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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

ANNUAL REPORT
PURSUANT TO SECTION 13
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2017

Commission file number 001-37777

GRUPO SUPERVIELLE S.A.

(Exact name of Registrant as specified in its charter)

SUPERVIELLE GROUP S.A.

(Translation of Registrant's name into English)

REPUBLIC OF ARGENTINA

(Jurisdiction of incorporation or organization)

Bartolomé Mitre 434, 5th Floor
C1036AAH Buenos Aires
Republic of Argentina

(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each Class	Name of each Exchange on which Registered
American Depositary Shares, each representing 5 Class B shares of Grupo Supervielle S.A.	New York Stock Exchange
Class B shares of Grupo Supervielle S.A.	New York Stock Exchange*

*Not for trading, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the New York Stock Exchange.

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

The number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2017 was:

Title of class	Number of shares outstanding
Class B ordinary shares, nominal value Ps.1.00 per share	329,984,134
Class A ordinary shares, nominal value Ps.1.00 per share	126,738,188

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☒ Yes ☐ No

If this report is an annual or transitional report, indicate by check mark if the registrant is not required to file reports pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days:

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Not applicable.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Emerging Growth Company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ IFRS ☐ Other ☒

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

☐ Item 17 ☒ Item 18

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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CERTAIN DEFINED TERMS AND CONVENTIONS

In this annual report, we use the terms "we," "us," "our" and the "Group" to refer to Grupo Supervielle S.A. and its consolidated subsidiaries, including Banco Supervielle S.A., unless otherwise indicated. References to "Grupo Supervielle" mean Grupo Supervielle S.A. References to the "Bank" mean Banco Supervielle S.A. and its consolidated subsidiaries. References to "Tarjeta" mean Tarjeta Automática S.A. References to "Cordial Microfinanzas" mean Cordial Microfinanzas S.A. References to "SAM" mean Supervielle Asset Management S.A. References to "Adval" mean Adval S.A. References to "Sofital" mean Sofital S.A.F.e I.I. References to "CCF" mean Cordial Compañía Financiera S.A. References to "Supervielle Seguros" mean Supervielle Seguros S.A. References to "Espacio Cordial" or "Cordial Servicios" mean Espacio Cordial Servicios S.A. References to "Viñas del Monte" mean Viñas del Monte S.A.

References to "Class B shares" refer to shares of our Class B common stock, all with a par value of Ps.1.00 per share and references to "ADSs" are to American depositary shares, each representing five Class B shares, except where the context requires otherwise.

The term "Argentina" refers to the Republic of Argentina. The terms "Argentine government" or the "government" refers to the federal government of Argentina, the term "Central Bank" refers to the *Banco Central de la República Argentina*, or the Argentine Central Bank, and the term "CNV" refers to the Argentine *Comisión Nacional de Valores*, or the Argentine securities regulator. "U.S. GAAP" refers to generally accepted accounting principles in the United States of America ("United States" or "U.S."), "Argentine GAAP" refers to generally accepted accounting principles in Argentina and "Argentine Banking GAAP" refers to the accounting rules of the Central Bank. The term "GDP" refers to gross domestic product and all references in this annual report to GDP growth are to real GDP growth, the term "CPI" refers to the consumer price index and the term "WPI" refers to the wholesale price index. The term "customers" refers to individuals or entities that have at least one of our products without any requirement of customer activity during any time period. The term "active customer" refers to customers that had activity in the previous 90 days. Unless the context otherwise requires, the term "financial institutions" refers to institutions regulated by the Central Bank. The term "Argentine banks" refers to banks that operate in Argentina. The term "Argentine private banks" refers to banks that are not controlled or owned by the Argentine federal government or any Argentine provincial, municipality or city government. The term "private domestically-owned banks" refers to private banks that are controlled by Argentine shareholders. For information up to December 31, 2017, the term "small businesses" refers to individuals and businesses with annual sales of up to Ps.40.0 million, the term "SMEs" refers to individuals and businesses with annual sales over Ps.40.0 million and below Ps.200.0 million, the term "middle-market companies" refers to companies with annual sales over Ps.200.0 million and below Ps.1.0 billion and the term "large corporates" refers to companies with annual sales over Ps.1.0 billion. 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 amd the term "large corporates" refers to companies with annual sales over Ps.2.0 billion. The term "ROAE" refers to return on average shareholders' equity. ROAE is frequently used by financial institutions as a benchmark to measure profitability compared to peers but not as a benchmark to determine returns for investors, which is affected by multiple factors that ROAE does not consider.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

We maintain our financial books and records in Pesos and prepare our consolidated financial statements in Argentina in conformity with Argentine Banking GAAP, as these are the rules and regulations applied by the Bank, our main subsidiary. Argentine Banking GAAP differs in certain significant respects from U.S. GAAP and from Argentine GAAP. Our consolidated financial statements as of December 31, 2017 and 2016 and for each of the three years ended December 31, 2017, 2016 and 2015 have been audited, as stated in the report appearing herein, and are included in this annual report and referred to as our "audited consolidated financial statements." Note 35 to our audited consolidated financial statements provides a description of the principal differences between Argentine

Banking GAAP and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of net income and shareholders' equity as of December 31, 2017 and 2016, and for the years ended December 31, 2017, 2016 and 2015. Unless otherwise indicated, all financial information of our company included in this annual report is stated on a consolidated basis under Argentine Banking GAAP. Our audited consolidated financial statements as of December 31, 2017 have been approved by our ordinary and extraordinary shareholders' meeting held on April 24, 2018.

Currencies and Rounding

The terms "U.S. dollar" and "U.S. dollars" and the symbol "U.S.$" refer to the legal currency of the United States. The terms "Peso" and "Pesos" and the symbol "Ps." refer to the legal currency of Argentina.

We have translated certain of the Peso amounts contained in this annual report into U.S. dollars for convenience purposes only. Unless otherwise indicated, the rate used to translate such amounts as of December 31, 2017 was Ps.18.7742 to U.S.$1.00, which was the reference exchange rate reported by the Central Bank for U.S. dollars as of December 29, 2017. The Federal Reserve Bank of New York does not report a noon buying rate for Pesos. The U.S. dollar equivalent information presented in this annual report is provided solely for the convenience of investors and should not be construed as implying that the Peso amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any other rate. See "*Exchange Rates*" for more detailed information regarding the translation of Pesos into U.S. dollars.

Certain figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Market Share and Other Information

We make statements in this annual report about our competitive position and market share in, and the market size of, the Argentine banking industry. We have made these statements on the basis of statistics and other information derived from the Central Bank's publications and other third-party sources that we believe are reliable. Although we have no reason to believe any of this information or these reports are inaccurate in any material respect, we have not independently verified the competitive position, market share and market size or market growth data provided by third parties or by industry or general publications.

In January 2007, the *Instituto Nacional de Estadísticas y Censos* (the National Statistics and Census Institute, or "INDEC"), which is the only institution in Argentina with the statutory authority to produce official nationwide statistics, modified the methodology used to calculate certain of its indices. On January 8, 2016, the Macri administration issued Decree No. 55/2016 declaring a state of administrative emergency with respect to the national statistical system and the INDEC until December 31, 2016. During this state of emergency, the INDEC suspended the publication of certain statistical data until it completed a reorganization of its technical and administrative structure capable of producing sufficient and reliable statistical information. Following the implementation of certain methodological reforms and the adjustment of macroeconomic statistics on the basis of these reforms, on June 15, 2016, the INDEC published the INDEC Report including revised GDP data for the years 2004 through 2015. As of the date of this annual report, the INDEC has resumed publishing certain revised data, including GDP, foreign trade, poverty and balance of payment statistics. As of the date of this annual report, the Argentine government has not renewed the state of administrative emergency declared by means of the Decree No. 55/2016.

FORWARD-LOOKING STATEMENTS

This annual report contains estimates and forward-looking statements, principally in "*Item 3.D Risk Factors*", "*Item 5.A Operating Results*", and "*Item 4.B Business overview*." We have based these forward-looking statements largely on our current beliefs, expectations and projections about future courses of action, events and financial trends affecting our business. Many important factors, in addition to those discussed elsewhere in this annual report, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among others:

(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 capital markets in general that may affect policies or attitudes toward lending to or investing in Argentina or Argentine companies, including expected or unexpected turbulence or volatility in domestic and international financial markets;

(iii) changes in regional, national and international business and economic conditions, including inflation;

(iv) changes in interest rates and the cost of deposits, which may, among other things, affect margins;

(v) 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;

(vi) changes in government regulation, including tax and banking regulations;

(vii) adverse legal or regulatory disputes or proceedings;

(viii) the interpretation by judicial courts of the new Argentine Civil and Commercial Code;

(ix) credit and other risks of lending, such as increases in defaults by borrowers;

(x) fluctuations and declines in the value of Argentine public debt;

(xi) increased competition in the banking, financial services, credit card services, asset management and related industries;

(xii) a loss of market share by any of our main businesses;

(xiii) increase in the allowances for loan losses;

(xiv) technological changes or an inability to implement new technologies, changes in consumer spending and saving habits;

(xv) ability to implement our business strategy;

(xvi) fluctuations in the exchange rate of the Peso; and

(xvii) other factors discussed under "*Item 3.D Risk Factors*" in this annual report.

The words "believe," "may," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect," "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward-looking statements speak only as of the date they were made, and we do not undertake any

obligation to update publicly or to revise any forward-looking statements after we distribute this annual report because of new information, future events or other factors, except as required by applicable law. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this annual report might not occur and do not constitute guarantees of future performance. Because of these uncertainties, you should not make any investment decisions based on these estimates and forward-looking statements.

PART I

Item 1. Identity of Directors, Senior Management and Advisors

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Item 3.A. Selected Financial Data

The following tables present selected consolidated financial data for us for each of the periods indicated. You should read this information in conjunction with our audited consolidated financial statements and related notes beginning on page F-1, and the information under "*Item 5.A Operating Results*" included elsewhere in this annual report.

Our audited consolidated financial statements do not include any effect of inflation other than the adjustments to non-monetary assets through February 28, 2003.

The selected consolidated financial data as of December 31, 2017 and 2016 and for the three years in the period ended December 31, 2017 has been derived from our audited consolidated financial statements included in this annual report. The selected consolidated financial data as of December 31, 2015, 2014 and 2013 and for the years ended December 31, 2014 and 2013 has been derived from our audited consolidated financial statements, which are not included in this annual report. Our audited consolidated financial statements as of December 31, 2017 and 2016 and for the three years ended December 31, 2017 have been audited by Price Waterhouse & Co. S.R.L., member firm of the PricewaterhouseCoopers network, independent accountants, whose audit report is included elsewhere in this annual report.

We maintain our financial books and records in Pesos and prepare and publish our audited consolidated financial statements in Argentina in conformity with Argentine Banking GAAP as these are the rules and regulations applied by the Bank, our main subsidiary, which differ in certain significant respects from U.S. GAAP, and from Argentine GAAP. Note 35 to our audited consolidated financial statements provides a description of the principal differences between Argentine Banking GAAP and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of net income and shareholders' equity as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015.

On February 12, 2014, the Central Bank, through Communication "A" 5541, established the general guidelines towards conversion to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for preparing financial statements of the entities under its supervision with the temporary exception of paragraph 5.5 "Impairment" of IFRS 9 "Financial Instruments" (IFRS as issued by the IASB as adopted by the Central Bank). Note 33 to our audited consolidated financial statements provides a description of the principal differences between Argentine Banking GAAP and IFRS, as they relate to us, and a reconciliation to IFRS of shareholders' equity as of December 31, 2017 and January 1, 2017 and of net income for the year ended December 31, 2017.

Solely for convenience, Peso amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollars. The rate used to translate such amounts as of December 31, 2017 was Ps.18.7742 to U.S.$1.00, which was the reference exchange rate reported by the Central Bank for U.S. dollars as of December 29, 2017. U.S. dollar equivalent information should not be construed to imply that the Peso amounts represent, or could have been or could be converted into, U.S. dollars at such rates or any other rate.

