b>Capital Revenue</b>	<b>3,270</b>	<b>8,195</b>	<b>150.59%</b>	<b>4,664</b>	<b>16,598</b>	<b>255.89%</b>	<b>2,173</b>	<b>6,157</b>	<b>183.30%</b>
Financial investment	1,077	518	-51.93%	405	572	41.25%	156	224	43.40%
Transfers	2,122	7,627	259.51%	4,239	15,732	271.11%	2,002	5,661	182.78%
Other	72	50	-30.09%	19	294	1411.45%	15	272	1685.03%
<b>Primary Spending</b>	<b>180,004</b>	<b>350,840</b>	<b>94.91%</b>	<b>220,072</b>	<b>576,793</b>	<b>162.09%</b>	<b>86,604</b>	<b>265,572</b>	<b>206.65%</b>
<b>Current Expenditures</b>	<b>169,471</b>	<b>318,884</b>	<b>88.17%</b>	<b>201,769</b>	<b>535,363</b>	<b>165.34%</b>	<b>78,525</b>	<b>252,202</b>	<b>221.17%</b>
Personnel spending	106,606	202,419	89.88%	129,057	319,392	147.48%	48,305	131,602	172.44%
Goods and services	16,691	26,796	60.54%	15,556	36,866	136.99%	6,628	14,760	122.71%
Transfers to public sector	19,048	54,637	186.85%	23,369	51,685	121.17%	9,584	22,806	137.96%
Other transfers & expenditures	27,127	35,033	29.14%	33,786	127,419	277.14%	14,008	83,033	492.78%
<b>Capital Expenditures</b>	<b>10,534</b>	<b>31,955</b>	<b>203.36%</b>	<b>18,303</b>	<b>41,431</b>	<b>126.36%</b>	<b>8,079</b>	<b>13,370</b>	<b>65.49%</b>
Real Investment	9,518	30,121	216.46%	17,225	37,575	118.14%	7,588	12,814	68.86%
Financial invest.	10	21	118.03%	12	5	-55.63%	0	5	1262.50%
Capital transfers	1,006	1,813	80.25%	1,066	3,850	261.16%	490	551	12.36%
<b>Primary balance</b>	<b>14267</b>	<b>14789</b>		<b>23443</b>	<b>-39923</b>		<b>13500</b>	<b>-36405</b>	
<i>as % of revenues</i>	<i>7.34%</i>	<i>4.04%</i>	<i>-3.3pp</i>	<i>9.63%</i>	<i>-7.44%</i>	<i>-17.06pp</i>	<i>13.5%</i>	<i>-15.9%</i>	<i>-29.37pp</i>
<b>Debt interest</b>	<b>4,539</b>	<b>9,087</b>	<b>100.2%</b>	<b>4,293</b>	<b>8,735</b>	<b>103.5%</b>	<b>1,174</b>	<b>1,859</b>	<b>58.4%</b>
<b>Fiscal balance</b>	<b>9727</b>	<b>5702</b>		<b>19149</b>	<b>-48658</b>		<b>12327</b>	<b>-38264</b>	
<i>as % of revenues</i>	<i>5.01%</i>	<i>1.56%</i>	<i>-3.45pp</i>	<i>7.86%</i>	<i>-9.06%</i>	<i>-16.93pp</i>	<i>12.3%</i>	<i>-16.7%</i>	<i>-29.01pp</i>
<b>Social security and other</b>	<b>-225</b>	<b>-441</b>	<b>96.0%</b>	<b>-279</b>	<b>50,931</b>	<b>-18331.4%</b>	<b>-111</b>	<b>51,371</b>	<b>-46383.5%</b>
<b>Consolidated fiscal balance</b>	<b>9502</b>	<b>5260</b>		<b>18870</b>	<b>2273</b>		<b>12216</b>	<b>13106</b>	
<i>as % of revenues</i>	<i>4.89%</i>	<i>1.44%</i>	<i>-3.45pp</i>	<i>7.75%</i>	<i>0.42%</i>	<i>-7.33pp</i>	<i>12.20%</i>	<i>5.72%</i>	<i>-6.48pp</i>

## How we read it:

- » In 3Q23, total revenue grew by 128.9%yoy, with only discretionary transfers increasing above the inflation pace. The primary spending went up by a whopping 206.65%yoy, after a substantial increase in the current expenditures, and especially, in personnel spending and other transfers and expenditures. All in all, the primary balance dropped 29pp to a deficit of -15.9% of revenues. After considering lower debt interests, the fiscal deficit closed at -16.7% of revenues, -29pp.
- » For the 9M23, the total revenue increased by 120.5%yoy, with only discretionary transfer revenues increasing in real terms. For the primary spending, current outlays increased by 165.34%yoy, and the capex by 126.36%yoy. All in all, the primary balance turned into a deficit of -7.44% of revenues, decreasing by -17pp. Factoring in the debt interests, the fiscal deficit widened to -9.06% of revenues.

