

Grupo Supervielle

3Q18 Earnings Conference Call

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Third quarter 2018 highlights

Solid results despite challenging macro environment

1

Attributable Comprehensive Income up 55.9% YoY and 84% QoQ to AR\$874.5 million, taking into account increasing NPL coverage to 94%. ROAE of 22.4% in 3Q18, up from 20.7% in 3Q17 and 12.6% in 2Q18. **Attributable Net Income** increased 56% YoY and 220.4% QoQ reaching AR\$867.4 million.

2

Total Assets up 79% YoY and 21% QoQ. **Loan Book** up 57% YoY and 10% QoQ (stable FX neutral, in line with industry trend). Further decreased exposure to consumer finance to less than 10% of total portfolio. Loan book remains highly atomized and diversified with good collateralization levels.

3

Deposit growth accelerated to 106% YoY and 28% QoQ (+16% FX neutral), particularly wholesale deposits to fund investment in high-margin Central Bank securities. Loan to deposit ratio of 86% from 100% in 2Q18.

4

Net Financial Income up 55% YoY and 21% QoQ, driven by higher volumes -assets and deposits-, along with a hike in interest rates, mitigating the higher cost of funding and the increase in non-remunerated regulatory minimum reserve requirements. **NIM** of 20.9% in 3Q18, expanded by 130 bps YoY and 170 bps QoQ. **NFM** of 18.2% contracted by 160 bps YoY, but expanded 80 bps QoQ.

5

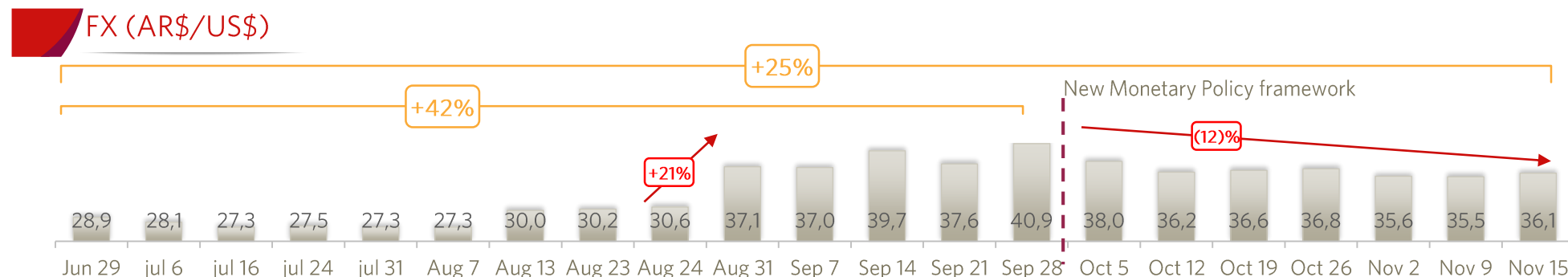
NPL ratio up 60 bps YoY and 10 bps QoQ to 3.7%, and **Cost of Risk** of 5.9%. Excluding AR\$120 million in voluntary LLPs to raise coverage to 94%, cost of risk would have been 5.3%. Consumer Finance loans NPL creation decreased sharply in 3Q18, while nominal decline in loans drove 50 bps QoQ rise in segment NPLs. Retail and Corporate loans NPLs up 20 and 30 bps QoQ, respectively, but at historical lows.

6

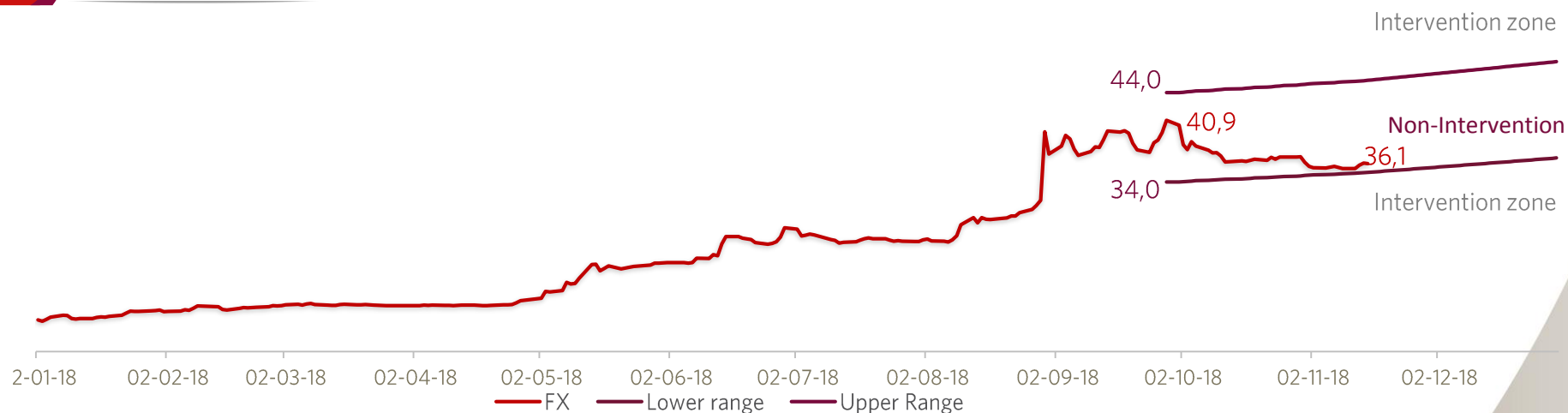
Efficiency Ratio improved 700 bps QoQ reaching 59.3% in 3Q18 reflecting higher operating revenues, while expenses grew below inflation reflecting cost control measures.

Macro dynamics in 3Q18

Further currency depreciation, although stabilizing following implementation of new Monetary Policy framework