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	Grupo Supervielle S.A.					
	Year ended December 31,					
	2017	2017	2016	2015	2014	2013
	(in thousands of Pesos or U.S. dollars, as indicated)					
Consolidated Income Statement Data						
Argentine Banking GAAP:						
Financial income(1)	U.S.$ 825,317	Ps. 15,494,671	Ps. 10,794,579	Ps. 6,741,744	Ps. 4,751,352	Ps. 3,045,380
Financial expenses(2)	(329,936)	(6,194,288)	(4,866,525)	(3,386,050)	(2,464,526)	(1,303,916)
Gross financial margin	495,381	9,300,383	5,928,054	3,355,694	2,286,826	1,741,464
Loan loss provisions	(96,951)	(1,820,169)	(1,057,637)	(543,844)	(356,509)	(350,535)
Services fee income	264,899	4,973,272	3,527,516	2,835,708	2,162,820	1,765,659
Services fee expenses	(79,676)	(1,495,848)	(1,080,660)	(778,492)	(610,341)	(421,587)
Income from insurance activities	25,517	479,061	606,143	175,947	8,513	—
Administrative expenses	(446,923)	(8,390,622)	(6,060,281)	(4,261,402)	(3,013,842)	(2,287,201)
Income from financial transactions	162,248	3,046,077	1,863,135	783,611	477,467	447,800
Miscellaneous income	29,074	545,842	429,884	367,165	190,005	129,245
Miscellaneous losses	(20,053)	(376,480)	(458,946)	(213,427)	(91,761)	(95,734)
Non-controlling interests result	(314)	(5,897)	(22,166)	(16,079)	(13,707)	(10,556)
Income before income tax	170,955	3,209,542	1,811,907	921,270	562,004	470,755
Income tax	(41,146)	(772,483)	(500,603)	(247,161)	(199,084)	(97,765)
Net income for the fiscal period	**129,809**	**2,437,059**	**1,311,304**	**674,109**	**362,920**	**372,990**
U.S. GAAP:						
Net income	88,812	1,697,481	1,025,868	676,076	301,514	398,815

	Grupo Supervielle S.A.					
	As of December 31,					
	2017	2017	2016	2015	2014	2013
	(in thousands of Pesos or U.S. dollars, as indicated)					
Consolidated Balance Sheet Data						
Argentine Banking GAAP:						
Assets						
Cash and due from banks	U.S.$ 592,807	Ps. 11,129,475	Ps. 8,166,132	Ps. 6,808,591	Ps. 3,649,084	Ps. 2,662,592
Government and corporate securities	817,400	15,346,036	2,360,044	931,881	1,008,080	483,990
Loans:	2,927,122	54,954,373	34,896,509	20,148,261	14,596,580	11,292,289
to the non-financial public sector	1,737	32,607	4,306	8,778	12,666	15,699
to the financial sector	22,337	419,366	473,414	181,734	3,514	36,029
To the non-financial private sector and foreign residents:						
Overdrafts	192,650	3,616,843	3,110,097	1,634,870	993,284	679,085
Promissory Notes(3)	825,316	15,494,647	9,426,568	5,984,777	5,583,705	4,472,631
Mortgage loans	82,548	1,549,765	78,057	50,032	69,554	83,660
Automobile and other secured loans	16,710	313,724	65,076	104,469	168,603	225,901
Personal loans	789,283	14,818,163	9,916,776	6,018,601	3,631,840	2,970,622
Credit card loans	424,308	7,966,037	6,678,578	5,677,922	3,688,328	2,410,111
Other	623,635	11,708,248	5,595,356	953,574	793,192	684,219
Accrued Interest, adjustments and exchange rate differences receivable	74,450	1,397,740	773,961	428,600	357,844	257,689

Documented interest	(44,161)	(829,086)	(324,795)	(277,488)	(287,605)	(200,345)
Other unapplied charges	(4)	(83)	(1,738)	(295)	(1,322)	(1,012)
Allowances	(81,686)	(1,533,598)	(899,147)	(617,313)	(417,023)	(342,000)
Other receivables from financial transactions	349,490	6,561,396	3,772,736	2,461,813	2,263,612	1,742,721

	Grupo Supervielle S.A.					
	As of December 31,					
	2017	2017	2016	2015	2014	2013
			(in thousands of Pesos or U.S. dollars, as indicated)			
Receivables from financial leases	134,184	2,519,201	1,527,855	1,074,977	583,846	511,880
Other assets	184,338	3,460,797	2,482,766	1,620,294	1,139,992	724,659
Total assets	**5,005,341**	**93,971,278**	**53,206,042**	**33,045,817**	**23,241,194**	**17,418,131**
Average Assets(4)	3,707,170	69,599,142	41,467,412	26,961,165	20,066,019	14,645,841
Liabilities and shareholders' equity						
Deposits:	U.S.$ 3,008,758	Ps. 56,487,027	Ps. 35,897,864	Ps. 23,716,577	Ps. 16,892,730	Ps. 12,819,178
Non-financial public sector	328,731	6,171,661	2,587,253	1,182,559	1,441,506	1,018,547
Financial sector	836	15,702	9,326	250,981	150,817	100,973
Non-financial private sector and foreign residents	2,679,191	50,299,664	33,301,285	22,283,037	15,300,407	11,699,658
Checking accounts	302,532	5,679,805	4,361,405	3,042,376	2,622,055	2,034,593
Savings accounts	1,575,513	29,578,994	13,205,937	7,753,696	5,352,593	3,640,102
Time deposits	693,233	13,014,886	11,677,322	10,034,025	6,651,006	5,426,409
Investment accounts	13,582	255,000	375,000	664,900	75,750	144,100
Other	94,330	1,770,979	3,681,621	788,040	599,003	454,454
Other liabilities from financial transactions and other miscellaneous liabilities	1,189,289	22,327,956	10,273,230	6,884,700	4,586,728	3,204,585
Non-controlling interests	612	11,497	103,397	70,830	54,750	41,960
Total liabilities	**4,198,660**	**78,826,480**	**46,274,491**	**30,672,107**	**21,534,208**	**16,065,723**
Average Liabilities(4)	3,196,853	60,018,357	36,480,913	24,866,415	18,464,430	14,433,187
Shareholders' equity	**806,681**	**15,144,798**	**6,931,551**	**2,373,710**	**1,706,986**	**1,352,408**
Total liabilities and shareholders' equity	**5,005,341**	**93,971,278**	**53,206,042**	**33,045,817**	**23,241,194**	**17,418,131**
Average shareholders' equity(4)	510,317	9,580,785	4,986,499	2,094,750	1,601,589	1,212,654
U.S. GAAP:						
Total assets	5,086,829	95,501,145	54,513,168	35,122,426	26,166,663	19,531,312
Total liabilities	4,346,180	81,596,047	48,014,492	32,858,882	24,626,175	18,247,809
Total shareholders' equity	740,649	13,905,098	6,498,676	2,263,544	1,540,488	1,283,503

(1) Includes gains related to non-deliverable forward ("NDF") hedging transactions, which totaled Ps.0 million, Ps.0 million, Ps.228.2 million, Ps.0, and Ps.86.9 million, as of December 31, 2017, 2016, 2015, 2014 and 2013, respectively.
(2) Includes expenses related to NDF hedging transactions, which totaled Ps.71.3 million, Ps. 39.0 million, Ps.0, Ps.96.2 million, and Ps.0, as of December 31, 2017, 2016, 2015, 2014 and 2013, respectively.
(3) Consists of unsecured checks and accounts receivable deriving from factoring transactions, and unsecured corporate loans which totaled Ps.5,238.4 million, Ps.3,102.8 million, Ps.2,399.3 million, Ps.1,547.5 million and Ps.979.9 million as of December 31, 2017, 2016, 2015, 2014 and 2013, respectively.
(4) Calculated on a daily basis.

	Grupo Supervielle S.A.				
	Year ended December 31,				
	2017	2016	2015	2014	2013
Selected Consolidated Ratios:					
Argentine Banking GAAP:					
Net interest margin(1)	19.1%	20.6%	18.1%	17.4%	16.4%
Net financial margin(2)	17.8%	19.2%	16.4%	15.1%	15.8%
Net fee income ratio(3)	29.8%	34.0%	40.0%	40.6%	43.6%
Efficiency ratio(4)	63.3%	67.5%	76.2%	78.3%	74.1%
Fee income as a percentage of administrative expense	47.2%	50.4%	52.4%	51.8%	58.8%
Return on average equity(5)	25.4%	26.3%	32.2%	22.7%	30.8%
Return on average assets(6)	3.5%	3.2%	2.5%	1.8%	2.5%
Cost/Assets	12.1%	14.6%	15.8%	15.0%	15.6%
Basic earnings per share (in Pesos)(7)	6.20	4.10	4.42	2.92	3.00
Diluted earnings per share (in Pesos)	6.20	4.10	4.42	2.92	3.00
Basic earnings per share (in U.S.$)	0.33	0.26	0.34	0.34	0.46
Diluted earnings per share (in U.S.$)	0.33	0.26	0.34	0.34	0.46
Liquidity					
Loans as a percentage of total deposits(8)	104.5%	104.0%	92.2%	92.4%	94.8%
Loans as a percentage of total assets(8)	62.8%	70.2%	66.1%	67.1%	69.8%
Liquid assets as a percentage of total deposits(9)	45.9%	27.0%	32.6%	26.5%	24.5%
LCR Pro forma(14)	113.9%	128.0%	113.1%	71.0%	N/A
Capital					
Total equity as a percentage of total assets	16.1%	13.0%	7.2%	7.3%	7.8%
Average equity as a percentage of average assets	13.8%	12.0%	7.8%	8.0%	8.3%
Total liabilities as a multiple of total shareholders' equity	5.2	6.7	12.9	12.6	11.9
Tangible equity ratio(10)	15.8%	12.6%	6.5%	6.5%	6.7%
Regulatory capital/ Risk weighted assets(11)	13.9%	12.5%	8.7%	8.9%	9.0%
Regulatory capital/ Risk weighted assets Pro forma	19.6%	13.8%	8.7%	8.9%	9.0%
Risk weighted assets/total assets	80.1%	92.4%	103.8%	113.3%	113.3%
Tier 1 Capital / Risk weighted assets(12)	12.6%	10.9%	6.7%	6.9%	6.7%
Tier 1 Pro forma(13)	18.4%	12.3%	6.7%	6.9%	6.7%
Asset Quality					
Non-performing loans as a percentage of total loans(15)	2.8%	2.8%	3.2%	3.0%	3.0%
Allowances as a percentage of total loans	2.6%	2.4%	2.9%	2.7%	2.9%
Cost of risk(16)	4.2%	4.0%	3.1%	2.9%	3.8%
Allowances as a percentage of non-performing loans(15)	91.8%	87.1%	89.7%	88.9%	94.0%
Other Data					
Dividends paid to the common shares (Ps. million)(17)	243.7	65.5	19.2	2.7	4.5
Dividends paid to the preferred shares (Ps. million)	—	—	6.0	4.7	3.9
Dividends per common share (Ps.)	0.5	0.2	0.1	0.0	0.0
Dividends per preferred share (Ps.)(18)	—	—	1.9	2.9	2.4
Employees	5,320	4,982	4,843	4,579	4,570
Branches and sales points(19)	326	320	325	322	353
ATMs and self-service terminals(19)	704	661	649	632	588

(1) Net interest income divided by average interest-earning assets.
(2) Gross financial margin divided by average interest-earning assets.
(3) Net services fee income divided by the sum of gross financial margin and net services fee income.
(4) Administrative expenses divided by the sum of gross financial margin, services fee income and expenses and income from insurance activities.
(5) Net income divided by average shareholders' equity, calculated on a daily basis and measured in local currency.
(6) Net income divided by average assets, calculated on a daily basis and measured in local currency.
(7) Basic earnings per share (in Pesos) are based upon the weighted average of Grupo Supervielle's outstanding shares, which were Ps.392.8 million for the year ended December 31, 2017, Ps.319.8 million for the year ended December 31, 2016, Ps.151.8 million for the year ended

December 31, 2015, Ps.122.9 million for the year ended December 31, 2014 and Ps.122.9 million for the year ended December 31, 2013. In January 2016, the stock of preferred shares was converted to Class B shares.

(8) Loans include loans and receivables from financial leases.

(9) Liquid assets include cash, securities issued by the Central Bank (*Las Letras del Banco Central* (LEBAC) and NOBACs) and other government securities.

(10) (Total equity - Intangible assets)/(Total assets - Intangible assets). Intangible assets as of December 31, 2017, 2016, 2015, 2014 and 2013 amounted to Ps.324.5 million, Ps.285.5 million, Ps.252.0 million, Ps.216.0 million and Ps.197.0 million, respectively.

(11) Regulatory capital divided by risk weighted assets taking into account operational and market risk since 2013. This ratio applies only to the Bank and CCF on a consolidated basis and does not include the liquidity held at the holding company level.

(12) Tier 1 capital divided by risk weighted assets taking into account credit risk, operational and market risk since 2013.

(13) As of December 31, 2017 and December 31, 2016, Tier 1 Pro Forma includes Ps.4.3 billion and Ps.805.0 million, respectively, from the IPO proceeds retained at the Grupo Supervielle level, which are available for further capital injections in its subsidiaries.

(14) LCR ratio includes the net liquidity held at the holding company level.

(15) Non-performing loans include all principal amounts of loans to borrowers classified as “3-with problems/medium risk”, “4-high risk of insolvency/high risk”, “5-uncollectible”, and “6-uncollectible, classified as such under regulatory requirements” under the Central Bank loan classification system. See “ *Item 4.D Property, plants and equipment—Selected Statistical Information—Loans and Financings—Portfolio Classification*.”

(16) Loan Loss Provisions divided by Average Loans.

(17) Dividend in relation with the result of each year, declared and paid in the following year.

(18) In January 2016, all shares of preferred stock were converted to Class B shares. No dividends on the preferred shares were paid in 2017 or 2016.

(19) As of the date of this annual report, we have 340 branches and aales points and 714 ATMs and self-service terminals.

Exchange Rates

From April 1, 1991 until the end of 2001, Law No. 23,928 (the “Convertibility Law”) established a regime under which the Central Bank was obliged to sell U.S. dollars at a fixed rate of one Peso per U.S. dollar. On January 6, 2002, the Argentine Congress enacted Law No. 25,561 (as amended and supplemented, the “Public Emergency Law”), formally ending the regime of the Convertibility Law, abandoning over ten years of U.S. dollar-Peso parity and eliminating the requirement that the Central Bank’s reserves in gold, foreign currency and foreign currency denominated debt be at all times equivalent to 100% of the monetary base.

The Public Emergency Law, which ceased to be in effect on December 31, 2017, granted the Argentine government the power to set the exchange rate between the Peso and foreign currencies and to issue regulations related to the foreign exchange market. The state of emergency on social matters was further extended until December 31, 2019. Following a brief period during which the Argentine government established a temporary dual exchange rate system, pursuant to the Public Emergency Law, the Peso has been allowed to float freely against other currencies since February 2002, although the Central Bank has the power to intervene by buying and selling foreign currency for its own account, a practice in which it engages on a regular basis.

From 2011 to 2015, the Argentine government increased controls on exchange rates and the transfer of funds into and out of Argentina. With the tightening of exchange controls beginning in late 2011, in particular with the introduction of measures that allowed limited access to foreign currency by private companies and individuals (such as requiring an authorization of AFIP to access the foreign currency exchange market), the implied exchange rate, as reflected in the quotations for Argentine securities that trade in foreign markets, compared to the corresponding quotations in the local market, increased significantly over the official exchange rate. Most foreign exchange restrictions were lifted in December 2015, May 2016 and August 2016, reestablishing Argentine residents’ rights to purchase and remit outside of Argentina foreign currency with no maximum amount and without specific allocation or the need to obtain prior approval. As a result, since December 2015 the substantial spread between the official exchange rate and the implicit exchange rate derived from securities transactions has substantially decreased.