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



## Salta's leverage position stands at 28.5% of revenues

Salta	Debt Outstanding		YTD Services*		
	USD mn	3Q22	3Q23	Interest	Capital
<b>USDARS</b>		<b>\$ 147.32</b>	<b>\$ 350.00</b>	<b>\$ 283.56</b>	
National Government	151	83	12	17	
Multilateral	32	53	1	5	
Banks	0	0	0	0	
Consolidated Debt	0	0	1	0	
Bonds	376	384	19	10	
<b>Total Outstanding</b>	<b>559</b>	<b>520</b>	<b>34</b>	<b>32</b>	
<b>Total Services</b>			<b>66</b>		

\*Figures as of 3Q23

Ratios - Salta	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	23.6%	21.8%	23.0%	25.0%	24.4%
Federal Taxes / Total Revenues	67.7%	69.6%	67.8%	63.3%	62.9%
Total Fed. Funds / Total Revenues	69.9%	74.9%	71.5%	66.5%	66.6%
Personnel Spend. / Total Expenditures	58.5%	63.5%	59.2%	57.7%	55.5%
Debt Interests / Total Revenues	3.8%	3.2%	2.3%	2.5%	2.1%
CapEx / Total Expenditures	7.3%	4.5%	5.9%	9.1%	7.8%
Primary Balance / Total Revenues	2.6%	3.4%	7.3%	4.0%	-7.4%
Fiscal Balance / Total Revenues	-1.2%	0.2%	5.0%	1.6%	-9.4%
Debt Services / Total Revenues	5.8%	5.6%	4.8%	4.1%	3.7%
Total Debt / Total Revenues	41.7%	41.6%	29.4%	26.3%	28.5%

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

Salta's total debt closed at USD 520mn, which resulted in a leverage position of 28.5% of revenues. In December, the province served the second principal installment for the SALTA27's note for USD 17mn.

The province's fiscal balance turned into negative territory after being strongly positive since 2020. Total debt metrics, on the other hand, remain well below 2019's highs, albeit are starting to rebound, standing over FY22 figures.

# Rio Negro: the consolidated deficit closed at 2.5% of revenues in 9M23

## How we read it:

- » In 3Q23, the primary balance closed at a surplus of 4.46% of revenues, tightening by -4.18pp. The total revenue increased by 125.81%yoy, being discretionary transfers the only line surpassing inflation pace. The primary spending did it by 135.9%yoy, with the current expenditures explaining the acceleration as the capex grew well below inflation. Factoring in the debt interests and Soc.Sec, the consolidated deficit reached 2.16% of revenues.
- » In 9M23, the primary surplus narrowed by 5.57pp to 2.77% of revenues after the total revenue growing pace stood below the spending (110%yoy vs 123%yoy). After considering the debt interests the fiscal balance ended at a deficit of -2.18% of revenues, and dropping by -6.13pp.

