

2Q26 Earnings Conference Call Transcript

Buenos Aires, Agosto 11, 2026



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Ana Bartesaghi – Chief Investor Relations Officer & Treasurer

Good morning and welcome to Grupo Supervielle's Second Quarter 2026 earnings call. I'm Ana Bartesaghi, Treasurer, and IRO. Today's conference call is being recorded. For the Q&A session, please ensure your full name appears on Zoom. You can ask questions by voice or through the Q&A chat box.

Speaking today are Patricio Supervielle, our Chairman and CEO, Gustavo Paco Manriquez, CEO of Banco Supervielle, and Mariano Biglia, our CFO. Diego Pizzulli, CEO of InvertirOnline will also be available during the Q&A session.



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Before we begin, please note this call may include forward-looking statements. Please refer to our earnings release and SEC filings for further details.

Patricio, please go ahead.

2Q26: Return to Profitability with 14.4% Structural ROAE and Improving Operating Trends



Patricio Supervielle, Chairman & CEO

Thank you, Ana. Good morning, everyone, and thank you for joining us today.

The second quarter marked our return to profitability and further progress in transforming Supervielle. Most importantly, the changes to our operating model are beginning to translate into a structurally lower cost to serve.

The rightsizing program is now largely implemented and aligned to our current operating model.

Reflecting the full quarterly salary savings already secured, structural ROAE would have reached 14.4% illustrating the earnings support provided by our leaner operating model.

Our core earnings also improved. Margins benefited from funding costs declining faster than asset yields.

Asset-quality indicators continued to move in the right direction, with NPL formation declining for a second consecutive quarter and cost of risk improving sequentially. While credit costs remain elevated, these trends reinforce our view that the peak is behind us and that our collection,

refinancing and underwriting initiatives are beginning to produce results.

With peso credit demand still subdued, we continued to prioritize risk-adjusted returns over volume, while actively managing our funding mix and maintaining a strong liquidity position.

We also made further progress across our ecosystem. The partnership with Aerolíneas Argentinas is one example of how we are strengthening the value proposition for Identité customers. At IOL, assets under custody reached US\$3 billion, reflecting continued traction with higher-value clients and deeper investment relationships.

Overall, we enter the second half with a structurally leaner platform, improving credit trends and a stronger foundation for disciplined, profitable growth. Paco and Mariano will expand on this shortly.

Let me turn briefly to the macro backdrop, to put our second-quarter performance in context.

Conditions became more stable during the quarter, with sustained FX purchases since the start of the year moving net reserves into positive territory.

Interest rates remained broadly stable, contributing to lower funding costs and margin recovery, while monthly inflation declined for three consecutive months.

However, greater stability has not yet translated into a broad-based recovery, and peso credit demand remained subdued.

Policy momentum is improving visibility, with structural reforms supporting a more predictable macro environment and reserve accumulation reinforcing FX stability.

Argentina is undergoing a transition toward an export and investment-led growth model. Twenty-one RIGI projects have been approved, representing approximately US\$47 billion of planned investment, primarily in energy, mining and infrastructure. This should create attractive financing opportunities across their broader value chains. Greater visibility of the government's financial plan for sovereign debt maturities in 2026 and 2027 has also reduced near-term refinancing uncertainty. Nevertheless, the recovery remains uneven.

Looking ahead, continued progress will depend on consistent policy execution and further strengthening the institutional framework. Maintaining fiscal discipline, advancing monetary normalization and gradually removing remaining FX restrictions will be essential to reinforce, confidence and contain volatility.

Overall, the direction is constructive and should gradually support credit demand and asset quality. Supervielle enters this phase with gradually improving credit trends, a structurally leaner platform and a solid capital formation

Paco will now discuss how the Bank is positioning itself to capture these opportunities through disciplined, profitable growth.

Paco, please go ahead.

I Macro Conditions Improve as Disinflation and FX Accumulation Progress

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Gustavo Paco Manriquez, Bank CEO

Thank you, Patricio, and good morning, everyone.

Turning to slide 5, I will focus on how we are managing the Bank today and where we see attractive growth opportunities for the second half.

On the balance sheet, prudence remains our priority. Peso loan demand was soft, and with system delinquency still elevated, we chose not to chase volume. We maintained selective origination, grew transactional deposits across retail and corporate clients, and actively managed the funding mix. As margins normalize, every new loan must continue to meet our risk-adjusted return thresholds

On asset quality, delinquency and cost of risk improved sequentially, although both remain elevated. The collection, refinancing and customer-outreach initiatives launched in December are producing early results, while recent origination cohorts are performing meaningfully better. We will maintain this discipline as we gradually rebuild lending.

On structural efficiency, the rightsizing plan is largely complete. It reflects the work we have been doing for some time to redesign the service model without compromising service quality. Annualized personnel savings are approximately AR\$42 billion, with the full quarterly run-rate benefit starting in the third quarter.

Turning to growth, our focus is on expanding the loan portfolio profitably through a targeted rather than broad-based approach:

- In retail, we are focused on expanding and deepening relationships across three priority segments: Payroll, Identité is our premium offer and Senior Citizens. Our enhanced scoring capabilities allow us to identify the stronger customers and serve more of their transactional, savings and credit needs through tailored products.

- In corporate banking, the strongest opportunities are in Vaca Muerta, mining and selected regional economies, where activity is more dynamic and U.S. dollar loan demand remains strong.

