

Slide 2

Ana Bartesaghi

Good morning everyone and welcome to the Grupo Supervielle Third Quarter 2021 earnings call.

This is Ana Bartesaghi, Treasurer and IRO.

A slide presentation will accompany today's webinar, which is available in the Investor section of Grupo Supervielle's investor relations website. Today's conference call is being recorded. As a reminder, all participants will be in listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation.

If you want to ask a question you need to be connected to the zoom platform from any device. We will not be able to take your questions if you are connected from a phone line. Also, please make sure your name and last name appear in the zoom platform you are using. To ask a question by voice please press the "raise your hand" button located in the zoom platform, and press "raise your hand" again to withdraw your question. You can also send questions in written form via the Q&A box in the zoom platform anytime during the call. We will ask you to limit yourself to one question and a follow up and then you can raise your hand again in another round.

Speaking during today's call will be Patricio Supervielle, our Chairman & CEO; Atilio Dell'Oro Maini, Board Member leading Grupo Supervielle's sustainability strategy; and Mariano Biglia, our Chief Financial Officer.

Also joining us are Alejandro Stengel, Second Vice-Chairman of the Board and Bank CEO and Jorge Ramírez, First-Vice Chairman of the Board. Alejandra Naughton, board member of several of Grupo Supervielle's subsidiaries will also be joining us for today's call. All will be available for the Q&A session.

As a reminder, today's call will contain forward-looking statements which are based on Management's current expectations and beliefs and are subject to a number of risks and uncertainties, including as a result of the COVID-19 pandemic, and I refer you to the forward-looking statement section of our earnings release and recent filings with the SEC. We assume no obligation to update or revise any forward-looking statements to reflect new or changed events or circumstances.

Today, Mariano Biglia, our CFO will start the call discussing our performance for the quarter and our near-term outlook. Patricio Supervielle, our Chairman and CEO will follow with an update on our mid-term strategic initiatives. Afterwards, Atilio Dell'Oro Maini will provide an overview of the key elements of our ESG strategy and goals.

Mariano Biglia, Chief Financial Officer.

Slide 4

Mariano Biglia, Chief Financial Officer

Thank you, Ana. Good morning everyone. Thank you for joining us today. Please turn to slide 4 of our earnings presentation.

- While we saw a rebound in economic activity to pre-pandemic levels this quarter, we continue to operate under challenging market conditions with high inflation, negative real interest rates and industry loans at historical lows and growing below inflation. In addition, Central Bank regulations continue to weigh on NIM.
- We delivered sequentially improved results, reporting an attributable loss of 60 million pesos in 3Q21 compared to a 348 million pesos loss in the prior quarter. This was mainly driven by lower loan loss provisions reflecting our strong underwriting and collection policies along with the pick-up in economic activity. Lower operating expenses also contributed to this performance while we continued to resize our branch network, accelerate headcount efficiencies and executing our digital and channel transformation strategy.
- Our comparable efficiency ratio, excluding non-recurring severance payments and early retirement charges, improved to 71% this quarter from 72% in the second quarter, also significantly impacted by a low revenue base. Looking at the first nine months of the year and excluding non-recurring charges, expenses were down nearly 7% year-on-year.
- We also maintain a solid capital base with TIER 1 ratio of 14.1% at quarter-end and a strong liquidity to navigate the current environment and implement our strategic transformation.
- Patricio will provide shortly an update of our progress on our digital and channel transformation agenda, followed by Atilio who will present our key ESG milestones and goals.

Now, please turn to slide 5.

Slide 5

We expanded our loan book by 5% sequentially growing above industry levels and recovering market share.

Loan growth was mainly driven by higher mandatory credit lines to SMEs, which rose to a balance of nearly 20 billion pesos accounting for over 13% of total loans this quarter from a balance of 14 billion pesos in the prior quarter

Short-term financing to corporates also contributed to loan growth along with strong origination in personal loans which reached a record high in October.

US dollar loans in original currency, in turn, declined 10 % sequentially.

Slide 6

Now, moving to funding on slide 6.

The loan to deposit ratio remained relatively stable quarter-on-quarter at 53% with liquidity at solid levels.

AR\$ peso deposits increased in the high single digits sequentially, driven mainly by institutional funding from liquidity management and corporate checking accounts. Core deposits were stable quarter-on-quarter.

US\$ deposits in original currency were up 1.5% sequentially, accounting for slightly over 11% of total deposits.

