

Grupo Supervielle

4Q18 Earnings Conference Call

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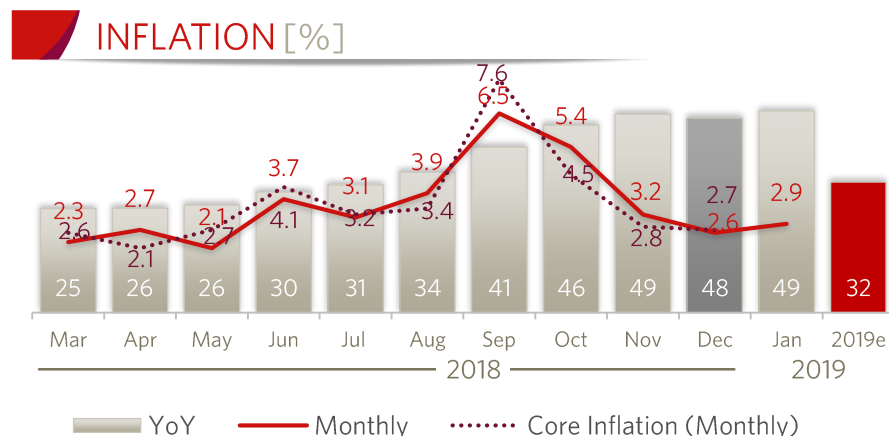
Fourth quarter 2018 highlights

Attributable net income up 51% YoY in challenging macro backdrop. Sequentially flat when excluding additional LLPs to achieve 100% NPL Coverage goal ahead of plan

- 1** **Attributable Comprehensive Income** of AR\$935.3 million, up 97.9% YoY and 7.0% QoQ. ROAE of 22.6% in 4Q18 above 13.3% in 4Q17 and 22.4% in 3Q18. Attributable Net income of AR\$706.8 million, up 51.2% YoY and down 18.5% QoQ. Before the additional voluntary LLPs in 4Q18, Attributable Net Income was AR\$ 868.5 million, flat QoQ.
- 2** **Total assets** up 53% YoY outpacing loan growth, mainly due to larger holdings of Central Bank securities (Leliqs) and higher regulatory minimum reserve requirements. QoQ assets down 3.4% due to management of excess liquidity, while average assets in 4Q18 the quarter rose 11.6% QoQ.
- 3** **Deposits up 68.2% YoY, but down 2.3% sequentially reflecting** liquidity management by our treasury at quarter end. Average deposit volumes up 90.4% YoY and 15.4% QoQ. Loan to deposit ratio of 84.5% from 85.8% in 3Q18.
- 4** **Net Financial Income** up 56% YoY and 20% QoQ, driven by higher volumes of assets and deposits and a hike in interest rates, mitigating higher cost of funding and increased non-remunerated regulatory minimum reserve requirements. NFM of 20.3% in 4Q18, expanded by 30 bps YoY and 210 bps QoQ. NIM of 18.5% in 4Q18 contracted by 150 bps YoY, and 240 bps QoQ.
- 5** **NPL ratio** up 100 bps YoY and 40 bps QoQ to 4.1%; **Cost of Risk** of 7.0%. Excluding AR\$231 million in voluntary LLPs to raise coverage to 100%, cost of risk would have been 5.9%. Higher NPLs reflect lower loan origination and a deterioration in asset quality in a challenging macro backdrop in 3Q18 and 4Q18, including higher inflation which impacted consumers' disposable income.
- 6** **Efficiency Ratio** increased 260 bps QoQ to 61.9% in 4Q18 reflecting consecutive salary increases through 4Q18 totalizing 19.6% while revenues were 14.6% up.

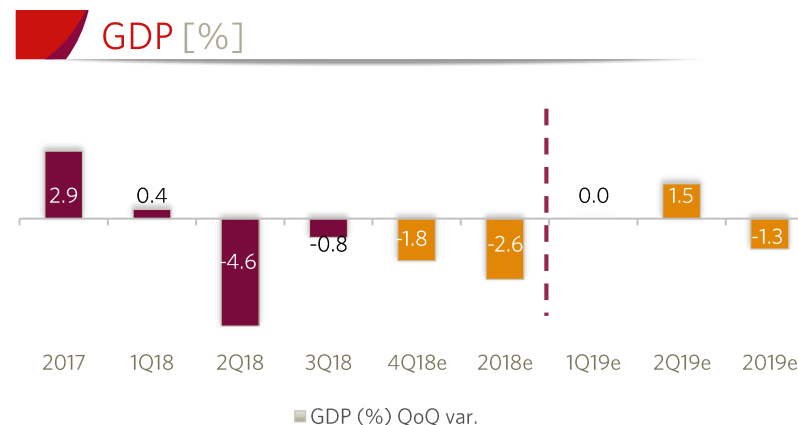
Macro dynamics in 2018 and beginning 2019 ...

Challenging macro backdrop in 2018. FX stabilizing and interest rates declined in 4Q18, but still remain high. Economic activity seems to have reached an inflection point in Dec '18



Core Inflation: INDEC.

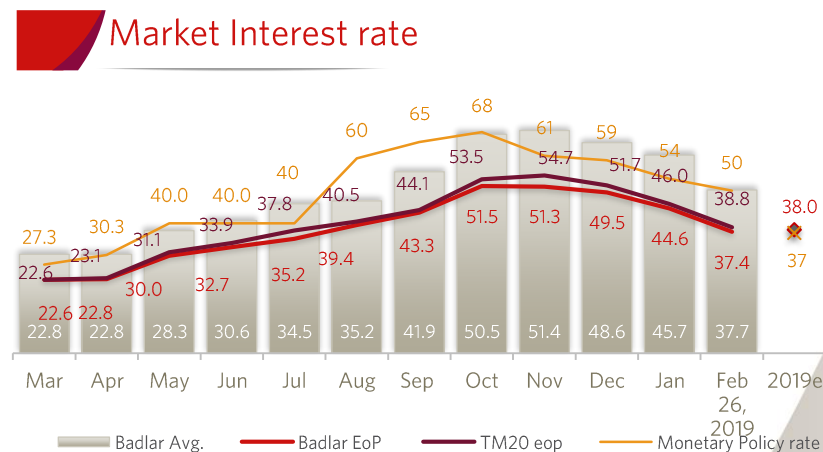
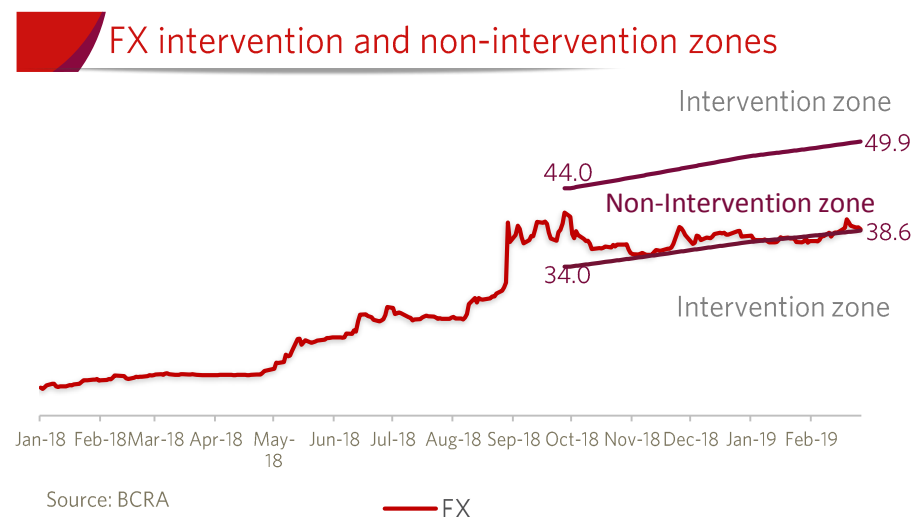
2019e: Market expectation survey as of February 2019 and Company Estimates, BCRA



Source: GDP as of 3Q18, source GDP, INDEC

4Q18e and 2018e source Economic Activity Index, INDEC.