Rio Negro - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>139,241</b>	<b>244,495</b>	<b>75.59%</b>	<b>166,717</b>	<b>350,686</b>	<b>110.35%</b>	<b>64,784</b>	<b>146,156</b>	<b>125.61%</b>
<b>Current Revenue</b>	<b>134,327</b>	<b>238,134</b>	<b>77.28%</b>	<b>162,851</b>	<b>345,546</b>	<b>112.19%</b>	<b>63,447</b>	<b>143,351</b>	<b>125.94%</b>
Provincial taxes	30,010	52,775	75.86%	36,874	80,227	117.57%	13,762	31,232	126.94%
Federal taxes	85,198	156,735	83.97%	105,601	227,341	115.28%	41,922	95,636	128.13%
Other non-tax	7,112	11,878	67.02%	8,964	15,572	73.71%	2,750	5,631	104.74%
Royalties	9,437	13,187	39.73%	9,108	17,383	90.86%	3,776	7,326	94.03%
Discretionary Federal Gov tr	2,570	3,559	38.50%	2,304	5,024	118.02%	1,237	3,527	185.12%
<b>Capital Revenue</b>	<b>4,915</b>	<b>6,361</b>	<b>29.43%</b>	<b>3,866</b>	<b>5,140</b>	<b>32.96%</b>	<b>1,337</b>	<b>2,805</b>	<b>109.85%</b>
Financial investment	2,771	3,241	16.99%	1,879	1,951	3.83%	209	1,322	532.87%
Transfers	1,885	2,811	49.13%	1,840	3,065	66.55%	983	1,436	46.10%
Other	259	309	-	146	124	-	145	47	-
<b>Primary Spending</b>	<b>137,274</b>	<b>233,681</b>	<b>70.23%</b>	<b>152,824</b>	<b>340,985</b>	<b>123.12%</b>	<b>59,183</b>	<b>139,638</b>	<b>135.94%</b>
<b>Current Expenditures</b>	<b>124,699</b>	<b>218,779</b>	<b>75.45%</b>	<b>143,757</b>	<b>326,082</b>	<b>126.83%</b>	<b>55,649</b>	<b>133,116</b>	<b>139.21%</b>
Personnel spending	81,578	149,089	82.76%	98,244	224,996	129.02%	38,195	91,829	140.42%
Goods and services	14,958	21,039	40.66%	12,969	29,089	124.29%	5,490	12,588	129.31%
Transfers to public sector	17,639	32,196	82.53%	21,703	47,936	120.87%	8,386	19,887	137.15%
Other transfers & expendit	10,524	16,454	56.35%	10,840	24,062	121.97%	3,578	8,812	146.28%
<b>Capital Expenditures</b>	<b>12,575</b>	<b>14,902</b>	<b>18.50%</b>	<b>9,068</b>	<b>14,904</b>	<b>64.36%</b>	<b>3,534</b>	<b>6,522</b>	<b>84.52%</b>
Real Investment	9,553	12,483	30.67%	7,913	13,991	76.82%	3,475	5,795	66.76%
Financial invest.	254	117	-53.89%	29	1	-	7	1	-88.14%
Capital transfers	2,768	2,302	-16.84%	1,126	911	-19.04%	52	725	1290.63%
<b>Primary balance</b>	<b>1967</b>	<b>10814</b>		<b>13893</b>	<b>9701</b>		<b>5600</b>	<b>6519</b>	
as % of revenues	1.41%	4.42%	3.01pp	8.33%	2.77%	-5.57pp	8.64%	4.46%	-4.18pp
<b>Debt interest</b>	<b>4,988</b>	<b>9,927</b>	<b>99.02%</b>	<b>7,318</b>	<b>17,359</b>	<b>137.22%</b>	<b>2,950</b>	<b>9,142</b>	<b>209.96%</b>
<b>Fiscal balance</b>	<b>-3021</b>	<b>887</b>		<b>6575</b>	<b>-7658</b>		<b>2651</b>	<b>-2624</b>	
as % of revenues	-2.17%	0.36%	2.53pp	3.94%	-2.18%	-6.13pp	4.09%	-1.80%	-5.89pp
<b>Social security and other</b>	<b>-492</b>	<b>-854</b>	<b>73.62%</b>	<b>-555</b>	<b>-1,226</b>	<b>121.15%</b>	<b>-221</b>	<b>-534</b>	<b>142.01%</b>
<b>Consolidated fiscal balance</b>	<b>-3513</b>	<b>33</b>		<b>6020</b>	<b>-8884</b>		<b>2430</b>	<b>-3158</b>	
as % of revenues	-2.52%	0.01%	2.54pp	3.61%	-2.53%	-6.14pp	3.75%	-2.16%	-5.91pp

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

## PRN28's first sinking fall in March 2024, for USD 34mn

Rio Negro	Debt Outstanding		YTD Services*	
USD mn	3Q22	3Q23	Interest	Capital
USDARS	\$ 147.32	\$ 350.00	\$ 283.56	
National Government	85	40	10	34
Multilateral	44	51	2	7
Banks	1	0	4	0
Consolidated Debt	0	0	0	0
Bonds	350	333	45	45
<b>Total Outstanding</b>	<b>480</b>	<b>425</b>	<b>61</b>	<b>85</b>
<b>Total Services</b>			<b>146</b>	

\*Figures as of 3Q23

Ratios - Rio Negro	2018	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	33.4%	31.6%	28.0%	28.3%	27.0%	27.4%
Federal Taxes / Total Revenues	52.7%	54.3%	60.0%	61.2%	64.1%	65.0%
Total Fed. Funds / Total Revenues	53.7%	55.0%	62.7%	63.0%	65.6%	66.5%
Personnel Spend. / Total Expenditure	61.6%	59.4%	62.0%	59.4%	63.8%	65.4%
Debt Interests / Total Revenues	6.0%	7.3%	4.6%	3.6%	4.1%	4.7%
CapEx / Total Expenditures	10.1%	11.8%	9.7%	9.2%	6.4%	4.9%
Primary Balance / Total Revenues	7.3%	0.9%	-1.8%	1.4%	4.4%	1.5%
Fiscal Balance / Total Revenues	1.3%	-6.4%	-6.5%	-2.2%	0.4%	-3.1%
Debt Services / Total Revenues	12.6%	9.7%	8.1%	9.9%	12.2%	12.5%
Total Debt / Total Revenues	48.9%	49.5%	58.4%	43.2%	31.8%	34.7%