Slide 7

Turning to slide 7, AR\$ NIM contracted 2 percentage points to 17% from 19% in the second quarter.

While GDP growth returned to pre-pandemic levels allowing us to capture some loan growth, overall credit demand remains weak. This, together with a lower yield on inflation-linked mortgage loans given the deceleration in the price index and regulatory controls continued to exert pressure on NIMs.

Slide 8

Turning to Asset Quality on slide 8.

Our strong underwriting and collection policies, together with improved economic conditions allowed us to release a portion of the Covid-19 specific provisions created last year. As a result, loan loss provisions declined to 1.4 billion from 2 billion in the prior quarter. In turn, cost of risk net improved to 3.5% from 5.7% in the second quarter.

At quarter-end, Covid-19 anticipatory provisions amounted to AR\$1.6 billion, versus AR\$2.4 billion as of June 30.

Our total provisioning ratio stood at 6.6% in September above the pre-pandemic level of 6.4% posted in January 2020.

The total NPL ratio for quarter, increased 20 basis points sequentially to 5.3% but declined after peaking to 5.5% in July.

The sequential increase was mainly driven the Consumer Finance segment. As anticipated, we saw an increase in delinquency as installments were due after the expiration of the grace periods with the Consumer Finance NPL ratio reaching a peak of nearly 21% at quarter end. To contain delinquency, we have tightened our credit policies at IUDÚ so that new originated loans have a better rating.

To a lesser extent, NPLs also increased to 5.1% from 2.2% at the Bank's personal loans segment after the expiration of the grace periods and the mandatory reclassification of customers performing with Supervielle, but non-performing with other banks.

By contrast, corporates, SMEs, and Bank credit cards posted a sequential improvement in NPL ratios.

Slide 9

Although guidance remains suspended due to sustained limited visibility, on slide 9 we share our views on the main drivers of our business for the remainder of the year and 2022.

Starting with Peso-denominated loans, we expect to see growth in line or below inflation in 2021 – both in commercial and consumer loans; and above inflation in 2022.

We also expect to end the year with deposits growing above inflation fostered by FX restrictions and to a lower extent by interest rate floors on time deposits. We expect deposits to continue growing above inflation driven by the same trends.

With respect to asset quality, as anticipated, NPLs peaked this quarter and are expected to remain stable or decline in the following quarters. We also expect coverage to decline as covid-19 provisions are used or reversed. Cost of Risk, in turn is expected to be below 2020 & 2019 levels, but in line with historical levels of 5 to 6%.

In terms of margins, for the remainder of the year and 2022 we expect NIMs to remain pressured by higher cost of funds resulting from the impact of the floor on interest rates on time deposits and subsidized rates on loans. This would be partially offset by higher inflation together with credit demand anticipated to gradually pick-up from historical lows.

Personnel and administrative expenses are likely to grow with inflation, while also reflecting additional restructuring costs and expenses, as well as headcount efficiencies from the execution of our digital and channel resizing. Higher turnover tax rates and the extension of the turnover tax reach to Leliqs and Repos in the City of Buenos Aires will continue to negatively impact expenses.

At the same time, Fee income is expected to grow in line with inflation.

Finally, we continue to expect capital and liquidity to remain at comfortable levels supporting long-term sustainability. As noted earlier, 100% of our capital is hedged against inflation.

Now let me turn the call to Patricio Supervielle, who will provide an update on our strategic initiatives. Patricio, please go ahead.

Slide 10

Patricio Supervielle, Chairman & CEO

Thank you, Mariano.

You've heard Mariano present our financial results and views for the remainder of the year and 2022.

In this challenging context, we remain fully focused on advancing on our transformation strategy.

Starting with the transformation of our branch channels, using best in class technologies to facilitate self-service banking and expand SME reach with the vision of everywhere and anytime banking.

- First, digitized customers have increased consistently over the past two years and were up 76% since March last year.
- Second, keeping a strong focus on the customer experience we recently deployed an upgraded version of the Bank's mobile App rated 4.4 on the PlayStore and 4.3 in the App Store.
- Third, with the successful performance of our Virtual Hub MVPs for individuals in the province of San Luis, we are starting to scale this hybrid model to other regions and segments and expanding our footprint while offering a superior customer experience combining the strength of our face-to-face approach with the higher efficiencies of a virtual hub. This also allows us to expand our footprint through our national territory without needing branches.
- Fourth, in the past four months we modernized and expanded services to SMEs and related segments in 11 branches that were previously solely dedicated to senior citizens; and expect to convert 4 additional branches to multi-segment format before year-end.