1Q19e, 2Q19e and 2019e Source: Market expectations Survey as of February 2019



Source: BCRA

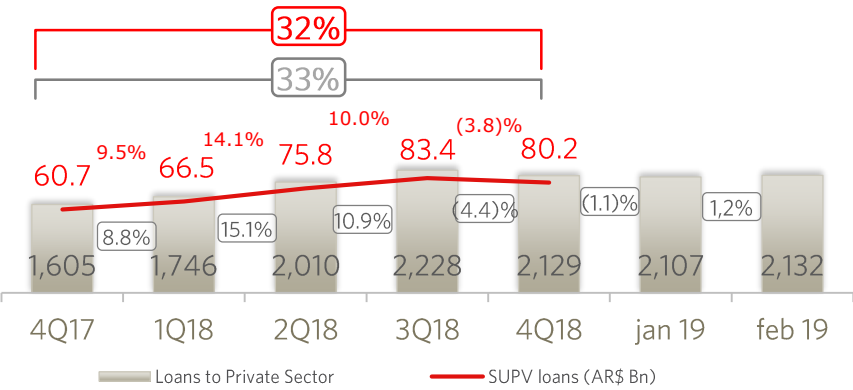
2019e: Market expectation survey as of February 2019 and Company Estimates

Financial sector

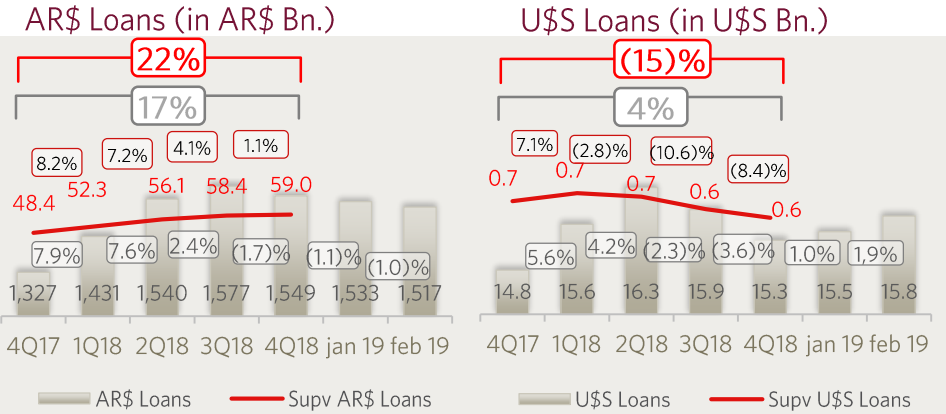


Highly liquid financial system with expanding deposits, while loans contracted in a difficult macro environment

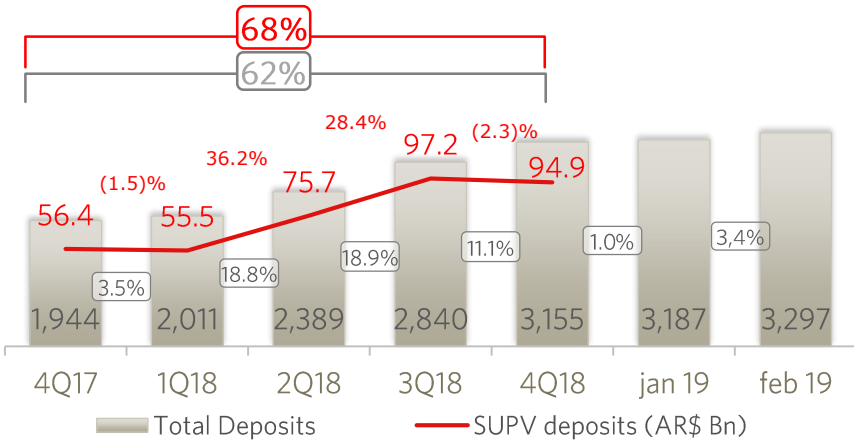
LOANS TO PRIVATE SECTOR [AR\$ Bill.]



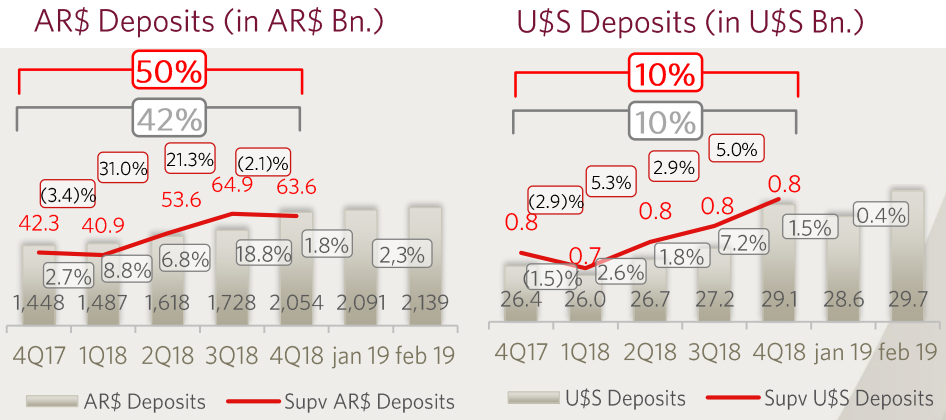
LOANS TO PRIVATE SECTOR [Original Currency]



PRIVATE SECTOR DEPOSITS [AR\$ Bill.]



PRIVATE SECTOR DEPOSITS [Original Currency]



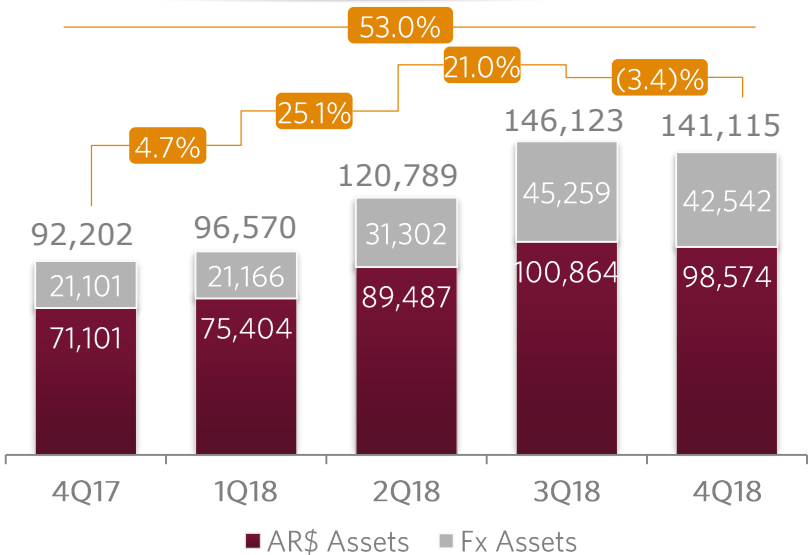
QoQ or MoM variation

1) Source: Daily Report BCRA

Supervielle assets performance

Average assets up 12% QoQ. Balance reflects lower holdings of Leliqs from liquidity management