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

PRN's total debt reached USD 425mn, resulting in a leverage ratio of 34.7% of revenues. The latter grew by 2.9pp from FY22 after revenues grew below the devaluation pace.

Excluding the fiscal performance, which weakened, the remaining ratios closed mostly flat relative to FY22.

# Jujuy: the consolidated position remained positive

Jujuy - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>128,688</b>	<b>227,676</b>	<b>76.92%</b>	<b>154,451</b>	<b>337,191</b>	<b>118.32%</b>	<b>63,227</b>	<b>143,638</b>	<b>127.18%</b>
<b>Current Revenue</b>	<b>125,888</b>	<b>225,879</b>	<b>79.43%</b>	<b>153,291</b>	<b>332,937</b>	<b>117.19%</b>	<b>62,783</b>	<b>142,639</b>	<b>127.19%</b>
Provincial taxes	15,526	28,088	80.91%	19,297	43,290	124.33%	7,642	17,917	134.45%
Federal taxes	95,404	175,441	83.89%	118,136	252,357	113.62%	46,744	105,829	126.40%
Other non-tax	3,392	5,241	54.50%	3,420	9,450	176.28%	1,466	3,298	125.00%
Royalties	312	56	-81.94%	56	18	-67.77%	1	3	125.00%
Discretionary Federal Gov transfers	11,254	17,053	51.53%	12,381	27,822	124.72%	6,930	15,593	125.00%
<b>Capital Revenue</b>	<b>2,800</b>	<b>1,796</b>	<b>-35.85%</b>	<b>1,160</b>	<b>4,255</b>	<b>266.74%</b>	<b>444</b>	<b>999</b>	<b>125.00%</b>
Financial investment	1,094	21	-98.03%	21	1,902	8750.84%	14	32	125.00%
Transfers	1,444	1,465	1.51%	871	1,739	99.59%	298	671	125.00%
Other	263	310	17.56%	267	614	129.44%	131	296	125.00%
<b>Primary Spending</b>	<b>118,760</b>	<b>207,640</b>	<b>74.84%</b>	<b>125,959</b>	<b>273,091</b>	<b>116.81%</b>	<b>52,878</b>	<b>118,976</b>	<b>125.00%</b>
<b>Current Expenditures</b>	<b>101,037</b>	<b>166,717</b>	<b>65.01%</b>	<b>102,943</b>	<b>220,500</b>	<b>114.20%</b>	<b>41,807</b>	<b>94,066</b>	<b>125.00%</b>
Personnel spending	64,209	108,114	68.38%	68,953	146,258	112.11%	25,826	58,108	125.00%
Goods and services	8,096	14,173	75.07%	6,818	15,752	131.03%	3,248	7,308	125.00%
Transfers to public sector	9,449	13,090	38.53%	8,621	16,391	90.13%	3,346	7,530	125.00%
Other transfers & expenditures	19,283	31,339	62.52%	18,551	42,099	126.94%	9,387	21,121	125.00%
<b>Capital Expenditures</b>	<b>17,724</b>	<b>40,924</b>	<b>130.90%</b>	<b>23,016</b>	<b>52,591</b>	<b>128.50%</b>	<b>11,071</b>	<b>24,910</b>	<b>125.00%</b>
Real Investment	10,458	26,237	150.89%	15,353	34,342	123.68%	8,061	18,137	125.00%
Financial invest.	6,676	13,484	101.96%	7,138	16,473	130.77%	2,692	6,056	125.00%
Capital transfers	590	1,203	104.08%	524	1,776	238.62%	319	718	125.00%
<b>Primary balance</b>	<b>9928</b>	<b>20035</b>		<b>28492</b>	<b>64100</b>		<b>10349</b>	<b>24662</b>	
as % of revenues	7.71%	8.80%	1.09pp	18.45%	19.01%	.56pp	16.37%	17.17%	.8pp
<b>Debt interest</b>	<b>5,074</b>	<b>8,600</b>	<b>69.5%</b>	<b>7,307</b>	<b>13,976</b>	<b>91.3%</b>	<b>3,205</b>	<b>7,212</b>	<b>125.0%</b>
<b>Fiscal balance</b>	<b>4854</b>	<b>11435</b>		<b>21185</b>	<b>50124</b>		<b>7144</b>	<b>17450</b>	
as % of revenues	3.77%	5.02%	1.25pp	13.72%	14.87%	1.15pp	11.30%	12.15%	.85pp
<b>Social security and other</b>	<b>0</b>	<b>0</b>	<b>#iDIV/0!</b>	<b>0</b>	<b>0</b>	<b>#iDIV/0!</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Consolidated fiscal balance</b>	<b>4854</b>	<b>11435</b>		<b>21185</b>	<b>50124</b>		<b>7144</b>	<b>17450</b>	
as % of revenues	3.77%	5.02%	1.25pp	13.72%	14.87%	1.15pp	11.30%	12.15%	.85pp