After several years of moderate variations in the nominal exchange rate, in 2012 the Peso lost approximately 14.0% of its value with respect to the U.S. dollar. This was followed in 2013 and 2014 by a devaluation of the Peso with respect to the U.S. dollar that exceeded 30.0%, including a loss of approximately 24.0% in January 2014. In 2015, the Peso lost approximately 52.0% of its value with respect to the U.S. dollar, including a 10.0% devaluation from January 1, 2015 to September 30, 2015 and a 38.0% devaluation during the last quarter of the year 2015, mainly concentrated after December 16, 2015. In 2016 and 2017, the Peso lost approximately 21.9% and 18.4% of its value against the U.S. dollar, respectively. In the first two months of 2018, the Peso lost approximately 7.1% of its value against the U.S. dollar.

The following table sets forth the annual high, low, average and period-end exchange rates for the periods indicated, expressed in Pesos per U.S. dollar and not adjusted for inflation. There can be no assurance that the Peso will not depreciate or appreciate again in the future. The Federal Reserve Bank of New York does not report a noon buying rate for Pesos.

	Exchange Rates			
	High(1)	Low(1)	Average(1)(2)	Period-end(1)(3)
2013	6.5180	4.9228	5.4789	6.5180
2014	8.5555	6.5430	8.1188	8.5520
2015	13.7633	8.5537	9.2689	13.0050
2016	16.0392	13.0692	14.7794	15.8502
2017	18.8300	15.1742	16.5665	18.7742
October 2017	17.6775	17.3217	17.4528	17.6713
November 2017	17.6700	17.3307	17.4925	17.3845
December 2017	18.8300	17.2600	17.7001	18.7742
2018				
January 2018	19.6500	18.4100	19.0200	19.6500
February 2018	20.1600	19.4700	19.8409	20.1150
March 2018	20.3875	20.1433	20.2378	20.1433
April 2018 (through April 25, 2018)	20.2595	20.1450	20.1955	20.2595

(1) Reference exchange rate published by the Central Bank.
(2) Based on daily averages.
(3) The exchange rate used in our audited consolidated financial statements.

Item 3.B Capitalization and indebtedness

Not applicable.

Item 3.C Reasons for the offer and use of proceeds

Not applicable.

Item 3.D Risk Factors

You should carefully consider the risks described below, as well as the other information in this annual report. Our business, results of operations, financial condition or prospects could be materially and adversely affected if any of these risks occurs. In general, investors take more risk when they invest in the securities of issuers in emerging markets such as Argentina than when they invest in the securities of issuers in the United States and other more developed markets. The risks described below are those known to us and that as of the date of this annual report believe may materially affect us.

Risks Relating to Argentina

Substantially all of our operations, property and customers are located in Argentina. As a result, the quality of our assets, our financial condition and the results of our operations are dependent upon the macroeconomic, regulatory, social and political conditions prevailing in Argentina from time to time. These conditions include growth rates, inflation rates, exchange rates, taxes, foreign exchange controls, changes to interest rates, changes to government policies, social instability, and other political, economic or international developments either taking place in, or otherwise affecting, Argentina.

Economic and political instability in Argentina may adversely and materially affect our business, results of operations and financial condition.

The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high levels of inflation and currency devaluation. As a consequence, our business and operations have been, and could in the future be, affected from time to time to varying degrees by economic and political developments and other material events affecting the Argentine economy, such as: inflation; price controls; foreign exchange controls; fluctuations in foreign currency exchange rates and interest rates; governmental policies

regarding spending and investment, national, provincial or municipal tax increases and other initiatives increasing government involvement with economic activity; civil unrest and local security concerns. You should make your own investigation into Argentina's economy and its prevailing conditions before making an investment in us.

During 2001 and 2002, Argentina went through a period of severe political, economic and social crisis. Among other consequences, the crisis resulted in Argentina defaulting on its foreign debt obligations, introducing emergency measures and numerous changes in economic policies that affected utilities, financial institutions, and many other sectors of the economy. Argentina also suffered a significant real devaluation of the Peso, which in turn caused numerous Argentine private sector debtors with foreign currency exposure to default on their outstanding debt. After recovering significantly from the 2001-2002 crisis, the pace of growth of Argentina's economy diminished, suggesting uncertainty as to whether the growth experienced between 2003 and 2011 was sustainable. Economic growth was initially fueled by a significant devaluation of the Peso, the availability of excess production capacity resulting from a long period of deep recession and high commodity prices. In spite of the growth following the 2001-2002 crisis, the economy has suffered a sustained erosion of direct investment and capital investment. The global economic crisis of 2008 led to a sudden economic decline in Argentina during 2009, accompanied by inflationary pressures, devaluation of the Peso and a drop in consumer and investor confidence. Real GDP growth recovered in 2010 and 2011, with GDP increasing to 9.5% and 8.4%, respectively. However, GDP growth slowed to 0.8% in 2012 and then grew by 2.3% in 2013. According to the revised calculation of the 2004 GDP published by INDEC on June 24, 2016, GDP increased 8.9% in 2005, 8.0% in 2006, 9.0% in 2007, 4.1% in 2008 and decreased 5.9% in 2009. In 2010 and 2011, GDP grew 10.1% and 6.0%, respectively and decreased 1.0% in 2012. GDP grew 2.4% in 2013, contracted 2.5% in 2014, grew 2.6% in 2015 and decreased 2.2% in 2016. However, during 2017, Argentina's real GDP increased by 2.9% compared to 2016, according to the information published by INDEC on March 21, 2018.

Economic conditions in Argentina from 2012 to 2015 included increased inflation, continued demand for wage increases, a rising fiscal deficit and limitations on Argentina's ability to service its restructured debt in accordance with its terms due to its ongoing litigation with holdout creditors. In addition, beginning in the second half of 2011, an increase in local demand for foreign currency caused the Argentine government to strengthen its foreign exchange controls, most of which were eased by the Macri Administration. See "*—The implementation in the future of new exchange controls, restrictions on transfers abroad and capital inflow restrictions could limit the availability of international credit and could threaten the financial system, which may adversely affect the Argentine economy and, as a result, our business*."

Since 2007, the INDEC has experienced a process of institutional and methodological reforms that have given rise to controversy with respect to the reliability of the information that it produces including inflation, GDP and unemployment data. Reports published by the International Monetary Fund ("IMF") state that their staff uses alternative measures of inflation for macroeconomic surveillance, including data produced by private sources, which have shown inflation rates considerably higher than those published by the INDEC since 2007. The IMF has also censured Argentina for failing to make sufficient progress, as required under the Articles of Agreement of the IMF, in adopting remedial measures to address the quality of official data, including inflation and GDP data. In February 2014, the INDEC released a new inflation index, known as National Urban Consumer Price Index (*Indice de Precios al Consumidor Nacional Urbano*) that measures prices on goods across the country and replaces the previous index that only measured inflation in the urban sprawl of the City of Buenos Aires. Even though the new methodology brought inflation statistics closer to those estimated by private sources, material differences between official inflation data and private estimates remained in 2015. On January 2016, based on its determination that INDEC had failed to produce reliable statistical information, the Macri administration declared a state of administrative emergency for the national statistical system and INDEC until December 31, 2016, which was not renewed. As consequence of the declaration of emergency, the INDEC ceased publishing certain statistical data until June 16, 2016, when it resumed publishing inflation rates, and began to release revised data, including GDP, poverty, foreign trade and balance of payments statistics, among others. See "*—If the current levels of inflation continue, the Argentine economy and our financial position and business could be adversely affected*."

After recovering significantly from the 2001-2002 crisis, the pace of growth of Argentina's economy diminished, suggesting uncertainty as to whether the growth experienced between 2003 and 2011 was sustainable. Economic growth was initially fueled by a significant devaluation of the Peso, the availability of excess production capacity resulting from a long period of deep recession and high commodity prices. In spite of the growth following the

2001-2002 crisis, the economy suffered a sustained erosion of direct investment and capital investment. The global economic crisis of 2008 led to a sudden economic decline in Argentina during 2009, accompanied by inflationary pressures, devaluation of the Peso and a drop in consumer and investor confidence.

Economic conditions in Argentina from 2012 to 2015 included increased inflation, continued demand for wage increases, a rising fiscal deficit and limitations on Argentina's ability to service its restructured debt in accordance with its terms due to its ongoing litigation with holdout creditors. In addition, beginning in the second half of 2011, an increase in local demand for foreign currency caused the Argentine government to strengthen its foreign exchange controls. However, as of the issuance of Communication "A" 6037 by the Central Bank, which became effective on August 9, 2016, the government eliminated the monthly caps to the acquisition of foreign currency for non-specific purposes (*Atesoramiento*). During 2014, 2015, 2016 and 2017 the government imposed price controls on certain goods and services to control inflation. These price controls will remain in effect until April 2018, but as of the date of this annual report, there is uncertainty regarding what other specific actions will be taken to control inflation.

Presidential and Congressional elections in Argentina took place on October 25, 2015, and a runoff election (ballotage) between the two leading Presidential candidates was held on November 22, 2015, which resulted in Mr. Mauricio Macri being elected President of Argentina. The Macri administration assumed office on December 10, 2015.

Since assuming office, the Macri administration has implemented several significant economic and policy reforms, including those related to foreign exchange, the INDEC, financial policy, foreign currency-denominated bonds, foreign trade reforms, amendment to the Capital Markets Law, Tax Amnesty Law, correction of monetary imbalances, retiree program, fiscal policy, national electricity state of emergency and reforms, tariff increases and increase in minimum income.

Congressional elections were held in October 22, 2017 and President Macri's governing coalition obtained the largest share of votes at the national level. However, even when the number of coalition members in Congress increased (holding in the aggregate 107 of a total of 257 seats in the House of Representatives and 24 of a total of 72 seats in the Senate), it still lacks a majority in either chamber of the Argentine Congress and, as a result, some or all of the Macri administration's reforms aimed at improving the economy and investment environment (including the reduction of the fiscal deficit, reduction of the inflation rate and fiscal and labor reforms, among others) may not be implemented, which could adversely affect the continued improvement of the economy and investment environment. Any lack of ability of the Macri administration to adequately implement its measures as a consequence of the lack of sufficient political support could adversely affect the economy and the financial situation of Argentina, and, in turn our business, our financial and patrimonial situation and our results of operations. Argentina's economy has undergone a significant slowdown, and any further decline in Argentina's rate of economic growth could adversely affect our business, financial condition and results of operations. On the other hand, on November 16, 2017, the Argentine government, the governors of the majority of the Argentine provinces, including the Province of Buenos Aires, and the Head of Government of the City of Buenos Aires entered into an agreement pursuant to which guidelines were established in order to harmonize the tax structures of the different provinces and the City of Buenos Aires. Among other commitments, the provinces and the City of Buenos Aires agreed to gradually reduce the tax rates applicable to stamp tax and turnover tax within a five-year period, and withdraw their judicial claims against the Argentine government in connection with the federal co-participation regime. In exchange for this, the Argentine government, among other commitments, agreed to (i) compensate the provinces and the City of Buenos Aires (provided they enter into the agreement) for the effective reduction of its resources in 2018, resulting from the proposed elimination of section 104 of the Income Tax Law, quarterly updating such compensation in the following years, and (ii) issue a 11-year bond whose funds generate services for Ps.5,000 million in 2018 and Ps.12,000 every year starting from 2019, to be distributed among all the provinces, with the exception of the Province of Buenos Aires and the City of Buenos Aires, according to the effective distribution coefficients resulting from the federal co-participation regime. The provincial governments which took part in this agreement have committed to file, within the next 30 days after the execution of the agreement, the necessary draft bills for its implementation and authorize their respective executive branches to ensure its fulfilment. This agreement is effective in those provinces where their respective legislative branches have passed it. On December 22, the Argentine Congress passed the projects on fiscal consensus and fiscal liability ("*Consenso Fiscal*" and "*Ley de Responsabilidad Fiscal*", respectively), with some amendments.

On November 13, 2017, the Argentine government submitted a draft bill to Congress concerning a series of amendments to the Capital Markets Law, the Mutual Funds Law No. 24,083 and the Argentine Negotiable Obligations Law, among others. Furthermore, the bill provides for the amendment of certain tax provisions, regulations relating to derivatives and the promotion of a financial inclusion program. As of the date of this annual report the draft bill is under consideration by the Argentine Congress and has not yet been approved.

On December 27, 2017, the Argentine Congress approved a tax reform that came into force on December 29, 2017 as Law No. 27,430 (the "Tax Reform Law"). The reform is intended to eliminate certain of the existing complexities and inefficiencies of the Argentine tax regime, diminish tax evasion, increase the coverage of income tax as applied to individuals and encourage investment while sustaining its medium and long term efforts aimed at restoring fiscal balance. The reform is part of a larger program announced by President Macri intended to increase the competitiveness of the Argentine economy (including by reducing the fiscal deficit) as well as employment, and diminish poverty on a sustainable basis. The main aspects of the Tax Reform Law include: (i) interest and capital gains realized by individuals that are Argentine tax residents on sales of real estate (subject to certain exceptions, including a primary residence exemption) acquired after the enactment of the bill will be subject to tax at the rate of 15%, calculated on the acquisition cost adjusted for inflation; (ii) income obtained from currently exempt bank deposits and sales of securities (including government securities) by individuals that are Argentine tax residents will be subject to tax at the rate of (a) 5% in the case of those denominated in pesos, subject to fixed interest rate and not indexed, and (b) 15% for those denominated in a foreign currency or indexed; income obtained from the sales of shares made on a stock exchange will remain exempt, subject to compliance with certain requirements; (iii) corporate income tax will initially decline to 30% in 2019 and 2020 and to 25% starting in 2021 and withholding taxes will be assessed on certain dividends or distributed profits bringing the total effective tax rate on corporate profits to 35%; (iv) social security contributions will be gradually increased to 19.5% starting in 2022, in lieu of the differential scales currently in effect; (v) the percentage of tax debits and credits that can be credited towards income tax will be gradually increased over a five year period, from the current 17% for credits to 100% for credits and debits; and (vi) holders of notes issued by the federal government, the provinces and municipalities of Argentina and the City of Buenos Aires that are not Argentine tax residents will be exempt from Argentine income taxes on interest and capital gains to the extent such beneficiaries do not reside in or channel their funds through non-cooperating jurisdictions. The non-cooperating jurisdictions list will be prepared and published by the executive branch. Short-term notes issued by the Central Bank (LEBACs) are outside the scope of these exemptions applicable to non-Argentine residents. The aforementioned amendments have been in force since January 1, 2018.

