

Grupo Supervielle

4Q17 Earnings Conference Call

GRUPO
SUPERVIELLE


SUPERVIELLE

 **Cordial**
Compañía Financiera

Tarjeta
Automática S.A.


SUPERVIELLE
SEGUROS

 **Cordial**


SUPERVIELLE
ASSET
MANAGEMENT

Disclaimer

This presentation contains certain forward-looking statements that reflect the current views and/or expectations of Grupo Supervielle and its management with respect to its performance, business and future events. We use words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "seek," "future," "should" and other similar expressions to identify forward-looking statements, but they are not the only way we identify such statements. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this release. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) changes in general economic, financial, business, political, legal, social or other conditions in Argentina or elsewhere in Latin America or changes in either developed or emerging markets, (ii) changes in regional, national and international business and economic conditions, including inflation, (iii) changes in interest rates and the cost of deposits, which may, among other things, affect margins, (iv) unanticipated increases in financing or other costs or the inability to obtain additional debt or equity financing on attractive terms, which may limit our ability to fund existing operations and to

finance new activities, (v) changes in government regulation, including tax and banking regulations, (vi) changes in the policies of Argentine authorities, (vii) adverse legal or regulatory disputes or proceedings, (viii) competition in banking and financial services, (ix) changes in the financial condition, creditworthiness or solvency of the customers, debtors or counterparties of Grupo Supervielle, (x) increase in the allowances for loan losses, (xi) technological changes or an inability to implement new technologies, (xii) changes in consumer spending and saving habits, (xiii) the ability to implement our business strategy and (xiv) fluctuations in the exchange rate of the Peso. The matters discussed herein may also be affected by risks and uncertainties described from time to time in Grupo Supervielle's filings with the U.S. Securities and Exchange Commission (SEC) and Comision Nacional de Valores (CNV). Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as the date of this document. Grupo Supervielle is under no obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

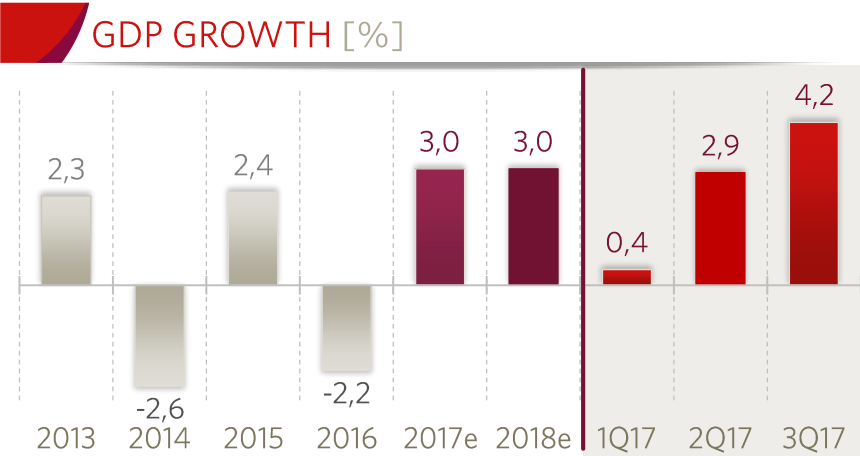
Fourth quarter 2017 highlights

Healthy financial results bodes well for SUPV to benefit from attractive growth opportunities in Argentina

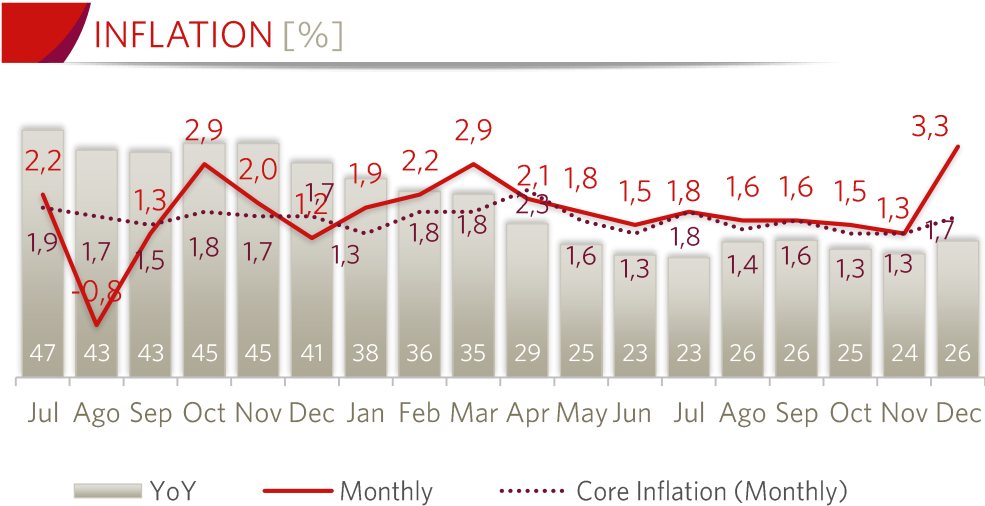
- 1** **STRONG PROFITABILITY** with net income up 60% YoY and 36% QoQ. Excluding non-recurring items in 4Q16, net income rose 94% YoY. FY17 net income up 86% reaching AR\$2.4 billion.
- 2** **LOAN PORTFOLIO GROWTH**, up 56% YoY and 13% QoQ; solid performance across segments, particularly corporates driven by focus on becoming customer's primary banking partner.
- 3** **ACCELERATED DEPOSIT EXPANSION**, up 57% YoY nearly doubling system growth and 20% QoQ, Low-cost deposits, averaged 57% YoY growth.
- 4** **STABLE NPL RATIO**, but higher cost of risk reflecting increased coverage and higher NPLs in consumer finance loans (12% of total loan portfolio) priced in interest rates charged. Risk ratios improved in retail banking, and remained stable at very low levels in corporate loans (88% of total loan portfolio).
- 5** **GROSS FINANCIAL MARGIN UP 23% QoQ**, with AR\$ loan portfolio NIM up 120 bps QoQ supported by repricing, loan growth and funding from follow-on equity offering.
- 6** **OPERATIONAL LEVERAGE** drives improvement in efficiency ratio, to 60.2% in 4Q17, from 64.5% in 4Q16 and 61.9% in 3Q17