## How we read it:

- » In 3Q23, the primary surplus closed at 17.2% of revenues, increasing by +0.8ppyoY. The total revenue increased by 127.18%yoy. The primary spending went up by 125%yoy. After the debt interests, the fiscal surplus reached +12.15% of revenues, +0.85pp.
- » In the 9M23 period, total revenues grew by 118.32%yoy, compared to the primary spending at 116.81%yoy. Combining both, the primary position widened by 0.5pp, closing with a surplus of 19% of revenues. After the debt interests, the consolidated balance reached a surplus of 14.9% of revenues.

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

## Overview of Jujuy's main metrics

Jujuy	Debt Outstanding		YTD Services*	
USD mn	3Q22	3Q23	Interest	Capital
USDARS	\$ 147.32	\$ 350.00	\$ 283.56	
National Government	487	413	29	42
Multilateral	82	125	2	1
Banks	67	67	6	1
Consolidated Debt	0	0	0	3
Bonds	236	226	17	3
<b>Total Outstanding</b>	<b>872</b>	<b>831</b>	<b>54</b>	<b>52</b>
<b>Total Services</b>			<b>106</b>	

\*Figures as of 3Q23

Ratios - Jujuy	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	11.3%	9.7%	12.3%	12.4%	12.7%
Federal Taxes / Total Revenues	74.5%	74.8%	74.1%	77.1%	75.5%
Total Fed. Funds / Total Revenues	83.3%	86.1%	82.9%	84.5%	83.4%
Personnel Spend. / Total Expenditures	57.6%	57.0%	54.1%	52.1%	52.3%
Debt Interests / Total Revenues	4.8%	4.0%	3.9%	3.8%	3.7%
CapEx / Total Expenditures	13.4%	13.4%	14.9%	19.7%	19.9%
Primary Balance / Total Revenues	-4.5%	3.6%	7.7%	8.8%	13.6%
Fiscal Balance / Total Revenues	-9.3%	-0.4%	3.8%	5.0%	9.8%
Debt Services / Total Revenues	8.1%	7.6%	6.2%	7.8%	9.4%
Total Debt / Total Revenues	96.6%	100.2%	70.9%	62.1%	70.9%

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

The province's total debt closed at USD 831mn, representing a leverage position of 70.9% of revenues. Debt denominated in foreign currency stands at 36.2%.

Although leverage metrics fell substantially when compared to 2019, they remain well above the provincial space's average.