On January 10, 2018, the Macri administration issued Emergency Decree No. 27/2018 aimed at simplifying, expediting and promoting efficiency in the procedures within administrative entities and agencies, avoiding any unnecessary bureaucracy and expenses. The decree modifies and simplifies regulatory frameworks related to companies, transportation, trademark and patent procedures, transportation, digital signature, access to credit and work promotion.

As of the date of this annual report, the impact that these measures have had and any future measures taken by the Macri administration will have on the Argentine economy as a whole and the financial sector in particular cannot be predicted. We believe that the effect of the planned liberalization of the economy will be positive for our business by stimulating economic activity but it is not possible to predict such effect with certainty and such liberalization could also be disruptive to the economy and fail to benefit or harm our business.

Inflation, any decline in GDP and/or other future economic, social and political developments in Argentina, over which we have no control, may adversely affect our financial condition or results of operations.

A decline in international demand for Argentine products, a lack of stability and competitiveness of the Peso against other currencies, a decline in confidence among consumers and foreign and domestic investors, a higher rate of inflation and future political uncertainties, among other factors, may affect the development of the Argentine economy, which could lead to reduced demand for our services and adversely affect our business, financial condition and results of operations.

If the current levels of inflation continue, the Argentine economy and our financial position and business could be adversely affected.

Argentina has confronted inflationary pressures since 2007. According to INDEC data, the CPI grew 9.5% in 2011, 10.8% in 2012, 10.9% in 2013, 24.0% in 2014 and 11.9% in the ten-month period ended October 31, 2015. The INDEC did not publish the CPI for the period between November 2015 and April 2016, and resumed publishing inflation rates using its new methodology for calculating CPI starting in June 2016, reporting increases of 4.2%, 3.1%, 2.0%, 0.2%, 1.1%, 2.4%, 1.6% and 1.2% during the months of May, June, July, August, September, October, November and December 2016, respectively.

According to unrevised INDEC data, the WPI increased 14.6% in 2010, 12.7% in 2011, 13.1% in 2012, 14.8% in 2013, 28.3% in 2014 and 10.6% in the ten-month period ended October 31, 2015. The INDEC did not publish the WPI for the last two months of 2015, and resumed publishing WPI data in May 2016, reporting that the WPI grew 34.5% in 2016.

The Argentine government declared a state of administrative emergency of the national statistical system and the INDEC —the official agency in charge of the system- until December 31, 2016 through Decree No. 55/2016, which was not renewed. During the implementation of rearrangement measures of its technical and administrative structure, the INDEC used official CPI figures and other statistics published by the Province of San Luis and the City of Buenos Aires. Despite the INDEC reforms, there is uncertainty as to (i) whether the official data will be sufficiently corrected, (ii) in what timeframe such data will be corrected and (iii) what effects these reforms will have on the Argentine economy. The Macri administration released an alternative CPI index based on data from the City of Buenos Aires and the Province of San Luis. According to the available public information based on data from the City of Buenos Aires, CPI grew 26.6% in 2013, 38.0% in 2014, 26.9% in 2015, 41.0% in 2016 and 26.1% in 2017, while according to the data of the Province of San Luis, CPI grew 31.9% in 2013, 39.0% in 2014, 31.6% in 2015, 31.4% in 2016 and 24.3% in 2017.

On June 15, 2016, the INDEC resumed publishing inflation rates -which was previously suspended due to the state of administrative emergency on the national statistical system. The INDEC reported an increase of 4.2% in CPI for May 2016, while the CPI measured by the Argentine Congress reported an increase of 3.5%. Additionally, the INDEC published revised GDP data for the years 2005 through 2015, registering differences of up to 20 points between the original information reported by the prior administration and the revised information.

According to CPI figures of the INDEC, inflation was 16.9% between May and December 2016. The INDEC reported a cumulative variation of the CPI of 24.8% for 2017, while the CPI measured by the Argentine Congress registered an increase of 24.6%. The CPI variation was of 1.8%, 2.4% and 2.3% for the months of January, February and March 2018, respectively, compared to the previous month.

Also, on September 26, 2016, the Central Bank presented the inflation targeting regime, a system that seeks to offer a predictable and stable unit of value for inflation. In accordance with the data published by the Central Bank, the original year-on-year inflation targets were 12% to 17% for 2017; from 8% to 12% by 2018; and from 3.5% to 6.5% by 2019. However, on December 27, 2017, the Central Bank updated its inflation target regime by adopting the inflation targets set by the Ministry of the Treasury for the next three years, including targets of 15% for 2018, 10% for 2019 and 5% by the end of 2020.

In the past, inflation has materially undermined the Argentine economy and the government's ability to generate conditions that fostered economic growth. In addition, high inflation or a high level of volatility with respect to the same may materially and adversely affect the business volume of the financial system and prevent the growth of intermediation activity levels. This result, in turn, could adversely affect the level of economic activity and employment.

A high inflation rate also affects Argentina's competitiveness abroad, real salaries, employment, consumption and interest rates. A high level of uncertainty with regard to these economic variables, and a general lack of stability in terms of inflation, could lead to shortened contractual terms and affect the ability to plan and make decisions. This may have a negative impact on economic activity and on the income of consumers and their purchasing power, all of which could materially and adversely affect our financial position, results of operations and business. The Argentine

government's adjustments to electricity and gas tariffs, as well as the increase in the price of gasoline have impacted prices creating additional inflationary pressures.

The Macri administration has announced its intention to reduce the primary fiscal deficit as a percentage of GDP and to reduce the government's dependence on financing from the Central Bank. If structural inflationary imbalances cannot be addressed and current levels of inflation persist, it could adversely affect the Argentine economy and financial situation.

Inflation rates could escalate in the future. There is uncertainty regarding the effects that the measures adopted, or that may be adopted in the future, by the Argentine government to control inflation may have. See "*—Government intervention in the Argentine economy could adversely affect our results of operations or financial condition*."

If the high levels of inflation continue, the Argentine economy may be considered hyperinflationary for purposes of IAS 29, which could have an impact on our audited consolidated financial statements and other financial information, and we may need to adjust or restate our audited consolidated financial statements and other information.

On February 12, 2014, the Central Bank, through Communication "A" 5541, established the general guidelines towards conversion to IFRS as issued by the International Accounting Standards Board (IASB) for preparing financial statements of the entities under its supervision. We are in a convergence process towards such standards, which will be mandatory as from fiscal year starting on January 1, 2018. International Accounting Standard 29 (IAS 29), which is applicable to IFRS, but not to Argentine Banking GAAP, requires that financial statements of any entity whose functional currency is the currency of a hyperinflationary economy, whether based on the historical cost method or on the current cost method, be stated in terms of the measuring unit current at the end of the reporting period. IAS 29 does not establish a set inflation rate beyond which an economy is deemed to be experiencing hyperinflation. However, hyperinflation is commonly understood to occur when changes in price levels are close to or exceed 100% on a cumulative basis over the prior three years, along with the presence of several other macroeconomic-related qualitative factors. Despite the high inflation rates in Argentina in recent years, we conducted an analysis pursuant to the criteria set forth in IAS 29, and based solely on such internal review we do not currently believe that Argentina qualifies as a hyperinflationary economy for any of the years included in this annual report. We reassess inflation data periodically to determine whether this belief continues to be applicable. However, certain macroeconomic indicators have experienced a significant annual variation, a fact that must be considered when evaluating and interpreting our results of operations and financial condition as reflected in our audited consolidated financial statements included in this annual report.

Although we do not believe the current rate of inflation rises to the level required for Argentina to be considered a hyperinflationary economy under IAS 29, if inflation rates continue to escalate in the future, the Peso may qualify as a currency of a hyperinflationary economy, in which case our audited Consolidated Financial Statements and other financial information as from the IFRS transition date (as defined below), may need to be adjusted or restated by applying a general price index and expressed in the measuring unit (i.e., the hyperinflationary currency) current at the end of each reporting period. We cannot determine at this time the impact that this would have on our results of operations and financial condition.

The Argentine government's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth, which may negatively impact our financial condition or cash flows.

In 2005 and 2010, Argentina conducted exchange offers to restructure part of its sovereign debt that had been in default since the end of 2001. As a result of these exchange offers, Argentina restructured over 92% of its eligible defaulted debt. In April 2016, the Argentine government settled U.S.$4.2 billion outstanding principal amount of untendered debt.

As of the date of this annual report, litigation initiated by bondholders that have not accepted Argentina's settlement offer continues in several jurisdictions, although the size of the claims involved has decreased significantly. As of September 30, 2017, the amount of the Argentine government's non-restructured debt was of approximately U.S.$107.1 million based on the most recent publicly available data.

Although the vacating of the *pari passu* injunctions removed a material obstacle to access to capital markets by the Argentine government, as evidenced by successful bond issuances in April 2016 and January 2017, future transactions may be affected as litigation with holdout bondholders continues, which in turn could affect the Argentine government's ability to implement certain expected reforms and foster economic growth, which may have a direct impact on our ability to access international credit markets, thus affecting our ability to finance our operations and growth.

Fluctuations in the value of the Peso could adversely affect the Argentine economy, and consequently our results of operations or financial condition.

Fluctuations in the value of the Peso may also adversely affect the Argentine economy, our financial condition and results of operations. Since January 2002, the Peso has fluctuated significantly in value. The devaluation of the Peso in real terms in 2002 had a negative impact on the ability of certain Argentine businesses to honor their foreign currency-denominated debt, and also led to very high inflation initially and significantly reduced real wages. The devaluation has also negatively impacted businesses whose success is dependent on domestic market demand, and adversely affected the Argentine government's ability to honor its foreign debt obligations. If the Peso depreciates significantly in real terms, all of the negative effects on the Argentine economy related to such devaluation could also have adverse consequences for our business. A substantial increase in the value of the Peso against the U.S. dollar also represents risks for the Argentine economy since it may lead to a deterioration of the country's current account balance and the balance of payments. After several years of moderate variations in the nominal exchange rate, in 2012 the Peso lost approximately 14.4% of its value with respect to the U.S. dollar. This was followed in 2013 and 2014 by a devaluation of the Peso with respect to the U.S. dollar that exceeded 32.5% in 2013 and 31.2% in 2014, including a loss of approximately 24.0% in January 2014. In 2015, the Peso lost approximately 52.0% of its value with respect to the U.S. dollar from January 1, 2015 to September 30, 2015 a 38.0% devaluation during the last quarter of the year, mainly concentrated after December 16, 2015. In 2016 and 2017, the Peso lost approximately 21.9% and 18.4% of its value against the U.S. dollar, respectively. In the first three months of 2018, the Peso lost approximately 7.3% of its value against the U.S. dollar.

In addition, the administration of former President Cristina Fernández de Kirchner adopted numerous measures to control directly or indirectly foreign trade and the foreign exchange market. From 2011 until President Macri assumed office, the Argentine government adopted increasingly stringent exchange controls, most of which have been eliminated by the Macri administration.

Any foreign exchange regulations to be issued and any modification resulting therefrom of the exchange rate between the Peso and the U.S. dollar may prevent or limit us from offsetting the risk derived from our exposure to the U.S. dollar and, accordingly, we cannot predict the impact of these changes on our financial condition and results of operations.

During its financial crisis in 2001 and 2002, Argentina experienced social and political turmoil, including civil unrest, riots, looting, nationwide protests, strikes and street demonstrations. During this crisis, the Argentine government adopted several measures to curb social unrest, including the devaluation of the Peso and a forced restructuring of financial liabilities with the banking system. Future policies of the Argentine government may include expropriation, nationalization, forced renegotiation or modification of existing contracts, suspension of the enforcement of creditors' rights, new foreign exchange controls, changes in taxation and/or export duties and changes in laws and policies affecting foreign trade and investment. The implementation of any such future policies or significant protests resulting therefrom could destabilize the country and adversely and materially affect the Argentine economy and, in turn, our business, financial condition and results of operations.

The implementation in the future of new exchange controls, restrictions on transfers abroad and capital inflow restrictions could limit the availability of international credit and could threaten the financial system, which may adversely affect the Argentine economy and, as a result, our business.

In 2001 and 2002, following a run on the financial system triggered by the public's lack of confidence in the continuity of the convertibility regime that resulted in massive capital outflows, the Argentine government imposed exchange controls and transfer restrictions, substantially limiting the ability of companies to retain foreign currency or make payments abroad. Although several of such exchange controls and transfer restrictions were subsequently suspended or terminated, in June 2005 the federal government issued a decree that established new controls on

capital inflows, which resulted in a decrease in the availability of international credit for Argentine companies, including a requirement that, for certain funds remitted into Argentina, an amount equal to 30.0% of the funds must be deposited into an account with a local financial institution as a U.S. dollar deposit for a one-year period without any accrual of interest, benefit or other use as collateral for any transaction.

In addition, from 2011 until President Macri assumed office, the Argentine government increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. Together with regulations established in 2012 that subjected certain foreign exchange transactions to prior approval by Argentine authorities or the Central Bank, the measures taken by the previous administration significantly curtailed access to the foreign exchange market (*Mercado Libre de Cambios* or "MLC") by individuals and private sector entities. In response, an unofficial U.S. dollar trading market developed in which the peso-U.S. dollar exchange rate differed substantially from the official peso-U.S. dollar exchange rate. For more information on foreign exchange restrictions see "Exchange Controls."