Macro overview

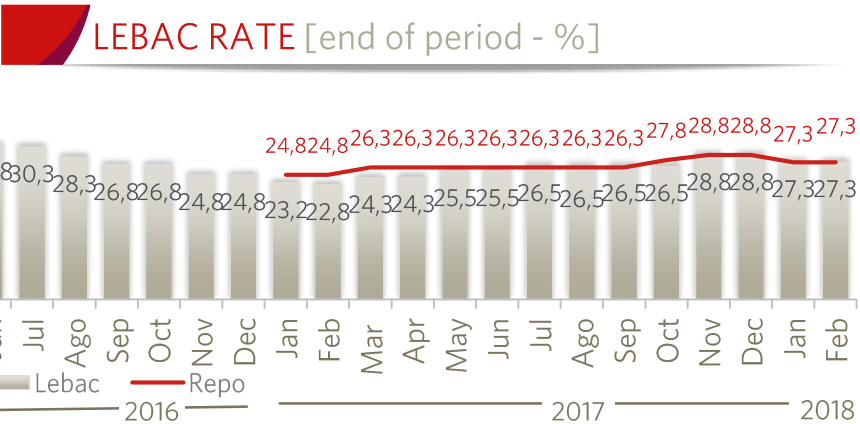
Broad-based improved macro dynamics; Government & Central Bank revised inflation targets moderating the pace in the reduction of inflation



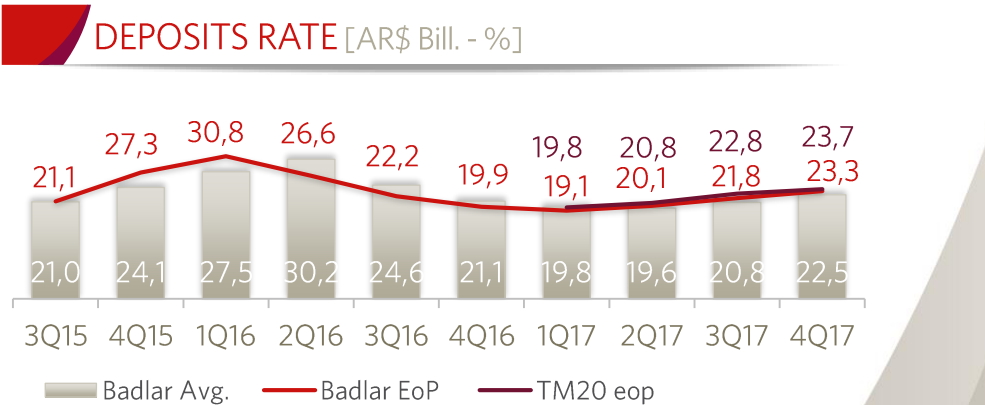
Source: INDEC and Market Expectations Survey as of November 2016 (GDP 2016e) and Market Expectations Survey as of January 2018 (GDP 2018e).



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



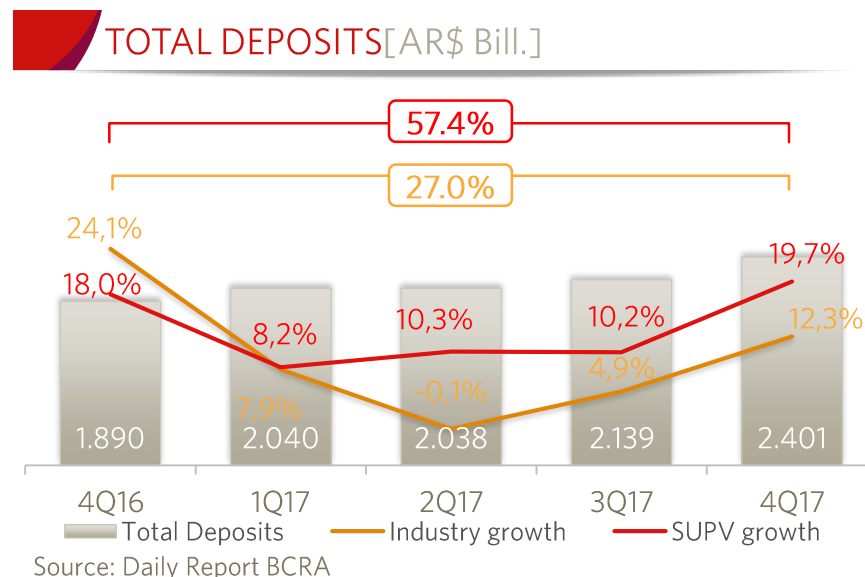
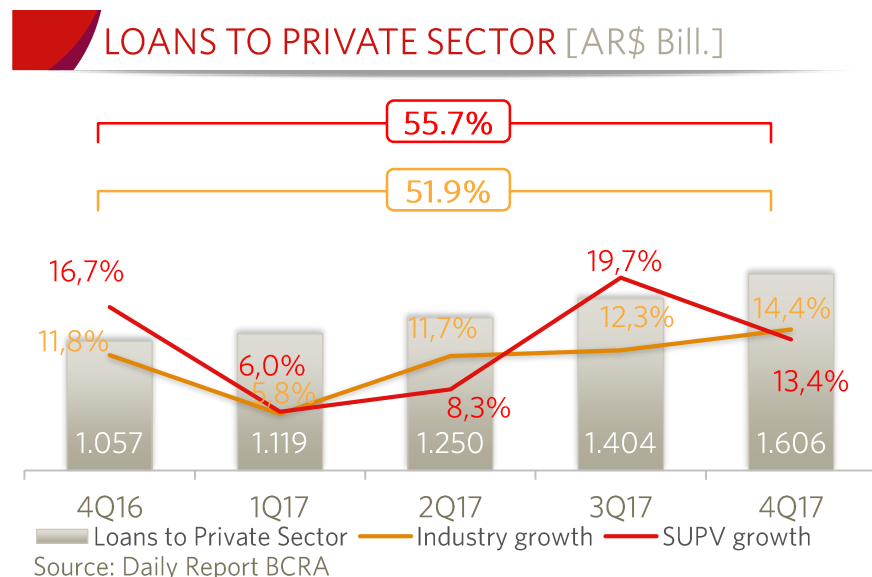
Source: BCRA
Current LEBAC rate 27.24% (yield on secondary market 26.95%)