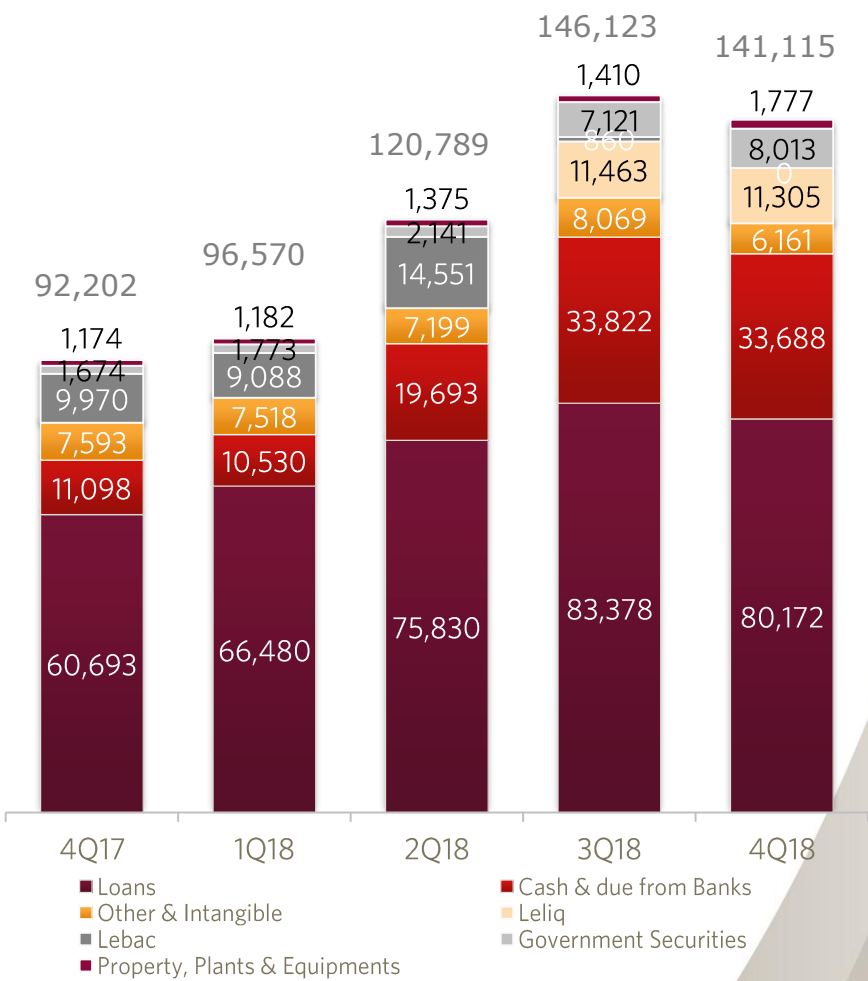
ASSETS EVOLUTION [AR\$ Mill.]¹⁾



MINIMUM CASH RESERVE REQUIREMENTS ON AR\$ DEPOSITS [AR\$ Mill.]

	4Q17	1Q18	2Q18	3Q18	4Q18
Cash	5,512.2	5,063.0	6,691.1	12,786.4	15,330.3
Botes	-	-	430.6	2,152.6	3,032.5
Leliq	-	-	-	4,082.8	7,728.3
Total reserve requirements	5,512.2	5,063.0	7,121.6	19,021.8	26,091.1

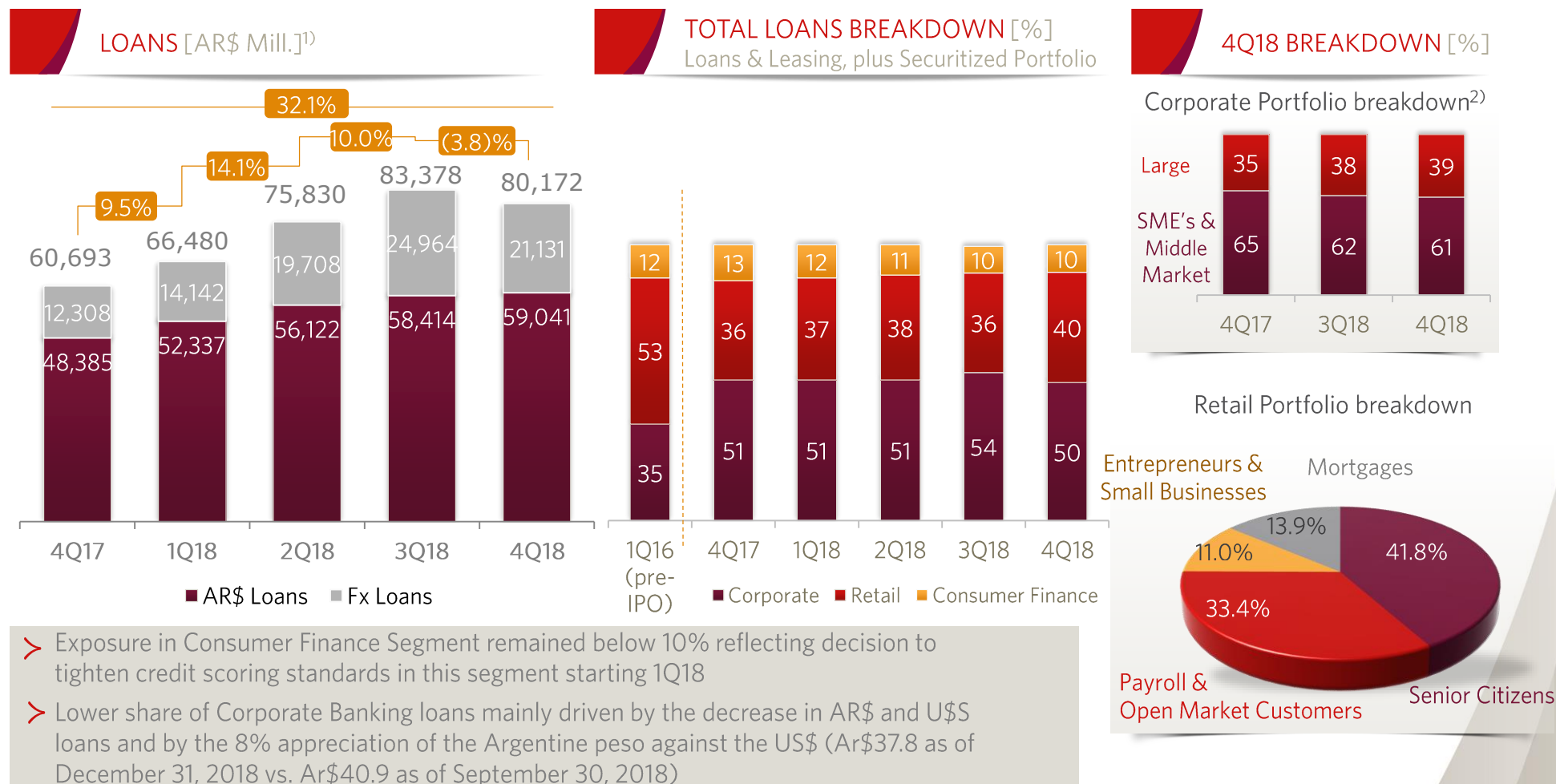
TOTAL ASSETS BREAKDOWN [%]



1) Min. cash reserve requirements on u\$s deposits was U\$332.9mm as of December 18 and U\$267mm as of September 18.