# La Rioja: the primary position remained almost flat vs 9M22

La Rioja - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>110,117</b>	<b>190,199</b>	<b>72.72%</b>	<b>126,465</b>	<b>260,545</b>	<b>106.02%</b>	<b>51,312</b>	<b>119,862</b>	<b>133.59%</b>
<b>Current Revenue</b>	<b>94,273</b>	<b>171,116</b>	<b>81.51%</b>	<b>114,585</b>	<b>238,954</b>	<b>108.54%</b>	<b>46,294</b>	<b>109,409</b>	<b>136.33%</b>
Provincial taxes	7,381	13,756	86.38%	9,087	20,062	120.78%	3,758	8,483	125.74%
Federal taxes	68,274	125,481	83.79%	83,860	179,566	114.13%	33,974	77,380	127.77%
Other non-tax	1,890	2,792	47.72%	1,038	6,257	502.99%	548	2,917	431.85%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfers	16,728	29,087	73.88%	20,601	33,069	60.52%	8,014	20,629	157.40%
<b>Capital Revenue</b>	<b>15,844</b>	<b>19,082</b>	<b>20.44%</b>	<b>11,880</b>	<b>21,591</b>	<b>81.75%</b>	<b>5,018</b>	<b>10,452</b>	<b>108.31%</b>
Financial investment	270	2,565	848.68%	157	2,303	1362.88%	50	1,538	2958.37%
Transfers	15,572	16,517	6.07%	11,722	19,288	64.54%	4,967	8,914	79.45%
Other	2	0	-100.00%	0	0	-	0	0	-
<b>Primary Spending</b>	<b>112,515</b>	<b>186,873</b>	<b>66.09%</b>	<b>117,126</b>	<b>242,095</b>	<b>106.70%</b>	<b>47,240</b>	<b>99,641</b>	<b>110.93%</b>
<b>Current Expenditures</b>	<b>82,409</b>	<b>147,306</b>	<b>78.75%</b>	<b>93,578</b>	<b>197,821</b>	<b>111.40%</b>	<b>37,168</b>	<b>81,056</b>	<b>118.08%</b>
Personnel spending	38,917	73,789	89.61%	48,593	103,067	112.10%	17,930	41,488	131.38%
Goods and services	16,534	24,279	46.85%	14,948	30,305	102.73%	6,805	12,819	88.38%
Transfers to public sector	14,602	26,638	82.43%	16,871	33,800	100.35%	6,376	13,529	112.18%
Other transfers & expenditures	12,357	22,601	82.89%	13,167	30,650	132.77%	6,057	13,220	118.28%
<b>Capital Expenditures</b>	<b>30,106</b>	<b>39,566</b>	<b>31.42%</b>	<b>23,548</b>	<b>44,273</b>	<b>88.02%</b>	<b>10,072</b>	<b>18,584</b>	<b>84.52%</b>
Real Investment	23,440	27,791	18.56%	15,353	28,948	88.55%	5,977	12,070	101.95%
Financial invest.	5,544	10,420	87.95%	7,438	12,736	71.23%	3,730	5,295	41.95%
Capital transfers	1,121	1,355	20.82%	757	2,590	242.14%	365	1,219	234.33%
<b>Primary balance</b>	<b>-2398</b>	<b>3326</b>		<b>9339</b>	<b>18450</b>		<b>4072</b>	<b>20221</b>	
as % of revenues	-2.18%	1.75%	3.93pp	7.38%	7.08%	-.3pp	7.94%	16.87%	8.93pp
<b>Debt interest</b>	<b>356</b>	<b>3,280</b>	<b>822.1%</b>	<b>2,846</b>	<b>6,688</b>	<b>135.0%</b>	<b>1,315</b>	<b>4,162</b>	<b>216.47%</b>
<b>Fiscal balance</b>	<b>-2754</b>	<b>46</b>		<b>6493</b>	<b>11761</b>		<b>2757</b>	<b>16059</b>	
as % of revenues	-2.50%	0.02%	2.53pp	5.13%	4.51%	-.62pp	5.37%	13.40%	8.02pp
<b>Social security and other</b>	<b>-1,525</b>	<b>-793</b>	-	<b>-4,954</b>	<b>-9,833</b>	-	<b>-4,472</b>	<b>-7,781</b>	<b>74.0%</b>
<b>Consolidated fiscal balance</b>	<b>-4279</b>	<b>-747</b>		<b>1539</b>	<b>1928</b>		<b>-1715</b>	<b>8278</b>	
as % of revenues	-3.89%	-0.39%	3.49pp	1.22%	0.74%	-.48pp	-3.34%	6.91%	10.2pp

## How we read it:

- » In 3Q23, the primary surplus rose by 8.9ppyoY to 16.87% of revenues. The total revenue grew by 133.6%yoy, outpacing outlays, with a strong performance from discretionary transfers and other tax income. Primary spending increased at a slower pace, falling behind relative to inflation and revenues, rising by 110.93%yoy, with only personnel spending matching the pace of revenues. After the debt interests and Soc.Sec expenses, the consolidated result turned positive throwing a 6.91%yoy surplus, improving by 10.2pp.
- » The primary surplus compressed to 7.08% of revenues in 9M23, almost flat vs last year. The total revenue grew by 106%yoy, while primary spending rose at a matching pace, 106.7%yoy, with current expenditures at 111.4%yoy and capex at 88.2%yoy. After the debt interests, and social security and other expenses, the consolidated position closed with a surplus of 0.74% of revenues, -0.48pp vs 9M22.