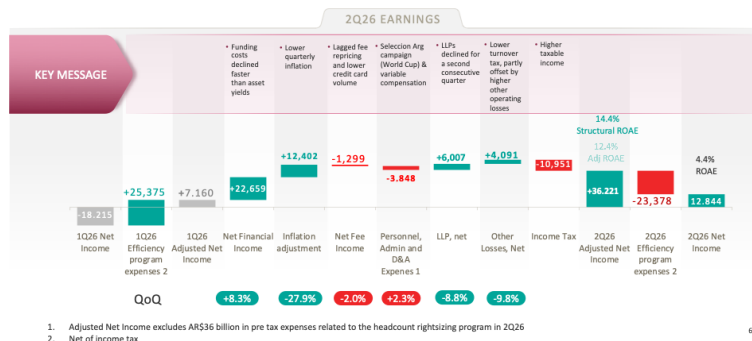
- On partnerships, we recently reached an agreement with Flash Argentina S.A., a company that originated within the Mercado Libre ecosystem, through which we will finance person-to-person vehicle transactions listed on Mercado Libre starting in the fourth quarter of this year.

In short, we are combining a leaner operating model, disciplined balance-sheet management and sharper customer selection to resume growth where we see good credit behavior and compelling economics.

With that, I will hand the call over to Mariano, who will discuss our financial results and updated guidance.

Net Income Turns Positive; Adjusted ROAE Reaches 12.4% Excluding Extraordinary Severance Charges

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Mariano Biglia, CFO

Thank you, Paco, and good day to everyone. Turning to Slide 6, Attributable Net income turned positive, reaching AR\$13 billion in the second quarter, a swing of more than AR\$31 billion when compared with the loss of AR\$18 billion in the first quarter.

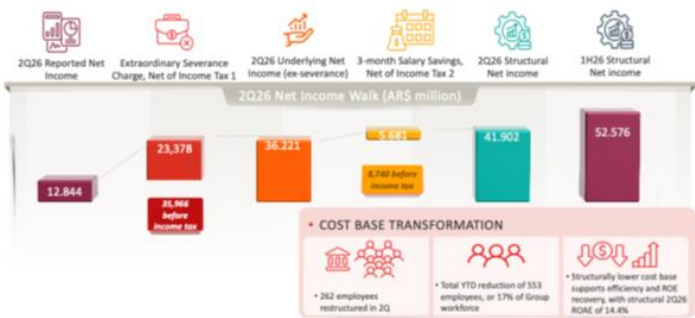
Excluding AR\$23 billion in after-tax extraordinary severance charges, adjusted net income reached AR\$36 billion, with adjusted ROAE of 12.4%.

The sequential recovery was driven mainly by stronger net financial income, lower inflation adjustment and improving credit costs. Together, these factors more than offset softer fee income and modestly higher adjusted operating expenses.

Return to Profitability and Lower Cost Base Support Earnings Recovery

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2Q26 Reported-to-Structural Net Income Bridge (AR\$ million)



Slide 7, takes this analysis one step further by illustrating the earnings capacity of our streamlined cost base.

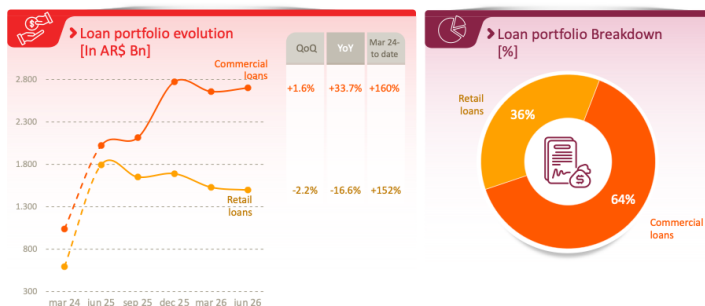
After incorporating a full quarter of salary savings from the rightsizing actions of the second quarter, structural net income would have reached AR\$42 billion, equivalent to a structural ROAE of 14.4%.

Applying the same framework, structural net income for the first half would have totaled AR\$53 billion.

The program reduced our workforce by 553 employees during the first half, including 262 in the second quarter. With these actions now completed, the structurally lower cost base should support continued improvement in efficiency and profitability.

Commercial Lending Edges Higher, Supported by U.S. Dollar Loans, While Retail Lending Remains Subdued

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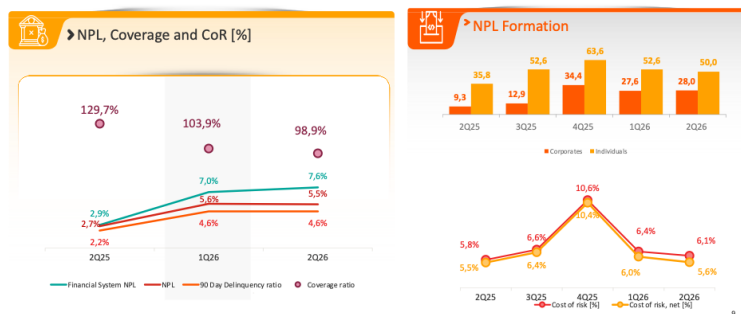
Turning to slide 8, total loans declined just over 1% sequentially and increased nearly 9% year-on-year.

Commercial lending edged higher, supported by U.S. dollar loans, which grew 6% in original currency. Retail loans, in turn, declined 2%, reflecting still-soft demand and our selective approach to origination.

As Paco discussed earlier we expect retail growth to rebuild gradually as inflation declines, while maintaining disciplined credit criteria and a balanced, profitable portfolio mix.

NPL Ratio Improved to 5.5% as the Industry Ratio Rises to 7.6%; Further Asset Quality Improvement Remains a Priority

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Turning to asset quality on slide 9, our NPL ratio improved 10 basis points sequentially to 5.5%.