Notwithstanding the measures recently adopted by the Macri administration eliminating a significant portion of the foreign exchange restrictions that developed under the Kirchner administration, in the future the Argentine government or the Central Bank could reintroduce exchange controls and impose restrictions on capital transfers, such measures may negatively affect Argentina's international competitiveness, discouraging foreign investments and lending by foreign investors or increasing foreign capital outflow which could have an adverse effect on economic activity in Argentina, and which in turn could adversely affect our business and results of operations and our ability to make payments under the Notes.

The Argentine economy may be adversely affected by economic developments in other markets and by more general "contagion" effects, which could have a material adverse effect on Argentina's economic growth, and consequently, could adversely affect our business, financial condition and results of operations.

Argentina's economy is vulnerable to external shocks that could be caused by adverse developments affecting its principal trading partners. A significant decline in the economic growth of any of Argentina's major trading partners (including Brazil, which is currently undergoing a recession, the European Union, China and the United States) could have a material adverse impact on Argentina's balance of trade and adversely affect Argentina's economic growth. In 2017, there were increases in exports of 13.7% to Chile, 0.2% to MERCOSUR (Brazil, Paraguay, Uruguay and Venezuela), 1.2% to NAFTA countries (United States, Canada and Mexico), while there was a decline of 1.6% in exports to China, each as compared to the same period in 2016. Declining demand for Argentine exports could have a material adverse effect on Argentina's economic growth.

Argentina could be adversely affected by negative economic or financial developments in other countries, which in turn may have an adverse effect on our financial condition and results of operations. In addition, a slowdown in economic activity in Argentina would substantially affect our business.

Since 2015, the Brazilian economy, Argentina's largest export market and the principal source of imports, has experienced heightened negative pressure due to the uncertainties stemming from the ongoing political crisis, including the impeachment of Brazil's president, which resulted in the Senate of Brazil removing Ms. Dilma Rousseff from office for the rest of her term on August 31, 2016. Mr. Michel Temer, who previously held office as vice president of Brazil, subsequently took office until the end of the presidential period. Nevertheless in 2017, the Brazilian economy recorded an estimated growth of 1.1% after two years of recession. A further deterioration of economic conditions in Brazil may reduce demand for Argentine exports and increase demand for Brazilian imports. While the impact of Brazil's downturn on Argentina or our operations cannot be predicted, we cannot exclude the possibility that the Brazilian political and economic crisis could have further negative impact on the Argentine economy and our operations.

In addition, financial and securities markets in Argentina have been influenced by economic and market conditions in other markets worldwide. Although economic conditions vary from country to country, investors' perceptions of events occurring in other countries have in the past substantially affected, and may continue to substantially affect, capital flows into, and investments in securities from issuers in, other countries, including Argentina. International investors' reactions to events occurring in one market sometimes demonstrate a "contagion" effect in which an entire region or class of investment is disfavored by international investors.

The Argentine financial system and securities markets could be also adversely affected by events in developed countries' economies, such as the United States and Europe. On June 23, 2016, the United Kingdom voted in favor of the United Kingdom exiting the European Union ("Brexit"). As of the date of this annual report, it is uncertain how Brexit may impact the relationship between the United Kingdom and the European Union, as the commercial terms under which the effective withdrawal of the United Kingdom from the European Union, which was officially notified on March 29, 2017, and its completion is currently scheduled for March 2019, remain subject to negotiation. The effects of the Brexit vote and the perceptions as to the impact of the withdrawal of the United Kingdom from the European Union may adversely affect business activity and economic and market conditions in the United Kingdom, the Eurozone and globally, and could contribute to instability in global financial and foreign exchange markets. In addition, Brexit could lead to additional political, legal and economic instability in the European Union.

On November 8, 2016, elections were held in the United States and a new administration took office on January 20, 2017. The results of the presidential election have created significant uncertainty about the future relationships between the United States and other countries, including with respect to the trade policies, treaties, government regulations and tariffs that could apply to trade between the United States and other nations. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets.

Changes in social, political, regulatory and economic conditions in the United States of or in the laws and policies governing foreign trade could create uncertainty in the international markets and could have a negative impact on emerging market economies, including the Argentine economy. Also, if these countries fall into a recession, the Argentine economy would be impacted by a decline in its exports, particularly of its main agricultural commodities. All of these factors could have a negative impact on Argentina's economy and, in turn, our business, financial condition and results of operations.

Any of these factors could depress economic activity and restrict our access to suppliers and could have a material adverse effect on our business, financial condition and results of operations.

Government measures, as well as pressure from labor unions, could require salary increases or added benefits, all of which could increase the company's operating costs.

In the past, the Argentine government has passed laws and regulations forcing privately owned companies to maintain certain wage levels and provide added benefits for their employees. Additionally, both public and private employers have been subject to strong pressure from the workforce and trade unions to grant salary increases and certain worker benefits.

Labor relations in Argentina are governed by specific legislation, such as labor Law No. 20,744 and Collective Bargaining Law No. 14,250, which, among other things, dictate how salary and other labor negotiations are to be conducted. Every industrial or commercial activity is regulated by a specific collective bargaining agreement that groups companies together according to industry sectors and by trade unions. While the process of negotiation is standardized, each chamber of industrial or commercial activity separately negotiates the increases of salaries and labor benefits with the relevant trade union of such commercial or industrial activity. In the banking activity, salaries are established on an annual basis through negotiations between the chambers that represent the banks and the banking employees' trade union. The National Labor Ministry mediates between the parties and ultimately approves the annual salary increase to be applied in the banking activity. Parties are bound by the final decision once it is approved by the labor authority and must observe the established salary increases for all employees that are represented by the banking union and to whom the collective bargaining agreement applies.

In addition, each company is entitled, regardless of union-negotiated mandatory salary increases, to give its employees additional merit increase or variable compensation scheme.

Argentine employers, both in the public and private sectors, have experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. Due to the high levels of inflation, employees and labor organizations are demanding significant wage increases. In June 2017, the National Labor Ministry resolved to increase the minimum salary to Ps.10,000 in three stages: an increase (i) to Ps.8,860 in July 2017, (ii) to Ps.9,500 in January 2018 and (iii) to Ps.10,000 in July 2018.

Due to high levels of inflation, employers in both the public and private sectors are experiencing significant pressure from unions and their employees to further increase salaries. On February 14, 2018, the INDEC published new data regarding the evolution of private and public-sector salaries. The total salaries index registered a growth of 27.5% during 2017, as a result of the 26.5% increase in the registered sector and an increase of 31.5% in the non-registered private sector.

In the future, the Argentine government could take new measures requiring salary increases or additional benefits for workers, and the labor force and labor unions may apply pressure for such measures. Any such increase in wage or worker benefit could result in added costs and reduced results of operations for Argentine companies, including us. Such added costs could adversely affect our business, financial condition, results of operations and our ability to make payments under the notes.

Government intervention in the Argentine economy could adversely affect our results of operations or financial condition.

The two terms of President Fernández de Kirchner's administration increased its direct state intervention in the Argentine economy, including the implementation of expropriation and nationalization measures, price controls and exchange controls.

In 2008, the Fernández de Kirchner administration absorbed and replaced the former private pension system for a public "pay as you go" pension system. As a result, all resources administered by the private pension funds, including significant equity interests in a wide range of listed companies, were transferred to a separate fund (*Fondo de Garantía de Sustentabilidad*, or "FGS") to be administered by the National Social Security Administration (*Administración Nacional de la Seguridad Social*, or "ANSES"). The dissolution of the private pension funds and the transfer of their financial assets to the FGS have had important repercussions on the financing of private sector companies. Debt and equity instruments which previously could be placed with pension fund administrators are now entirely subject to the discretion of the ANSES. Since it acquired equity interests in privately owned companies through the process of replacing the pension system, the ANSES is entitled to designate government representatives to the boards of directors of those entities. Pursuant to Decree No. 1,278/12, issued by the Executive Branch on July 25, 2012, the ANSES's representatives must report directly to the Ministry of Public Finance are subject to a mandatory information-sharing regime, under which, among other obligations, they must immediately inform the Ministry of Public Finance of the agenda for each Board of Directors' meetings and provide related documentation.

In April 2012, the Fernández de Kirchner administration decreed the removal of directors and senior officers of YPF S.A. ("YPF"), the country's largest oil and gas company, which was controlled by the Spanish group Repsol, and submitted a bill to the Argentine Congress to expropriate shares held by Repsol representing 51% of the shares of YPF. The Argentine Congress approved the bill in May 2012 through the passage of Law No. 26,741, which declared the production, industrialization, transportation and marketing of hydrocarbons to be activities of public interest and fundamental policies of Argentina, and empowered the Argentine government to adopt any measures necessary to achieve self-sufficiency in hydrocarbon supply. In February 2014, the Argentine government and Repsol announced that they had reached an agreement on the terms of the compensation payable to Repsol for the expropriation of the YPF shares. Such compensation totaled U.S.$5 billion payable by delivery of Argentine sovereign bonds with various maturities. The agreement, which was ratified by Law No. 26,932, settled the claim filed by Repsol before the International Centre for Settlement of Investment Disputes ("ICSID").

Law No. 26,991 (the "Supply Law") became effective on September 28, 2014. The Supply Law applies to all economic processes linked to goods, facilities and services which, either directly or indirectly, satisfy basic needs of the population ("Basic Needs Goods") and grants broad delegations of powers to its enforcing agency to become involved in such processes. It also empowers the enforcing agency to order the sale, production, distribution and/or delivery of Basic Needs Goods throughout the country in case of a shortage of supply.

In February 2015, the Fernández de Kirchner administration sent a bill to Congress in order to revoke certain train concessions, return the national rail network to state control and provide powers to review all concessions currently in force. The bill was enacted on May 20, 2015 as Law No. 27,132.

In September 2015, the Argentine government, through Resolution No. 646/2015 issued by the CNV, modified the valuation criteria applicable to securities traded outside of Argentina that comprise asset management portfolios. The resolution established that such securities must be valued at the currency in which they were issued to the extent such currency is the currency in which payments are made. The purchaser exchange rate applicable to financial transfers set by the Central Bank must be used to make such valuation. Resolution No. 646/2015 led to an accounting change in the valuation of mutual funds.

During 2014, 2015, 2016 and 2017 the Argentine government imposed price controls on certain goods and services to control inflation. These price controls will remain in effect until May 2018, but as of the date of this annual report, there is uncertainty regarding what other specific actions will be taken to control inflation. Actions taken by the Argentine government concerning the economy, including decisions with respect to interest rates, taxes, price controls, salary increases, provision of additional employee benefits, foreign exchange controls, and potential changes in the foreign exchange market, have had and could continue to have a material adverse effect on Argentina's economic growth. In turn, these actions could affect our financial condition and results of our operations. Moreover, any additional Argentine government policy established in response to or to preempt social unrest could adversely and materially affect the economy, and therefore our business.

In December 2017, the Congress passed Law No. 27,426 which modifies the method of calculating increases in social security benefits, and Law No. 27,430 which introduced reforms to the general tax law.

It is widely reported by private economists that expropriations, price controls, exchange controls and other direct involvement by the Argentine government in the economy have had an adverse impact on the level of investment in Argentina, the access of Argentine companies to international capital markets and Argentina's commercial and diplomatic relations with other countries. If the level of government intervention in the economy continues or increases, the Argentine economy and, in turn, our business, results of operations and financial condition could be adversely affected.

High public expenditure could result in long lasting adverse consequences for the Argentine economy, which in turn could adversely affect our business, financial condition and results of operations.

During the last years of the Fernández de Kirchner administration, the Argentine government substantially increased public expenditure, resorting to the Central Bank and to the ANSES to source part of its funding requirements. In light of increasingly tight public finances, the Fernández de Kirchner administration adopted certain measures to finance its public expenditures such as revising its subsidy policies (particularly those related to energy, electricity and gas, water and public transportation) and implementing an expansionary monetary policy. These policies have led to high inflation and, therefore, adversely affected, and could further adversely affect, consumer purchasing power and economic activity.

However, since assuming office, the Macri administration has taken steps to mitigate the increase in its fiscal deficit and reduce the current level of the fiscal deficit, including a process of comprehensive review of the contracts of public sector employees, as well as the elimination of subsidies to public services and other fiscal measures, which reduced the primary fiscal deficit by approximately 1.8% of GDP in December 2015 and reported a primary fiscal deficit of 4.6% of GDP in 2016, mostly due to taxes collected under the Tax Amnesty Law program in the last two months of 2016.

As of the date of this annual report, although the Macri administration is currently reviewing certain public sector contracts as well as the elimination of public service subsidies, there is uncertainty as to what additional actions the Macri administration will take with respect to public expenditure and its financing. For 2017, the government pursued a fiscal deficit target of 4.2% of GDP, while achieving a primary fiscal deficit of 3.9% of GDP, below such target. The government's 2018 target for a primary fiscal deficit is 3.2% of GDP, with deficit targets of 0.6% in the first quarter, 1.6% in the second quarter and 2.2% in the third quarter. The Macri administration's ultimate aim is to achieve a balanced primary budget by 2019, reaching a primary fiscal deficit of 2.2% of the GDP. If the Macri administration were to seek to finance its deficit by increasing the exposure of local financial institutions to the public sector, our liquidity and assets quality could be affected, and as a consequence, impact negatively on clients' confidence.

A continuing decline in international prices for Argentina's main commodity exports could have an adverse effect on Argentina's economic growth, which could adversely affect our business, financial condition and results of operations.

Argentina's financial recovery from the 2001-2002 crisis occurred in a context of price increases for Argentina's commodity exports. High commodity prices contributed to the increase in Argentine exports since the third quarter of 2002 and to high government tax revenues from export withholdings. Consequently, the Argentine economy has remained relatively dependent on the price of its main agricultural products, primarily soy. This dependence has rendered the Argentine economy more vulnerable to commodity prices fluctuations.

