

Grupo Supervielle

1Q18 Earnings Conference Call

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 **Cordial**
Compañía Financiera

Tarjeta
Automática S.A.


SUPERVIELLE
SEGUROS

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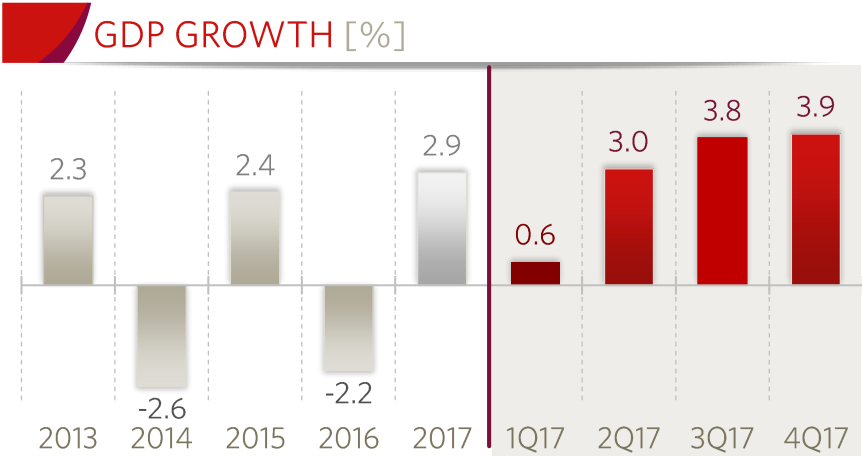
First quarter 2018 highlights

Momentum continued into 1Q18. Long-term industry fundamentals in place despite current headwinds

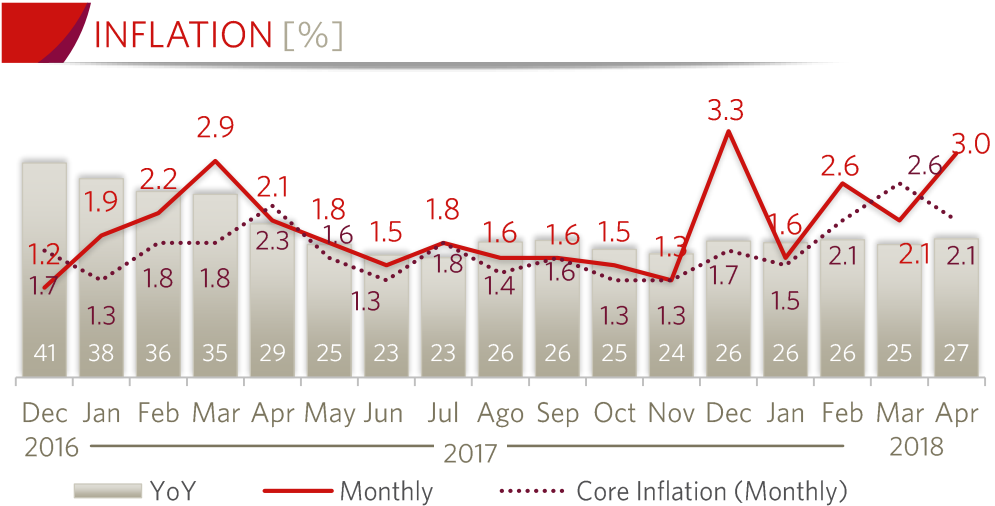
- 1 **ROBUST PROFITABILITY** with Attributable Comprehensive Income up 139% YoY and 58% QoQ to AR\$744.6 million. ROAE of 20.6% in 1Q18 above 18.0% in 1Q17 and 13.3% in 4Q17. Attributable Net Income up 148% YoY and 55% QoQ to AR\$723 million.
- 2 **LOAN PORTFOLIO** up 62% YoY and 10% QoQ above system growth. Robust growth in retail supported by corporate.
- 3 **SOLID DEPOSIT BASE**, up 43% YoY above-system and well-above inflation; slight QoQ deceleration following strong expansion in 4Q17.
- 4 **RELATIVELY STABLE NPL RATIO**, while cost of risk increased reflecting higher coverage and risk in consumer finance (12% of loan portfolio), offsetting lower risk in retail banking coupled with stable low risk in corporate loans (51% of loan portfolio). Slowing down consumer finance origination.
- 5 **NII AND NET INCOME FROM FINANCIAL INSTRUMENTS** up 54% YoY and 7% QoQ; Resilient Blended NIM
- 6 **OPERATIONAL LEVERAGE** with significant sequential and YoY improvement in efficiency ratio reaching 59.0% in 1Q18.

Macro overview

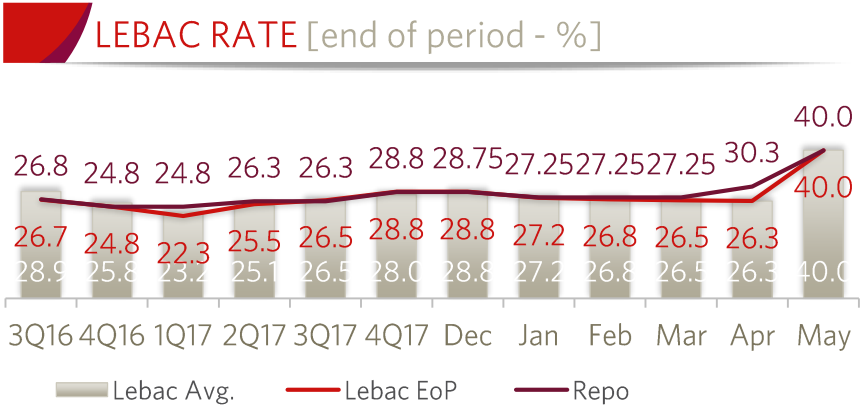
Overall healthy macro dynamics but recently experiencing more volatility



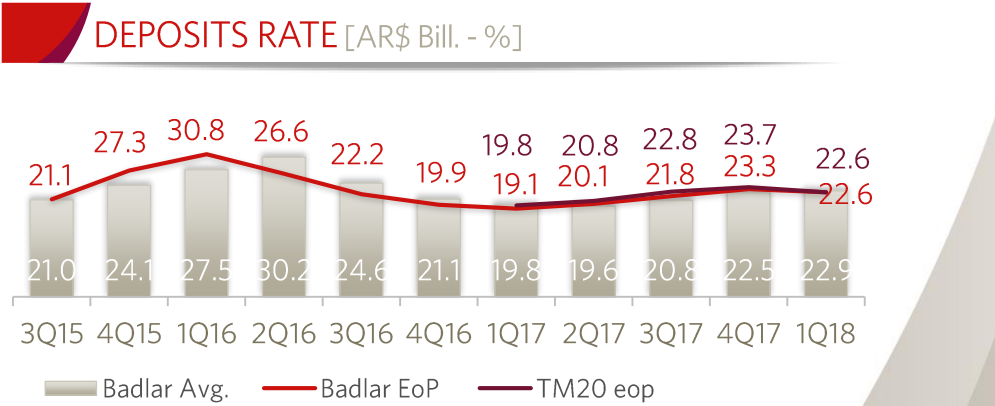
Source: INDEC and Market Expectations Survey as of January 2018 (GDP 2018e). According to Market Expectations Survey as of April 2018, GDP 2018e is 2.5%
Economic activity index increased by 4.7% in the two month period ended February, 2018 vs. the same period of 2017



Source: Inflation: City of Buenos Aires
Core Inflation: INDEC.