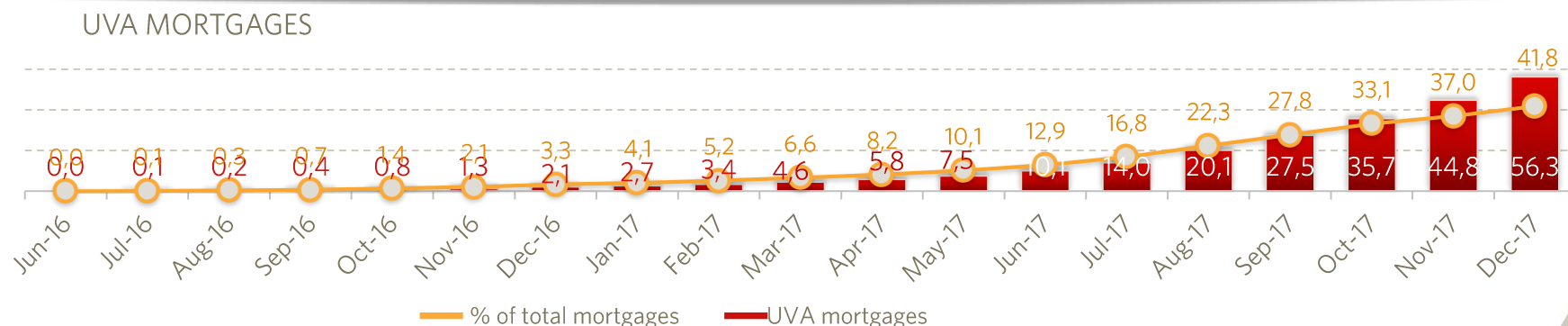
Source: Daily Report BCRA. BADLAR is Buenos Aires Deposits of Large Amount rate. TM20: Wholesale deposits rate above AR\$20 million

Financial sector

Strong system loan growth while deposits lag behind; SUPV loan growth exceeds guidance while deposits double industry growth rate



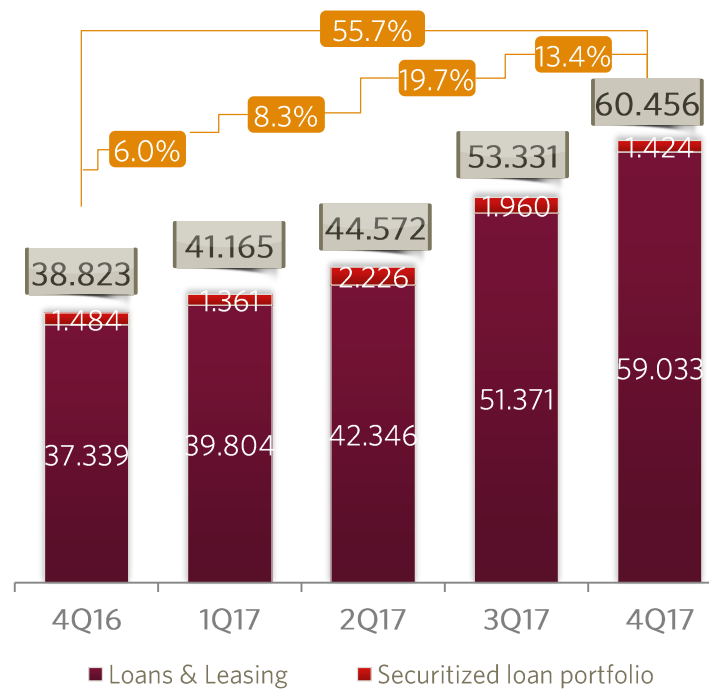
RAPID INCREASE IN INFLATION ADJUSTED MORTGAGES [ARS Bill. / %]



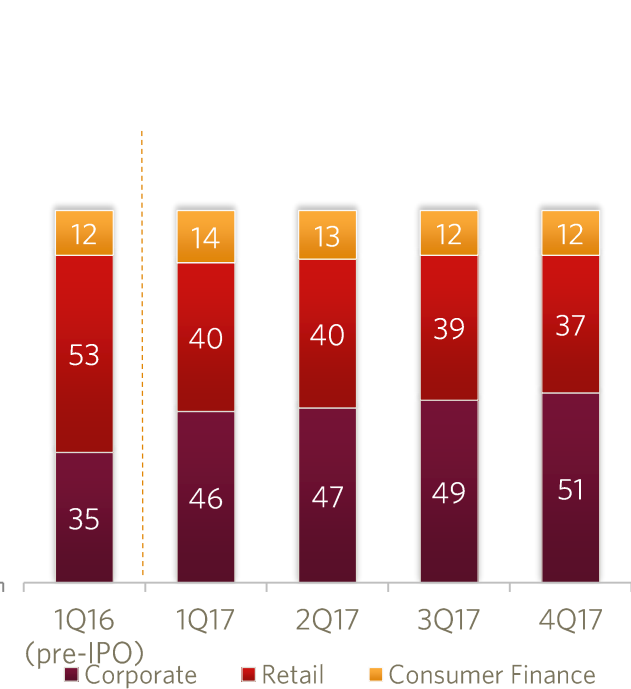
Supervielle loan performance

Loan portfolio up 56% YoY and 13% QoQ, with a higher mix of corporate loans

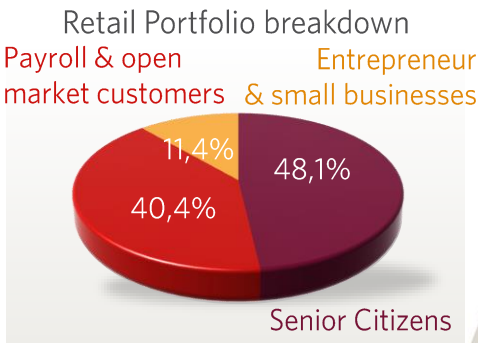
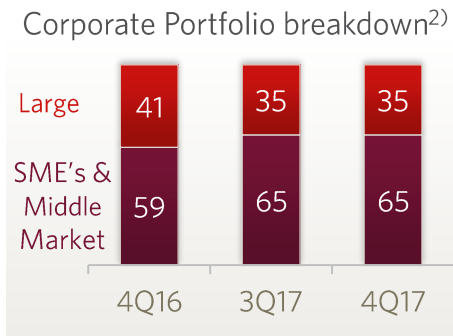
LOANS & LEASING, PLUS SECURITIZED
PORTFOLIO [AR\$ Mill.]¹⁾