Now, please turn to slide 11.

Slide 11

At the same time, we have been introducing technological innovation at our senior citizen branches, facilitating self-service banking for this customer segment which was the least advanced in terms of digital adoption.

Let me share some examples of the success of these initiatives:

- To allow for extended banking hours and higher efficiencies, we enlarged our 24 hour lobbies increasing the number of biometric cash dispensers located in these lobbies. As of September, cash dispensers in our 24-hour lobbies accounted for 53% of total cash dispensers, up from around 24% before the pandemic and nearly 40% a year ago.
- As a result, the number of transactions at human tellers declined sharply to 2% of total transactions from 11% a year ago, and from 22% before the pandemic.
- We are also seeing continued adoption of our digital App dedicated to senior citizens, with 90-days logged-in customers through the App increasing over 140% when compared to 1Q20.

Slide 12

As you can see on slide 12, we are also advancing on the rightsizing of our branch network.

The introduction of best-in-class technologies to extend service hours, facilitating self-service banking in some branches while converting others to a full self-service format, is allowing us to enhance customer service and productivity. As a result, we closed 1 branch in the second quarter and plan to close another 16 between the remainder of 2021 and next year, subject to Central Bank authorization.

These initiatives have allowed us to lower headcount by nearly 6% year-on-year.

Please turn to slide 13.

Slide 13

Our IT infrastructure strategy includes creating an API environment to accelerate service development and time to market to transform our customer journeys.

During the first nine-months of the year we added a total of 95 APIs and plan to add another 153 by the end of 2022.

We are also advancing on the implementation of a data lake to become a data driven enterprise, while migrating technology to a hybrid multi cloud to provide the flexibility to grow efficiently. By October, 20% of our technology was already migrated to the Cloud and we expect to reach 30% by year-end, with 70% of our technology anticipated to be migrated to the cloud by the end of 2024.

Now please turn to page 14.

Slide 14

We are also making progress on deploying our growth strategy for IUDÚ & IUDÚ Servicios.

Next week we are formally launching IUDÚ's mobile retail digital savings account, that will enable us to grow our client base and attract low cost funding at this subsidiary. After a successful soft launch last August, IUDÚ has already opened 230,000 accounts among current customers. IUDÚ clients also have access to a wide range of digital banking services, insurance, and wellness offerings. And we will continue adding new features and services in the coming months.

We have also made progress in our goal of diversifying revenue origination beyond Argentina by deploying Wellbeing and Health services under the B2C or B2B2C format in certain countries in LATAM ex-Brazil. We are advancing with Grupo Asistir and Europe Assistance to implement in 2Q22 B2C Wellbeing and Health Services in Paraguay. The offering will consist of health, dentistry, pharmacy, medical emergency, and veterinary services.

Services will be marketed through the IUDÚ Wellness marketplace, which will host a variety of wellness services under one platform, offering customers a simple, convenient, and seamless experience.

Additional information on the progress of our digital KPIs and a more detailed description of all these initiatives and timeline can be found at the back of our earnings call presentation.

In summary, while we saw improved activity in the quarter, near-term profitability is expected to remain impacted by overall weak credit demand, pressure on NIMs, together with the costs and investments required to continue building our ecosystem and execute our transformation strategy. This strategy positions us to retain and enhance our current customer relationships while attracting new digital clients and driving operating efficiencies in the longer-term when demand resumes.

Now before opening the call to Q&A let me turn the call to Atilio Dell’Oro Maini, one of our Board Members and responsible for leading our ESG strategy who will provide an update of our initiatives and ambitions on this front. Atilio, please go ahead.

Slide 15

Atilio Dell’Oro Maini, Board Member of Grupo Supervielle and responsible for leading our ESG strategy

Thank you, Patricio.

At Grupo Supervielle we understand the need for a more long-term and more sustainable view of shareholder value creation.

Until not long ago, a more philanthropic vision prevailed in our corporate social responsibility model (CSR). As of 2019, CSR is integrated into the Group core business through a responsible management model oriented towards sustainability. CSR is no longer a goal (contribution per year to NGOs). It is a way of doing business. We believe that HOW not just WHAT matters in the business value creation process.

In this new phase we have assumed a commitment to grow sustainably: protecting the environment and pursuing our business strategy in a socially responsible manner.