Source: BCRA

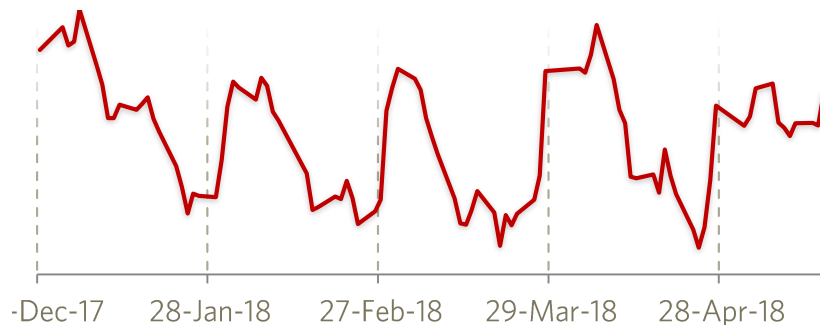


Source: Daily Report BCRA. BADLAR is Buenos Aires Deposits of Large Amount rate. TM20: Wholesale deposits rate above AR\$20 million

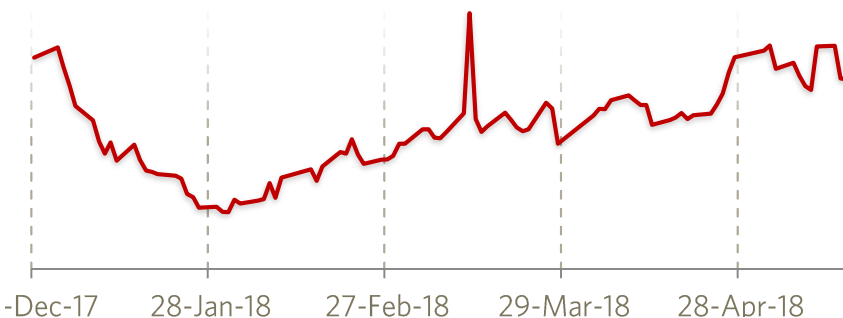
Healthy financial system

Fully hedged financial system resilient against sharp currency depreciation; further supported by stable deposit base

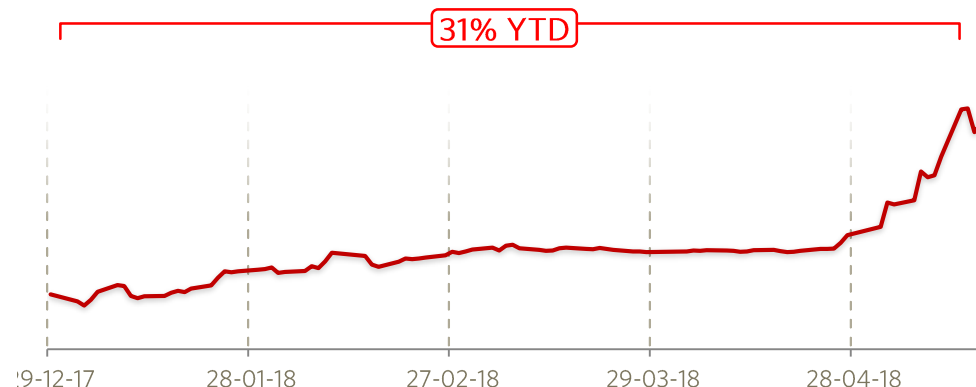
AR\$ savings accounts[%]



U\$S savings accounts[%]



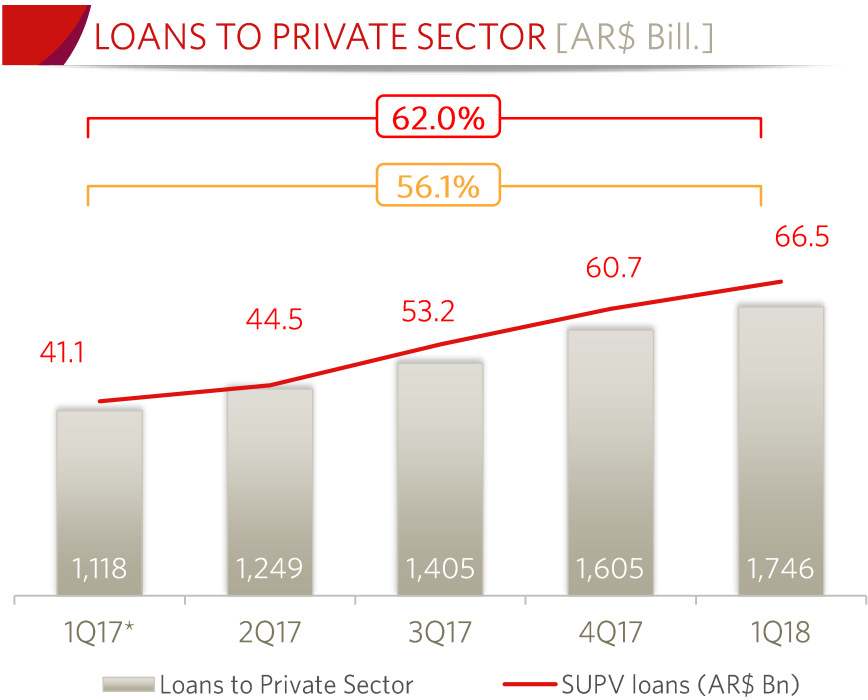
FX Evolution[%]