Supervielle loan performance

Loans down 4% QoQ in line with system trend, impacted by weak loan demand and AR\$ appreciation on US\$-denominated loans. AR\$ loans up 1% while US\$ loans fell 8% (in US\$)



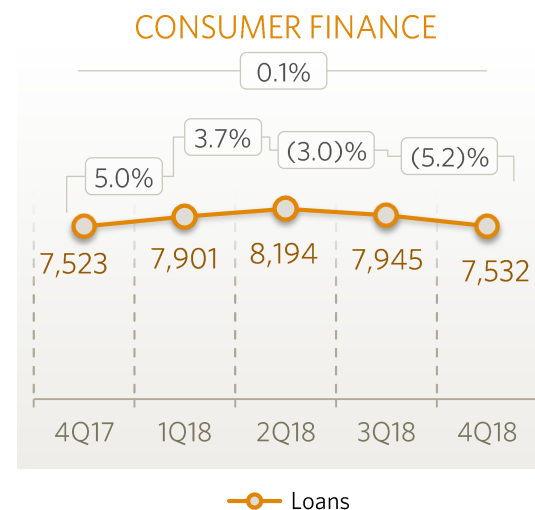
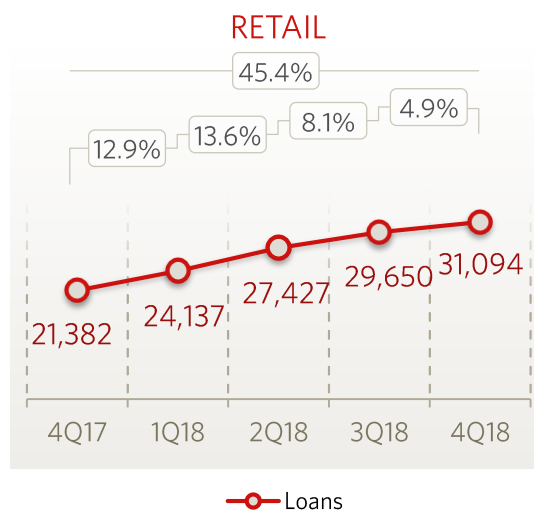
1) Denotes loans and leases before allowances

2) For information up to December 31, 2017 SME's considers annual sales between AR\$ 40-200 million, Middle Market considers annual sales between AR\$ 200-1,000 million and Large considers annual sales over AR\$ 1,000 million. For information since January 1, 2018, the term "small businesses" refers to individuals and businesses with annual sales up to Ps.70.0 million, the term "SMEs" refers to individuals and businesses with annual sales over Ps.70.0 million and below Ps.550.0 million, the term "middle-market companies" refers to companies with annual sales over Ps.550.0 million and below Ps.2.0 billion and the term "large corporates" refers to companies with annual sales over Ps.2.0 billion.

Supervielle loan performance

Loan book reflects lower loan demand in recessionary environment, AR\$ appreciation on US\$-denominated loans and risk management initiatives

TOTAL LOAN PORTFOLIO BREAKDOWN BY SEGMENT Loans & Leasing Portfolio [AR\$ Mill.]¹⁾

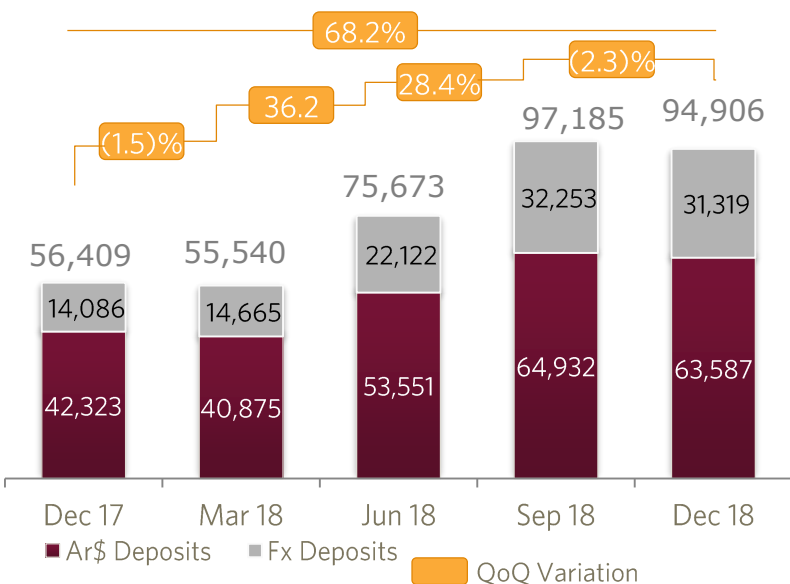


- AR\$-denominated Corporate loan book decreased 5.8%% QoQ, while US\$-denominated loans measured in AR\$ decreased 14.8% in the period or 7.8% expressed in US\$
- Retail banking book slowing down following lower mortgage demand
- Continued contraction in consumer finance loans in line with strategy of tightening credit scoring standards in current economic scenario

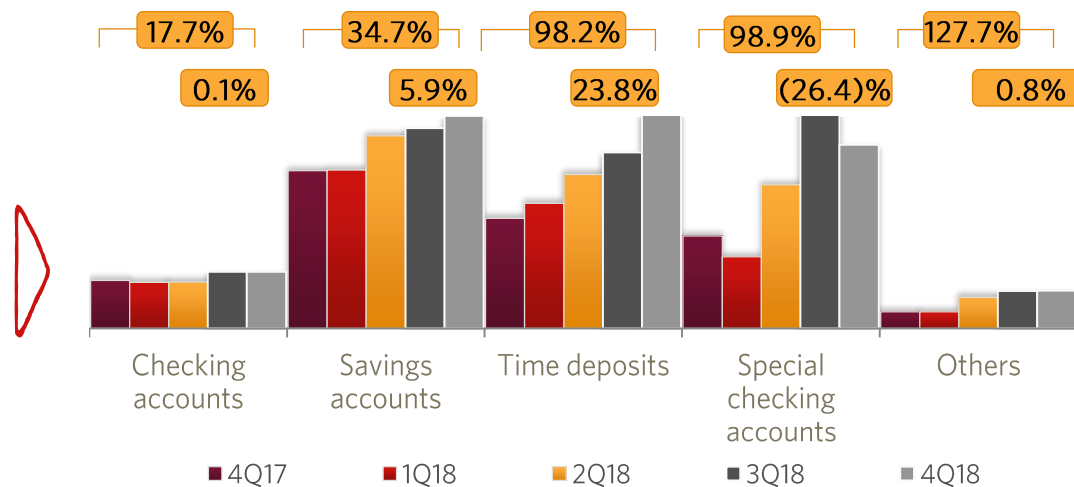
Supervielle deposits

Average deposits up 15% QoQ, while balance fell 2% reflecting excess liquidity management at quarter end. Retail deposit base up 9% QoQ.

DEPOSITS [AR\$ Mill.]



DEPOSIT BREAKDOWN [%]