TOTAL LOANS BREAKDOWN [%]
Loans & Leasing, plus Securitized Portfolio



4Q17 BREAKDOWN [%]



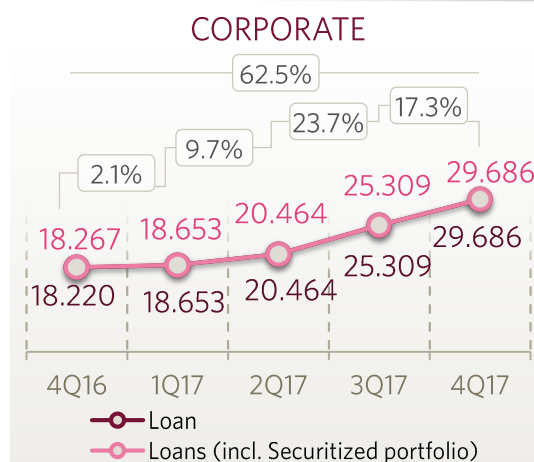
> Share of SMEs & Middle Market loans over total corporate loans remained sequentially stable at 65% in 4Q17, aligned with our strategic focus.

1) Denotes loans and leases before allowances
2) 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.

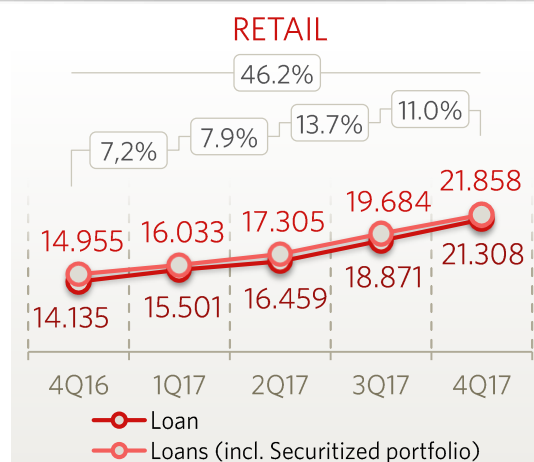
Loan performance

Growth driven by strong performance across segments, particularly corporates

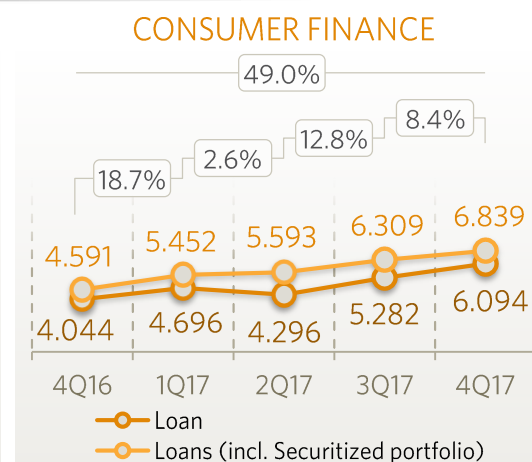
TOTAL LOAN PORTFOLIO BREAKDOWN BY SEGMENT Loans & Leasing, plus Securitized Portfolio [AR\$ Mill.]¹⁾



➤ 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.



➤ Loan growth bounced back mainly driven by personal loans. Gross intermediation mg. up 106% YoY and 26% QoQ pricing higher cost of risk in the segment

➤ Including the AR\$571 million personal loan portfolio sold in December 2017, loans would have increased 17.4% QoQ

STRATEGY

- Larger ticket per client
- Increase transactional services to become primary bank
- Focused on increasing business with strategic clients in growing industries i.e. agribusiness, infrastructure and energy
- Launching customized propositions to particular sub-segments

¹⁾ Denotes loans and leases before allowances

STRATEGY

- Consolidate atomized & stable funding base in senior citizens
- Leverage middle-market relationships to grow penetration in quality payroll clients
- Leverage retail client base to increase cross-selling capabilities in affluent and small business segments
- Achieve leading position in mortgages

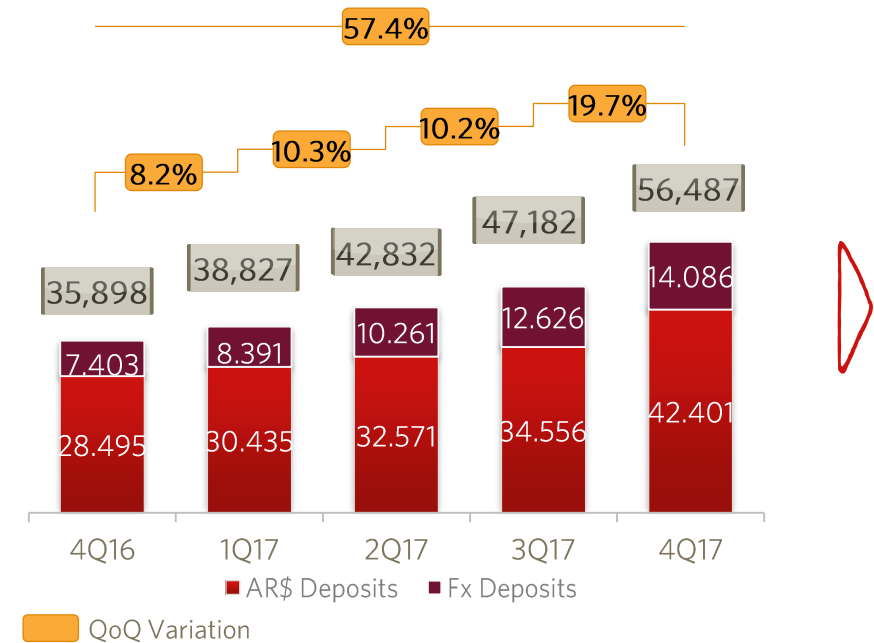
STRATEGY

- Leverage Walmart's growth strategy to increase penetration of target customers
- Larger capital base provides opportunity to form alliances with medium retail chains