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

# Overview of La Rioja's main ratios

La Rioja	Debt Outstanding		YTD Services*	
USD mn	3Q22	3Q23	Interest	Capital
USDARS	\$ 147.32	\$ 350.00	\$ 283.56	
National Government	25	33	7	4
Multilateral	33	70	0	1
Banks	1	1	0	0
Consolidated Debt	0	0	0	1
Bonds	318	316	16	4
<b>Total Outstanding</b>	<b>378</b>	<b>420</b>	<b>24</b>	<b>10</b>
<b>Total Services</b>			<b>33</b>	

\*Figures as of 3Q23

Ratios - La Rioja	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	7.4%	6.0%	6.7%	7.2%	7.6%
Federal Taxes / Total Revenues	74.7%	70.0%	62.0%	66.0%	68.2%
Total Fed. Funds / Total Revenues	84.5%	89.3%	77.2%	81.3%	81.0%
Personnel Spend. / Total Expenditures	52.2%	46.4%	34.6%	39.5%	41.1%
Debt Interests / Total Revenues	4.8%	2.4%	0.3%	1.7%	2.2%
CapEx / Total Expenditures	8.4%	13.5%	26.8%	21.2%	19.3%
Primary Balance / Total Revenues	0.0%	6.0%	-2.2%	1.7%	3.8%
Fiscal Balance / Total Revenues	-4.7%	3.6%	-2.5%	0.0%	1.6%
Debt Services / Total Revenues	5.9%	3.2%	1.1%	2.6%	3.3%
Total Debt / Total Revenues	59.9%	53.8%	35.9%	32.3%	45.3%

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

Total debt closed at USD 420mn, resulting in a leverage position of 45.3% of revenues. Total debt denominated in foreign currency stands at 91.6%.

The province's main ratios closed almost flat relative to FY22, excluding the fiscal performance, which has improved, and leverage metrics, which have worsened by nearly 12pp relative to last year..

# Chaco: the consolidated surplus closed at 2.35% of revenues in 9M23

Chaco - ARSmn	2021	2022	%YoY	9M22	9M23	%YoY	3Q22	3Q23	%YoY
<b>Total Revenue</b>	<b>222,745</b>	<b>408,900</b>	<b>83.57%</b>	<b>278,321</b>	<b>602,305</b>	<b>116.41%</b>	<b>110,487</b>	<b>253,803</b>	<b>129.71%</b>
<b>Current Revenue</b>	<b>212,033</b>	<b>395,093</b>	<b>86.34%</b>	<b>270,028</b>	<b>584,865</b>	<b>116.59%</b>	<b>106,676</b>	<b>245,229</b>	<b>129.88%</b>
Provincial taxes	27,173	49,647	82.70%	33,869	75,348	122.47%	12,545	32,324	157.67%
Federal taxes	168,941	310,889	84.02%	209,394	447,454	113.69%	82,830	187,478	126.34%
Other non-tax	4,608	16,482	257.68%	11,243	26,627	136.82%	4,710	10,599	125.00%
Royalties	0	0	-	0	0	-	0	0	-
Discretionary Federal Gov transfers	11,311	18,076	59.81%	15,520	35,436	128.32%	6,590	14,828	125.00%
<b>Capital Revenue</b>	<b>10,712</b>	<b>13,806</b>	<b>28.88%</b>	<b>8,293</b>	<b>17,441</b>	<b>110.30%</b>	<b>3,810</b>	<b>8,573</b>	<b>125.00%</b>
Financial investment	794	119	-84.99%	89	142	59.08%	15	34	125.00%
Transfers	9,697	13,168	35.80%	7,959	16,835	111.53%	3,708	8,342	125.00%
Other	222	519	134.14%	245	464	89.16%	88	198	125.00%
<b>Primary Spending</b>	<b>204,835</b>	<b>379,361</b>	<b>85.20%</b>	<b>244,397</b>	<b>549,980</b>	<b>125.04%</b>	<b>102,853</b>	<b>231,330</b>	<b>124.91%</b>
<b>Current Expenditures</b>	<b>168,109</b>	<b>308,885</b>	<b>83.74%</b>	<b>204,969</b>	<b>442,456</b>	<b>115.87%</b>	<b>83,842</b>	<b>188,645</b>	<b>125.00%</b>
Personnel spending	101,036	193,994	92.00%	124,851	267,264	114.07%	48,133	108,300	125.00%
Goods and services	16,853	25,045	48.61%	15,741	33,060	110.03%	7,233	16,274	125.00%
Transfers to public sector	25,168	43,571	73.12%	33,832	73,105	116.08%	13,592	30,581	125.00%
Other transfers & expenditures	25,052	46,275	84.72%	30,545	69,027	125.99%	14,884	33,490	125.00%
<b>Capital Expenditures</b>	<b>36,726</b>	<b>70,476</b>	<b>91.89%</b>	<b>39,429</b>	<b>107,523</b>	<b>172.70%</b>	<b>19,010</b>	<b>42,685</b>	<b>124.54%</b>
Real Investment	27,876	54,511	95.55%	29,673	71,278	140.21%	15,326	34,484	125.00%
Financial invest.	5,937	9,677	62.99%	5,309	21,802	310.62%	2,508	5,554	121.48%
Capital transfers	2,913	6,288	115.85%	4,446	14,443	224.88%	1,176	2,647	125.00%
<b>Primary balance</b>	<b>17910</b>	<b>29539</b>		<b>33924</b>	<b>52326</b>		<b>7634</b>	<b>22472</b>	
as % of revenues	8.04%	7.22%	-0.82pp	12.19%	8.69%	-3.5pp	6.91%	8.85%	1.94pp
<b>Debt interest</b>	<b>5,374</b>	<b>6,978</b>	<b>29.8%</b>	<b>5,956</b>	<b>10,897</b>	<b>83.0%</b>	<b>2,481</b>	<b>5,582</b>	<b>125.0%</b>
<b>Fiscal balance</b>	<b>12536</b>	<b>22561</b>		<b>27968</b>	<b>41429</b>		<b>5153</b>	<b>16890</b>	
as % of revenues	5.63%	5.52%	-0.11pp	10.05%	6.88%	-3.17pp	4.66%	6.65%	1.99pp
<b>Social security and other</b>	<b>-9,654</b>	<b>-20,055</b>	<b>107.7%</b>	<b>-12,835</b>	<b>-27,267</b>	<b>112.4%</b>	<b>-4,812</b>	<b>-10,827</b>	<b>125.0%</b>
<b>Consolidated fiscal balance</b>	<b>2882</b>	<b>2506</b>		<b>15133</b>	<b>14162</b>		<b>341</b>	<b>6062</b>	
as % of revenues	1.29%	0.61%	-0.68pp	5.44%	2.35%	-3.09pp	0.31%	2.39%	2.08pp