A continuing decline in the international prices of Argentina's main commodity exports could have a negative impact on the levels of government revenues and the government's ability to service its sovereign debt, and could either generate recessionary or inflationary pressures, depending on the government's reaction. Either of these results would adversely impact Argentina's economy and, therefore, our business, results of operations and financial condition. As of the date of this annual report, the Macri administration has eliminated export taxes on many agricultural products and reduced the export taxes on soy from 35.0% to 30.0%. While the measure was intended to encourage exports, reductions in export taxes in the future, unless replaced with other sources of revenues, may negatively impact on the Republic's public finances.

The Macri administration has begun to implement significant measures to solve the current energy sector crisis, but the eventual outcome of such measures is unknown, and could affect our business, financial condition and results of operations.

Economic policies since the 2001-2002 crisis have had an adverse effect on Argentina's energy sector. The failure to reverse the freeze on electricity and natural gas tariffs imposed during the 2001-2002 economic crisis created a disincentive for investments in the energy sector. Instead, the Argentine government sought to encourage investment by subsidizing energy consumption. This policy proved ineffective and operated to further discourage investment in the energy sector and caused production of oil and gas and electricity generation, transmission and distribution to stagnate while consumption continued to rise. To address energy shortages starting in 2011, the Argentine government engaged in increasing imports of energy, with adverse implications for the trade balance and the international reserves of the Central Bank.

In response to the growing energy crisis, the Macri administration declared a state of emergency with respect to the national electricity system, which ended on December 31, 2017. The state of emergency allows the Argentine government to take actions designed to stabilize the supply of electricity. In this context, subsidy policies were reexamined and new electricity tariffs went into effect on February 1, 2016 with varying increases depending on geographical location and consumption levels. Additionally, the Ministry of Energy and Mining issued Resolution No. 6/16 increasing the electricity tariff as of February 1, 2016. This Resolution was later complemented by Resolution No. 7/16 which, among other things, determined the requirements needed to be fulfilled in order to apply for a social tariff (*tarifa social*) which exempts its beneficiaries from paying the electricity tariff up to a total consumption of 150Kwh per month and establishes a special price scheme for those beneficiaries who exceed this amount.

Additionally, the Macri administration announced the elimination of a portion of subsidies to natural gas and adjustment to natural gas rates. As a result, average electricity and gas prices have already increased and could increase further. However, certain of the government's initiatives relating to the energy and gas sectors were challenged in Argentine courts and resulted in judicial injunctions or rulings against the government's policies, which were later lifted.

The Macri administration has taken steps and announced measures to address the energy sector crisis while taking into consideration the implications of these price increases for the poorest segments of society, approving subsidized tariffs for users that satisfy certain requirements. A failure to address the negative effects on energy generation, transportation and distribution in Argentina with respect to both the residential and industrial supply, resulting in part from the pricing policies of the prior administrations, could weaken confidence in and adversely affect the Argentine economy and financial condition, lead to social unrest and political instability, and adversely affect our results of operations. There can be no assurance that the measures adopted by the Macri administration to address

the energy crisis will not continue to be challenged in the local courts and/or will be sufficient to restore production of energy in Argentina within the short or medium term.

Failure to adequately address actual and perceived risks of institutional deterioration and corruption may adversely affect Argentina's economy and financial condition, which in turn could adversely affect our business, financial condition and results of operations.

A lack of a solid institutional framework and corruption have been identified as, and continue to be a significant problem for Argentina. In Transparency International's 2017 Corruption Perceptions Index survey of 180 countries, Argentina was ranked 85, improving from the previous survey in 2016. In the World Bank's Doing Business 2018 report, Argentina ranked 117 out of 190 countries, down from 116 in 2017.

Recognizing that the failure to address these issues could increase the risk of political instability, distort decision-making processes and adversely affect Argentina's international reputation and ability to attract foreign investment, the Macri administration has announced several measures aimed at strengthening Argentina's institutions and reducing corruption. These measures include the reduction of criminal sentences in exchange for cooperation with the government in corruption investigations, increased access to public information, the seizing of assets from corrupt officials, increasing the powers of the Anticorruption Office (*Oficina Anticorrupción*) and the passing of a new public ethics law, among others. The Argentine government's ability to implement these initiatives is uncertain as it would require the involvement of the judicial branch, which is independent, as well as legislative support from opposition parties.

Risks Relating to the Argentine Financial System

The stability of the Argentine financial system depends upon the ability of financial institutions, including the Bank, to retain the confidence of depositors.

The measures implemented by the Argentine government in late 2001 and early 2002, in particular the restrictions imposed on depositors to withdraw money freely from banks and the *pesification* and restructuring of their deposits, resulted in losses for many depositors and undermined their confidence in the Argentine financial system.

Although the financial system has seen a recovery in the amount of deposits since then, this trend may not continue and the deposit base of the Argentine financial system, including the deposit base of our main subsidiary, the Bank, could be negatively affected in the future by adverse economic, social and political events. Furthermore, the Argentine financial system growth strongly depends on deposit levels, due to the small size of its capital markets and the absence of foreign investments during the previous years. Recently, numerous local financial entities, such as the Bank, have accessed the global financial markets for funding through the placement of debt securities, on satisfactory terms, but this trend may not last and there is uncertainty as to whether the current availability of funds from the international markets will continue in coming years.

Although liquidity levels are currently reasonable, no assurances can be given that these levels will not be reduced in the future due to adverse economic conditions that could negatively affect the Bank's business.

If, in the future, depositor confidence weakens and the deposit base contracts, such loss of confidence and contraction of deposits will have a substantial negative impact on the ability of financial institutions, including the Bank, to operate as financial intermediaries. If the Bank is not able to act as a financial intermediary and otherwise conduct its business as usual, the results of its operations could be adversely affected or limited, affecting its ability to distribute dividends to us, which in turn could affect our results of operations and financial condition.

The growth and profitability of Argentina's financial system partially depend on the development of long-term funding.

In recent years, the Argentine financial system grew significantly in nominal terms. Loans to the private sector grew by approximately 30.8% in 2013, 20.3% in 2014, 37.1% in 2015, 31.4% in 2016 and 51.7% 2017, for the financial system as a whole.

Since most term deposits (more than 95%) are short-term deposits with a term of less than three months, a substantial portion of the loans have very short maturity, and there is a small portion of medium- and/or long-term credit lines.

The uncertainty about the level of inflation in the future and whether the Macri administration will be able to continue the declining trend observed in previous months and meet the inflation targets announces, is a principal obstacle preventing a faster recovery of Argentina's private sector long-term lending and thus the financial system size. This uncertainty has had, and may continue to have, a significant impact on both the supply of, and demand for, long-term loans as borrowers try to hedge against inflation risk by borrowing at fixed rates while lenders hedge against inflation risk by offering loans at floating rates.

If longer-term financial intermediation activity does not grow, the ability of financial institutions, including us, to generate profits will be negatively affected.

Increased competition and consolidation in the banking and financial industry could adversely affect our operations.

We expect competition in the banking and financial sector to continue to increase. Such increased competition in the banking and financial sector could reduce prices and margins and the volume of operations and our market share. Therefore, our results of operations could be adversely affected.

Enforcement of creditors' rights in Argentina may be limited, costly and lengthy.

In order to protect debtors affected by the economic crisis in 2001-2002, the Argentine government adopted measures in the beginning of 2002 that suspended proceedings to enforce creditors' rights upon debtor default, including mortgage foreclosures and bankruptcy petitions.

Although such measures have been rescinded, in the future they could be reinstated, or the government could take other measures that limit creditors' rights. Any such measures limiting the ability of creditors, including us, to bring legal actions to recover unpaid loans or restricting creditors' rights generally could have a material adverse effect on the financial system and on our business.

The Consumer Protection Law and the Credit Card Law may limit some of the rights afforded to us and our subsidiaries.

Argentine Consumer Protection Law No. 24,240, as supplemented or amended (the "Consumer Protection Law") establishes a number of rules and principles for the protection of consumers. Although the Consumer Protection Law does not contain specific provisions for its enforcement in relation to financial activities, it contains general provisions that might be used as grounds to uphold such enforcement, as it has been previously interpreted in various legal precedents. Moreover, the new Argentine Civil and Commercial Code has captured the principles of the Consumer Protection Law and established their application to banking agreements. Additionally, Law No. 25,065 (as amended by Law No. 26,010 and Law No. 26,361, the "Credit Card Law") also sets forth several mandatory regulations designed to protect credit card holders.

The application of both the Consumer Protection Law and the Credit Card Law by administrative authorities and courts at the federal, provincial and municipal levels has increased. Moreover, administrative and judicial authorities have issued various rules and regulations aimed at strengthening consumer protection. In this context, the Central Bank issued Communication "A" 5460, as supplemented and amended, granting broad protection to financial services customers, limiting fees and charges that financial institutions may validly collect from their clients.

In addition, the Argentine Supreme Court issued the *Acordada* 32/2014, creating the Public Registry of Collective Proceedings for the purpose of registering collective proceedings (such as class actions) filed with national and federal courts. In the event that we or our subsidiaries are found to be liable for violations of any of the provisions of the Consumer Protection Law or the Credit Card Law, the potential penalties could limit some of our rights or our

subsidiaries' rights. For example, reducing our or their ability to collect payments due from services and financing provided us and adversely affect our or their financial results of operations.

On September 18, 2014, a new pre-judicial service of dispute resolution was created by Law No. 26,993, in order for consumers and providers to resolve any dispute within the course of 30 days, including fines for companies that do not attend to the hearings.

Furthermore, the rules that govern the credit card business provide for variable caps on the interest rates that financial entities may charge clients and the fees that they may charge merchants. Moreover, general legal provisions exist pursuant to which courts could decrease the interest rates and fees agreed upon by the parties on the grounds that they are excessively high. A change in applicable law or the existence of court decisions that lower the cap on interest rates and fees that clients and merchants may be charged would reduce the Bank's and CCF's revenues and therefore negatively affect our consolidated results.

Class actions against financial institutions for an indeterminate amount may adversely affect the profitability of the financial system and of the Bank, specifically.

Certain public and private organizations have initiated class actions against financial institutions in Argentina, including the Bank. See "*Item 8.A Consolidated Statements and Other Financial Information—Legal Proceedings*." The Argentine National Constitution and the Consumer Protection Law contain certain provisions regarding class actions. However, their guidance with respect to procedural rules for instituting and trying class action cases is limited. Nonetheless, Argentine courts have admitted class actions in certain cases, including various lawsuits against financial entities related to "collective interests" such as alleged overcharging on products, interest rates and advice in the sale of public securities. Recently, some of these lawsuits have been settled by the parties out of court. These settlements have typically involved an undertaking by the financial institution to adjust the fees and charges. If class action plaintiffs were to prevail against financial institutions, their success could have an adverse effect on the financial industry and on our business.

In the future, court and administrative decisions may increase the degree of protection afforded to our debtors and other customers, or be favorable to the claims brought by consumer groups or associations. This could affect the ability of financial institutions, including us, to freely determine charges, fees or expenses for their services and products, therefore affecting their business and results of operations.

We operate in a highly regulated environment, and our operations are subject to regulations adopted, and measures taken, by several regulatory agencies.

Financial institutions are subject to significant regulation relating to functions that historically have been determined by the Central Bank and other regulatory authorities. The Central Bank may penalize our main subsidiary, the Bank, as well as our subsidiary CCF, in case of any breach of applicable regulations. Similarly, the CNV, which authorizes our securities offerings and regulates the public markets in Argentina, has the authority to impose sanctions on us and our Board of Directors for breaches of corporate governance. In addition, pursuant to Law No. 26,831, the CNV may appoint supervisors with veto powers over resolutions of our Board of Directors and may temporarily remove our Board of Directors, when, as determined by the CNV, minority shareholders' or bondholders' interests or rights have been infringed upon. The Financial Information Unit (*Unidad de Información Financiera* or "UIF") regulates matters relating to anti-money laundering and has the ability to monitor compliance with any such regulations by financial institutions and, eventually, impose sanctions. Any such regulatory agencies could initiate proceedings against us, our shareholders or directors and, accordingly, impose sanctions on us or any of our subsidiaries.

In addition to regulations specific to our industry, we are subject to a wide range of federal, provincial and municipal regulations and supervision generally applicable to businesses operating in Argentina, including laws and regulations pertaining to labor, social security, public health, consumer protection, the environment, competition and price controls.

Specifically, a series of new regulations were enacted from the beginning of 2012 until President Macri assumed office, incorporating new requirements and restrictions for financial institutions, including: (i) mandatory credit lines

for productive purposes, with a maximum interest rate established by regulation; (ii) rules limiting the reference interest rate for personal loans and car loans granted to retail customers that are not considered a micro, small or medium size company; (iii) a prior authorization requirement with respect to the introduction of new fees for new products and/or services offered and to increase existing fees; (iv) rules limiting minimum rates applicable to term deposits made by individuals; and (v) rules limiting the ability of financial institutions to receive remuneration or profits from any insurance product that customers are obligated to purchase as a condition for accessing financial services. However, on December 17, 2015, the limits imposed on interest rates applicable to transactions referred to in items (ii) and (iv) were eliminated and financial entities and their customers may now freely agree upon such interest rates. See "*Item 4.B Business overview—Argentine Banking Regulation—Interest Rate and Fee Regulations*."

In 2012, the Central Bank increased the capital requirements for financial institutions following the Basel II standard as well as several other measures related to Basel III, including with respect to capital, leverage and liquidity. In addition, since January 2016, pursuant to Communication "A" 5827 issued by the Central Bank, there are additional capital margin requirements, composed of a capital conservation margin and a countercyclical margin. Pursuant to these regulations, the capital conservation margin is 2.5% of the amount of risk weighted assets, or RWA, and in the case of entities considered by the Central Bank to be systemically important, or D-SIB, the margin will be increased to 3.5% of RWA. The countercyclical margin must be within a range of 0% to 2.5% of RWA. Pursuant to Communication "A" 5938, as amended and supplemented, the applicable countercyclical margin is currently 0%. See "*Item 4.B Business overview—Argentine Banking Regulation—Minimum Capital Requirements*."