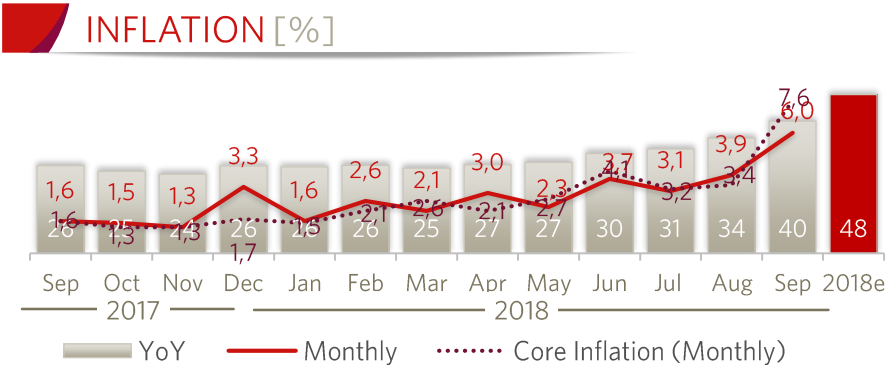


FX intervention and non-intervention zones

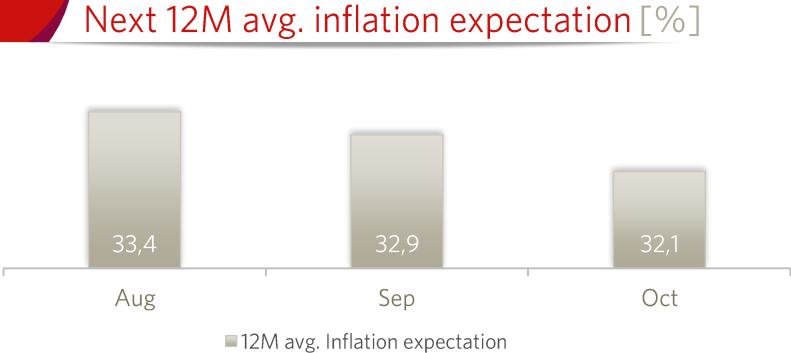


Macro dynamics in 3Q18

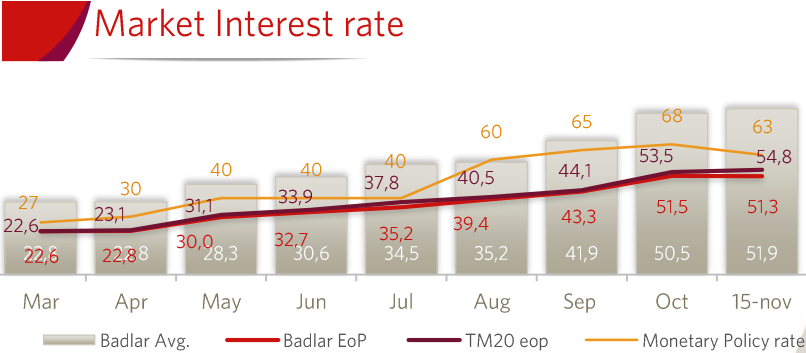
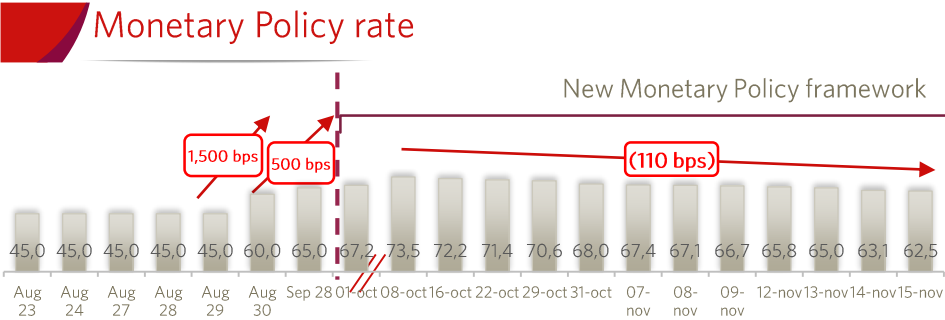
Increasingly challenging macro dynamics. High monthly inflation following sharp currency depreciation.
additional rate hikes and 1,300 bps increase in minimum reserve requirements



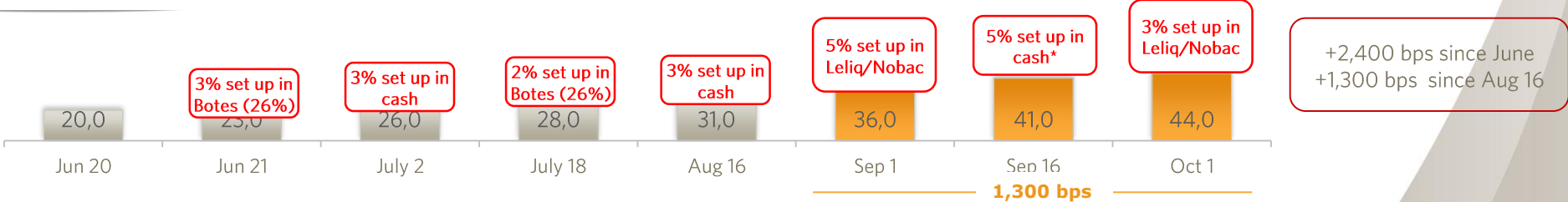
Source: Inflation: City of Buenos Aires and Market Expectations Survey as of October 2018 (2018e).
Core Inflation: INDEC.



Source: Inflation: Market Expectations Survey as of August, September and October 2018



Minimum Reserve Requirements - i.e. Demand Deposits

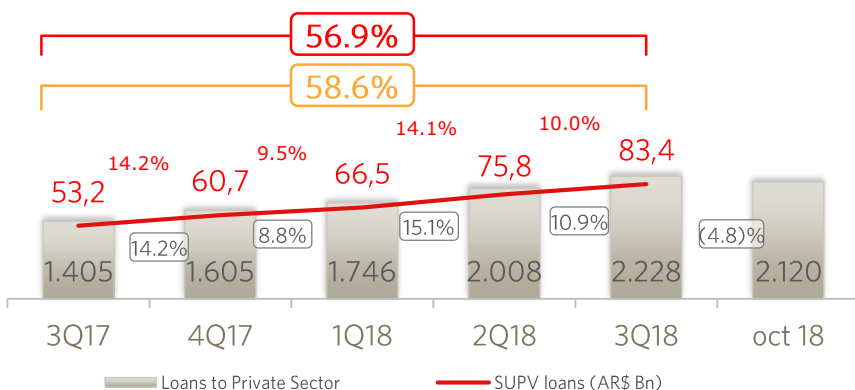


• This 5% increase set up in cash applies only for Sight Deposits. Time Deposits minimum reserve requirements increased 5%, set up in Leliq/Nobac.
• Time Deposits minimum reserve requirements is 38%. Minimum reserve requirements on increased balances on time deposits since Oct 1, can be set up completely in 7 days leliqs

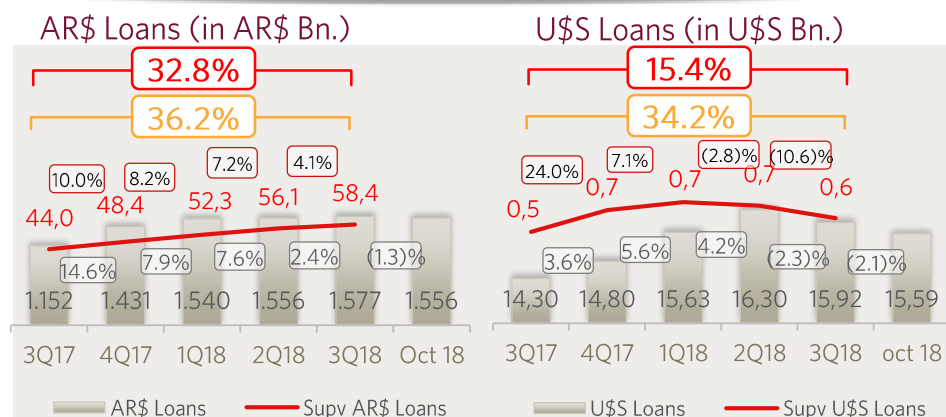
Financial sector

System loan growth decelerated in recent months on an FX neutral basis while deposit base expanded above loan growth

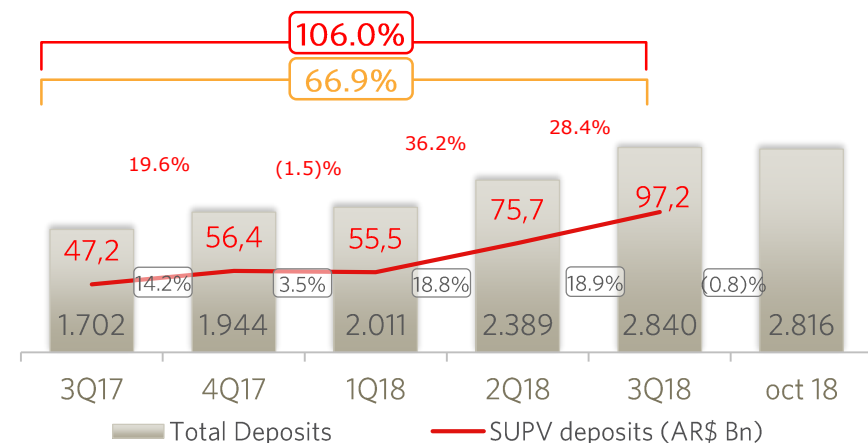
LOANS TO PRIVATE SECTOR [AR\$ Bill.]