We believe that enhanced disclosure of non-financial information (such as environmental, social and governance related factors) satisfies the growing demand for an alignment of corporate financial performance with the company’s performance in non-financial factors.

To develop our ESG strategy we have defined our pillars and commitments shown on Slide 15.

Slide 16

In Slide 16 we present our ESG recent and most relevant highlights.

In terms of our ENVIRONMENTAL RESPONSIBILITY, we work to reduce the impact of our operations on the environment by implementing a responsible environmental management system. We have been measuring our carbon footprint since 2019 and we compensate our greenhouse emissions to protect forest ecosystems. Renewable energy represents 14,4% of total energy consumption in our buildings.

In addition:

- We have implemented a plastic waste management program to eliminate single-use plastics; and
- We have reduced paper consumption by 46% compared with 2019. Note that 75% of the paper consumed internally is responsible sourced paper to protect forest ecosystems.

In connection with SOCIAL RESPONSIBILITY, we focus on financial education which is the gearshift of financial inclusion.

- +88,560 senior clients attended digital literacy and financial education programs conducted in alliance with 21 universities in 7 provinces and the city of Buenos Aires
- 95% of transactions are conducted through our digital and automated channels

Diversity is also a key aspect of our social responsibility.

In 2021 we launched a comprehensive program to promote a diverse and inclusive work culture.

We also work on more than 26 corporate philanthropy programs with focus on education, childhood, senior people, and civic strengthening initiatives.

With respect to our RESPONSIBILITY WITH GOOD GOVERNANCE, we believe a robust corporate finance is key for guaranteeing a sustainable business model over the long term.

EY recently conducted a Risk Regulatory Assessment and verified 97% compliance with the inventory of obligations applicable to Grupo Supervielle.

The area of Compliance monitors the corruption prevention program and our whistleblowing hotline allows employees, suppliers, and clients to report any malpractice, unlawful or unethical behavior.

Slide 17

We have defined quantifiable metrics for our sustainability initiatives.

On slide 17 you will see the key and most relevant ESG goals for 2024.

In relation to our ENVIRONMENTAL RESPONSIBILITY we have set the following goals:

- We will continue to measure our carbon footprint setting a goal of 6% reduction and 50% carbon compensation to protect millenary forests, and
- A target of 45% of our total portfolio screened and analyzed through our environmental and social risk policy

With respect to our SOCIAL RESPONSIBILITY we have set the following goals:

- 33% of women in senior executive positions by 2024; and
- 120,000 people attending our financial education programs

Finally, our RESPONSIBILITY WITH GOOD GOVERNANCE goals include:

- Publishing fully integrated sustainability report by 2023 prepared according with the Global Reporting Initiative
- In addition, we aim to have 100% of our strategic suppliers submitting a self-evaluation form assessing compliance with our policies relating to human rights, diversity, and governance practices

Q&A Session

Ana Bartesaghi

Thank you, Atilio. At this time, we will be conducting the question and answer session. As a reminder, to ask a question you need to be connected to the zoom platform. We will not be able to take your questions if you are connected from a phone line. To ask a question by voice please press the “raise your hand” button and press it again to withdraw your question. You can also send your questions in written form via the Q&A box.

We will ask you to limit yourself to one question and a follow up and then you can raise your hand again in another round.

One moment while we poll for questions.

Ernesto Gabilondo - *Bank of America*

Thank you, Ana. Good morning, Patricio, Mariano, Atilio, good morning, everyone. Thank you for your presentation and for the opportunity. My first question is on the political outlook in Argentina, after the mid-term elections, I would like to know which do think are the key challenges ahead? And if you think there are like potential key dates that we should be following? So that's my first question.

Patricio Supervielle

Well, first of all, there was a clear win of the opposition. The President has announced that this December, they will present a multiyear economic program in order to have the approval of Congress. We know that there is a deadline with the IMF. So there is a short time frame for the government to negotiate this multiyear plan in order to have more sustainable fiscal policies, more realistic also FX levels in order to enhance export-oriented industries and to strengthen the reserves of the Central Bank.

What is not yet really clear is whether there is a clear line in the government in order to make a commitment for this economic plan. We will see. It's going to be an interesting period. But I think also what is important is the attitude of the IMF, whether they will allow for sort of a muddle through economic policy until 2023 or they will be strict in the sense that they want to have lessening of public expenditures and reduction of subsidies and so on. So this is, I think, what we are looking for. I don't know if you want to add something, Alejandro, on that.