Meanwhile, the financial system ratio deteriorated 60 basis points to 7.6%, placing our ratio 210 basis points below the industry.

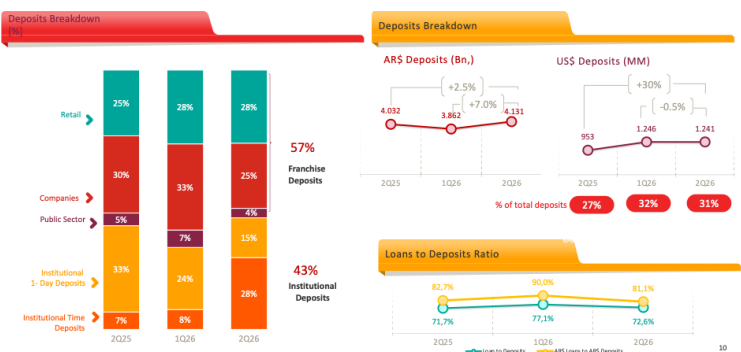
Quarterly NPL formation declined for the second consecutive quarter and was approximately 20% below the fourth-quarter peak, with retail formation down 21%.

Net cost of risk eased to 5.6% from 6.0% in the first quarter, reflecting the early benefits of our collection and refinancing initiatives, together with disciplined risk-adjusted origination. Importantly, recent origination cohorts continue to perform meaningfully better.

Together, these trends reinforce our view that asset quality has entered a gradual improvement phase.

ALM Initiatives to Lower Funding Costs Shifted the Mix from Corporate to Institutional Time Deposits

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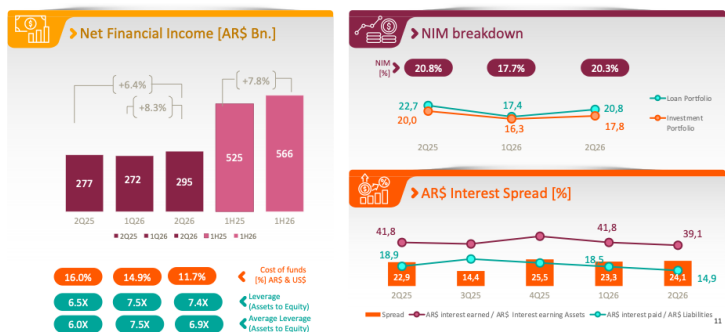
Turning to slide 10, peso deposits increased 7% sequentially. U.S. dollar deposits remained broadly stable sequentially and increased 30% year over year in original currency.

During the quarter, our ALM initiatives shifted the funding mix toward more cost-efficient institutional time deposits and reduced our reliance on corporate deposits. At the same time, within institutional funding, we meaningfully extended tenor, shifting from one-day to 30-day deposits, taking advantage of more attractive relative pricing while also increasing the stability and predictability of that funding source. Retail deposits continued to provide a stable foundation, representing 28% of the total deposit base.

Finally, liquidity remained ample, with the total loan-to-deposit ratio declining to 73%.

Lower Market Rates Reduce Funding Cost Lifting 2Q26 NIM to 20.3%, Above Revised FY26 Guidance

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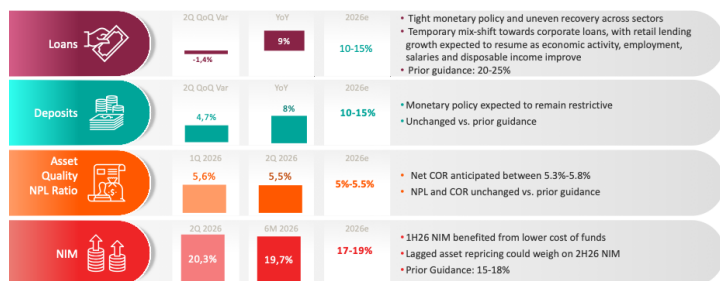


Turning to slide 11, Net financial income reached AR\$295 billion, increasing 8% sequentially.

Net interest margin expanded sequentially by 250 basis points to 20.3%, above our full-year guidance, as funding costs declined faster than yields on interest-earnings assets.

Updating 2026 Expectations to Reflect 1H26 Performance and Normalizing Operating Conditions

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Macro assumptions as of July 2026 (Central Bank Market Expectations Survey): Inflation of 29.8%, Interest Rate eop of 22.2 %, Fx eop at 1,652 and GDP of +2.7% in 2026.

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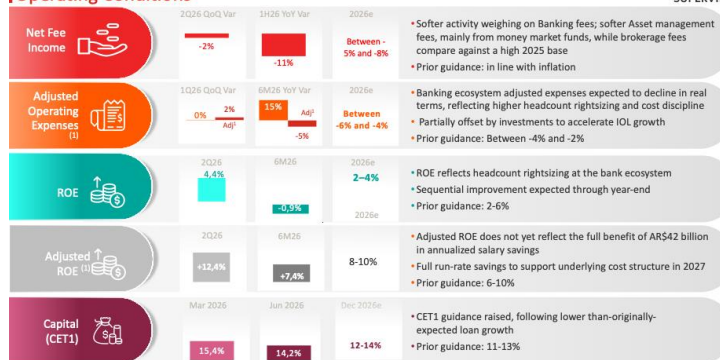
Now, moving on to the outlook for 2026, we are updating our expectations to reflect first-half performance and normalizing operating conditions

On loans, we are lowering real growth expectations to between 10% and 15%. This however, is a pick-up from the 7% decline experienced in the first-half, driven by the initiatives Paco outlined. The mix remains skewed toward corporate lending, with retail growth expected to resume as activity, employment and disposable income improve.