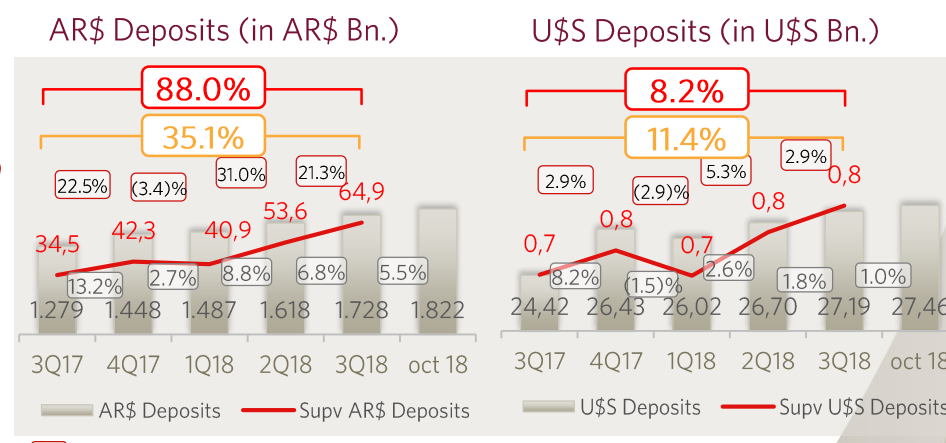
LOANS TO PRIVATE SECTOR [Original Currency]



PRIVATE SECTOR DEPOSITS [AR\$ Bill.]



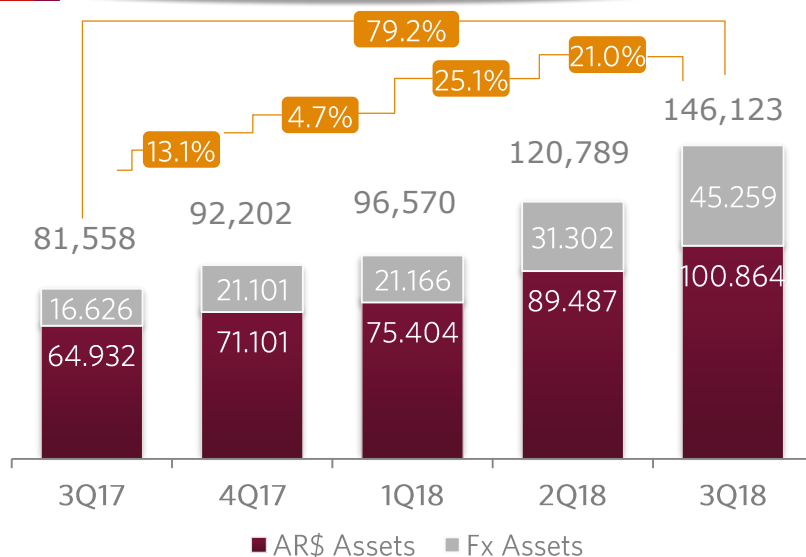
PRIVATE SECTOR DEPOSITS [Original Currency]



Supervielle assets performance

Higher share of securities and minimum reserve requirements while loan demand decelerates