Funding

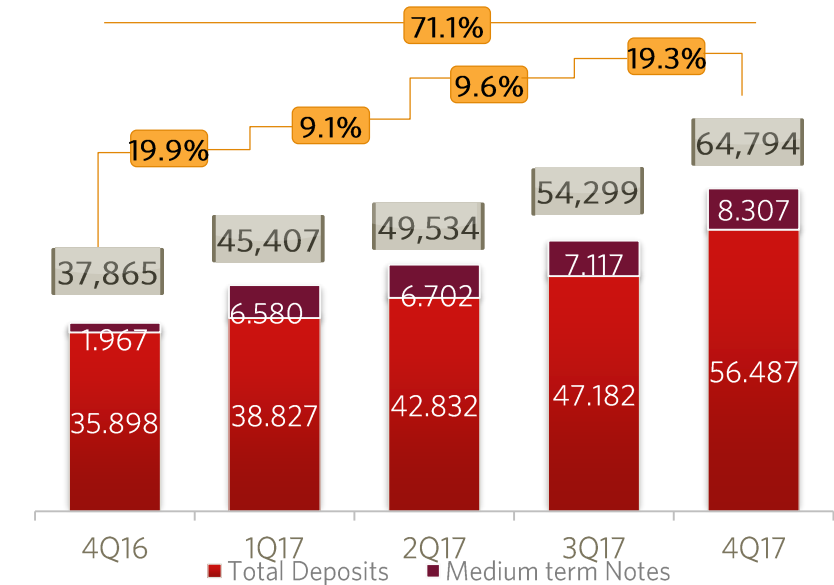
Accelerated deposit expansion doubling system growth rate

TOTAL DEPOSITS [AR\$ Mill.]



104.0%	102.5%	98.9%	108.9%	104.5%	Loans to total deposits
70.2%	61.7%	63.0%	65.1%	62.8%	Loans to assets
20.6%	21.6%	24.0%	26.8%	24.9%	Fx Deposits to total deposits

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

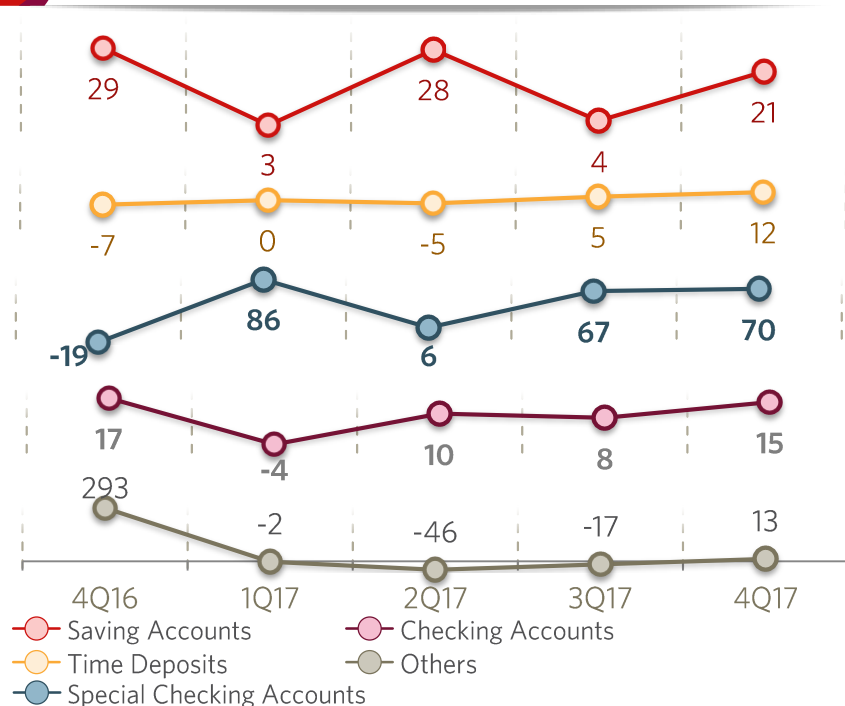


- > Total deposits up 19.7% QoQ and 57.4% YoY to AR\$56.5 Bn in 4Q17.
- > MTN amounted to AR\$ 8.3 Bn in 4Q17, up AR\$ 1.2 Bn QoQ and AR\$ 6.3 Bn YoY.
- > Loan to deposit ratio of 104.5% reflects follow-on proceeds to fund loan growth together with growth in special checking and savings accounts.

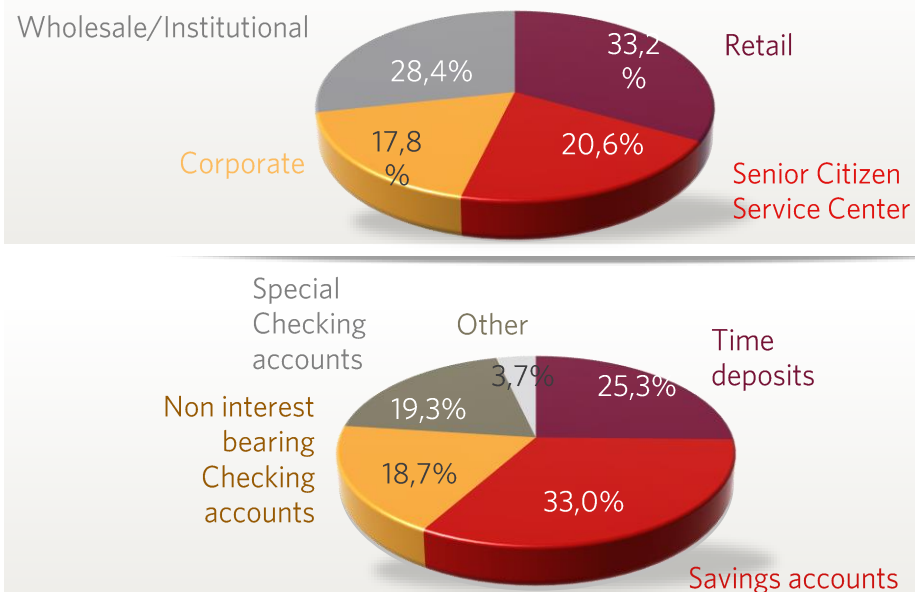
Funding

Atomized deposit base largely composed of non- or low-cost deposits

DEPOSITS Q-Q VARIATION [%]