We are also raising our NIM guidance to a range of 17% to 19%. First-half NIM of 19.7% benefited from the decline in funding costs, while, lagged asset repricing could weigh on margins in the second half.

Updating 2026 Expectations to Reflect 1H26 Performance and Normalizing Operating Conditions

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1. Adjusted figures exclude Headcount rightsizing cost

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As shown on the next slide, we now anticipate net fee income to decline between 5% and 8% in real terms, as softer activity weighs on banking fees.

Adjusted operating expenses are now expected to decline between 6% and 4%, a greater reduction than anticipated, reflecting our successful headcount rightsizing plan.

We are now tightening our reported ROE expectation to between 2% and 4% consistent with the larger than originally anticipated headcount rightsizing.

Excluding extraordinary severance charges related to the efficiency program, adjusted ROE is now anticipated to range between 8% and 10% Importantly, this range does not yet reflect the full benefit of the AR\$42 billion in annualized salary savings, which will support the underlying cost structure into 2027.

Finally, we are raising CET1 guidance to a range of 12% to 14%, following softer loan growth.

All other outlook metrics remain unchanged.

This concludes our prepared remarks. We are now opening the floor for Q&A.

Q&A Session

Ana Bartesaghi

Thank you, Mariano. 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. To ask a question 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. The first questions come from Camila Azevedo with UBS Camila, please go ahead.

Camila Azevedo

Thanks everyone for the space for questions. I have a question on the profitability and efficiency. So the efficiency ratio improved to 63% but would have been close to 52% excluding extraordinary severance charges. When does the company expect the full run rate benefit of the AR\$42 billion in annualized personal savings to be fully reflected in the reported efficiency metrics? And in profitability, given that the structural ROE reached 14%, how does management expect this trend to continue throughout the year and what specific milestones should have, should be met to sustain this recovery? Thanks.

Patricio Supervielle

Mariano do you want to answer this? Maybe a compliment afterwards.

Mariano Biglia

Sure, Patricio. Hello, Camila. Thank you for your question.

First, regarding efficiency, the capitalization of the saving costs from the retirement plan, we will start capturing the full benefits of this plan on the third quarter as we largely finish the plan as of the end of the second quarter. So those savings that we quantify as if they were captured on the first half of the year, they will be already captured in the reported SG&A and the reported net income in the third and fourth quarter of this year. So the efficiency, the reported adjusted efficiency for following quarters will be the same or almost the same, and of course it will be much lower than on the first and second quarters of the year. Then regarding ROE, as you said and we showed on the presentation, the adjusted ROE, when we account for, When we exclude severance cost, but we also account for the savings as if we had made the efficiencies from the beginning of the year or the beginning of the quarter, the adjusted ROE would be 14.4%.

Then for following quarters, as I mentioned, we will continue capturing the benefits of this headcount-reduction. But also, on the other side, we think margins will be more pressured of following quarters because on the second quarter, we saw a reduction, a decline in the funding cost, which we captured very well to increase the NIM on our non-portfolio and also on the investment portfolio. But going forward, we will also see pressure on the asset side of interest-earning assets. So, the mean we saw in the second quarter maybe will be lower going ahead, so that will partially offset the benefits of cost-savings and ROAE for the second part of the year will be maybe higher than on the first-half, but lower if you only take the annualized second quarter.

So, that's why we gave a guidance of an ROE closer to 10% for the full-year.

Patricio Supervielle

So, just to complement and to give some context on the operational side and looking into the future, we conducted a very successful efficiency program on this voluntary retirement program and this didn't produce any type of disruption, NPS continues to improve productivity, it's becoming higher and basically the efficiency agenda is permanent for us. We will continue to look in the future for opportunities to improve our cost to serve, but you should not expect another step change of the magnitude we delivered in the first half of this year.

Camila Azevedo

That's super clear, thanks very much.

Ana Bartesaghi

Thank you Camila. Our next questions come from Ernesto Gabilondo with Bank of America. Good morning Ernesto, please go ahead.

Ernesto Gabilondo

Thank you Ana, hi good morning Patricio, Paco and Mariano, congrats on your results and thanks for the opportunity to ask questions. My question is related to your long road expectations but for next year, this year is expected to be between 10% to 15%. You were expecting above 20% before. And I believe this is not specific for Supervielle.

This is more for the industry. So how should we think about loan growth next year? I don't know if you have started to participate in the financing of the VG projects. Are you already perceiving the announcements of the VG projects taking place? You mentioned these 21 projects. So are they already taking place? And if you think this will be more tangible after the presidential elections next year? Again, all to understand loan growth trends for next year.

Thank you.

Patricio Supervielle

I will give you first the more short-term answer. Yes, the guidance is 10% to 15% for the full year. But at this stage, we are coming off from minus 7%.

So, this implies a meaningful growth in the second-half. But this is not a forecast that depends on broad macro pickup. We are counting on fourth quarter surge in demand across a series of initiatives that we control. First one is we completed a discipline asset quality work in the first-half.

So, we know who are the good clients and which are healthy. And that allow us to conduct targeted campaigns on our better performing retail segments. Second, we continue, and this is also maybe an answer to your rebate question, we continue to focus on the dynamic sectors of the economy, including export industries, mining, energy, and all the value chains around them where dollar loan is real and growing. And third, we also have specific initiatives that we are launching in this quarter, particularly Paco mentioned Flash.