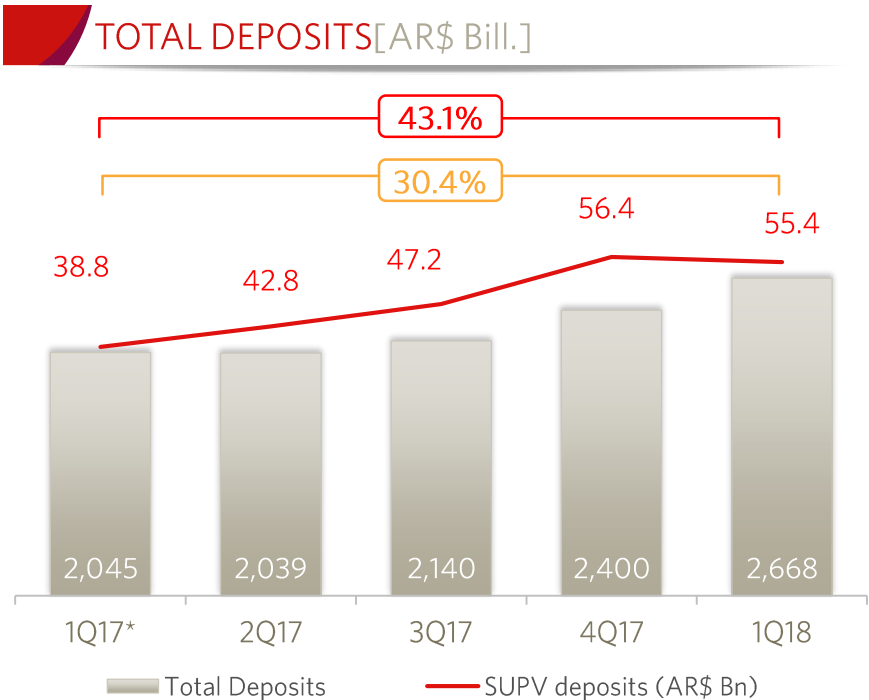
- > The Argentine financial system remains healthy with deposits experiencing usual seasonality. This was despite the 31% depreciation of the peso year-to-date, and
- > is extremely liquid with a significantly low currency mismatch of 7.4% in terms of regulatory capital; the lowest level over the past 10 years.

Financial sector

Strong system loan growth while deposits lag behind; SUPV delivers above-industry YoY loan and deposit growth, while QoQ deposits reflect strong expansion in 4Q17



Source: Daily Report BCRA

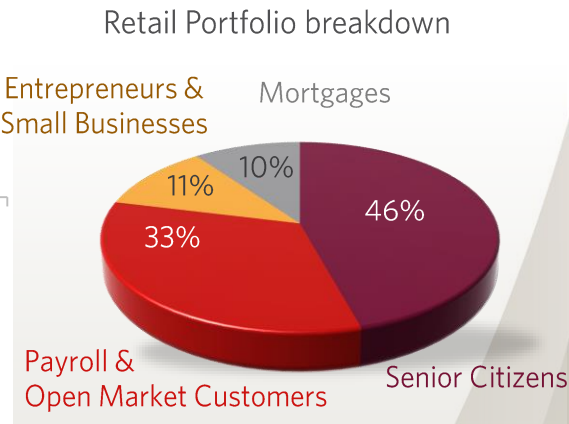
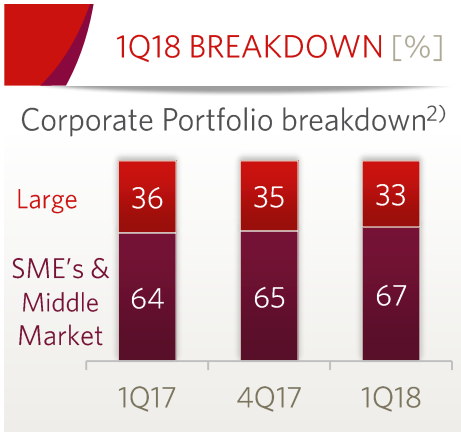
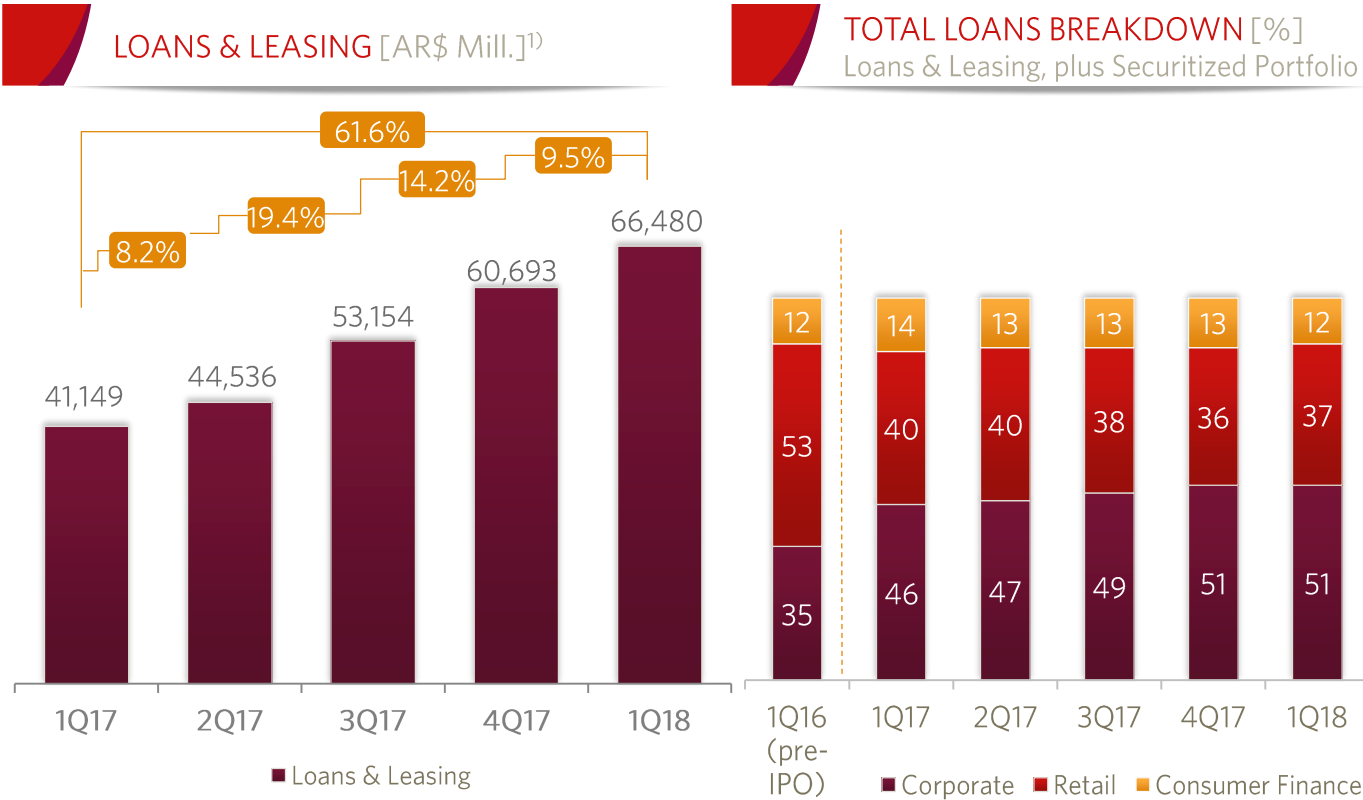