Alejandro Stengel

I think you've hit on most of the points, Patricio. As you said, it's key to understand what the scope and the depth of the agreement with the IMF will be. And going back to Ernesto's question, as to date, I think that you should carefully follow these talks to be able to establish when an agreement is reached.

Ernesto Gabilondo -- Bank of America

Perfect. Thank you so much. Then just a second question on the fintech competitive landscape. I would appreciate if you can share with us who you see as the main players. The one I have on top of my mind is Ualá. And how do you think IUDÚ and your new digital initiatives are against the other fintechs?

Patricio Supervielle

I think Ualá basically is focusing on providing solutions for people who don't have bank accounts and they are giving a value proposition on that. But the main problem is that they don't have deposits. Now, this is the reason why now they are applying for a banking license. In order to reach scale in Argentina, you need to have a license to get deposits. And you can see this, for instance, if you look at the size of the funds that were collected by Mercado Pago in relation to the fund industry is nearly irrelevant, and they've been working on this.

So this is an extreme example that only working with transactionality as a fintech player in Argentina is not... they need to have a bank license in order to become a player in Argentina because of the restrictions we have in Argentina.

In the case of IUDÚ, IUDÚ is transforming itself from a consumer finance operation almost fully focused in providing financial services, credit card and personal loans to people, customers who come to the Walmart Changomas supermarket stores toward now to a full digital service. And our main goal now will be to attract retail deposits. And this will have a significant impact for us -- I believe, to lower our cost of funds and to have a much more sustainable business. And I hope and I think it will impact a lot in the overall net income revenue on capital creation of Grupo Supervielle.

I don't know if you want to add something on the fintech, Alejandro?

Alejandro Stengel

I think you mentioned the key issue of funding and access to funding. I also think that IUDÚ has done a terrific job at enhancing customer experience and putting together a very superior product offering. And I think those two things, combined with the strength of the funding capability, will make a very strong positioning in the market in the next quarters.

Ana Bartesaghi

Our next question comes from Gabriel Nobrega at Citi. Good morning, Gabriel. Please go ahead.

Gabriel D. Nobrega -- Citi

My first question is actually on loan demand. If you could elaborate further, what's driving the higher demand which we are seeing? I know that you're saying in your press release that it's due to the government programs focused on SMEs. But I just wanted to understand if you think that we are at an inflection point, where loan demand isn't going to start increasing? And then how are you going to be able to control your adverse selection in this scenario? And I'll ask a second question afterwards.

Patricio Supervielle

Gabriel, it's real that we are in a very low point of credit loan demand. And we believe that it has mainly to do with the lack of business confidence and also consumer confidence. So we need these signals to reignite the loan demand. Having said that, there are certain particular enterprises that are export oriented, and they continue to perform well in the economy, and we continue to serve them with different lines of credit, particularly pre-export financing.

Also, there are enterprises that take advantage of subsidized loans to take leasing lines, where we are very strong in leasing in order to replace equipment. And for individuals, I think it's the same problem, lack of appetite for loan demand. What we see eventually is an interest in car financing because people see in Argentina to take cars to be a protection of value. So used car financing is driving certain number of loans at the bank level and also IUDÚ. I don't know if you want to add on that, Alejandro?

Alejandro Stengel

Basically, I would mention that what we've seen during most of the pandemic, until there was a turning point in which the economy started to pick up, was that the working capital of most of SMEs and corporates have been going down. So there is an effect of replenishing working capital as the economy picks up, and that's basically what we are supporting.

In terms of the adverse selection, which I believe is the second part of your question, we are focusing on -- first on our own clients and helping them take off and regain much of the economic activity. And in many sectors, we're seeing that the level of economic activity is back to pre-pandemic levels and in some sectors, even beyond that. So the first focus is on clients that we know, on sectors which we've operated on and the value chains that we've worked in. The other focus is really supporting a pickup in some export-oriented sectors, for example, meat packing which are really picking up and are showing good progress, too. So we believe that there is significant room for growth from, as Atilio pointed out, very low credit penetration levels.

Patricio Supervielle

In addition, in order to control credit risk, for instance, in the case of individuals, a substantial part of our personal loans are given to individuals that collect their salaries in the bank. Around 70% of all personal financing is with the -- debiting their accounts at the bank. So these also lowers an adverse selection. And for enterprises, for corporations, I also said, in addition, to complement to what Alejandro mentioned, is that we continue to do a lot of cash flow-based financing, which is by itself, it's a way of controlling risks. But inflection point, I think we need to wait a truly inflection point. I think we will reach it in 2023 with a political change. This is my opinion.