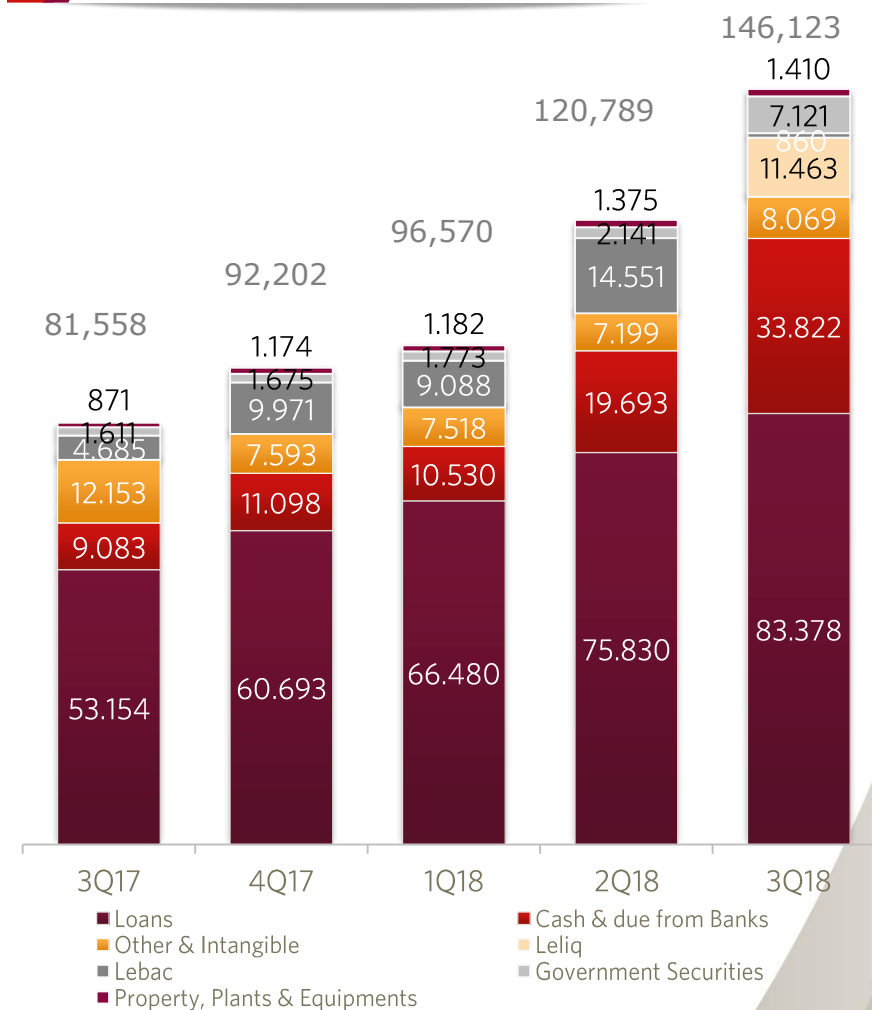
ASSETS EVOLUTION [AR\$ Mill.]¹⁾



MINIMUM CASH RESERVE REQUIREMENTS [AR\$ Mill.]¹⁾

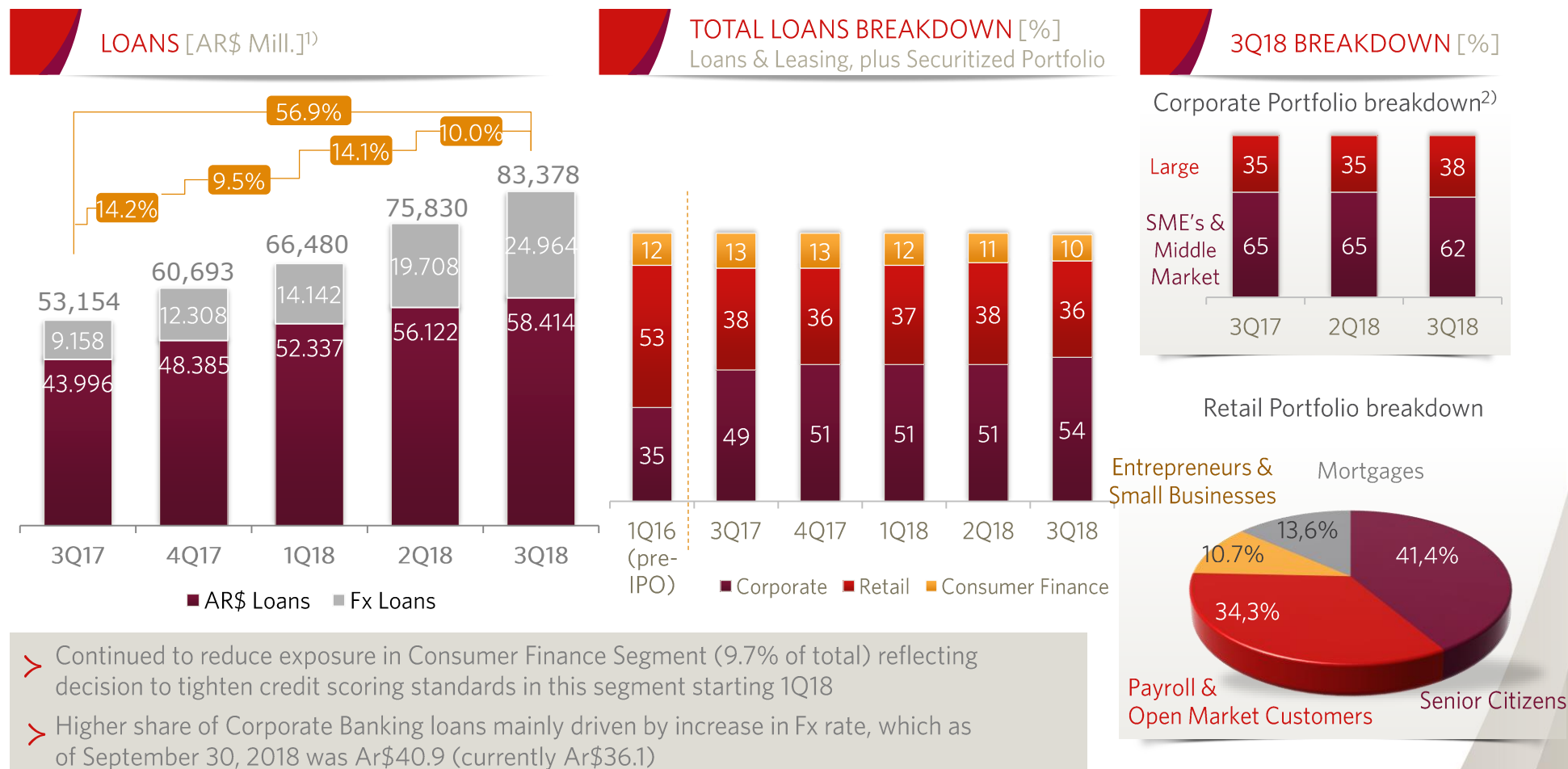
	3Q17	4Q17	1Q18	2Q18	3Q18
Cash	4,617.4	5,512.2	5,063.0	6,691.1	12,786.4
Botes	-	-	-	430.6	2,152.6
Leliq	-	-	-	-	4,082.8
Total reserve requirements	4,617.4	5,512.2	5,063.0	7,121.7	19,021.8

TOTAL ASSETS BREAKDOWN [%]



Supervielle loan performance

Loan book up 10% QoQ, stable FX neutral; AR\$ loans up 4% while US\$ loans fell 11%



1) Denotes loans and leases before allowances

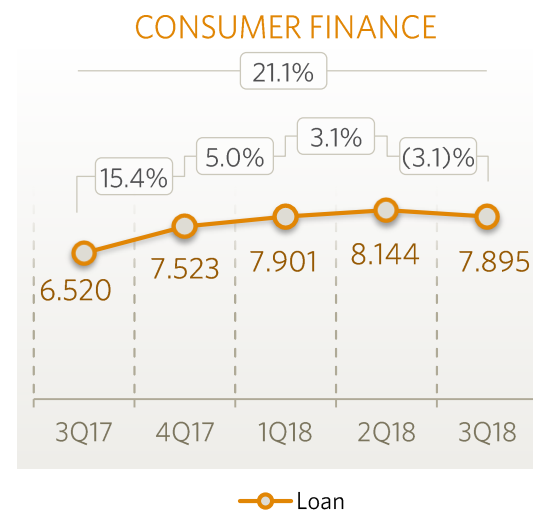
2) For information up to December 31, 2017 SME's considers annual sales between AR\$ 40-200 million, Middle Market considers annual sales between AR\$ 200-1,000 million and Large considers annual sales over AR\$ 1,000 million. For information since January 1, 2018, the term "small businesses" refers 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

Higher share of corporate segment loans mainly reflect the FX hike at quarter end; sequential decrease in consumer finance loans following risk management initiatives



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

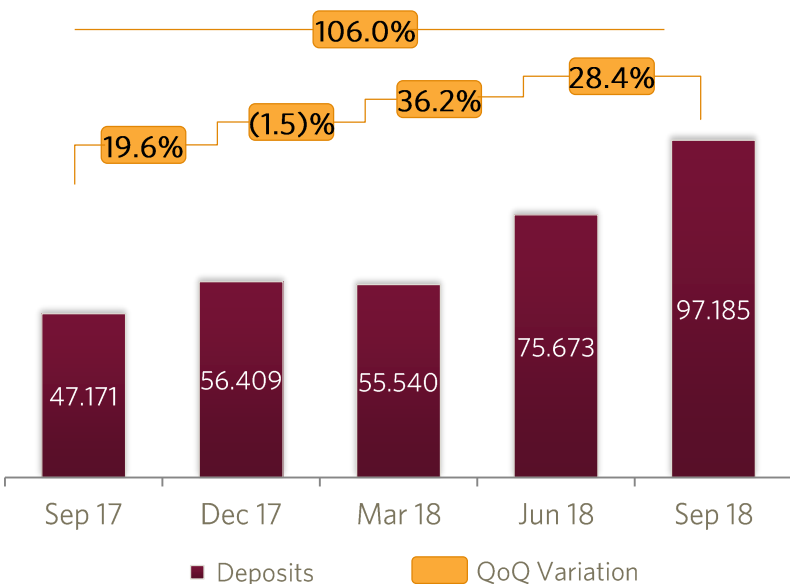


- > AR\$-denominated Corporate loan book increased 7.5% QoQ, while US\$-denominated loans measured in AR\$ increased 24.7% in the period, reflecting the impact of FX devaluation
- > Retail banking book slowing down following lower mortgage demand
- > Continued contraction in consumer finance loans in line with strategy of tightening credit scoring standards in current economic scenario

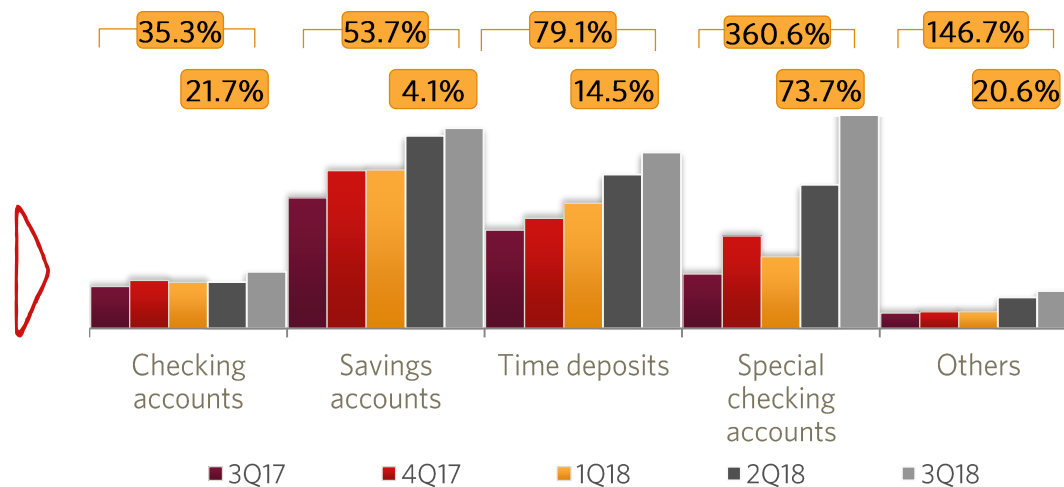
Supervielle deposits

Accelerated growth in deposit base, up 28% sequentially, while AR\$ denominated deposits grew by 21%

DEPOSITS [AR\$ Mill.]