Source: Daily Report BCRA

1) Source: BCRA

Supervielle loan performance

Robust loan portfolio growth - up 62% YoY and 10% QoQ



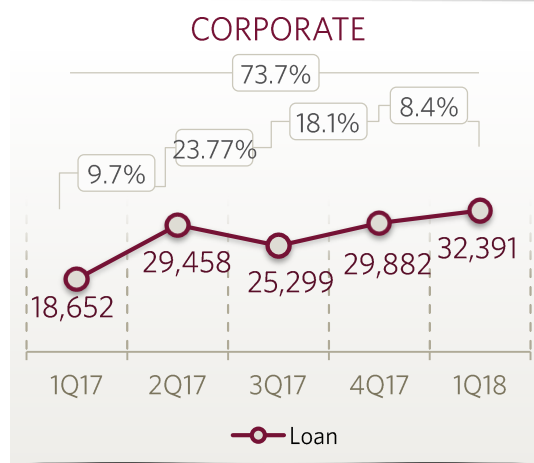
> Share of corporate loans remained stable, with mix-shift to SMEs & Middle market loans, which represented 67% of corporate loans compared to 65% in 4Q17.

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.

Loan performance

Strong growth in retail supported by corporates; slow down in origination for consumer finance reflecting macro-environment

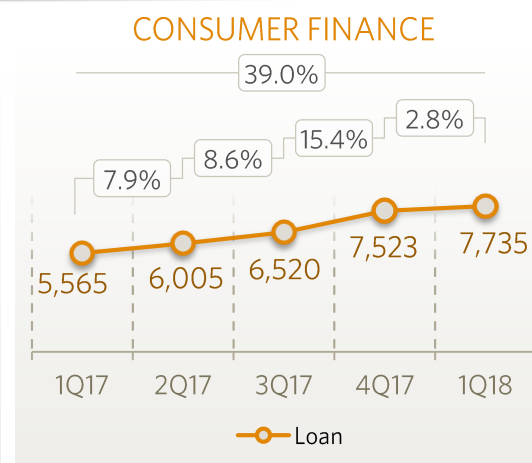
TOTAL LOAN PORTFOLIO BREAKDOWN BY SEGMENT Loans & Leasing Portfolio [AR\$ Mill.]¹⁾



> Loan growth driven mainly by factoring (promissory notes), the largest corporate loan product.



> Continued growth in personal loans and SME entrepreneurs. Strong performance in mortgage loans.



> Reduced pace of loan origination in 1Q18 on the back of higher inflation

STRATEGY

- Increase transactional services to become primary bank
- Larger ticket per client
- Targeting strategic clients in oil & gas, construction, real estate developers and other sub-segments
- Leverage middle-market relationships to drive synergies with retail banking

STRATEGY

- Leverage retail clients to drive cross-selling in affluent & small business segments
- Achieve leading position in mortgages, a client acquisition anchor
- Consolidate atomized & stable funding base across all the product
- Leveraging blue ocean opportunity in car loans provided by the Mila acquisition

STRATEGY

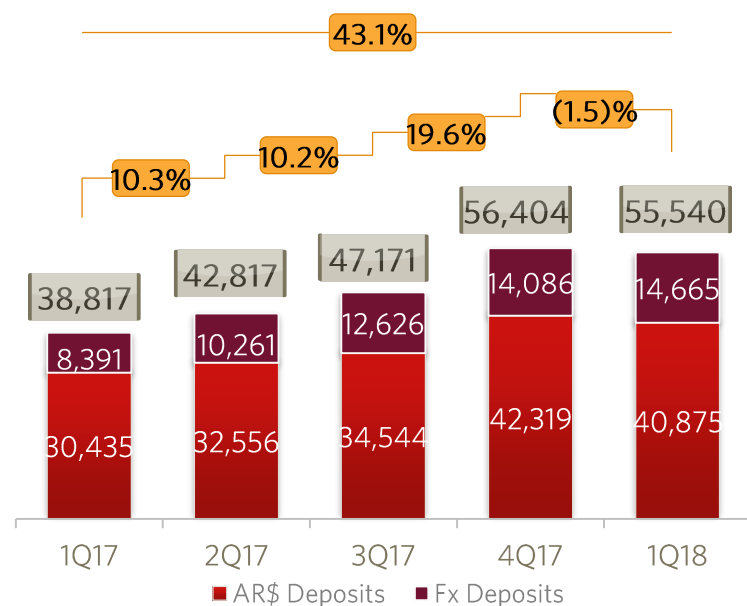
- Leverage Walmart's growth strategy to increase penetration of target customers
- Build on recent MILA acquisition to capture growth potential in used car financing market
- Opportunity to form alliances with medium retail chains

¹⁾ Denotes loans and leases before allowances

Funding

Slight QoQ deceleration in deposit growth following strong expansion in 4Q17 and extension of tenors through MTN issuances; YoY up 43% well-above inflation

TOTAL DEPOSITS [AR\$ Mill.]



QoQ Variation

106.0% 104.0% 112.7% 107.6% 119.7%

65.2% 63.9% 65.2% 65.8% 68.8%

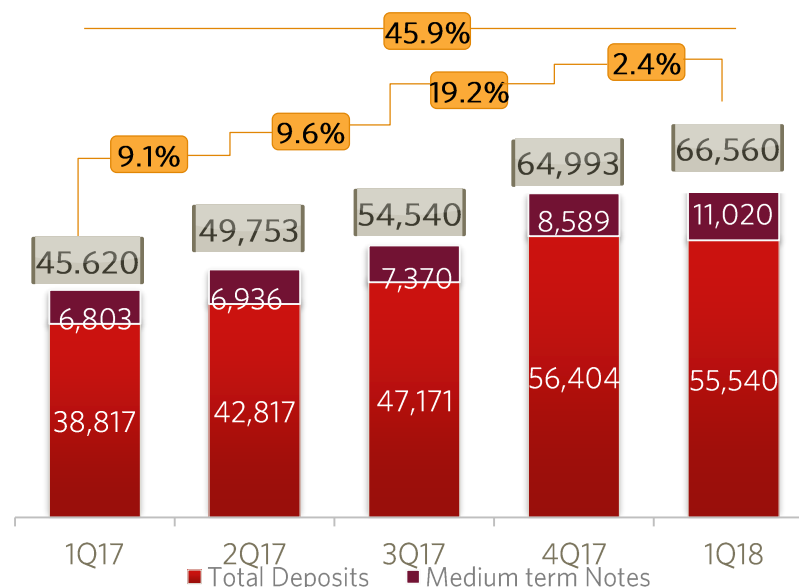
21.6% 24.0% 26.8% 25.0% 26.4%

Loans
to total
deposits

Loans
to assets

Fx
Deposits
to total
deposits

TOTAL DEPOSITS + MEDIUM TERM NOTES [AR\$ Mill.]