Flash is a new company that has grown or was born in the Mercado Libre ecosystem, which is a P2P financing auto loans. And, but on the retail side, more broadly, demand will need inflation to continue declining and disposable income to continue improving. That happening and gradually we expect with which will grow to build progressively rather than surge. So our guidance for this year is what we can reasonably see and where we can act upon regarding next year, I think the business climate will definitely, on the agenda of the RIGI agenda, it's going to be a major change.

We already, the countries, have record exports this year, but I think next year the trend will continue in this sense. So there will be lots of opportunities to finance the value chain of these dynamic industries. I am hopeful and I am optimistic that this will also reflect on the retail side with more, let's say, a better appetite for credit demand on the retail side. Of course, we will be entering an electoral year and this will also probably affect everything but we are optimistic and I think in 2027 we will be a very good year.

Gustavo Manriquez

Can I say something Patricio?

Patricio Supervielle

Yes.

Gustavo Manriquez

Hola Ernesto, how are you? All we know about the situation that we had in the first semester in terms of delinquency in terms of loan growth so looking forward the growth we are targeting in the second half and the following year comes from our better performing retail segments. Also we made significant adjustments in our credit scoring models so we are believing that we have placed a very good score. Also the organic growth will come from strategic sectors, energy, oil and gas, mining.

You mentioned about the RIGI, basically we support all the value chains for the RIGI, the main RIGI projects is basically our targeting, is our size for the bank. So we are entering a new semester with the confidence that we have in place a new credit score and also the customer knows better their own payments and behavior. So we are looking forward very well.

Ernesto Gabilondo

Now this is super helpful.

Thank you very much Patricio and Paco. So all of the RIGI projects that are taking place, Superview will look to finance all the value chains. So you think this will be more visible in 2027, maybe after the presidential election removing the uncertainty and that is when we will see more tangible all these projects, right?

Gustavo Manriquez

Yes, yes. 2027 we will see something and then of course the due to the election of during October

Ernesto Gabilondo

Perfect.

Gustavo Manriquez

But yes, but yes, Ernesto. Our target is the value chain of those RIGI projects. Basically, it's our target and our business proposition goes there.

Ernesto Gabilondo

Perfect. Thank you very much, Paco.

Ana Bartesaghi

Thank you, Ernesto. Our next question comes from Pedro Leluc with Itau.

Good morning, Pedro. How are you? Please go ahead

Pedro Leduc

Hi, Ana. Hi, everybody.

Thank you very much for the call. Congrats on the numbers. I would like to discuss a little bit about your NIMS 24% this quarter, very nice improvement. We know there were some unusual aspects about this quarter, but anyway, we'd like to pick your brains a little bit on how do you see this level going forward and trying to puzzle it together as well looking at from a funding cost perspective.

It was a nice improvement, but your mix in funding seems to have shifted a lot with institutional time deposits gaining a lot of share. I

would imagine that they're not cheaper than the retail deposits, but maybe more duration. So help us reconcile a little bit that this funding mix shift with the better names and how we should model it in the second half. Thank you.

Patricio Supervielle

At a high level, what you saw in the second Q was active funding optimization, where we adjusted both mix and the tenor of our funding to take advantage of relative pricing, while our strategic focus is always on growing franchise deposits that remain unchanged. So Mariano, maybe you can take us through the details of this. by a funding strategy and then how this also translates and how do you reconcile also into ROE and sustaining and sustaining the needs.

Mariano Biglia

Sure, Patricio.

Hello, Pedro. Regarding the deposit mix, as Patricio said, we see a shift but it's mainly from corporate institutional deposits, not from retail, and this is mainly tactical as we want to be more efficient on the cost of fundings. If we go to institutional, it's because we see a lower cost of funding maybe compared to the largest corporates. This is not a reduction, yes, it means balances, deposits or retail as I said before.

So the same way we transition, which is tactical, we may transition back to corporates, and we don't change our strategy of gaining deposits from our core customers, both retails and corporates. And how this translates into NIMs, what we see going forward, we saw a very good NIM in the second quarter, which translated into good figures of ROE when I chatted for conservance costs. This level of NIM was achieved by capturing the lowering the cost of funds. This also relates to the deposits mix, and to tactical movements.

So that allowed us to increase spreads, both in loans and our investment, our bonds portfolio. So, seeing into the third quarter and the second-half of the year, we see that interest rates will remain stable and now we have a repricing on the asset sides too. So, NIMS will be more pressure as I also explained before, in the second-half of the year. So, maybe the NIM of the second-half will be a bit lower, a bit higher than the first-half of the year, but lower if we only see the second quarter annualized terms.

Patricio Supervielle

To complement, if you look at our balance-sheet, on the loan balance-sheet, almost 65% today is corporate and 35% is retail. So, clearly, this has to do with the macro context and the subdued demand on the retail side. As I mentioned before, we know now we are, with all the procedures we have in place, strong underwriting standards and the history of our own clients, we know where to target. So, we are conscious that we want to grow on the retail side but very responsibly in order to help the NIM looking forward.

Pedro Leduc

Great answer, both. Thank you.

Ana Bartesaghi

Thank you, Pedro. We have a question now from Yuri Fernandes with JP Morgan.

Good morning, Yuri.

Yuri Fernandes

Hey, Ana. Good to see you. Hello, everyone.

Also, congrats on the quarter. I have a follow-up on the NIMs because I got the impression from the Leduc answer that maybe second half could be better but your guidance points to 17% to 19% the consolidated margins and if we were to assume like the run rate you had in the first half closer to 20% that would indicate a major drop on margins. So what are we missing here like on the NIMS? Should it go down in the second half or should it remain should be more resilient? Just trying to understand because I think the guidance indicates 17% to 19% on the margins so this implies in this drop and then I can follow up. Thank you.