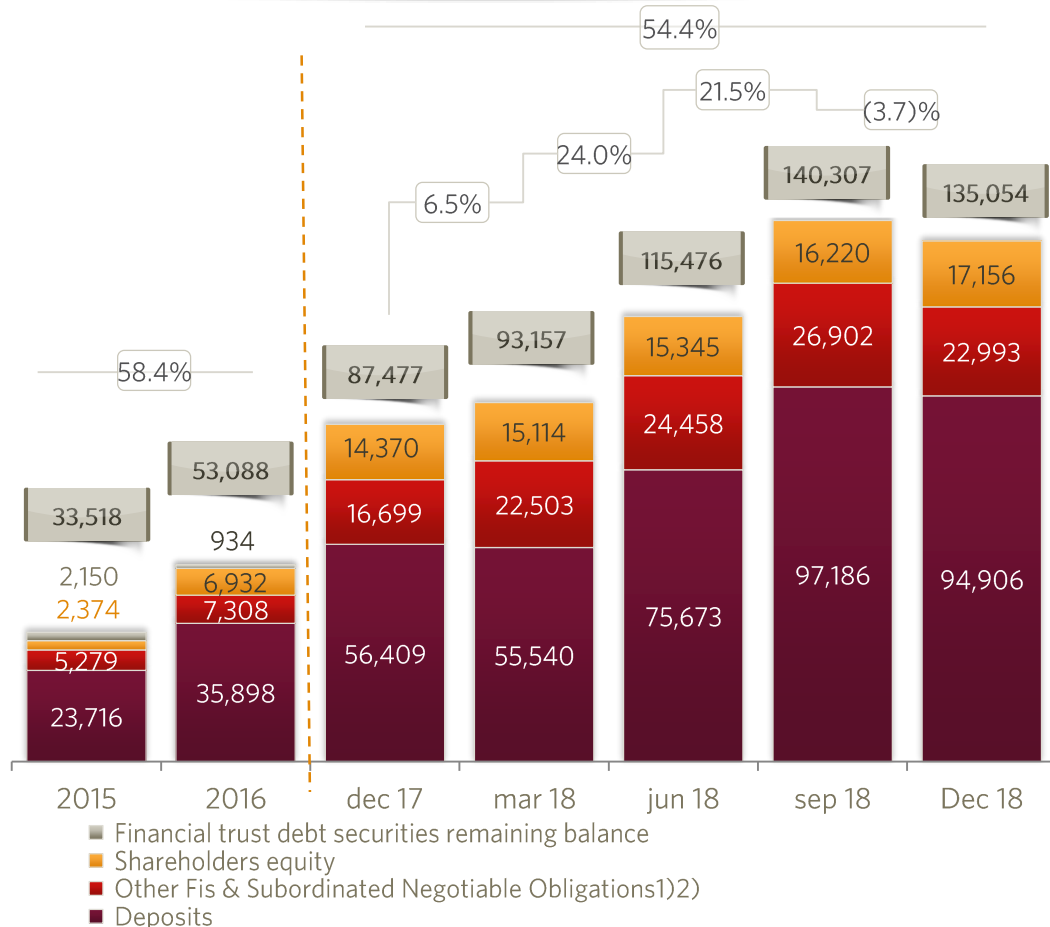
107.6%	119.7%	100.2%	85.8%	84.5%	Loans to total deposits
65.8%	68.8%	62.8%	57.1%	56.8%	Loans to assets
25.0%	26.4%	29.2%	33.2%	33.0%	Fx Deposits to total deposits

- > Loans to deposits ratio decreased to 85%, as a result of the decline in loans in the quarter following interest hike and challenging macro
- > Loans to assets ratio remained at 57% reflecting higher minimum reserve requirements and higher holdings of government and Central Bank securities
- > Fx deposits to total deposits remained at 33%, as the 5% increase in Fx deposits was offset by Fx appreciation in the quarter

Funding & deposit base

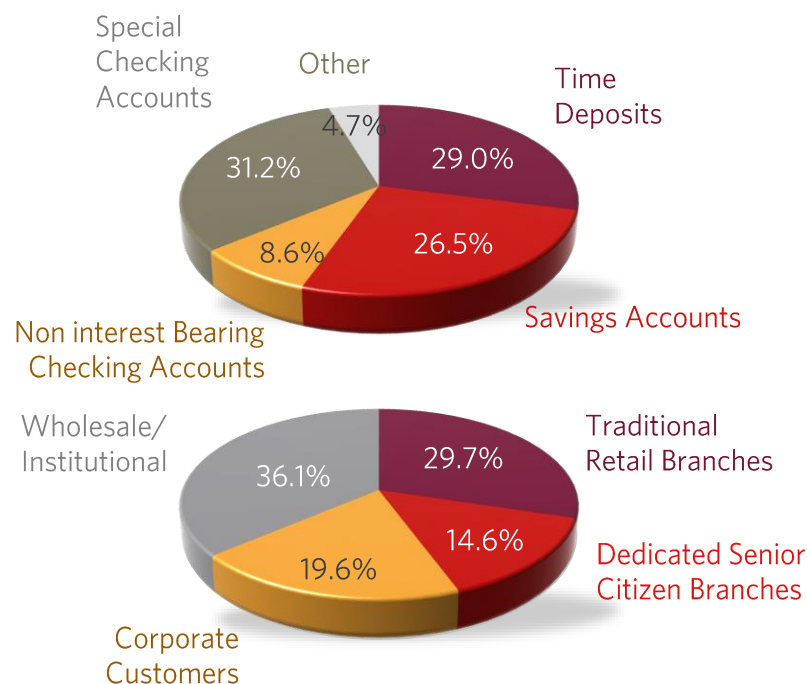
Weight of retail deposits increased by 450 bps QoQ reaching 44% of total deposits

FUNDING [AR\$ Mill.]



DEPOSITS BREAKDOWN

DECEMBER 2018



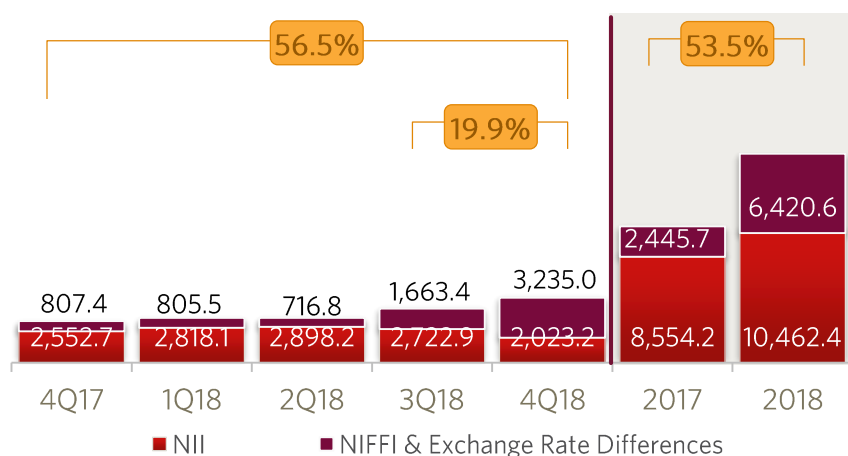
- > Non-interest bearing deposits accounted for 39% of total deposits
- > Retail deposits up 9% QoQ, while higher relative share explained by decrease in wholesale deposits at the end of the quarter due to the excess management liquidity
- > Corporate customer deposits down 8% QoQ

1) Includes: Other Liabilities Resulting from Financial Brokerage and Subordinated Negotiable Obligations
 2) For 2017 restated and 2018 includes: Repo Transactions, Financing received from Central Bank and others, Medium Term Notes and Subordinated Loan and Negotiable Obligations

Net Financial Income, NIM & NFM

Net Financial Income up 20% QoQ reflecting higher avg. asset & deposit volumes, and interest rates, partially offset by higher cost of funds. NFM expanded 210 bps sequentially.

Net Financial Income [AR\$ Mill.]



> Net Financial Income up 20% QoQ reflecting:

- Increases in assets and liabilities volumes,
- Higher interest rates despite lagged repricing of loans

NIM²

	4Q17	1Q18	2Q18	3Q18	4Q18
TOTAL	20.0%	19.6%	19.2%	20.9%	18.5%
AR\$	22.9%	22.7%	20.4%	21.6%	24.1%
US\$	7.1%	8.4%	14.9%	18.8%	1.0%
Loan Portfolio	21.0%	19.8%	18.2%	16.6%	17.8%
AR\$	25.3%	24.3%	22.3%	21.3%	22.5%
US\$	3.5%	3.9%	4.4%	3.9%	4.9%
Investment Portfolio	15.3%	18.4%	25.1%	36.9%	20.5%
AR\$	12.6%	13.5%	10.1%	22.5%	28.2%
US\$	28.0%	35.9%	116.5%	135.2%	-20.0%

NFM

	4Q17	1Q18	2Q18	3Q18	4Q18
TOTAL	20.0%	19.9%	17.4%	18.2%	20.3%
AR\$	21.0%	22.6%	19.3%	21.7%	23.9%
US\$	15.2%	10.3%	10.8%	7.3%	9.1%