> Total deposits up 43.1% YoY and down 1.5% QoQ to AR\$55.5 Bn in 1Q18.

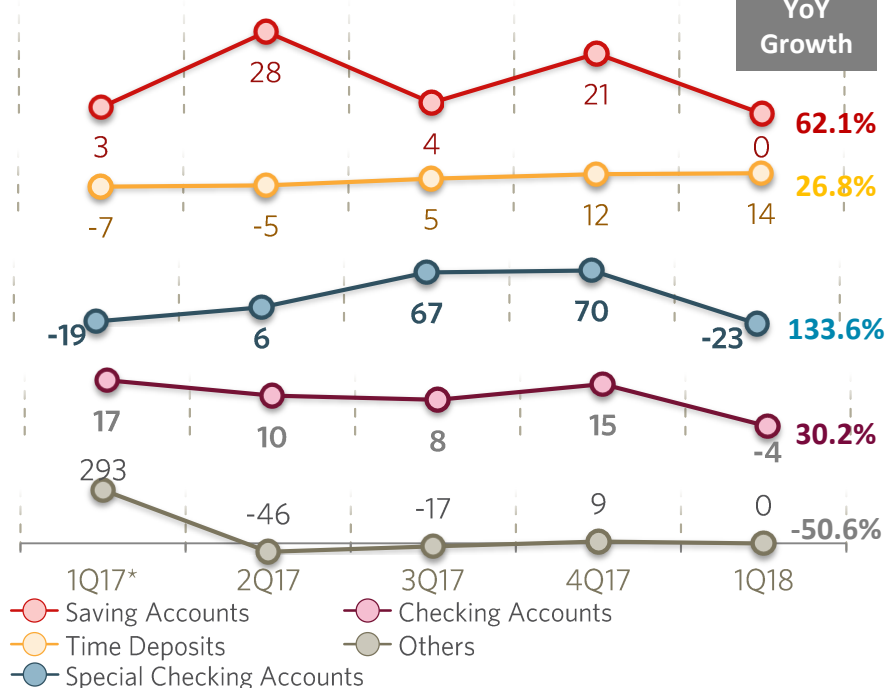
> MTN amounted to AR\$ 11.0 Bn in 1Q18, up AR\$ 2.4 Bn QoQ and AR\$ 4.2 Bn YoY.

> Loan to deposit ratio of 119.7% reflects issuance of MTNs in 1Q18 replacing institutional deposits.

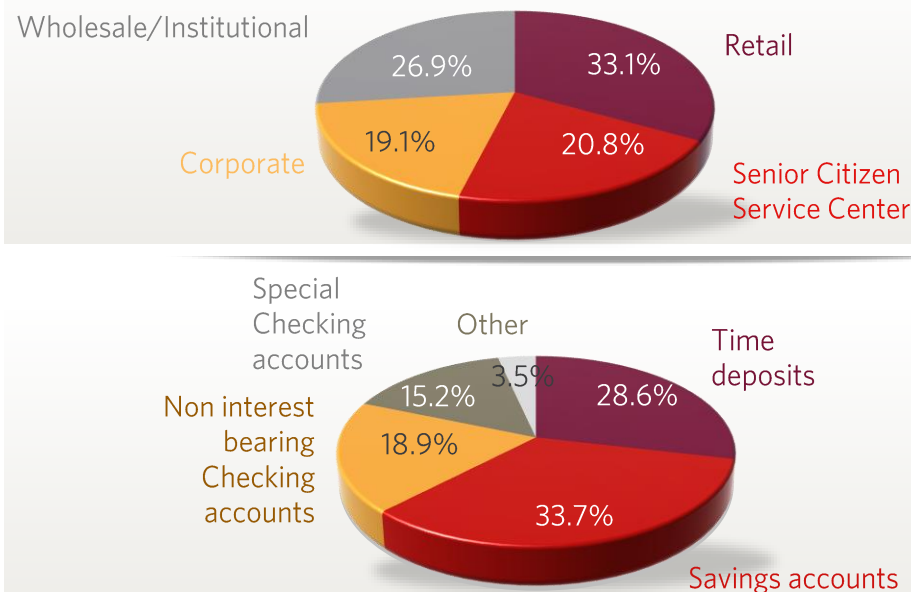
Funding

Atomized deposit base, with non- or low-cost deposits representing a 56% share

DEPOSITS Q-Q VARIATION [%]



DEPOSIT BREAKDOWN [%]

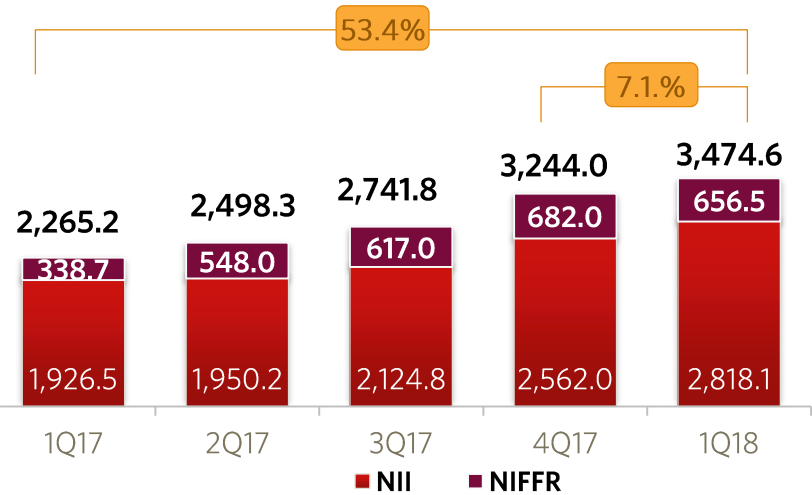


- > Retail + Senior Citizens Deposits were 53.9% of total deposits as of Mar'18
- > Lower share of wholesale / institutional deposits which were replaced by MTNs

NII, NIFFI & NIM¹

NII and Net Income from Financial Instruments up 54% YoY and 7% QoQ;
Resilient Blended NIM

NII & NIFFI [AR\$ Mill.]