Mariano Biglia

Yes hello Yuri. Yes that's right our guidance for NIMS is from 17% to 19% so this implies lowering the NIMS in the following quarters when compared to the second quarter. If we look the first six months of the year and maybe we will see different dynamics for the second-half because on the first-half we started with very high interest rates and a lot of volatility which negatively impacted the NIM, so we are not expecting that scenario to repeat on the second-half of the year. So, maybe it will be higher than that first quarter and lower than the second quarter.

So, not necessarily -- I will correct that and not necessarily higher than the first-half of the year but it will have different dynamics. We don't expect that high volatility and a significant reduce in the funding costs. It will be more stable but on the average of the semester in a similar level.

Yuri Fernandes

Okay.

No, no clear. And then if I may, just similar exercise but with cost of risk and asset quality and congrats. I think NPLs are improving the new NPL formation is improving. Then I have just a follow-up on coverage, if you can provide any kind of color.

And similar exercise as margins on cost of risk. Because if you take the guidance of cost of risk of 5.3% and 5.8% and we plot the run rate of the first-half, it implies a very broad range on the second-half. It should run between 4.8 cost of risk and 5.8 cost of risk. This quarter has been tracking around 5.6.

So where should the cost of risk be? Should it be closer to the low end of this kind of soft guidance? Or should we see maybe still challenging how to look for asset quality and cost of risk be a little bit higher? Thank you.

Mariano Biglia

Well, the cost of risk, we expect, we also saw there an improvement in the second quarter. We expect to see further improvements for the third and fourth quarter.

We still are in an environment where we, now we saw a peak in the NPLs and that translates also into lower loan loss provisions and lower cost of risk. But we are still in a period where mainly the SMEs were the ones who suffered on the first half of the year, individuals who was the last part of last year, and that's when we changed our credit policies and reviewed our credit models. And then SMEs were more impacted. Now for the second half of the year, we expect that to improve gradually and also to resume growth as Patricio explained before. That will also help lower the cost of risk. But we expect to see those dynamics not much lower than 5%, although it might be helped by growing on the corporate side, but when we resume growth also on the retail side, it will be more impacted. So, on the average, we expect it to be within the range of 5.3%, 5.8%. Maybe, of course, we expect it to be on the lower range, on the lower part of that range but still, with the visibility that we have, it's the range that we can give guidance.

Ana Bartesaghi

Yes, I'm sorry, maybe if I may add, we decided not to change the guidance for these two metrics this quarter, Yuri, maybe that's mainly because NPLs and cost of risk is still high, but yes, maybe we could be expecting something to be more close to the lower end, but still very high level. So, that's why this is maybe one of the only metrics we have not changed this quarter to be a bit more conservative.

Yuri Fernandes

No.

Thank you, Ana. Thank you, Mariano. So, basically, just summarizing the two things for risk-adjusted margins, maybe not as strong as this quarter, but you're very confident on the level of margins, they will not be as low as the first quarter, so something in between or maybe closer here. And cost of risk, didn't revise the guidance, still challenging how to look, but things are slightly improving, so maybe the low end of the guidance of the 5.3.

Does this summary make sense? Did I get the message correct, Mariano?

Ana Bartesaghi

Yes.

Mariano Biglia

Yes

Patricio Supervielle

Yes It makes sense. It makes sense. I think maybe we should have changed to be more optimistic, but this is what the management thinks.

But I am more optimistic. We will see in the next quarter. We expect that it will improve the cost of risk.

Yuri Fernandes

No, thank you, Patricio.

Like it's Latin-America, right? Argentina. So sometimes being conservative is the right approach. Thank you very much, everyone.

Ana Bartesaghi

Thank you, Yuri, for being here.

Our next questions comes from Pedro Offenhenden from Latin Securities. Hello, good morning, Pedro.

Pedro Offenhenden

Hello, Ana, hello, everyone. Thank you for taking this call.

I wanted to ask on dollar lending. It's kind of 20% up here today. I wanted to ask how much runway do you see in this segment and maybe to link it with recent news that you see maybe on the press saying the government wants to attempt to change some regulations to allow banks to channel more of this dollar liquidity into credit. What do you think about that. Is there any room to do it?

Patricio Supervielle

I think that certainly for individuals, it would not happen. Dollar loans for individuals, it wouldn't happen because I think even the President of the Central Bank was clear on that. It has been a very bad precedent or examples, I think, in the Peruvian economy when it tried. But on corporations, I think that there is a possibility that some corporations that even though they are not exporters or suppliers to exporters, but they have strong business models that many of which have also and they are linked to or they are revalued by Dollars the way they manage the business.

Then certainly there could be more demand on these new companies for the banking system and we will consider it also. So definitely we will consider it. Because the country, the landscape of the country is improving. We are at this stage in a record, never seen this type of exports in the country.

So Dollars will be flowing and next year I think it's going to be even better. So on this side, you also see the current account, the current account of the economy is in good shape. So I think we are, there is a possibility, it's certainly in the agenda to start to lend to more companies, I don't know if this is correct.

Gustavo Manriquez

Give me one minute, thank you for your paper this morning.

For me, if Argentina continues with the focus on the strategic projects supported by strategic resources, I believe there is no limit for US Dollar loans. We have a big space for that, and as you know we have huge initiatives going forward. So for me, in order to do strategic projects, I don't see a limit in the near future. The opportunity and the room is very big.

Pedro Offenhenden

Perfect. Very clear, thank you Paco, thank you , Patricio.