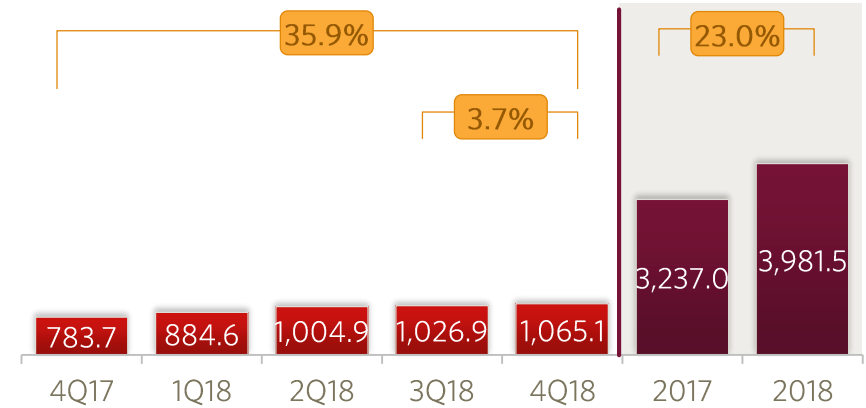
¹ NII: Net Interest Income, NIIFI: Net income from financial instruments at fair value through profit or loss.

² NIM as of December 2018, includes interest income and interest expense, as well as results from our investment portfolio. But it does not include the exchange rate differences and net gains or losses from currency derivatives. For example, when we take peso denominated deposits and grant foreign currency loans, with a forward contract to hedge the currency mismatch, our NIM ratio miss the hedge gain or loss, leading to an inaccurate rate. NFM rate capture all the components of our financial margin being more accurate and representative of our financial margin and spreads.

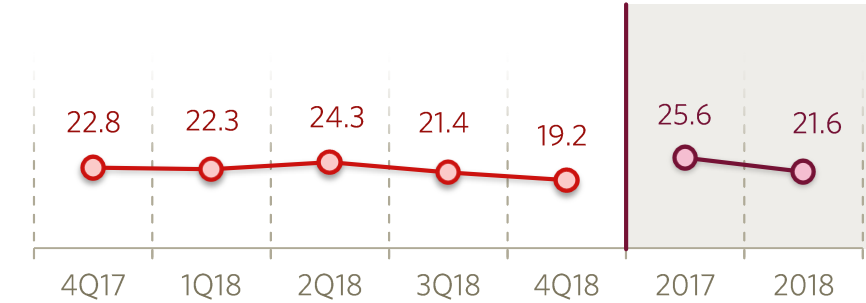
Service fee income & income from insurance activities

Net service fee income up 4% QoQ; driven by higher deposit and credit card fee income, partially offset by higher commissions paid and soft corporate loan origination

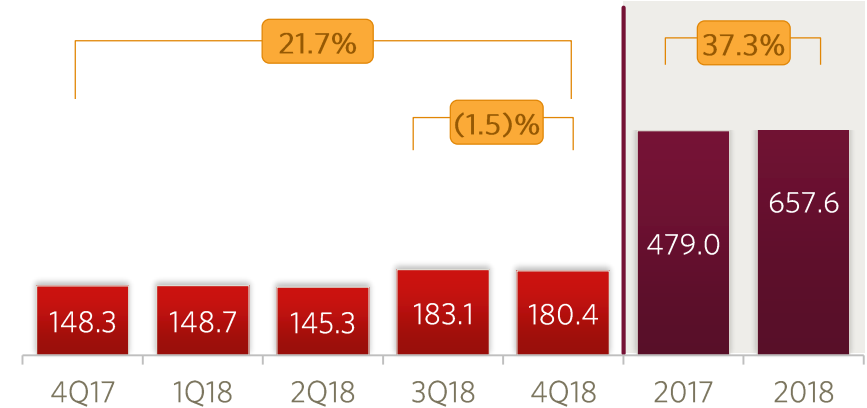
NET SERVICE FEE INCOME¹⁾ [AR\$ Mill.]



NET SERVICE FEE INCOME RATIO [%]*



INCOME FROM INSURANCE ACTIVITIES [AR\$ Mill.]



> Net Service Fee Income up 3.7% QoQ reflecting:

- 5.2% increase in fee income (driven by increases of 8.5% in deposit accounts and 5.0% in credit card commissions),
- partially offset by a 9.4% increase in commissions paid and soft corporate loan origination

> Income from insurance activities decreased 1.5% QoQ. Gross written premiums rose 7.3% sequentially, but claims increased 31.3%. These reflect normal company seasonal accident rates curve (IBNR)

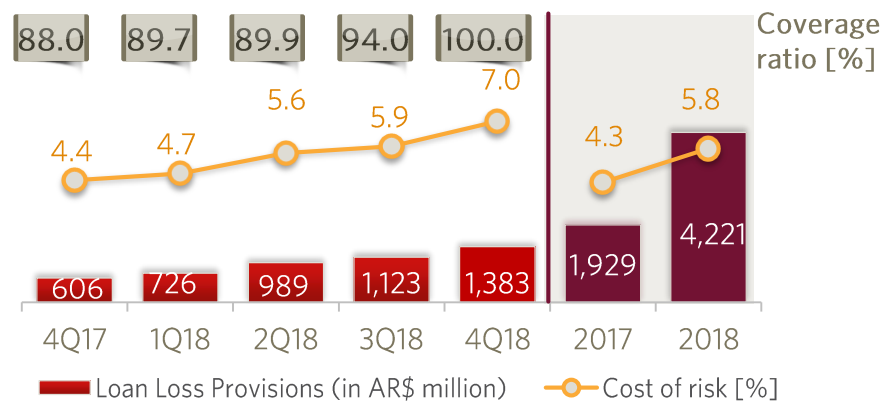
1) Excludes income from insurance activities

* Net services fee income + Income from insurance activities divided by the sum of Net interest income + Net income from financial instruments at fair value through profit or loss + Exchange rate differences on gold and foreign currency, net services fee income, income from insurance activities and other net operating income.

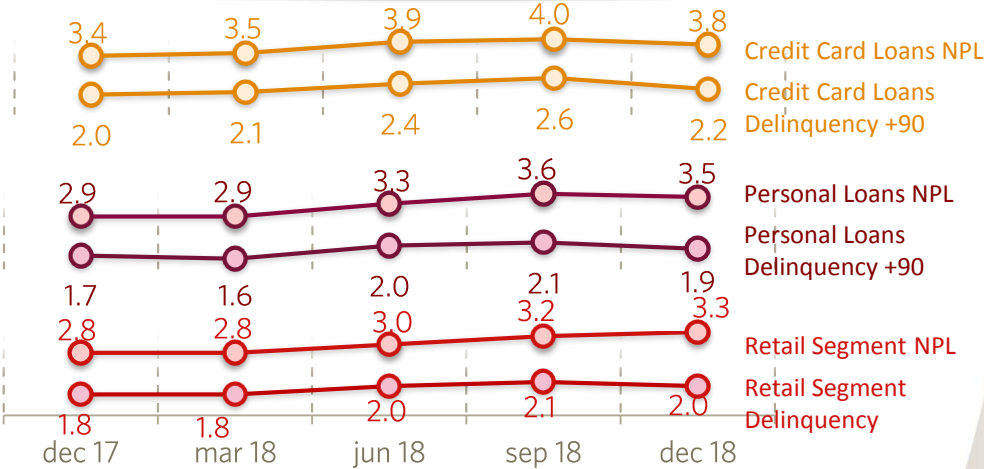
Asset quality

Increased coverage ratio to 100%, achieving goal one year before target. Cost of risk, excluding AR\$ 231 million voluntary LLPs would have remained flat sequentially