DEPOSIT BREAKDOWN [%]



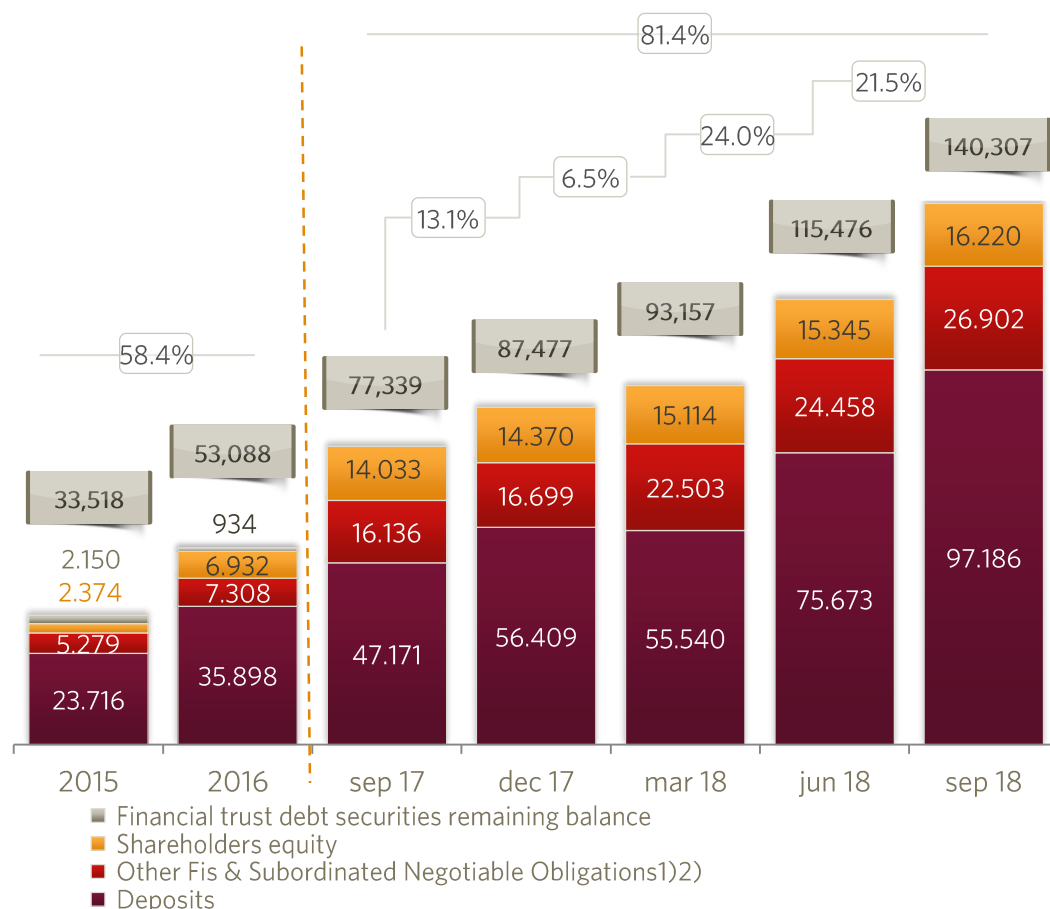
112.7%	107.6%	119.7%	100.2%	85.8%	Loans to total deposits
65.2%	65.8%	68.8%	62.8%	57.1%	Loans to assets
26.8%	25.0%	26.4%	29.2%	33.2%	Fx Deposits to total deposits

- > Loans to deposits ratio decreased to 86%, as a result of strong deposit growth (specifically wholesale deposits)
- > Loans to assets ratio at 57% reflecting higher minimum reserve requirements and higher holdings of government and Central Bank securities
- > Fx deposits to total deposits increased to 33% due to higher levels of deposits in USD and the FX hike

Funding & deposit base

Expanded sight wholesale deposits to fund investment in high-margin 7-days Central Bank securities

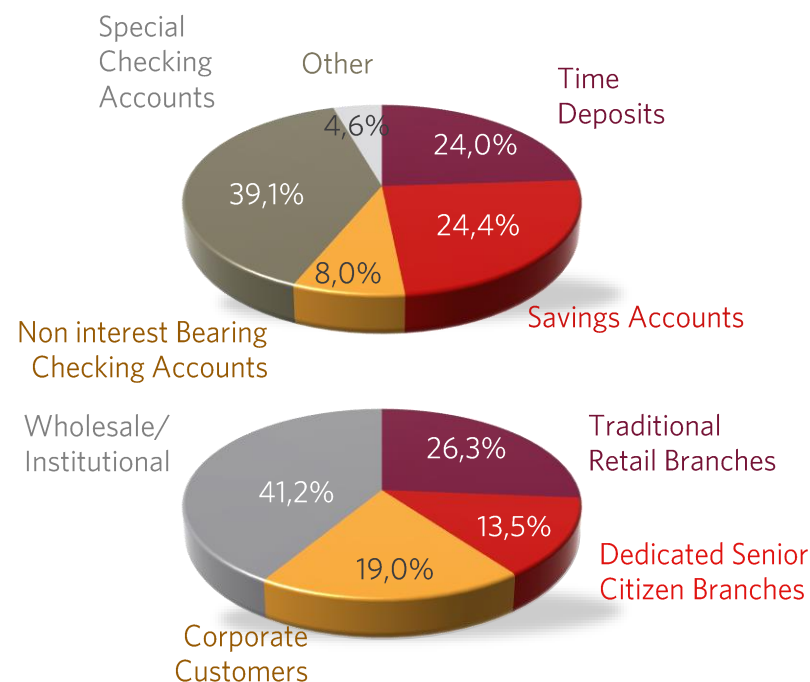
FUNDING [AR\$ Mill.]