DEPOSIT BREAKDOWN [%]

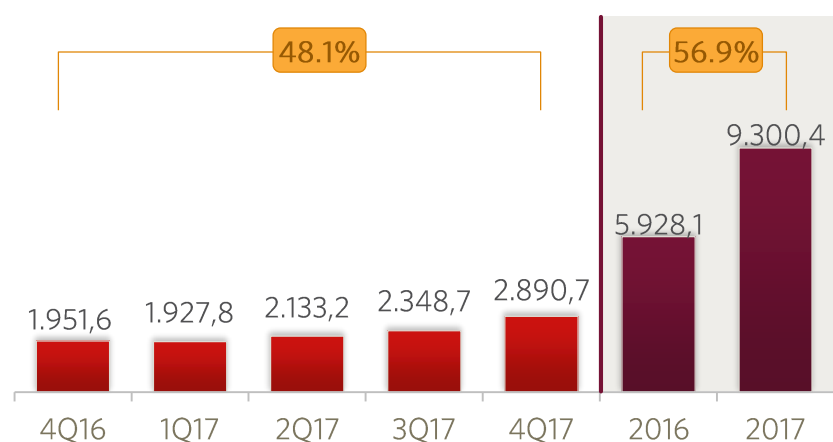


- > Non- or low-cost demand deposits (savings accounts, checking accounts and other accounts), averaging 57% YoY growth, representing 55% of the Company's total deposits base.
- Retail + Senior Citizens Deposits were 53.8% of total deposits as of Dec'17.
- > Further support funding base through special checking accounts.

Gross financial margin & NIM

Gross financial margin rose 23% QoQ with AR\$ loan portfolio NIM up 120 bps to 24.6%

GROSS FINANCIAL MARGIN [AR\$ Mill.]



NET INTEREST MARGIN [NIM - %]

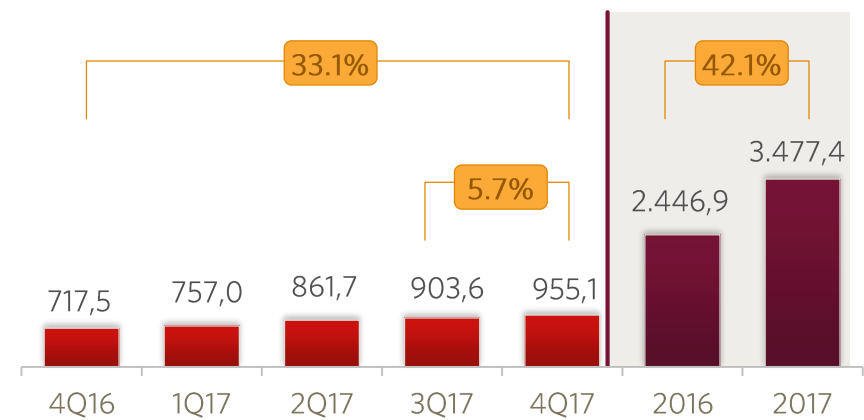
	4Q16	1Q17	2Q17	3Q17	4Q17	2016	2017
TOTAL	20.8%	18.7%	19.8%	18.5%	19.4%	20.6%	19.1%
AR\$	24.1%	22.1%	21.9%	21.0%	22.2%	22.4%	21.8%
US\$	2.1%	1.0%	10.1%	7.6%	7.1%	5.5%	6.8%
Loan Portfolio	20.9%	20.0%	20.6%	19.5%	20.3%	21.0%	20.0%
AR\$	24.2%	23.4%	24.3%	23.4%	24.6%	23.1%	23.9%
US\$	2.2%	2.6%	3.0%	3.2%	3.5%	0.7%	3.1%
Investment Portfolio	22.0%	10.3%	17.1%	15.0%	15.7%	18.9%	14.8%
AR\$	26.8%	15.8%	12.9%	12.5%	12.8%	18.8%	13.0%
US\$	1.1%	-8.7%	34.9%	25.1%	27.9%	23.2%	22.8%

- > Average AR\$ loan portfolio, which represents over 82% of average loans, posted a 120 bps QoQ increase in NIM, reflecting repricing of AR\$ loan products, along with lower cost of funds despite 170 bps increase in the Badlar rate, supported by strong retail deposit growth and funds from the follow-on equity offering rather than additional interest-bearing deposits.
- > Investment portfolio NIM up 70 bps QoQ to 15.7% driven by a higher share of AR\$ denominated instruments.
- > NIM in 4Q16 included a AR\$ 128.1 million gain from the termination of the Supervielle Renta Inmobiliaria Financial Trust.

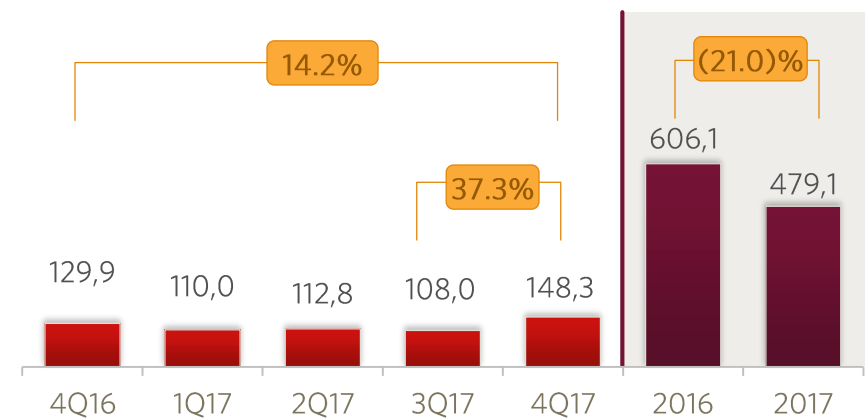
Service fee income & income from insurance activities

YoY growth 830 bps above inflation; sequential pick-up in growth rates

NET SERVICE FEE INCOME [AR\$ Mill.]