Gabriel D. Nobrega -- Citi

All right. That's very clear. And actually, I have a follow-up from the previous question on the fintech landscape. I understand you talked about Ualá. And what I wanted to understand is that you show this that you have around 500,000 digital customers. But when you compare with Ualá, they already issued more than 2 million on prepaid cards. So I wanted to understand here, is there a strategy from you to some growth lower the number of clients maybe try to monetize them faster? Or are you still aiming at adding clients in a faster manner in the coming quarters?

Alejandro Stengel

Yes. What mainly that you have to bear in mind when you look at these figures, Gabriel, is when these operations are making money or not and how long it will take to monetize all this customer acquisition.

What we've seen in financial services is just recruiting clients is not enough to be able to have a sustainable strategy of attack. This is why we emphasized in our strategy the ability of having the right funding, particularly in the Argentine environment; and secondly, trying to have a principle or an integral relationship in cross-selling several products.

We approach this segment with this more comprehensive view. And we aim absolutely at having this relationship of several products with the right funding to be able to drive growth. We believe that the cost-to-income proportion would be much better and that the leverage we can have on our capital over the deposit base that we will capture will allow us to scale adequately with a very efficient model.

Ana Bartesaghi

Thank you, Gabriel. Our next questions come from Rodrigo Nistor from AR Partners. Please go ahead.

Rodrigo Nistor -- AR Partners

Good morning. I have a question regarding the income tax rate, if you could explain further reasons behind the high effective tax rate? And what should we expect going forward? And then I have a follow-up.

Patricio Supervielle

Mariano, do you want to go on that, please?

Mariano Biglia

Yes. I can comment on that, Rodrigo. For the income tax rate, we have two main sources that increased the effective tax rate. The statutory income tax rate is 35%, but there are certain differences between the statutory income statement and the income statement for tax return. The main differences arise from the value of fixed assets acquired before 2017. That differences are permanent. So they create an increasing cost as the income for income tax purposes is higher than our profit before income tax, in our statutory income statement.

And second and probably more important, has to do with deferred tax assets and tax gross carry forwards, which they are not -- according to the income tax law, they are not adjusted and they are -- they don't accrue any interest. So we have mainly at IUDÚ, we have ARS1.2 billion in deferred tax assets and tax loss carryforwards. And these assets lose value over time with inflation. So that loss of value as it relates to income tax according to IFRS is recognized in the income tax line item. So that increases the chart in the income tax line item and creates, in turn, a higher effective tax rate.

Both the tax have a larger impact when profit before income tax is lower than we have, as last year, the profit different income tax of ARS4 billion. This impact would already increase effective tax rates, maybe from 35% to 40%. But when profit before income tax is lower, it has a great impact and turn it up to 100% eventually.

Rodrigo Nistor -- AR Partners

Thank you. And then if I may have a more strategic question, maybe to Patricio. I would like to know briefly what makes him more enthusiastic about the future of the industry and what concerns you the most about today's Argentina banking system?

Patricio Supervielle

I think that the financial industry is bearing the cost of an economy which is not in equilibrium. And of course, what worries me is that main business, which is providing loans to the private sector, has diminished over the last three years and you can see this in the loan-to-deposit ratio, which is a minimum in historic levels. And I think it reflects what is happening in the financial industry as a whole. There's lack of demand. And also there's another aspect, which also worries me is there is lack of savings.

The lack of savings has also to do with the absolute lack of confidence in our currency. We have a confidence problem. We need to get clear signals for investments, clear signals for deregulation, clear signals for export industries, clear signals for having an equilibrium in monetary policies in order to have a currency that basically gets to lower inflation.

What makes me enthusiastic is basically what we have seen on the political side now, is a request of the society to have a more pro-market political economy. And I hope that the government will hear this request of the society to have a more pro-market stance.

Rodrigo Nistor -- *AR Partners*

Thank you very much.

Ana Bartesaghi

Thank you, Rodrigo. Our next question comes from Juan Recalde at Scotiabank. Good morning, Juan. Go ahead.