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

DEPOSITS BREAKDOWN

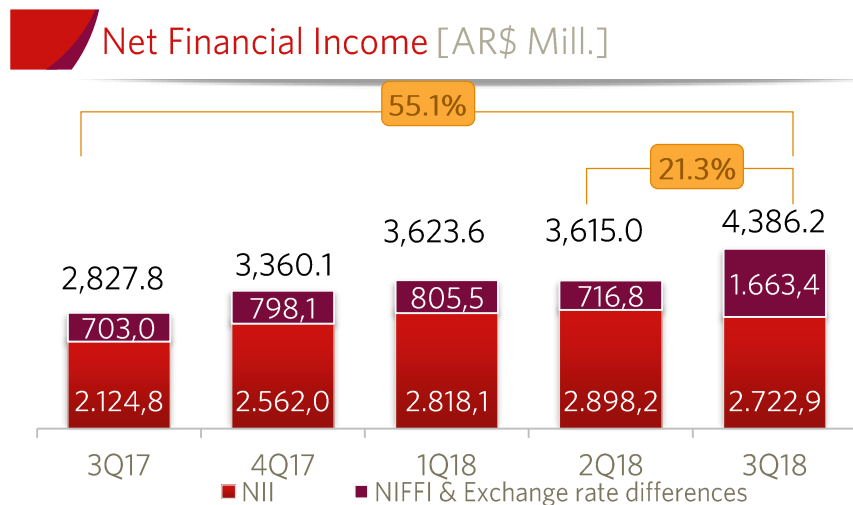
SEPTEMBER 2018



- > Non-interest bearing deposits accounted for 37% of total deposits
- > Retail deposits up 9% QoQ, while lower relative share explained by growth in wholesale deposits
- > Corporate customer deposits up 41% QoQ

Net Financial Income, NIM & NFM

Net Financial Income (NII, NIFFI & Exchange rate differences) up 21% sequentially with NIM improving by 170 bps and NFM by 80 bps



- Net Financial Income up 21% QoQ reflecting:
- Increases in assets and liabilities volumes,
 - Higher interest rates despite lagged repricing of loans
- Partially offset by:
- Higher levels of regulatory minimum reserve requirements

NIM

	3Q17	4Q17	1Q18	2Q18	3Q18
TOTAL	19.6%	20.0%	19.6%	19.2%	20.9%
AR\$	22.3%	22.9%	22.7%	20.4%	21.6%
US\$	7.6%	7.1%	8.4%	14.9%	18.8%
Loan Portfolio	20.8%	21.0%	19.8%	18.2%	16.6%
AR\$	24.7%	25.3%	24.3%	22.3%	21.3%
US\$	3.2%	3.5%	3.9%	4.4%	3.9%
Investment Portfolio	14.6%	15.3%	18.4%	25.1%	36.9%
AR\$	12.2%	12.6%	13.5%	10.1%	22.5%
US\$	24.9%	28.0%	35.9%	116.5%	135.2%

NFM

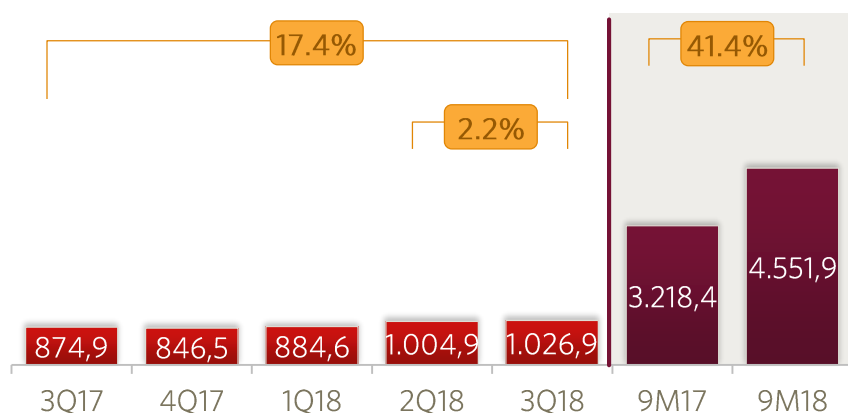
	3Q17	4Q17	1Q18	2Q18	3Q18
TOTAL	19.8%	20.0%	19.9%	17.4%	18.2%
AR\$	22.0%	21.0%	22.6%	19.3%	21.7%
US\$	10.3%	15.2%	10.3%	10.8%	7.3%

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

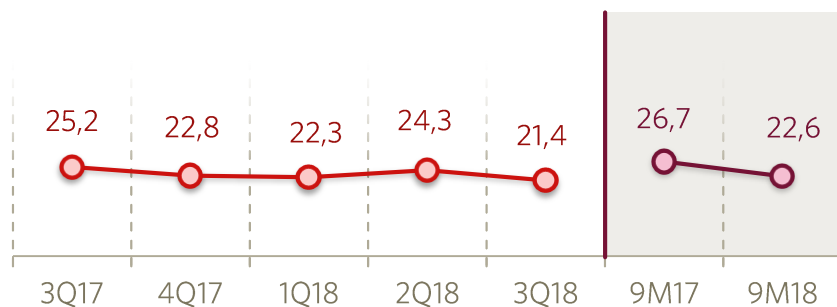
Service fee income & income from insurance activities

Net service fee income up 2.2% QoQ; pick-up in income from insurance activity

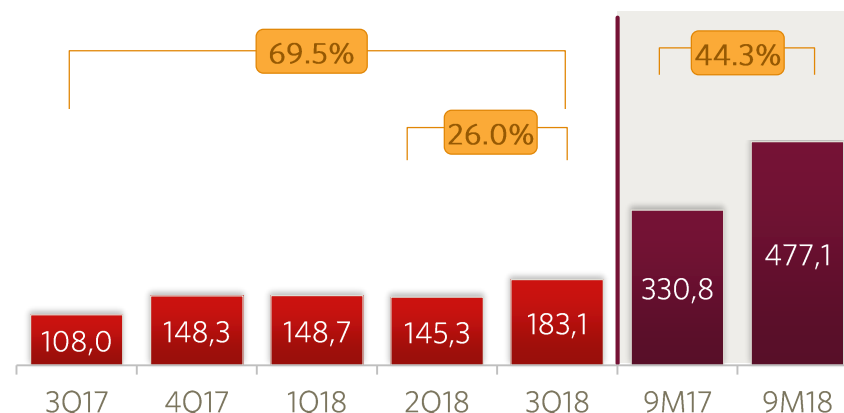
NET SERVICE FEE INCOME¹⁾ [AR\$ Mill.]



NET SERVICE FEE INCOME RATIO [%]*



INCOME FROM INSURANCE ACTIVITIES [AR\$ Mill.]



➤ Net Service Fee Income up 2.2% QoQ reflecting:

- 4.5% increase in fee income (4.2% increase in deposit accounts and 2.1% increase in credit card commissions),
- partially offset by a 13.2% increase in commissions paid