INCOME FROM INSURANCE ACTIVITIES [AR\$ Mill.]



NET SERVICE FEE INCOME RATIO¹⁾ [%]



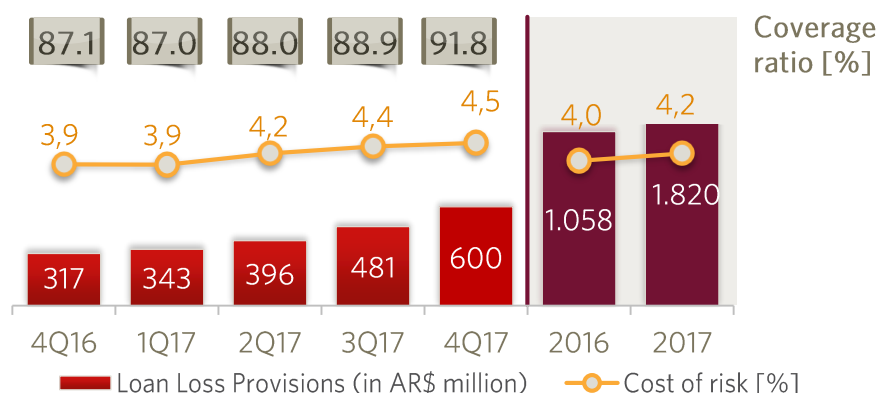
- > Net Service Fee Income up 5.7% QoQ and above inflation YoY reflecting: repricing and continued growth in bundled products associated to savings accounts. Solid business dynamics in checking accounts, as well as in credit and debit cards.
- > Income from insurance activities up 37.3% QoQ driven by: non-credit related products launched in 3Q17 (home, technology & ATMs insurance, along with solid growth in life and protected bag insurance).

1) Includes income from insurance activities

Asset quality

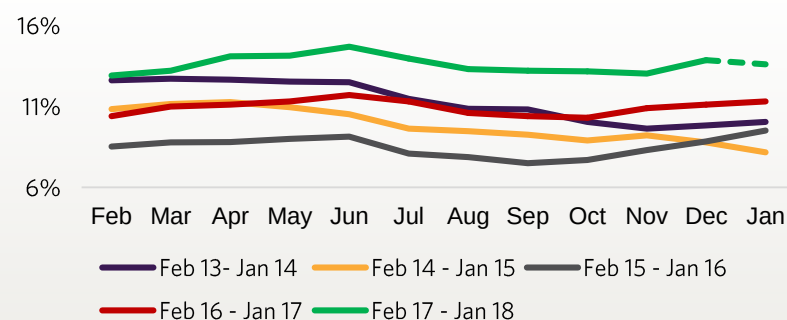
Stable blended NPL ratio, but higher cost of risk from increased coverage and greater delinquency in consumer finance as behavior lags economic recovery; risk fully priced

LOAN LOSS PROVISIONS EVOLUTION



CONSUMER FINANCE - LAGGED DELINQUENCY

30+ Lagged Delinquency - Personal Loans¹⁾

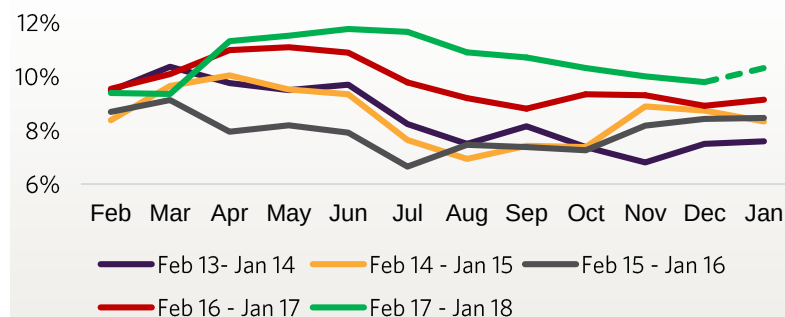


NPLs RATIO

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Corporate	0.2%	0.2%	0.2%	0.2%	0.2%
Retail	3.7%	3.5%	3.2%	2.9%	2.6%
Personal Loans	3.7%	3.5%	3.1%	2.6%	2.5%
Credit Cards	3.7%	3.6%	3.7%	4.0%	3.4%
Consumer finance	10.7%	11.3%	13.9%	14.4%	15.4%
Personal Loans	14.6%	15.0%	18.4%	18.1%	21.4%
Credit Cards	6.3%	6.8%	8.9%	10.1%	9.1%
TOTAL	2.8%	2.9%	2.9%	2.8%	2.8%