LOAN LOSS PROVISIONS EVOLUTION



RETAIL NPLs vs +90 DAYS DELINQUENCY



NPLs RATIO

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Corporate	0.2%	0.3%	0.5%	0.8%	1.1%
Retail	2.8%	2.8%	3.0%	3.2%	3.3
Personal Loans	2.9%	2.9%	3.3%	3.6%	3.5%
Credit Cards	3.4%	3.5%	3.9%	4.0%	3.8%
Mortgages	0,0%	0,0%	0,0%	0.0%	0.2%
Consumer finance	14.7%	15.7%	18.0%	18.5%	19.4%
Personal Loans	18.7%	19.9%	23.1%	24.6%	26.0%
Credit Cards	9.1%	9.8%	10.9%	11.6%	13.2%
Car Loans	-	-	-	0.2%	2.5%
Residual Car Loans Mila Portfolio			12.2%	16.1%	22.3%
TOTAL	3.1%	3.2%	3.6%	3.7%	4.1%

NPL increased due to: i) lower loan origination, ii) a deterioration in asset quality following the deep recession in 3Q18 and 4Q18, and iii) the increase in inflation which impacted consumers' disposable income

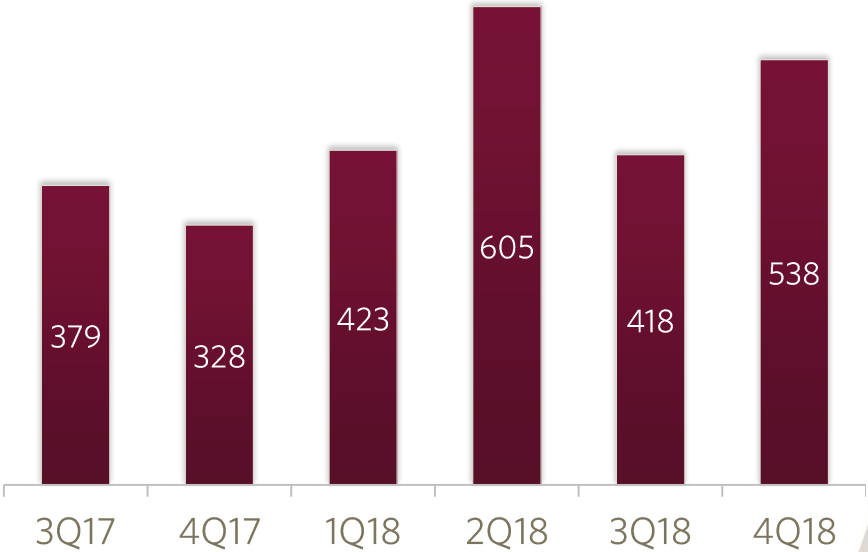
Asset quality consumer finance

NPL creation and 3-month vintage remain well below peak levels of 1H18 reflecting tighter credit scorings. However, steep inflation following 101% AR\$ devaluation resulted in some deterioration.

+30 DAYS DELINQUENCY, 3 MONTH VINTAGE

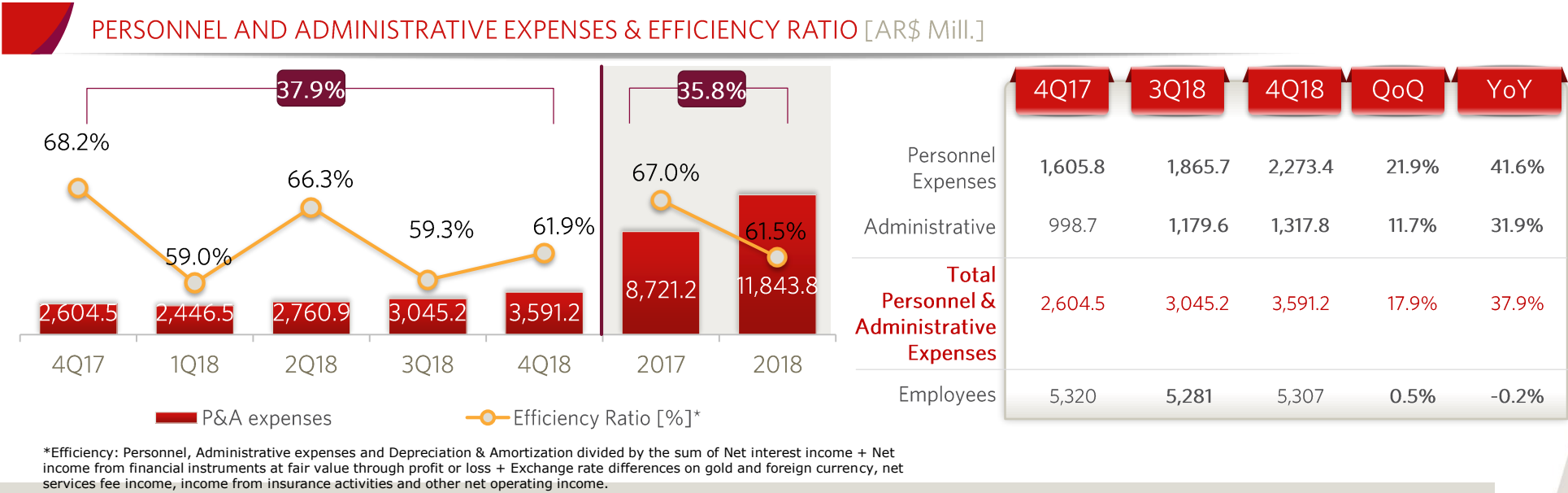
Month of Disbursement	Total Loans	Loans to Existing Customers	Loans to Open Market Customers
Jan 17	4.3%	4,0%	4.8%
Feb 17	5.5%	5,6%	5.3%
Mar 17	4.3%	3,8%	5.3%
Apr 17	3.8%	3,2%	4.7%
May 17	3.0%	2,4%	4.1%
Jun 17	3.2%	2,7%	4.1%
Jul 17	3.8%	2,7%	5.9%
Aug 17	3.5%	2,8%	4.8%
Sep 17	4.1%	3,3%	5.6%
Oct 17	5.0%	4,7%	5.8%
Nov 17	4.0%	3,5%	4.8%
Dec 17	4.7%	3,7%	6.4%
Jan 18	4.4%	3,7%	6.2%
Feb 18	5.0%	4,1%	6.5%
Mar 18	3.9%	3,2%	5.2%
Apr 18	3.2%	2,5%	4.6%
May 18	2.8%	1,8%	4.9%
Jun 18	1.4%	1,3%	2.0%
Jul 18	2.4%	2,2%	3.0%
Aug 18	2.0%	1,8%	3.6%
Sep 18	3.5%	3,4%	3.8%
Oct 18	2.7%	2,2%	4.1%
Nov 18	3.3%	2,8%	4.7%

CONSUMER FINANCE - NPL Creation



Administrative expenses & efficiency ratio

Mandatory Salary increases impact efficiency on a sequential basis

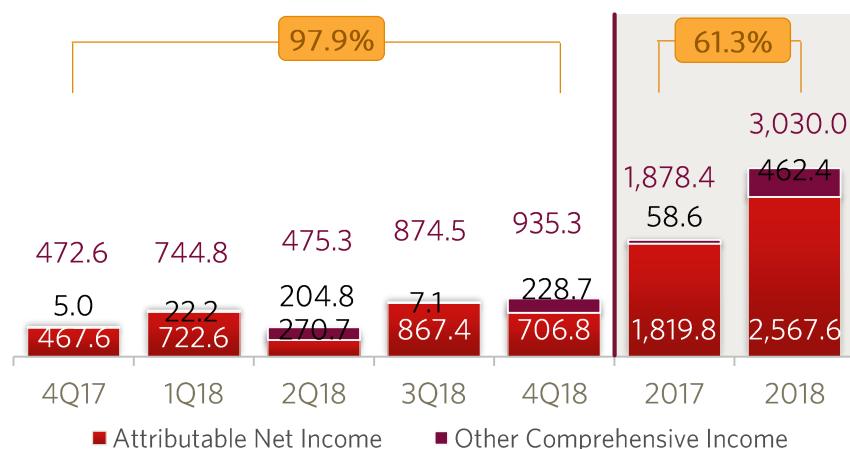


- > 4Q18 Efficiency ratio increased 260 bps QoQ to 61.9%, but improved 630 bps YoY. QoQ reflects consecutive salary increases along 4Q18 for a total increase of 19.6% and full impact of salary increases agreed throughout 3Q18, while revenues rose 14.6% up.
- > Personnel expenses rose 21.9% QoQ reflecting wage increases from collective agreements in the quarter.
- > Administrative expenses increased 11.7% QoQ in line with inflation in the quarter