NET INTEREST MARGIN [NIM - %]

	1Q17	2Q17	3Q17	4Q17	1Q18
TOTAL	19.5%	21.5%	19.6%	20.0%	19.6%
AR\$	24.3%	25.6%	22.3%	22.9%	22.7%
US\$	-6.8%	2.2%	7.6%	7.1%	8.4%
Loan Portfolio	21.5%	22.1%	20.8%	21.0%	19.8%
AR\$	26.5%	27.5%	24.7%	25.3%	24.3%
US\$	-5.2%	-4.7%	3.2%	3.5%	3.9%
Investment Portfolio	8.1%	19.1%	14.6%	15.3%	18.4%
AR\$	14.2%	17.5%	12.2%	12.6%	13.5%
US\$	-15.6%	25.1%	24.9%	28.0%	35.9%

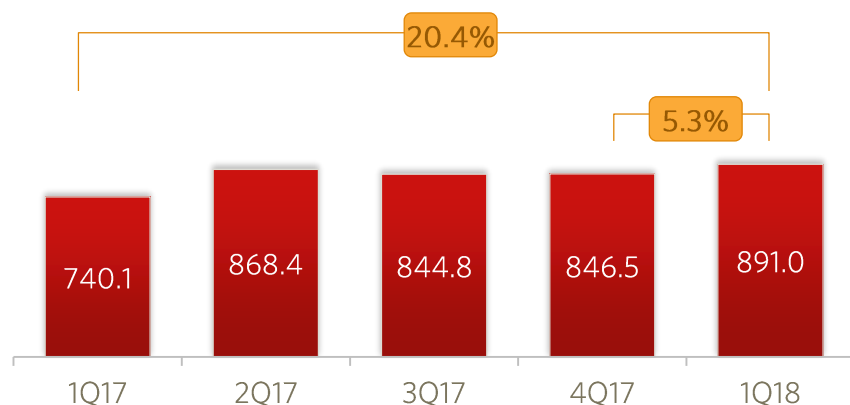
- > While the Badlar rate increased 310 bps, cost of funds remained stable. Loans typically reprice on a lagged basis
- > Investment portfolio NIM increased 310 bps to 18.4% reflecting the 7.3% increase in the FX in the quarter

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

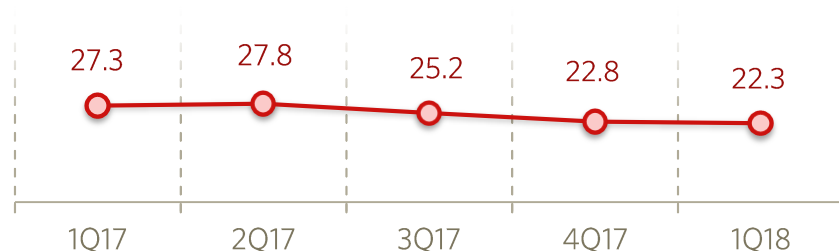
Service fee income & income from insurance activities

Service fee income growth 20%, mitigated by higher commissions paid; stable sequential growth

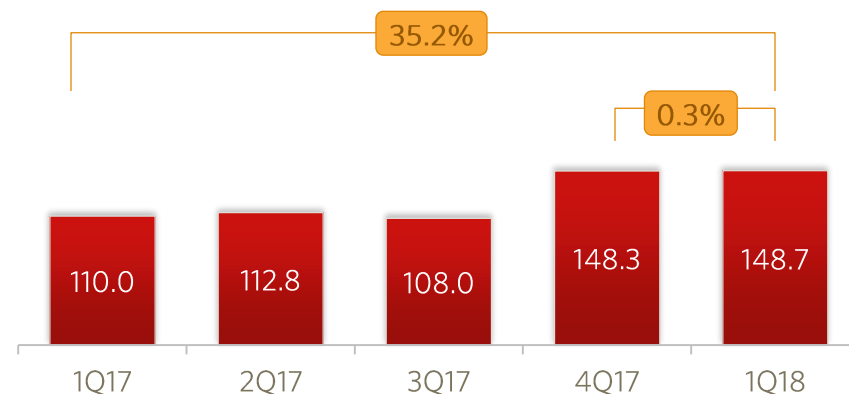
NET SERVICE FEE INCOME¹⁾ [AR\$ Mill.]



NET SERVICE FEE INCOME RATIO [%]*



INCOME FROM INSURANCE ACTIVITIES [AR\$ Mill.]



- > Net Service Fee Income up 5.3% QoQ reflecting:
 - 18% increase in deposit account commissions from business volume growth and higher fee pricing
 - 25% increase in other fees from asset management and sales in Espacio Cordial.
- > Income from insurance activities relatively flat QoQ as 16% decline in credit related policies offset 1.5% growth in non-credit insurance.

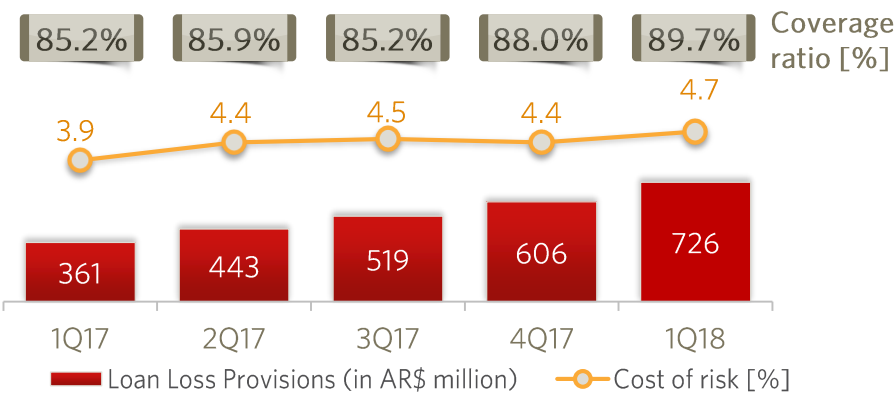
1) Excludes income from insurance activities

* 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

Stable blended NPL ratio, while cost of risk reflects higher coverage and delinquency in consumer finance; planned slowdown in consumer finance origination