In July 2016, by means of Communication "A" 6013, as amended by Communication "A" 6464, the Central Bank eliminated the requirement to maintain a certain regulatory capital threshold after the distribution of dividends by financial institutions.

The Central Bank has also imposed restrictions on the positive foreign currency net global position of financial institutions, which have been modified several times, to prevent the Central Bank's foreign currency reserves from further decreasing. As of the date of this annual report, the positive foreign currency net global position, calculated by using monthly averages of daily balances, may not exceed 25% of the lesser of the financial institution's RPC (as defined below) computed for the relevant preceding month or the financial institution's own liquid assets for the preceding month. For a more detailed description of changes, see "*Item 4.B Business overview—Argentine Banking Regulation—Foreign Currency Net Global Position*."

The absence of a stable regulatory framework or the imposition of measures that may affect the profitability of financial institutions and limit the capacity to hedge against currency fluctuations could result in significant limits to financial institutions' decisions, such as the Bank and CCF, regarding asset allocation. In turn, this could cause uncertainty and negatively affect our future financial activities and results of operations. In addition, existing or future legislation and regulation could require material expenditures or otherwise have a material adverse effect on our consolidated operations.

In addition, pursuant to Communication "A" 5785, as amended by Communication "A" 5813", sanctions imposed by the Central Bank, the UIF, the CNV and/or the National Superintendency of Insurance on financial institutions and/or their authorities, may result in the revocation of their licenses to operate as financial institutions. Such revocation may occur when, in the opinion of the Board of Directors of the Central Bank, there was a material change in the conditions deemed necessary to maintain such license, including those relating to the suitability, experience, moral character or integrity of (i) the members of a financial institution's Board of Directors (directors, counselors or equivalent authorities), (ii) its shareholders, (iii) the members of its supervisory committee and (iv) others, such as its managers.

Even though the Macri administration has taken steps towards increasing the flexibility of the regulatory framework for the financial entities, including the elimination of several restrictions adopted by the previous government as described above, there can be no assurances that new and tighter regulations will not be implemented in the future, which could cause uncertainty and could negatively affect our future financial activities and results of operations. Also, the imposition of measures that may affect the profitability of financial institutions and limit the capacity to hedge against currency fluctuations could result in significant limits to financial institutions' decisions, such as the

Bank and CCF, regarding asset allocation. In addition, existing or future legislation and regulation could require material expenditures or otherwise have a material adverse effect on our consolidated operations.

Exposure to multiple provincial and municipal legislation and regulations could adversely affect our business or results of operations.

Argentina has a federal system of government with 23 provinces and one autonomous city (Buenos Aires), each of which, under the Argentine national constitution, has full power to enact legislation concerning taxes and other matters. Likewise, within each province, municipal governments have broad powers to regulate such matters. Due to the fact that our branches are located in multiple provinces, we are also subject to multiple provincial and municipal legislation and regulations. Although we have not experienced any material adverse effects from this, future developments in provincial and municipal legislation concerning taxes, provincial regulations or other matters may adversely affect our business or results of operations.

Future governmental measures or regulations may adversely affect the economy and the operations of financial institutions.

The Argentine government has historically exercised significant influence over the economy, and financial institutions, in particular, have operated in a highly regulated environment. Laws and regulations currently governing the economy or the banking sector may continue to change in the future, and any changes may adversely affect our business, financial condition and results of operations.

Several different bills to amend the Argentine Financial Institutions Law No. 21,526 (the "FIL") have been put forth for review by the Argentine Congress, seeking to amend different aspects of the FIL, including the qualification of financial services as a public service, an increase in governmental regulations affecting the activities of financial entities and initiatives to make financial services more widely available. A thorough amendment of the FIL would have a substantial effect on the banking system as a whole. If any such bill is passed, or any other amendment to the FIL is made, the subsequent changes in banking regulations may have adverse effects on financial institutions in general, and on our business, financial conditions and results of operations.

The amendment of the Central Bank's Charter and the Convertibility Law may adversely affect the Argentine economy.

On March 22, 2012, the Argentine Congress passed Law No. 26,739, which amended the charter of the Central Bank and the Convertibility Law. This new law amended the objectives of the Central Bank (as established in its charter) and removed certain provisions previously in force. Pursuant to the terms of the new law, the Central Bank will focus on promoting monetary and financial stability as well as development with social equity. In addition, the concept of "freely available reserves" was eliminated, granting the Argentine government access to additional reserves to pay debt. Further, this new law provides that the Central Bank may set the interest rate and terms of loans granted by financial institutions.

Regarding the reserves, if the government were to utilize such Central Bank's reserves to make payments on its public debt or finance public spending, this may result in increased inflation, which would hinder economic growth. In addition, a decrease in the Central Bank's reserves could adversely affect the Argentine financial system's capacity to withstand and overcome the effects of an economic crisis (either domestic or international), negatively affecting economic growth and, in turn, our consolidated results and results of operations.

Risks Relating to Our Business

Due to our exposure to middle and lower-middle-income individuals and SMEs, the quality of our consolidated loan portfolio is more susceptible to economic downturns and recessions.

Our consolidated loan portfolio is concentrated in the segments of SMEs and middle and lower-middle-income individuals, which are more vulnerable to economic recessions than large corporations and higher income individuals. The quality of our portfolio of loans to SMEs and to individuals is therefore dependent to a large extent

on domestic and international economic conditions. Consequently, we may experience higher levels of past due amounts, which could result in higher provisions for loan losses. See "*Item 4.D Property, plants and equipment—Selected Statistical Information*."

If the economy in Argentina experiences a significant downturn, this could materially and adversely affect the liquidity, businesses and financial condition of our customers, which may in turn cause us to experience higher levels of past due loans, thereby resulting in higher provisions for loan losses and subsequent write-offs. This may materially and adversely affect the credit quality of our loan portfolio, our asset quality, our results of operations and our financial condition.

We continue to seek potential acquisitions, but we may not be able to complete such acquisitions or successfully integrate businesses that we acquire.

In the past, in addition to organic growth, we have significantly expanded our business through acquisitions. We expect to continue considering acquisition opportunities that we believe may add value and are compatible with our business strategy.

In this respect, we may not be able to continue to identify opportunities or consummate acquisitions leading to economically favorable results or that any future acquisition will, if required, be authorized by the Central Bank, which would limit our ability to implement an important component of our growth strategy. In addition, in the event that an acquisition opportunity is identified and authorized, successful integration of the acquired business entails significant risks, including compatibility of operations and systems, unexpected contingencies, employee retention, compliance, customer retention, and delays in the integration process.

Changes in market conditions and any associated risks, including interest rate and currency exchange volatility, could materially and adversely affect our consolidated financial condition and results of operations.

We are directly and indirectly affected by changes in market conditions. Market risk, or the risk that values of assets and liabilities or revenues will be adversely affected by variations in market conditions, including interest rate and currency exchange volatility, is inherent in the products and instruments associated with our operations, including loans, deposits, long-term debt and short-term borrowings.

In particular, our results of operations depend to a great extent on our net financial income. Net interest income represented 62.0% of our net financial income and services income fee in 2015, 66.0% in 2016 and 70.2% in 2017. Changes in market interest rates could affect the interest rates earned on our interest-earning assets differently from the interest rates paid on our interest-bearing liabilities, leading to a reduction in our net interest income or a decrease in customer demand for our loan or deposit products. In addition, increases in interest rates could result in higher debt service obligations for our customers, which could, in turn, result in higher levels of delinquent loans or discourage customers from borrowing. Interest rates are highly sensitive to many factors beyond our control, including the reserve policies of the Central Bank, regulation of the financial sector in Argentina, domestic and international economic and political conditions and other factors.

Any changes in interest rates and currency exchange rates could adversely affect our business, our future financial performance and the price of our securities.

Reduced spreads between interest rates on loans and those on deposits, without corresponding increases in lending volumes, could adversely affect the Bank's and CCF's profitability.

Historically, the Argentine financial system witnessed a decrease in spreads between the interest rates on loans and deposits as a result of a decrease in inflation or increased competition in the banking sector. The interest rate spreads of the Bank and CCF follow the same trend. If inflation reduces, competition continues or increases and interest rate spreads decrease, without corresponding increases in the volume of the Bank's loans such decrease could adversely affect our consolidated results of operations and financial condition.

We are a holding company and we conduct our business through our subsidiaries. Our ability to invest in our business developments will depend on our subsidiaries' ability to pay dividends to us.

As a holding company, we conduct our operations through our subsidiaries, the largest of which is the Bank. Consequently, we do not operate or hold substantial assets, except for equity investments in our subsidiaries and temporary liquidity. Except for such assets, our ability to invest in our business developments and to repay obligations is subject to the funds generated by our subsidiaries and their ability to pay cash dividends. In the absence of such funds, we may have to resort to financing options at unappealing prices, rates and conditions. Additionally, such financing could be unavailable when we may need it.

Each of our subsidiaries is a separate legal entity and due to legal or contractual restrictions, as well as to their financial condition and operating requirements, they may not be able to distribute dividends to us. Our ability to develop our business, meet our payment obligations and pay dividends to our shareholders could be limited by restrictions preventing our subsidiaries from paying us dividends. Investors should take such restrictions into account when analyzing our investment developments and our ability to cancel our obligations.

Our estimates and established reserves for credit risk and potential credit losses may prove to be insufficient, which may materially and adversely affect our asset quality and our financial condition and results of operations.

A number of our products expose us to credit risk, including consumer loans, commercial loans and other receivables. Changes in the income levels of our borrowers, increases in the inflation rate or an increase in interest rates could have a negative effect on the quality of our loan portfolio, causing us to increase provisions for loan losses and resulting in reduced profits or in losses.

We estimate and establish reserves for credit risk and potential credit losses. This process involves subjective and complex judgments, including projections of economic conditions and assumptions on the ability of our borrowers to repay their loans.

Overall, if we are unable to effectively control the level of non-performing or poor credit quality loans in the future, or if our loan loss reserves are insufficient to cover future loan losses, our asset quality and our financial condition and results of operations may be materially and adversely affected.

The Bank's revenues from its business with senior citizens could decrease or cease to grow if the Bank's agreement with ANSES is terminated or not renewed.

Since 1996, the Bank has acted as one of the paying agents of social security payments to senior citizens on behalf of the government pursuant to an agreement with ANSES. In December 2014, pursuant to Resolution No. 648/14, ANSES renewed its agreement with the paying agents for a six-year period. In December 2017, the Bank made payments on behalf of ANSES to approximately 1,123,000 senior citizens and beneficiaries. Offering this service to senior citizens allows the Bank ready access to a pool of potential consumers of financial services. The Bank derives an important part of its revenues (35.0% as of December 31, 2017) from the sale of financial services through senior citizens dedicated branches. The Bank's agreement with ANSES provides that it will continue in effect as long as the parties continue performing their obligations for a six-year term. ANSES has the right to terminate the agreement with 90 days prior notice.

The termination of the agreement with ANSES, a decision by ANSES not to renew the agreement in December 2020, or ANSES's failure to add new senior citizens to the payment service could have a negative effect on our business and results of operations.

Since short-term deposits are one of our main sources of funds, a sudden shortage of short-term deposits could cause an increase in costs of funding, affect our liquidity ratios and have an adverse effect on our revenues.

Deposits are one of our primary sources of funding, representing 60.1% of our total liabilities as of December 31, 2017. A significant portion of our assets has longer maturities, resulting in a mismatch between the maturities of liabilities and the maturities of assets. If a substantial number of our depositors withdraw their sight deposits or do

not roll over their time deposits upon maturity, our liquidity position, results of operations and financial condition may be materially and adversely affected. In the event of a sudden or unexpected shortage of funds in the banking system, money markets in which we operate may not be able to maintain levels of funding without incurring high funding costs or the liquidation of certain assets. If this were to happen, we may be unable to fund our liquidity needs at competitive costs and our results of operations and financial condition may be materially adversely affected.

Because our main subsidiary, the Bank, as well as CCF, are financial institutions, any insolvency proceeding against them would be subject to the powers of and intervention by the Central Bank, which may limit remedies otherwise available and extend the duration of the proceedings.

Under Argentine law, the liquidation and commencement of bankruptcy proceedings against financial institutions, until their banking license has been revoked by the Central Bank, may only be commenced by the Central Bank. If the Bank and/or CCF are unable to pay their debts as they come due, the Central Bank would intervene and revoke their respective banking and "compañía financiera" licenses, and file a bankruptcy petition before a commercial court. If the Central Bank intervenes, the reorganization proceeding could take longer and it is likely that the shareholders' remedies would be restricted. During any such process, the Central Bank would have to consider its interests as a regulator and, as a result, could prioritize the claims of other creditors and third parties against the Bank and/or CCF. As a result of any such intervention, shareholders may realize substantially less on the claims than they would in a regular bankruptcy proceeding in Argentina, the United States or any other country.

Our controlling shareholder has the ability to direct our business, and potential conflicts of interest could arise.

Our controlling shareholder, Julio Patricio Supervielle, directly or beneficially owned as of April 27, 2018, 126,738,188 Class A shares and 37,030,422 Class B shares. Virtually all decisions made by shareholders will continue to be directed by our controlling shareholder. He may, without the concurrence of the remaining shareholders, elect a majority of our directors, effect or prevent a merger, sale of assets or other business acquisition or disposition, cause us to issue additional equity securities, effect a redemption of shares, effect a related party transaction and determine the timing and amounts of dividends, if any. According to our bylaws, a two-thirds vote by our Class A shares is required, regardless of the percentage of our total capital they represent, in order for us to duly resolve a merger with another company, a voluntary dissolution, our relocation abroad, and the fundamental change in our corporate purpose. Mr. Supervielle's interests may conflict with your interests as a holder of Class B shares or ADSs, and he may take actions that might be desirable to him but not to other shareholders.