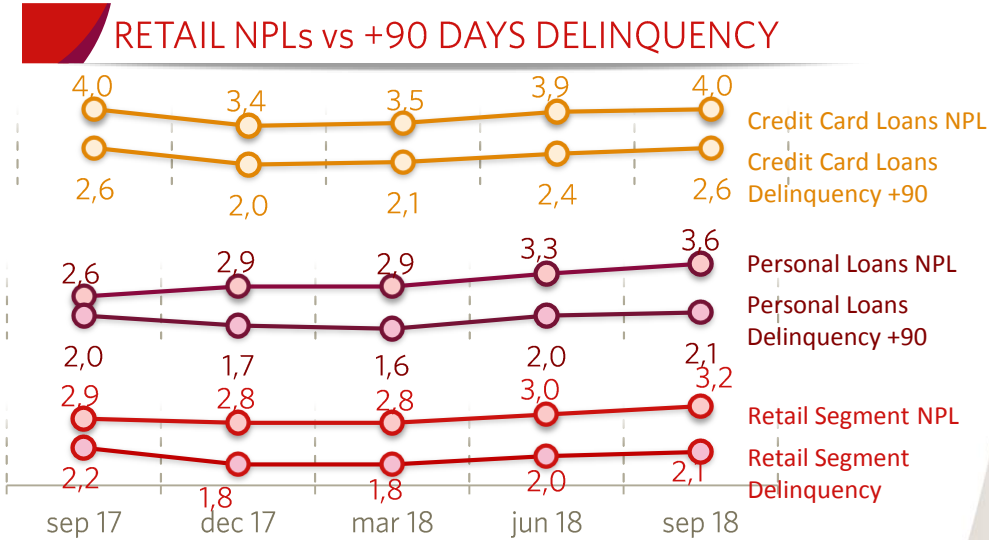
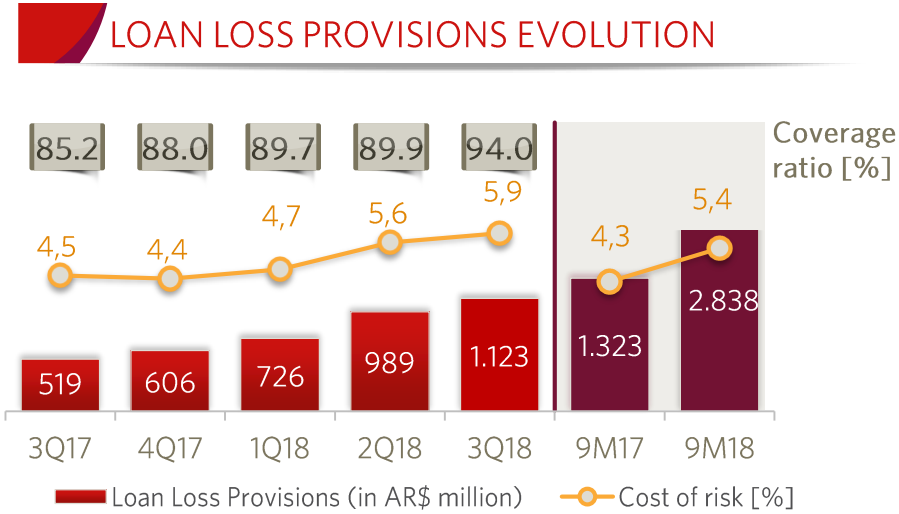
➤ Income from insurance activities up 26% QoQ. Gross written premiums rose 6.7% sequentially, but claims decreased 54.4%. 2Q18 claims included extraordinary provisions to adapt to new regime under IBNR guidelines

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 94%. Consumer Finance NPL creation down sharply, while Retail and Corporate NPLs remain at historically low levels. Total NPLs up 10 bps QoQ



NPLs RATIO

	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
Corporate	0.2%	0.2%	0.3%	0.5%	0,8%
Retail	2.9%	2.8%	2.8%	3.0%	3,2%
Personal Loans	2.6%	2.9%	2.9%	3.3%	3,6%
Credit Cards	4.0%	3.4%	3.5%	3.9%	4,0%
Mortgages	0,0%	0,0%	0,0%	0,0%	0,0%
Consumer finance	13.8%	14.7%	15.7%	18.0%	18,5%
Personal Loans	16.3%	18.7%	19.9%	23.1%	24,6%
Credit Cards	10.1%	9.1%	9.8%	10.9%	11,6%
Car Loans	-	-	-	-	0.2%
Residual Car Loans Mila Portfolio				12.2%	16.1%
TOTAL	3.1%	3.1%	3.2%	3.6%	3.7%

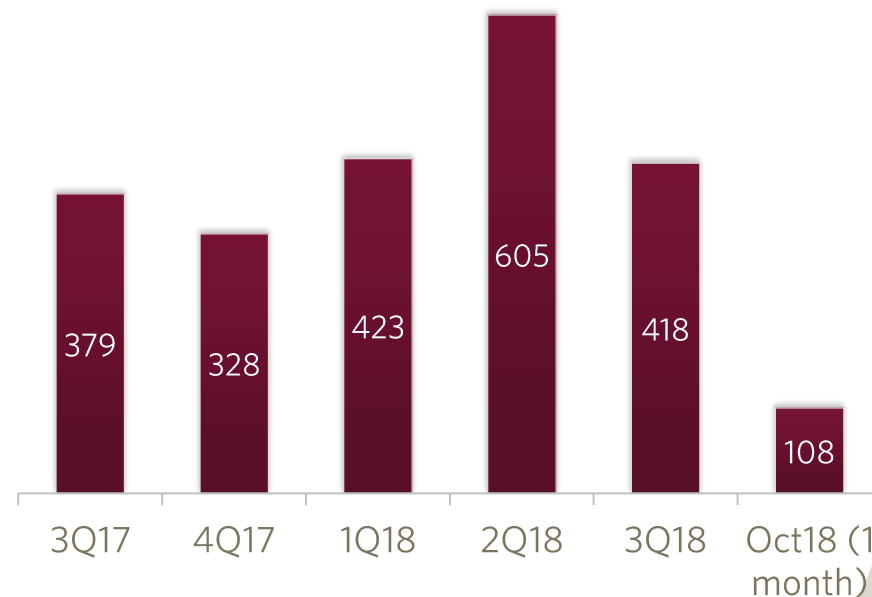
Asset quality consumer finance

NPL creation decreased sharply in 3Q18 and 3 month vintage data improved, reflecting that tighter credit scorings are turning in good results

+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%

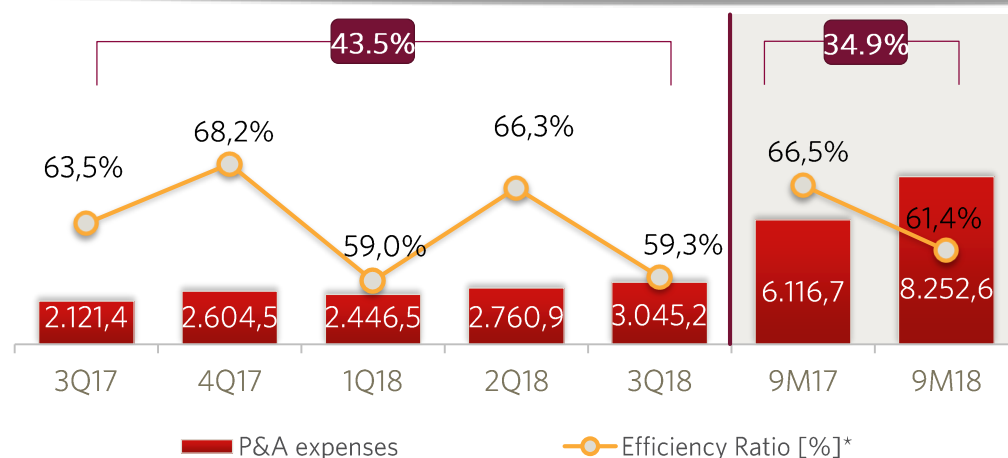
CONSUMER FINANCE - NPL Creation



Administrative expenses & efficiency ratio

Improved efficiency reflecting higher operating revenues and tight cost control

PERSONNEL AND ADMINISTRATIVE EXPENSES & EFFICIENCY RATIO [AR\$ Mill.]