Gustavo Manriquez

Gracias, Pedro.

Ana Bartesaghi

Thank you, Pedro.

We have a question now from Carlos Gomez-Lopez with HSBC Hello. Good morning, Carlos.

Carlos Gomez-Lopez

Hello, and good morning, and congratulations, among other things, on your deposit growth, 8%. That was quite good.

Two questions. One is regarding the margin, and you expect the assets to reprice in the second half following the repricing of the liabilities. Does that apply to individual loans or mostly to corporate loans? And have you already seen, by now, the end of the middle of August, a decline in spreads, either for corporates or for individuals? And second, I would like to touch on InvertirOnline. I was looking at the numbers on page 10 of your report, and I see that the number of accounts has actually declined slightly.

The income has actually halved from two quarters ago. We understand this is cyclical, but we would like to know what your prospects are for this business to grow in the future. Thank you.

Patricio Supervielle

All right.

Do you want to answer the first part of the question?

Mariano Biglia

Sure. Hello, Carlos. Thank you for your comments and your questions. Regarding the first part of your question, margins or the NIM is starting to be more pressure because of asset repricing mainly on the corporate side.

On the retail side, we have longer-term loans such as personal loans, car loans. We were more restrictive on origination due to the increase in delinquency. Interest rates haven't been reduced as much as the cost of value reduced. But on the corporate side, which are more short-term loans and it's almost two-thirds of our loan book, there's where we see the effect of this repricing.

So, yes, we are seeing it since the end of the second quarter. We see it on a month-to-month basis and into the third quarter. The spreads on originations haven't been reduced. They are still the same.

They are good spreads adjusted for risk, both for corporates and individuals. But from a balance-sheet point of view, the repricing is faster on the corporate side.

Carlos Gomez-Lopez

Okay.

Diego Pizzulli

Yes.

Hi, Carlos. So, regarding InvertirOnline, something we experience is that the decreasing in activity in MAUs, monthly active user, in the 90 days active users. It's due to a normalization in Argentina. So in our business, when there is some volatility, and economic volatility, and it can be, FX volatility, some high inflation, or even volatility in the interest rates, we see a sharp increase in the activity and then opening accounts in IOL.

We are comparing first quarter -- second quarter to first quarter. In the first quarter, especially January, part of February, we have some volatility in the interest rates market, and that drove an unusual activity. What we think, or we see, is that the underlying trend is a more stable macroeconomic environment. So the numbers, or the grow, or the activity we see in the customers, especially during the second quarter, it's more like the normal situation in Argentina where interest rates is lower than it was in the past and with less volatility, the inflation is going down and also the FX is under control.

So, we think what we see in our platform is customers are staying in the platform, are less active and they are shifting the behavior in the platform. They are, from capturing short-term opportunities like this one I mentioned with the interest rates, they are starting to shift to more investor-oriented investments and we think for the long term it will make our business more sustainable. Also, we think it's a good thing because we are optimistic about the future in Argentina with the stabilization of the macro and the opportunities to the capital markets. We think that the nature of a broker is to be the place for investors to allocate their savings and investments.

We think that what we are seeing is a more normal behaviour that's kind of new in Argentina comparing to their last years.

Patricio Supervielle

If I might complement, if you just see what happened in the first-half of the year, the assets under custody for Invertironline and as well as the assets under management for funds has grown considerably. This is not simply revaluation of assets but it's new money. This new money coming from three types of clients that we are focusing on affluent, Enterprises and also IFAs. So, this change of behaviour of investors that Diego mentioned is translating into more assets for InvertirOnline, and I think this is very healthy and hopefully it will continue.

Carlos Gomez-Lopez

Okay, that's a very good explanation. What do you think the long-term growth rate for this business might be? What's, I think, 60,000 accounts right now? Where do you see yourself in three or five years?

Ana Bartesaghi

600,000.

Carlos Gomez-Lopez

Sorry, I took a zero off. That's a very good answer.

Diego Pizzulli

We believe that the number is very good compared because we are probably in the same amount of accounts that we had in the last period where volatility was higher that's why I said that we are not seeing customers leaving, we are seeing them shifting. We believe that with the normalization of Argentina, probably 10%, 15% growth, quarter-over-quarter would be reachable.

Also, I think we have to start to look into the AUC and AUM as Patricio mentioned, because the activity when you have investors instead of customers trying to capture short-term opportunities will be perhaps lower, but the AUC and the AUM in our asset management business will be growing and that's the real metric we have to look to see the health of the business. So something I didn't mention before, but we launched our asset management business one year and a half or two years, and now we are close to \$500 million in

AUM in our three funds that are managed by our team. So, that's part of what we are focusing on, and the AUC, as Patricio mentioned before, is growing also, and not because of a market effect also, but new money we are seeing in every quarter.

Carlos Gomez-Lopez

Thank you so much.

Ana Bartesaghi

Thank you, Carlos. I think we are running out of time anyway. I think there is some question from a sell-side analyst, Brian Flores, who asks, which are your expectations in terms of return on equity and loan growth for 2027? What is needed, in your view, for loan growth to take off and be sustainable? Is there any regulation or partnership with the government that could further drive growth ahead or is it more dependent on organic demand supply trends? Maybe this is the rest I think have been already answered and then I will go back to someone, another sell-side which has raised his hand. We answer this one and then we end with the ones of Federico.

Patricio Supervielle

We can answer it both, Mariano and I, but let me address the last part in terms of a partnership or regulation with the government. I think that there's an important or pending agenda on mortgages or securitisation. The banking industry has been advocating for a broader role for the FGS, Fondo de Garantia de Sustentabilidad, which is the social security or what remains of the previous AFJPs and this will help develop a securitization market for newly originating mortgages, drawing on models such as Peru, Chile or Fannie Mae or Freddie Mac So definitely this is an agenda that is very important.