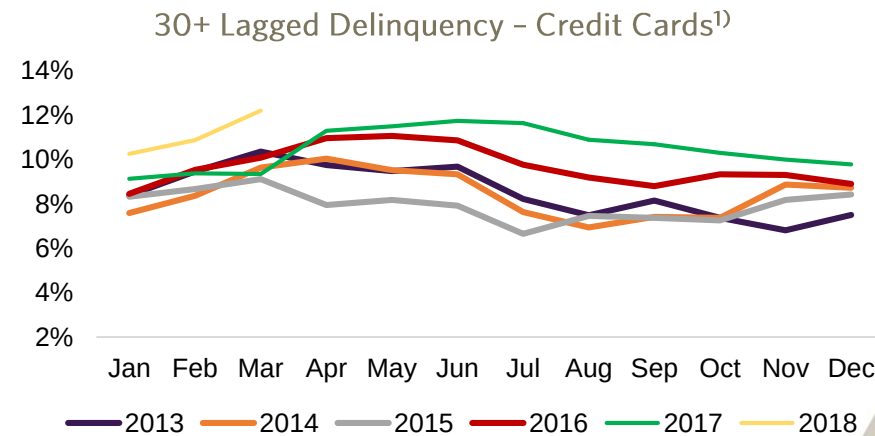
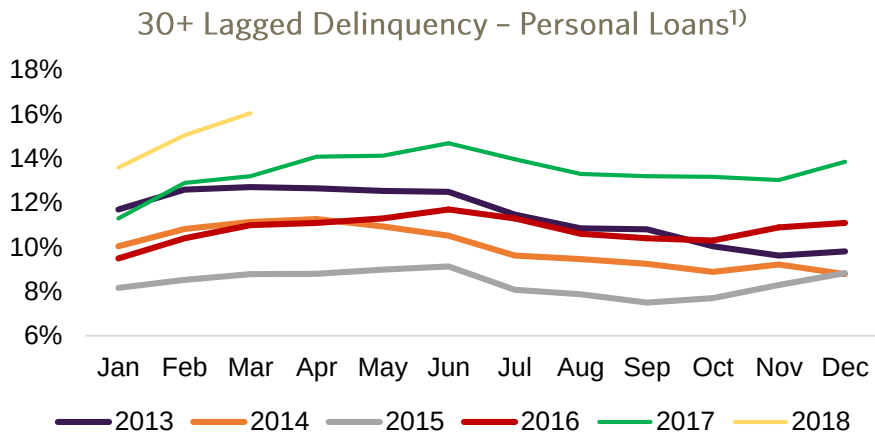
LOAN LOSS PROVISIONS EVOLUTION



NPLs RATIO

	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Corporate	0.2%	0.2%	0.2%	0.2%	0.3%
Retail					
Personal Loans	3.5%	3.2%	2.9%	2.8%	2.8%
Credit Cards	3.6%	3.7%	4.0%	3.4%	3.5%
Consumer finance	10.3%	11.4%	13.8%	14.7%	15.7%
Personal Loans	12.6%	13.3%	16.3%	18.7%	19.9%
Credit Cards	6.8%	8.9%	10.1%	9.1%	9.8%
TOTAL	3.1%	3.0%	3.1%	3.1%	3.2%