## How we read it:

- » In 3Q23, the primary surplus grew by 1.6ppyoY to 16.8% of revenues. The total revenue increased by 129.7%yoy, with most lines growing below the inflation pace and in line with spending. In terms of the latter, it did it by 124.9%yoy. After considering the debt interests and Soc.Sec expenses, the consolidated surplus closed at 2.39% of revenues.
- » For the 9M23 period, total revenue went up by 116.4%yoy, while the primary spending did it by 125%yoy. Combining both, the primary surplus worsened by 3.5ppyoY to 8.69% of revenues. After considering the debt interests and social security and other expenses, the consolidated surplus closed the period at 2.35% of revenues, worsening by -3.1pp.

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



## Chaco's leverage position closed at 25.2% of revenues

Chaco	Debt Outstanding		YTD Services*	
	USD mn	3Q22	3Q23	Interest
<b>USDARS</b>	<b>\$ 147.32</b>	<b>\$ 350.00</b>	<b>\$ 283.56</b>	
National Government	179	129	12	63
Multilateral	52	92	2	4
Banks	56	36	4	28
Consolidated Debt	0	0	0	0
Bonds	281	270	21	54
<b>Total Outstanding</b>	<b>568</b>	<b>527</b>	<b>38</b>	<b>149</b>
<b>Total Services</b>			<b>187</b>	

\*Figures as of 3Q23

Ratios - Chaco	2019	2020	2021	2022	LTM 3Q23
Provincial Taxes / Total Revenues	11.8%	11.9%	12.2%	12.1%	12.4%
Federal Taxes / Total Revenues	79.5%	77.5%	75.8%	76.0%	74.9%
Total Fed. Funds / Total Revenues	84.5%	84.0%	80.9%	80.5%	80.1%
Personnel Spend. / Total Expenditures	56.3%	58.5%	49.3%	51.1%	49.1%
Debt Interests / Total Revenues	6.1%	2.0%	2.4%	1.7%	1.6%
CapEx / Total Expenditures	9.8%	8.7%	17.9%	18.6%	20.2%
Primary Balance / Total Revenues	4.0%	12.3%	8.0%	7.2%	6.5%
Fiscal Balance / Total Revenues	-2.1%	10.3%	5.6%	5.5%	4.9%
Debt Services / Total Revenues	9.1%	3.6%	5.6%	7.5%	8.1%
Total Debt / Total Revenues	40.9%	38.8%	31.6%	22.5%	25.2%

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

Chaco's total debt reached USD 527mn, resulting in a leverage position of 25.2% of revenues, a figure that increased by 2.7pp since FY22.

Excluding the fiscal performance, most ratios stood flat during the period.

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