	3Q17	2Q18	3Q18	QoQ	YoY
Personnel Expenses	1,261.8	1,585.2	1,865.7	17.7%	47.9%
Administrative	859.7	1,175.6	1,179.6	0.3%	37.2%
Total Personnel & Administrative Expenses	2,121.4	2,760.9	3,045.2	10.3%	43.5%
Employees	5,222	5,451	5,281	(3.1)%	1.1%

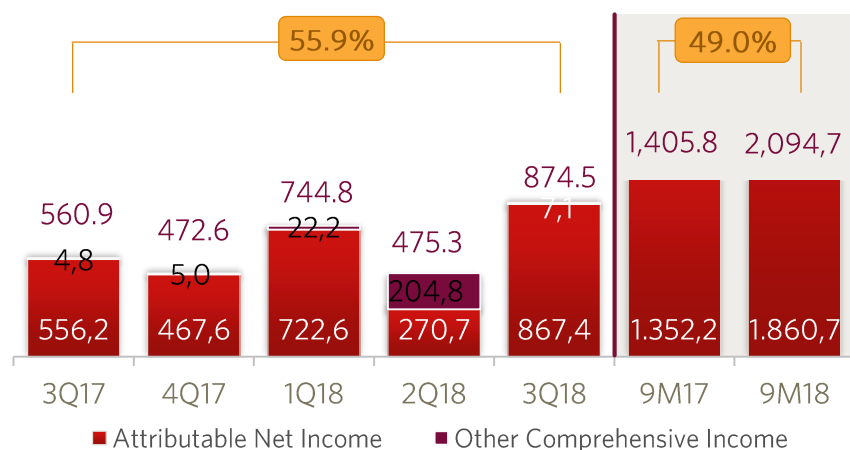
*Efficiency: Personnel, Administrative expenses and Depreciation & Amortization divided by the sum of Net interest income + Net income from financial instruments at fair value through profit or loss + Exchange rate differences on gold and foreign currency, net services fee income, income from insurance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

- > 3Q18 Efficiency ratio improved 700 bps QoQ to 59.3%, and 420 bps YoY, reflecting a 23.4% increase in operating revenues, while expenses grew 10.4%
- > Personnel expenses rose 17.7% QoQ reflecting wage increases from collective agreements in July, August and September 2018, severance payments in the consumer finance business, and the full impact of Mila and InvertirOnline acquisitions. On comparable basis, personnel expenses grew 10.9% excluding severances, and Mila and InvertirOnLine headcount expenses
- > Administrative expenses flat QoQ reflecting cost control measures

Profitability

Net income up 56% YoY and 220% QoQ . Attributable comprehensive income up 56% YoY and 84% QoQ.

ATTRIBUTABLE COMPREHENSIVE INCOME [AR\$ Mill.]

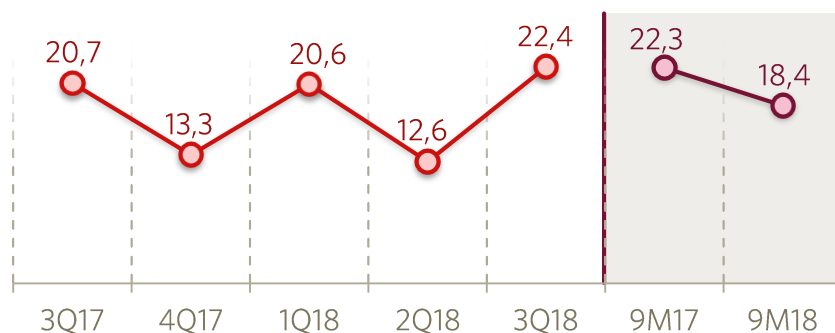


Increased profitability driven by:

- Higher net financial income driven by investments in high margin Central Bank securities and loan repricing
- Stable loan loss provisions (excluding the Ar\$ additional voluntary provisions made to increase coverage)
- Tight cost control

This more than offset lower loan growth, weaker performance in consumer finance in a challenging environment, and lagged repricing

ROAE [%]



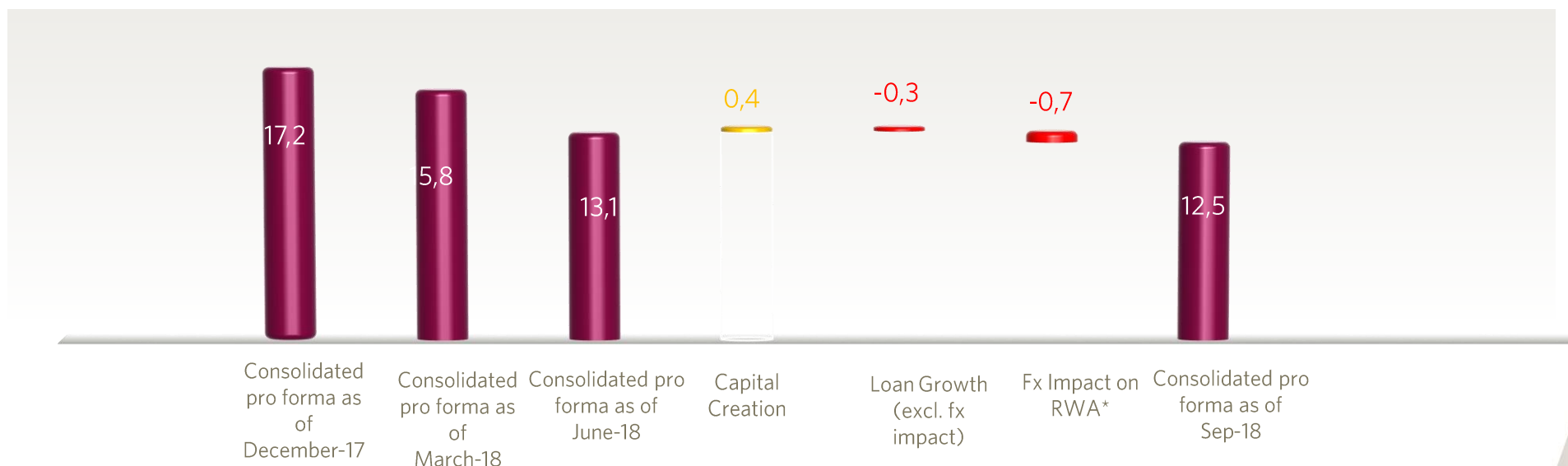
ROAA [%]



Capitalization

2018 capital ratios impacted by high increase in RWA following FX hike

CAPITAL DEPLOYMENT [Tier I ratio %] ⁽¹⁾



- > AR\$ 2.0 billion remain at the holding company as of September 30, 2018, available for future capital injections
- > 2 new capital injections being implemented in 4Q:
 - ✓ Ar\$ 1 billion in Banco Supervielle
 - ✓ Ar\$ 100 million in Mila

* Impact on RWA calculated as the difference between the U\$S loan portfolio balance at the end September in AR\$ (AR\$/U\$S40.9) and the same balance valued in AR\$ at AR\$/U\$S 28.86 (as of June 30)

Supervielle 2018 guidance

Maintain 2018 guidance in challenging economic backdrop

FY 2018 EXPECTATIONS

Guidance (1)

Total Loan Growth ⁴	40 – 50 %
Cost of Risk	4.6 – 5.1%
NIM	18 – 20%
Efficiency Ratio	59 – 63%
Attributable Comprehensive Income	AR\$ 2.9– 3.3 Bill.
Tier 1 Ratio ⁵	12 – 13%

Continuous Change in Macro Assumptions²

Metric	Guidance Assumptions	Current Expectations
GDP	-0.3%	-2.4%
Inflation	31.8%	47.5%
Badlar Rate (eop)	29% ³	46% ³
Monetary policy Rate (eop)	35%	65%
FX Ar\$ (eop)	30	39

1 Released on August 22nd 2018

2 Source: Market Expectations Survey (Central Bank), unless otherwise noted. Original assumptions as of July 2018 and current expectations as of October 2018.

3 Company estimate

4 Loans including leases

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