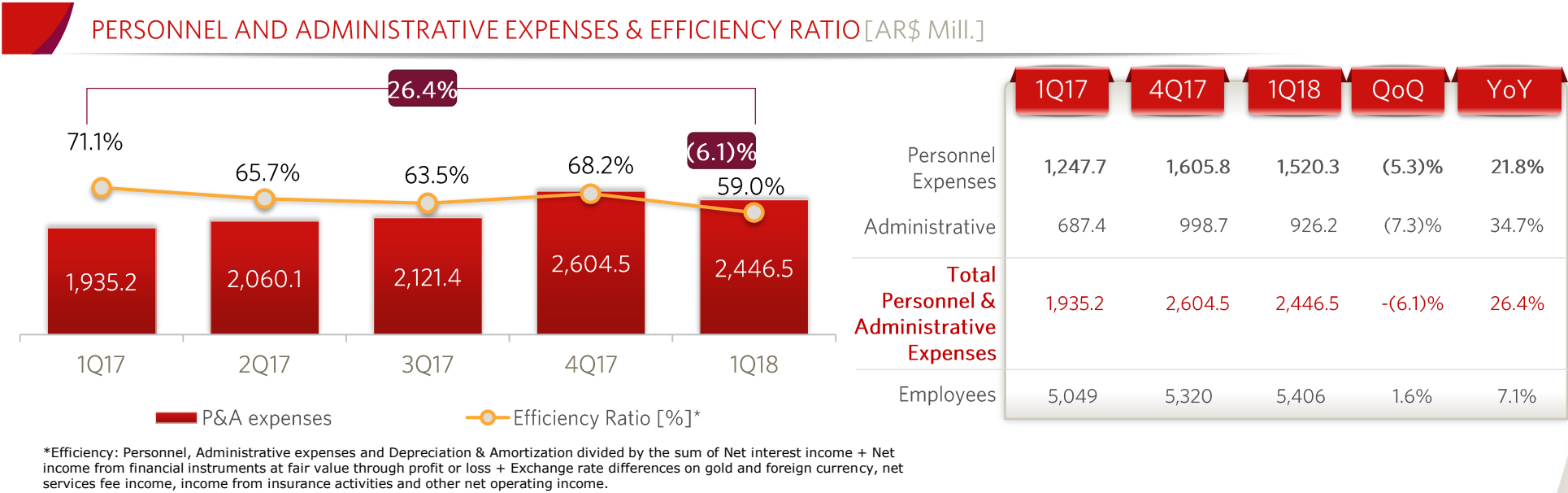
CONSUMER FINANCE - LAGGED DELINQUENCY



1) Managerial analysis

Administrative expenses & efficiency ratio

Significant Sequential and YoY improvement in efficiency ratio to 59.0%

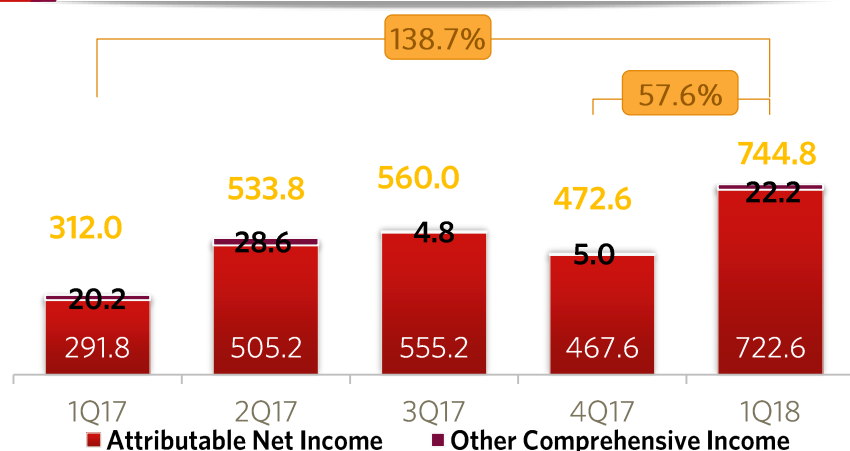


- > 1Q18 Efficiency ratio improved 920 QoQ to 59.0%, and 1,210 bps YoY.
- > Personnel expenses down 5.3% QoQ reflecting easier comps due to higher than average special termination agreements of approximately \$233 million in 4Q17 due to early retirement for a group of eligible employees (IFRS restatement), which more than offset the sequential wage increase from collective agreements in 1Q18.
- > Administrative expenses down 7.3% QoQ due to lower advertising and publicity expenses and taxes, but up 34.7% YoY reflecting higher other expenses including leases, security service expenses, maintenance, insurance and electricity.

Profitability

Attributable comprehensive income up 140% YoY and 58% QoQ

ATTRIBUTABLE COMPREHENSIVE INCOME [AR\$ Mill.]

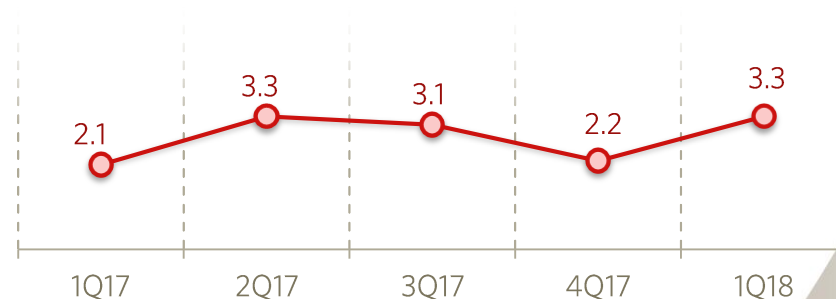


- > While net income under Central Bank GAAP did not take into account the revaluation of real estate properties held for sale, under IFRS such revaluations are disclosed in the "Other Comprehensive Income" line item within Comprehensive Income.
- > 4Q17 ROAE impacted by higher than average special termination agreements in connection with early retirement for a group of eligible employees.
- > Bottom line seasonally lower in 1H than in 2H

ROAE [%]



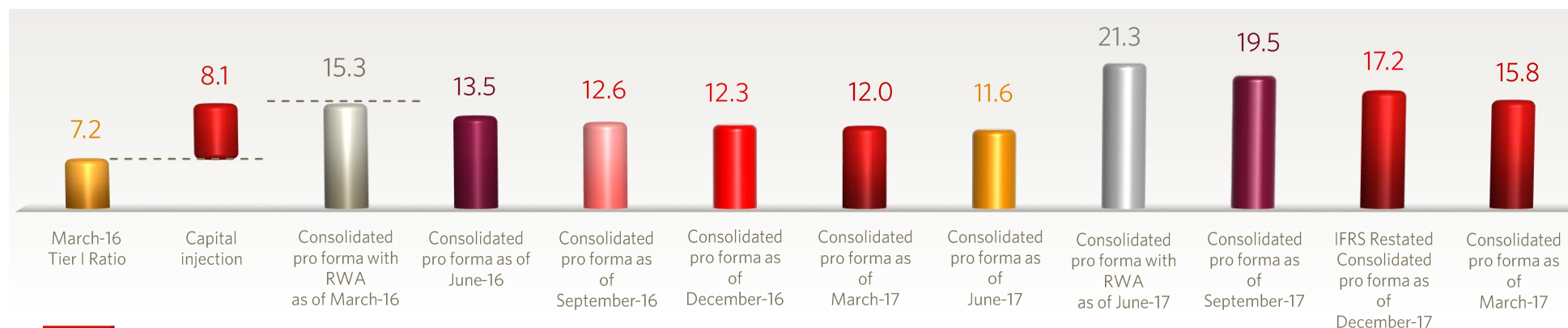
ROAA [%]



Capitalization

Consistent execution of capital deployment; applying funds from Sep. 2017 follow-on

CAPITAL DEPLOYMENT [Tier I ratio %] ⁽¹⁾



FUNDS AT THE HOLDCO: ~AR\$4.3 BN AS OF MARCH 31, 2018

- > In February 2018, CCF received total net capital injections of AR\$380 million, and in March 2018, Tarjeta Automática received net capital injections of AR\$ 300 million.
- > AR\$4.3 billion remaining at the holding level for future capital injections.
- > Funds invested in mutual funds and Central Bank Notes.

1) Tier 1 Ratio coincides with CET1 Ratio

2018 guidance

FY 2018 EXPECTATIONS (6)

Total Loan Growth ⁽³⁾	45 - 50 %	Efficiency Ratio	55 - 59%
Cost of Risk	4.1 - 4.5%	Attributable Comprehensive Income ⁽⁴⁾	AR\$ 4.0 - 4.3 Bill.
NIM	18 - 20%	Tier 1 Ratio ⁽⁵⁾	14 - 15%

- > Based on the current visibility of the macro environment we expect to remain within our guidance
- > Mindful of the rapidly changing macro environment SUPV is monitoring macro and how that impacts guidance

GUIDANCE 2018:;MACRO ASSUMPTIONS AS OF FEBRUARY 22, 2017

GDP ⁽¹⁾ expected to expand by 3.0% in 2018
Inflation ⁽¹⁾ reaching 19.4% for full year 2018
Average Deposit rate ⁽²⁾ (BADLAR) expected to reach 21% in December 2018

REM as of April 2018 MACRO ASSUMPTIONS

GDP ⁽¹⁾ expected to expand by 2.5% in 2018
Inflation ⁽¹⁾ reaching 22% for full year 2018

1 Source: Market Expectations Survey as of January 2018. According to Market Expectations Survey as of April 2018, GDP 2018e is 2.5%, and Inflation 2018e is 22%

2 Company estimate

3 Including leases

4 This represents an increase of between 120% and 136% in the year

5 The TIER 1 ratio guidance includes net funds held at the holding company. Tier 1 ratio coincides with CET1 ratio

6 The Company currently believes that its economic, financial and asset conditions will not be materially affected by the termination of the financial agency agreement entered into by the Province of San Luis and Banco Supervielle.