Profitability

Attributable Comprehensive Income up 98% YoY and 7% QoQ. Net Income up 51% YoY, and flat QoQ when excluding voluntary increase in LLPs to achieve 100% NPL Coverage Ratio ahead of plan

ATTRIBUTABLE COMPREHENSIVE INCOME [AR\$ Mill.]



- 4Q18 Attributable Net Income, down 19% reflecting additional voluntary LLPs to meet 100% NPL coverage ratio. Excluding this, Attributable Net Income would have been AR\$ 868.5 million, remaining flat from the previous quarter.
- Other Comprehensive Income increased AR\$221.6 QoQ due to the revaluation of properties in AR\$

ROAE [%]



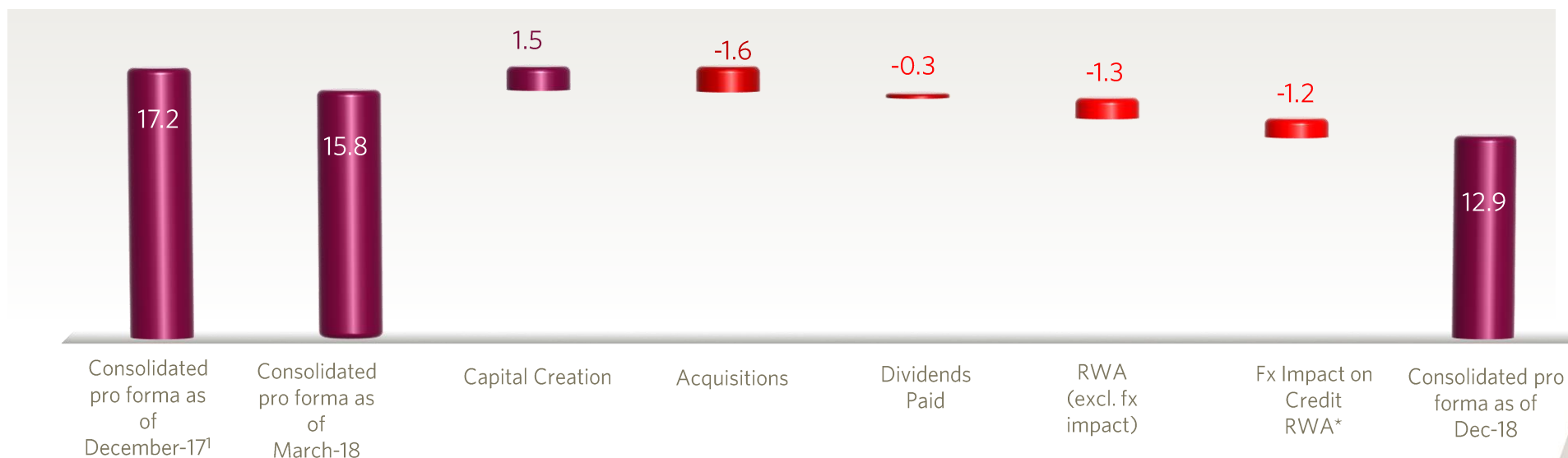
ROAA [%]



Capitalization

40-bps sequential increase in 4Q18 capital ratios following AR\$ appreciation in the quarter after the FX hike in the previous quarter and weak loan demand

CAPITAL DEPLOYMENT [Tier I ratio %] ⁽¹⁾



- > AR\$ 0,9 billion remain at the holding company as of December 31, 2018, available for future capital injections
- > Capital injections implemented in 4Q:
 - ✓ Ar\$ 1 billion in Banco Supervielle and approved by the Central Bank in January 2019
 - ✓ Ar\$ 300 million in Mila

1. Tier 1 ratio as reported in 4Q17, previous IFRS adoption was 18.4%.

FY2018 results fairly in line with guidance

FY 2018 EXPECTATIONS (3)

	Guidance	FY'18 reported figures	
Total Loan Growth ⁽¹⁾	40 - 50 %	32.1%	X
Cost of Risk	4.6 - 5.1% ¹	5.8%	X ²
NIM	18 - 20%	19.4%	✓
Efficiency Ratio	59 - 63%	61.5%	✓
Attributable Comprehensive Income	AR\$ 2.9 - 3.3 Bill.	AR\$ 3.0Bill.	✓
Tier 1 Ratio ⁽²⁾	12 - 13%	12.9%	✓

1. This assumed we were not increasing our NPL Coverage Ratio

2. Cost of Risk excluding voluntary LLP would have been 5.2%

Supervielle 2019 guidance

2019 MACRO ASSUMPTIONS	FY 2019 EXPECTATIONS	
➤ GDP ⁽³⁾ expected to contract by 1.3% in 2019	Total Loan Growth	21 - 31%
➤ Inflation ⁽³⁾ reaching 32% for full year 2019	Efficiency Ratio	61 - 63%
➤ Average Deposit rate ⁽⁴⁾ (BADLAR) expected to reach 38% in December 2019	Cost of Risk	5.0 - 5.8%
➤ Monetary Policy rate (eop) ⁽³⁾ expected to reach 37%	Net Income ⁽²⁾	AR\$ 3.3 - 3.9 Bill.
➤ FX AR\$ (eop) ⁽³⁾ to reach 48	NIM ⁽¹⁾	18.5 - 20.5%
	Tier 1 Ratio	10.6 - 11.1%

(1) Starting Q1 2019, the Company will slightly change the components included to calculate the Net Interest Margin ratio ("NIM"). Until now, it had included interest income and interest expense, as well as results from its investment portfolio. Now, it will start adding the exchange rate differences and net gains or losses from currency derivatives.

Accordingly, the NIM ratio will capture all of the components of its financial margin. Before, for example, when the Company took peso denominated deposits and granted foreign currency loans with a forward contract to hedge the currency mismatch, its NIM ratio did not include the hedge gain or loss, leading to an inaccurate ratio. The same occurred when the Company took dollar denominated deposits to buy foreign currency securities, its NIM ratio did not include the exchange rate gain or loss from the liabilities adjustment. By incorporating exchange rate differences and derivatives results, the NIM ratio will be more accurate and representative of its financial margin and spreads.

NIM guidance of between 18.5% and 20.5%, compares with NIM of 18.7% reported in 2018.

(2) Starting 2019, Supervielle is providing guidance of Net Income, instead of Comprehensive income. Net Income guidance between AR\$ 3.3 billion to AR\$ 3.9 billion for 2019, compares with AR\$ 2.6 billion Net Income reported in 2018. This implies an YoY increase of between 28% and 52% in 2019.

(3) Source: Market Expectations Survey as of February 2019 (Central Bank), unless otherwise noted.

(4) Company estimates

Note: Apart from above detailed macroeconomic assumptions, this guidance assumes that reserve requirements are kept by the Central Bank at the current levels.