In terms of growth expectations next year, definitely, as Paco mentioned, we have a complete focus in export industry. We have specialists, commercial specialists that are dedicated, for instance, for oil and gas. We have expanded considerably our commercial team for these industries. And we also have people on the risk side dedicated and specialized in these new industries.

just to give you an example of the focus we have. So, export financing and value change financing will be an important agenda for 2027. And in terms of the retail side, it will depend on declining inflation, it will depend on improving disposable income, but I am optimistic that eventually it will be a good year, 2027. I don't know if you want to add something.

Mariano Biglia

Well, I can compliment about the 2027 ROE And in effect, long growth will be a driver of ROE improvement for 2027 because, as I said before, for the second part of this year, we know margins will be more pressured. but going into 2027, we expect to offset that with loan growth and with the growth of the loan book, also a more balanced book between retail and corporates, thus improving the NIM and impacting positively on the ROE where on top of that, we will also capture the full benefits of the rightsizing program that we carried out this year, the first-half, and also reducing the cost of risk. So those will be the main drivers. We still haven't given guidance for 2027, but if we end the year 2026 on a range closer to 10% ROE, we would expect that 2027 to be closer to 15% and transitioning into a longer-term ROE of more than 15%.

Ana Bartesaghi

Okay. There is a question from Federico Cabelli from AdCap. Hello, Federico. Please go ahead.

And then we have a follow-up from another analyst.

Federico Cabelli

Hello, everyone. Thanks for taking my question. I had a question regarding YOL We've seen, as you mentioned, your assets under custody grow considerably year-over-year, yet your net income has decreased.

I wanted to ask how have you been monetizing this growing base, and how do you think normalized earnings for IOL should look in the future?

Diego Pizzulli

So, regarding the net income, part of the growing in AUC, AUM as you mentioned, it's part of a more sustainable business, but it's less profitable like periods where high volatility where people operate more and with high margins. So part of the, on the side of the revenue, it's the shift between high transaction and high profitability to a more stable and long-term business with less margin, but more sustainable. That's on the revenue side. On the cost side, we made some investments that we expect to be generating new revenues profits in the next quarters, but mainly to serve these customers, Patricio mentioned before that for us are the core for our next year, that it's developing our business in all the advised business, like FAs, IFAs, the wealth management, and also the SMEs.

So we have made some investments in our platform to adapt new products and services for these kind of customers that are kind of different than the ones we have for retail investors. And also we hire, we have some increasing headcounts, mainly advisors for this business. So those were the two effects that were in place, but we think that the investment it's not only paying off in the short-term, but will be in the future, a good investment to a more sustainable business. Keeping in mind that we think that this but the stabilization and normalization, the economic variables in Argentina will allow the capital market in Argentina to expand.

We think it's in its infancy, so we think we are doing the right investments to capture that opportunity that will come in the future.

Federico Cabelli

Okay, thank you. And I have a follow-up question. You paid for IOL \$48 million in 2018.

What's the book value today?

Ana Bartesaghi

Ah, book value is more or less a bit more than that, I think.

Mariano Biglia

Yes, and we also have the goodwill in our book value. The price paid for at that moment was mainly goodwill, which we have put in in pesos, we translate that to pesos at the moment, and then we are charged for inflation. And then we have the shareholders equity of InvertirOnline, which accumulated profits throughout this year so it has a higher equity value on a standalone basis. So adding up the equity value and the goodwill are charged for inflation. The total book value in the Group's balance sheet is around, I would say, \$70 million.

Ana Bartesaghi

But the equity is close to the same amount.

The equity value.

Mariano Biglia

The net worth, yes, but it's because of accumulated profits.

Ana Bartesaghi

Yes, sure.

Federico Cabelli

Okay, thank you Ana, congratulations.

Ana Bartesaghi

Thank you Federico. We have a follow up from Pedro Leduc from from with Itau. Pedro you wanted to ask any follow-up?

Pedro Leduc

Yes just a quick one not particularly related to the quarter but there's been several media reports in Argentina about the authorities considering flexibilizing the use of Dollar deposits on to lending. Yes and I think you heard me?

Ana Bartesaghi

Yes I'm sorry.

Pedro Leduc

Yes so if there was any any first thoughts you have on on that if more of the dollar deposits could be used to lending and I'm sure you are also close to the regulators so how that discussion has been unfolding any first thoughts comments will be welcomed.

Patricio Supervielle

I think we mentioned that already that we there's this possibility that there will be regulations allowing or giving more flexibility to lend Dollars to corporations and we will be very active on this. As a bank, we are positive so certainly it will be in the agenda. And as I mentioned before, all the export-related industries are growing very fast so that's going to also be a use of proceeds for the dollar deposits.

Just bearing in mind that dollar deposits have grown over the past year very fast. In our case, our franchise, we expanded our market-

share of dollar deposits quite considerably over the past year and a half so we have a much stronger franchise and it will allow us to be a strong player on the export-related to industry.

Pedro Leduc

Okay, thank you so much.

Ana Bartesaghi

Thank you, Pedro.

So I think now we've reached the end of the Q&A and of the earnings call. Once again, I apologize for the inconvenience we had, we experienced at the beginning of the Q&A session. Thank you for being there as well. And we look forward to meeting you, a few in the incoming months and any additional question you may have, please feel free to ask.

Thank you. The Event has Ended-