Juan Recalde -- *Scotiabank*

Hi, good morning, everyone. Thank you for taking my question. I have two questions. One is related to NIM and the second one related to the international expansion. So in terms of NIM, you mentioned that you expect NIM pressure to continue, given the low loan demand and regulations. So my question there is does this quarter reflect the full regulatory pressure? Or can we expect NIM to go down in the coming quarters? And related to that, how is the bank working to limit the NIM pressure?

And the second question, related to international expansion, can you help us understand the strategy for expanding outside Argentina? Are there any goals that you can share with us? And also, can the bank free -- can the group freely move capital outside the country with the current regulations?

Patricio Supervielle

Let's first answer about the NIMs. Mariano will help, but simply, I would like to state that there's a continuous pressure of NIMs and mainly to do with the punitive regulations of the Central Bank, but also it has a lot to do with the lack of demand of loans. When loans resume, it will help us definitely to have better NIMs. But do you want to answer the first question on NIMs, Mariano?

Mariano Biglia

Sure, Patricio. Juan, well, in effect, this quarter, we are seeing the full impact of Central Bank regulations and also an adverse macroeconomic environment. So, we have very negative interest rates with Leliqs paying 38% interest rate, repos 36.5%, and that compares with an inflation of more than 50% in the last 12 months. So this leads also to a very low credit demand and in that environment, we have regulated floors for time deposits because we would normally lower the interest rate that we pay on time deposits. So remain positive spreads. So it's a very challenging environment, and we will see

definitely the full impact of it in this quarter. But as you can see, we have the lowest NIM in the last five quarters.

So regarding the second part of your question, what we can do to sustain and increase that NIM in the future. We aim to grow in deposits, not regulated time deposits, but on mainly, for instance, in savings accounts and corporate current accounts. We have increased the average volume of corporate current accounts. This quarter, we are seeing that also in the first month of the fourth quarter. So that is very important. Also then, we need to increase our loan portfolio as credit demand resumes.

We've seen in the last quarters, particularly the 3Q, we see a -- we saw a growth of 5% in real terms. And so we gained a bit of market share there. It's still in the SMEs programs, the subsidized loans that are mandatory. So it doesn't have a -- still a very large positive income in NIM. But it's still a long road where we replace Central Bank instruments by loans to the private sector and that's what we intend to do in the future. And we expect 2022 to be a year where we resume growth above inflation, and that will lead us to increase NIMs.

Patricio Supervielle

In terms of the international expansion that we want to pursue, recreating revenues beyond Argentina, at IUDÚ Servicios, which is basically a platform to deliver health services and also wellbeing services to individuals, we will start deploying -- we've reached agreement with two companies, Europe Assistance and Asistir is an Argentine company that provides health services. And Europe Assistance is more geared to wellbeing services in the home of an individual. So with both companies, we reached an agreement to start deploying in Paraguay in the second quarter of 2022. And basically, what they are doing is they will be providing commercial funding, we will use this funding in order to deploy digital marketing in order to attract customers. And it's going to be like our first breach head in Latin America, beyond Argentina. And from there on, we plan to continue to go to other countries.

The goal in IUDÚ Servicios is that in three years from now to have 200,000 customers in five countries. So this will give us 1 million customers in three years, this is what we plan to get. And this is basically -- just to give you an idea, in Argentina, with the same lines of businesses, we already have 320,000 customers that we developed providing these services. So we believe that we can reach that and get revenues beyond Argentina.

Then for InvertirOnline we are working on a business plan. We already said that we requested our authorization in the Central Bank of Uruguay to provide regional investment services in Latin America, excluding Brazil, particularly for providing investment services in the U.S. market. And so we are working on the technological platform to deliver this from Uruguay -- with this broker license in Uruguay. And in addition to -- in order to start our deployment, we already have secured around US\$5 million that are already in a holding out of Argentina. This is basically dividends that were paid from InvertirOnline Argentina, and they were paid and basically, they are in holding outside of Argentina. We will start growing this -- with this capital.

Juan Recalde -- Scotiabank

That's helpful. Thank you.

Ana Bartesaghi

Thank you, Juan. Our next question comes Alejandra Aranda from Itaú. Hello, good morning Alejandra.

Alejandra Aranda -- Itaú

Hi, good morning and thank you for the opportunity. I have two questions, if I may. The first one is related to the costs. I mean I was positively surprised by the performance this quarter. And given that the outlook is challenging on the income side, I was wondering what to expect going forward, especially given the rightsizing that you've been doing.