1) Managerial an

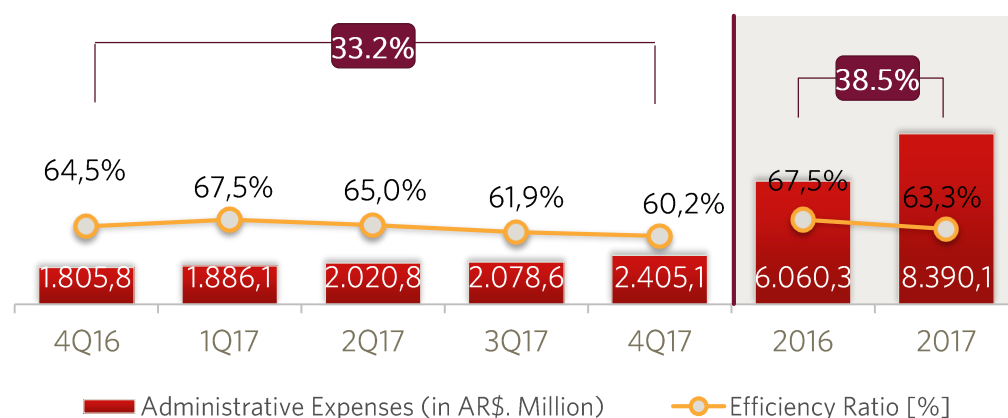
30+ Lagged Delinquency - Credit Cards¹⁾



Administrative expenses & efficiency ratio

Efficiency ratio improved 170 bps QoQ and 430 bps YoY reaching 60.2%

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



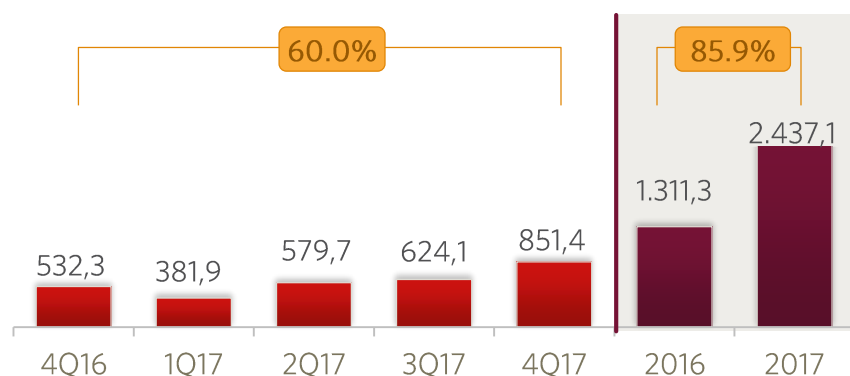
	4Q16	3Q17	4Q17	QoQ	YoY
Personnel Expenses	1,163.3	1,340.5	1,534.4	14.5%	31.9%
Non Personnel Expenses	642.5	738.1	870.71	18.0%	35.5%
Total Administrative Expenses	1,805.8	2,078.6	2,405.1	15.7%	33.2%
Employees	4,982	5,222	5,320	1.9%	6.8%

- 4Q17 Efficiency ratio improved 170 QoQ to 60.2%, and 430 bps from YoY.
- Personnel expenses up 14.5% QoQ impacted by: i) wage increases as a catch up for 2017 inflation , and ii) higher headcount to support indirect commercial channels to drive growth. YoY growth of 31.9% also reflects wage increases from the collective agreements in 2017.
- Non-personal expenses up 18.0% QoQ and 35.5% YoY, reflecting higher turnover tax and along with advertising and publicity expenses, among others.

Profitability

Net income up 60% YoY and 36% QoQ; ROAA increased 60 bps QoQ to 4.1% while ROAE reflects temporary dilution from Sep'17 equity follow on

NET INCOME [AR\$ Mill.]



- > 4Q17 Net income up 94% YoY excluding AR\$92.4 million non-recurring gain in 4Q16 from the termination of a real estate trust.
- > Capital raised in Sept'17 equity offering resulted in an approximate 70% increase in equity, or AR\$5.6 billion, fully impacting ROAE in 4Q17, while 3Q17 included only 15 days with the higher capital base.
- > Net income is seasonally higher in 2H than in 1H.

ROAE [%]



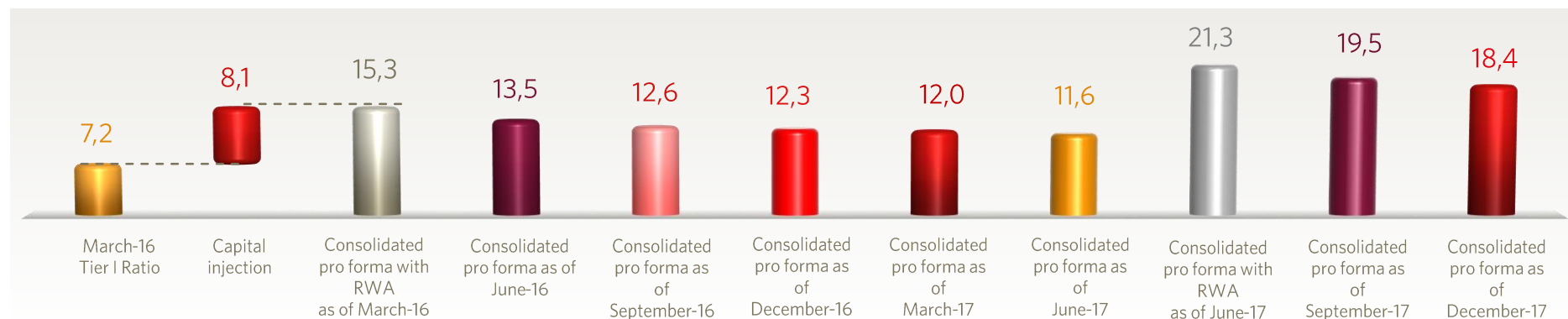
ROAA [%]



Capitalization

Consistent execution of capital deployment; in process of applying funds from the September 2017 follow-on

CAPITAL DEPLOYMENT [Tier I ratio %] ⁽¹⁾



FUNDS AT THE HOLDCO: ~AR\$4.3 BN AS OF DECEMBER 31, 2017

- > Funds invested in mutual funds and Central Bank Notes.
- > AR\$2.6 billion injected in Supervielle subsidiaries in 4Q17, with AR\$4.3 billion remaining at the holding level for future capital injections.

1) Tier 1 Ratio coincides with CET1 Ratio

2017 Results in line with guidance

FY 2017 EXPECTATIONS (3)

	Guidance	FY'17 reported figures	
Total Loan Growth ⁽¹⁾	43 - 50 %	55.7%	✓
Cost of Risk	3.9 - 4.2%	4.2%	✓
NIM	18 - 20%	19.1%	✓
Efficiency Ratio	63 - 66%	63.3%	✓
Net Income	AR\$ 2.4 - 2.6 Bill.	AR\$ 2.4 Bill.	✓
Tier 1 Ratio ⁽²⁾	18 - 19%	18.4%	✓

1 Including leases and securitized portfolio

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

3 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.

2018 guidance

2018 MACRO ASSUMPTIONS

- 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**

FY 2018 EXPECTATIONS ⁽⁶⁾

Total Loan
Growth⁽³⁾

45 - 50 %

Efficiency
Ratio

55 - 59%

Cost of Risk

4.1 - 4.5%

Net
Income⁽⁴⁾

AR\$
4.0 - 4.3 Bill.

NIM

18 - 20%

Tier 1 Ratio⁽⁵⁾

14 - 15%

1 Source: Market Expectations Survey as of January 2018

2 Company estimate

3 Including leases and securitized portfolio

4 This represents an increase of between 64% and 76% 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.