Patricio Supervielle

Okay. Do you want to go on that Alejandro?

Alejandro Stengel

I think I can start on that and Mariano can correct. Hello Alejandra, we see lots of opportunities for enhancing our efficiency. Many have been triggered by the acceleration of the adoption of digital and automated channels throughout our branch network. The others come from the digital transformation process we've been discussing over the large quarters, and all these boiled down to a reduction in the total amount of headcount we need to operate and a reduction in the total amount of branches. We also see opportunities on the revenue side because the digital capabilities are giving us an opportunity to expand our footprint without actually having to deploy a physical branch network. So this combination is helping, as you've noticed, and we foresee this trend to continue throughout 2022.

Alejandra Aranda -- Itaú

Okay. But in terms of a level of efficiencies that we should be looking out for the next couple of quarters?

Alejandro Stengel

Well, you've seen a 6% increase -- sorry, decrease in headcount. And I think that we will probably be around that level moving forward.

Alejandra Aranda -- Itaú

Okay. Okay.

Patricio Supervielle

Yes, Alejandra, also to complement what Alejandro said, IUDÚ is also in the middle of a huge transformation from a consumer finance company where business was done mainly in the traffic of supermarkets and toward a full digital banking service. And that entails a change of the way we do business, even -- for instance, in the case of supermarket, the people that are in the supermarket, we will foster, the way clients interact will be much more digital. And so this -- we will see in 2022, a substantial efficiency in terms of headcount also at IUDÚ because of this transformation that we are working on. And so you will see this in overall Grupo Supervielle, we have a significant reduction of headcount in 2022, besides the bank.

Alejandra Aranda -- Itaú

Thank you. If I may follow up on that. I mean there's a huge demand for digital jobs and digital native workers. How are you seeing the market there? How are you competing with the fintechs and also with the so-called blue labor with other companies from abroad coming and taking the opportunity to hire people the blue chip swap?

Patricio Supervielle

All right. It's a very good question, Alejandra, you need to ask on retention of talent, basically.

Alejandro Stengel

You're quite right, Alejandra. It's becoming more and more challenging. And yes, we are competing with fintechs, with big techs and also with international companies that are hiring Argentine talent for work abroad. So it is becoming challenging. What we've done is basically first, focus on the key areas where we're getting most attrition. This is basically digital talent, as you pointed out. We're working there on value proposition. And there are several aspects of the way that we work and the ability to address different needs that our workforce has under these challenging times. So part of it has to do with adjusting the way we work at workplace.

Second, as I mentioned before, the value proposition, adjusting it to market and keeping track on these changes, but also introducing other different alternatives in the way in which we compensate and in the way that we motivate. Some of these are basically out of focus groups that we do with the teams and also require a greater involvement in the digital transformation of some of the seniors of the organization to help the new talent navigate. So we think that this problem would actually become greater over time because the transformation we're doing at Supervielle is getting more and more visibility. So, we are getting prepared for it, and we are having so far, good success in retaining some of the cases that have been got forward, but it is getting tougher going forward.

Alejandra Aranda -- Itaú

Okay, thank you. May I do a third one?

Ana Bartesaghi

Yes, sure.

Alejandra Aranda -- Itaú

Short one. What's the minimum level that you feel comfortable in terms of coverage?

Mariano Biglia

Yes, I can comment on that. As you know, we work with expected loss models according to IFRS. So just now, like a magic percentage you'd like to, let's say, 100% or 150%. It will depend on the loan portfolio, the mix of that portfolio, the outlook looking forward, that's also a component of expected loss. That is the forward-looking part of the model. So we are comfortable with the level we have right now. We think it's adequate as we thought it was adequate to have a larger coverage in the past, where we had less visibility and also the automatic rescaling was in place.

So looking forward, I would expect to probably decrease coverage as we feel comfortable using the COVID-specific provisions that we created during last year. Last quarter, we had ARS2.4 billion COVID-specific provisions, now they decreased to ARS1.6 million, and that should decrease in the future, of course, always that the situation gets back to normal.

Alejandra Aranda -- Itaú

Okay, thank you.

Mariano Biglia

You're welcome.

Ana Bartesaghi

Ladies and gentlemen, we have reached the end of today's question-and-answer session. Thank you for joining us today. We appreciate your interest in our Company. We look forward to meeting more of you over the coming months and providing financial and business updates next quarter. In the interim, we remain available to answer any questions that you may have. Thank you and stay safe and healthy.