Early termination of CCF's business agreement with Walmart could have an adverse effect on our revenue.

In April 2000, CCF (formerly *GE Compañía Financiera*) and Walmart entered into a commercial agreement pursuant to which CCF became the sole provider of financial services for Walmart's customers in Argentina. The agreement was renewed in 2005, in 2010 and in December 2014. Such agreement is key to CCF's overall performance. This agreement expires in August 2020 and while it contains an option for renewal, it may not be renewed on the same terms or at all. In addition, the agreement is subject under certain conditions to voluntary termination by Walmart Argentina. The decision by Walmart Argentina not to renew or to terminate the agreement could negatively affect our expected benefit from this alliance and could result in a material adverse effect on CCF's financial condition and results of operations.

Differences in the accounting standards between Argentina and certain countries with highly developed capital markets, such as the United States, may make it difficult to compare our audited consolidated financial statements and reported earnings with companies in other countries and the United States.

Except as otherwise described herein, we prepared our 2017 audited consolidated financial statements in accordance with the Central Bank regulations, which differ in certain significant respects from U.S. GAAP and from Argentine GAAP. As a result, except for our net income and our shareholders' equity as of and for the years ended December 31, 2017 and 2016 which have been reconciled with U.S. GAAP, our audited consolidated financial statements are not directly comparable to those of banks in the United States. Implementation of IFRS in Argentina took place for the fiscal years beginning on January 1, 2018.

Cybersecurity events could negatively affect our reputation, our financial condition and our results of operations.

We depend on the efficient and uninterrupted operation of internet-based data processing, communication and information exchange platforms and networks, including those systems related to the operation of our ATM network. We have access to large amounts of confidential financial information and control substantial financial assets belonging to our customers as well as to us. In addition, we provide our customers with continuous remote access to their accounts and the possibility of transferring substantial financial assets by electronic means. Accordingly, cybersecurity is a material risk for us. Cybersecurity incidents, such as computer break-ins, phishing, identity theft and other disruptions could negatively affect the security of information stored in and transmitted through our computer systems and network infrastructure and may cause existing and potential customers to refrain from doing business with us.

In addition, contingency plans in place may not be sufficient to cover liabilities associated with any such events, and we do not have insurance to cover cyber risks and breaches. Our operational systems and networks have been, and will continue to be, subject to an increasing risk of continually evolving cybersecurity or other technological risks. Although we intend to continue to implement security technology devices and establish operational procedures to prevent such damage, it is possible that not all of our systems are entirely free from vulnerability and these security measures will not be successful. If any of these events occur, it could damage our reputation, entail serious costs and affect our transactions, as well as our results of operations and financial condition.

Our business is highly dependent on properly functioning information technology systems and improvements to such systems.

Our business is highly dependent on the ability of our information technology systems and the third party managers of such systems to effectively manage and process a large number of transactions across numerous and diverse markets and products in a timely manner. In addition, we provide our customers with continuous remote access to their accounts and the possibility of transferring substantial financial assets by electronic means. The proper functioning of our financial control, risk management, accounting, customer service and other data processing systems is critical to our business and our ability to compete effectively. Our business activities may be materially disrupted if there were a partial or complete failure of any of our information technology systems communication networks. Such failures could be caused by, among other things, software bugs, computer virus attacks or intrusions, phishing, identity theft or conversion errors due to system upgrading. In addition, any security breach caused by unauthorized access to information or systems, or intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, could have a material adverse effect on our business, results of operations and financial condition.

Our ability to remain competitive and achieve further growth will depend in part on our ability to upgrade our information technology systems and increase our capacity on a timely and cost effective basis. Any substantial failure to improve or upgrade information technology systems effectively or on a timely basis could materially affect us.

We are susceptible to fraud, unauthorized transactions and operational errors.

As with other financial institutions, we are susceptible to, among other things, fraud by employees or outsiders, unauthorized transactions by employees and other operational errors (including clerical or record keeping errors and errors resulting from faulty computer or telecommunications systems). Given the high volume of transactions that may occur at a financial institution, errors could be repeated or compounded before they are discovered and remedied. In addition, some of our transactions are not fully automated, which may further increase the risk that human error or employee tampering will result in losses that may be difficult to detect quickly or at all. Losses from fraud by employees or outsiders, unauthorized transactions by employees and other operational errors could have a material adverse effect on us.

Our policies and procedures may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose us to fines and other liabilities.

We are required to comply with applicable anti-money laundering laws, anti-terrorism financing laws and other regulations. These laws and regulations require us, among other things, to adopt and enforce "know your customer" policies and procedures and to report suspicious or large transactions to the applicable regulatory authorities. While we have adopted policies and procedures aimed at detecting and preventing the use of banking networks for money laundering activities and by terrorists and terrorist-related organizations and individuals generally, such policies and procedures may not completely eliminate instances where they may be used by other parties to engage in money laundering and other illegal or improper activities. If we fail to fully comply with applicable laws and regulations, the relevant government authorities to which they report have the power and authority to impose fines and other penalties. In addition, our businesses and reputation could suffer if customers use our financial institutions for money laundering or illegal or improper purposes. As of the date of this annual report, we have not been subject to fines or other penalties, and we have not suffered business or reputational harm, as a result of any money laundering activities in the past.

You may not be able to effect service of process within the United States upon us, our directors and officers and certain advisors.

All of our directors and all our officers and certain advisors named herein reside in Argentina or elsewhere outside the United States. As a result, you may not be able to effect service of process within the United States upon such persons.

Risks Relating to Our Class B Shares and the ADSs

Holders of our Class B shares and the ADSs may not receive any dividends.

We are a holding company and our ability to pay dividends depends on the cash flow and distributable income of our operating subsidiaries, particularly the Bank. We and our subsidiaries are subject to contractual, legal and regulatory requirements affecting our ability to pay dividends.

In particular, dividend distribution by the Bank is subject to the requirements established by the rules of the Central Bank, as amended from time to time. Pursuant to such regulations, dividend distributions shall be admitted as long as none of the following circumstances apply(i) the financial institution is subject to a liquidation procedure or the mandatory transfer of assets ordered by the Central Bank in accordance with section 34 or 35 bis of the FIL; (ii) the financial institution is receiving financial assistance from the Central Bank; (iii) the financial institution is not in compliance with its reporting obligations to the Central Bank; (iv) the financial institution is not in compliance with minimum capital requirements (both on an individual and consolidated basis and excluding any individual franchise granted by the Superintendency) and with minimum cash reserves (on average), whether in Pesos, foreign currency or securities issued by the public sector; (v) if the average minimum cash reserve is lower than the amount of cash required by the latest reported position or the pro forma position after making the dividend payment; and/or (vi) if the financial institution did not comply with the applicable Additional Capital Margins (as defined below). Financial institutions that comply with all of the above mentioned conditions may distribute dividends up to an amount equal to: (i) the positive balance of the account "unappropriated earnings" (*resultados no asignados*) at the end of the fiscal year, plus (ii) voluntary reserves for future payments of dividends, minus (iii) voluntary reserves and mandatory statutory reserves registered as of that date and other items, such as (a) 100% of the debit balance of each of the items recorded under "Other accumulated comprehensive income", (b) the result from the revaluation of property, plant, equipment and intangible assets and investment properties, (c) the net positive balance of the book-value and the market-value of certain public debt securities and Central Bank notes that the financial institution owns that are not marked to market, (d) unrecorded adjustments of asset value informed by the Superintendency of Financial and Exchange Entities (*Superintendencia de Entidades Financieras y Cambiarias*, or "Superintendency") or mentioned by external auditors on their report, and (e) individual exemptions for asset valuation granted by the Superintendency.

In addition, financial entities may not distribute profits with the profit arising from the application of IFRS for the first time, and must set up a special reserve that can only be canceled for capitalization or to absorb any negative

balances from the item "Unassigned Results." See "*Item 4.B Business overview—Argentine Banking Regulation—Liquidity and Solvency Requirements—Requirements Applicable to Dividend Distribution*."

In 2016 and 2017, we received the following dividend payments in cash from our subsidiaries: (i) Ps.73.0 million in 2017 and Ps.61.3 million in 2016 from SAM, (ii) Ps. Ps.23.1 million and Ps.42.3 million in 2017 and 2016 from Espacio Cordial, and (iv) Ps.150 million and Ps.76.8 million in 2017 and 2016 from Supervielle Seguros, and (v) Ps.0 million and Ps.6.5 million in 2017 and 2016 from Sofital. We did not receive dividend payments from the Bank or our other subsidiaries during 2017 and 2016.

Although distribution of dividends to us by the Bank has been authorized by the Central Bank in the past, it is possible that in the future the Central Bank may limit the Bank's ability to distribute dividends approved by its shareholders at the annual ordinary shareholders' meeting without its prior consent, or such authorization may not be for the full amount of distributable dividends.

Changes in the Argentine tax laws may adversely affect the results of our operations and the tax treatment of our Class B shares and/or the ADSs for the period prior to December 31, 2017.

On September 23, 2013, Law No. 26,893, which amended the Income Tax Law, was enacted. According to the amendments, the distribution of dividends by an Argentine corporation was subject to income tax at a rate of 10.0%, unless such dividends were distributed to Argentine corporate entities (the "Dividend Tax").

The Dividend Tax was repealed by Law No. 27,260, enacted on June 29, 2016, and consequently no income tax withholding is applicable on the distribution of dividends in respect of both Argentine and non-Argentine resident shareholders, except when dividends distributed are greater than the income determined according to the application of the Income Tax Law, accumulated at the fiscal year immediately preceding the year on which the distribution is made. In such case, the excess is subject to a rate of 35%, for both Argentine and non-Argentine resident shareholders. This treatment applies only to dividends to be distributed at any time out of retained earnings accumulated until the end of the last fiscal year starting before January 1, 2018.

However, pursuant to Law No. 27,430, dividends to be distributed out of earnings accrued in fiscal years starting on or after January 1, 2018, and other profits paid in cash or in kind —except for stock dividends or quota dividends—by companies and other entities incorporated in Argentina referred to in the Income Tax Law, Sections 69 (a)(1), (2), (3), (6), (7) and (8), and Section 69(b) to Argentine resident individuals and foreign beneficiaries will be subject to income tax at a 7% rate on profits accrued during fiscal years starting January 1, 2018 to December 31 2019, and at a 13% rate on profits accrued in fiscal years starting 1 January 2020 and onwards. If dividends are distributed to Argentine corporate taxpayers (in general, entities organized or incorporated under Argentine law, certain traders and intermediaries, local branches of foreign entities, sole proprietorships and individuals carrying on certain commercial activities in Argentina), no dividend tax should apply. See "*Item 10.E Taxation—Material Argentine Tax Considerations*."

In addition, capital gains realized from the disposal of shares and other securities, including securities representing shares and deposit certificates, are subject to capital gains tax.

Law No. 27,430 established that as from January 1, 2018, capital gains realized by Argentine resident individuals from the disposal of shares and ADSs are exempt from capital gains tax in the following cases: (i) when the shares are placed through a public offering authorized by the CNV, (ii) when the shares are traded in stock markets authorized by the CNV, under segments that ensure priority of price-time and interference of offers, or (iii) when the sale, exchange or other disposition of shares is made through an initial public offering and/or exchange of shares authorized by the CNV.

Such law also provides that the capital gains tax applicable to non-residents for transactions entered into until December 30, 2017 is still due, although no taxes will be claimed to non-residents with respect to past sales of Argentine shares or other securities traded in CNV's authorized markets (such as ADSs) as long as the cause of the non-payment was the absence of regulations stating the mechanism of tax collection at the time the transaction was closed. General Resolution (AFIP) 4.227, which will come into effect on April 26, 2018, stipulates the procedures

through which the income tax should be paid to the AFIP. The payment of capital gains tax applicable for transactions entered into before December 30, 2017 is due on June 11, 2018.

In addition, Law No. 27,430 and Decree 279/2018, maintain the 15% capital gains tax (calculated on the actual net gain or a presumed net gain equal to 90% of the sale price) on the disposal of shares or securities by non-residents. However, non-residents are exempt from the capital gains tax on gains realized from the sale of (a) Argentine shares in the following cases: (i) when the shares are placed through a public offering authorized by the CNV, (ii) when the shares were traded in stock markets authorized by the CNV, under segments that ensure priority of price-time and interference of offers, or (iii) when the sale, exchange or other disposition of shares is made through an initial public offering and/or exchange of shares authorized by the CNV; and (b) depositary shares or depositary receipts issued abroad, when the underlying securities are shares (i) issued by Argentine companies, and (ii) with authorization of public offering. The exemptions will only apply to the extent the foreign beneficiaries reside in, or the funds used for the investment proceed from, jurisdictions considered as cooperating for purposes of the exchange of tax information.

In case the exemption is not applicable and, to the extent foreign beneficiaries do not reside in, or the funds do not arise from, jurisdictions not considered as cooperative for purposes of fiscal transparency, the gain realized from the disposition of shares would be subject to Argentine income tax at a 15% rate on the net capital gain or at a 13.5% effective rate on the gross price. In case such foreign beneficiaries reside in, or the funds arise from, jurisdictions not considerd as cooperative for purposes of fiscal transparency, a 35% tax rate on the the net capital cagin or at a 31.5% effective rate on the gross price should apply.

Therefore, holders of our Class B shares or the ADSs, are encouraged to consult their tax advisors as to the particular Argentine income tax consequences of owning our Class B Shares or the ADSs. See "*Item 10.E Taxation—Material Argentine Tax Considerations*."

Restrictions on transfers of foreign exchange and the repatriation of capital from Argentina may impair your ability to receive dividends and distributions on, and the proceeds of any sale of, the Class B shares underlying the ADSs.

Since the beginning of December 2001 until President Macri assumed office, the Argentine government implemented monetary and foreign exchange control measures that included restrictions on the withdrawal of funds deposited with banks and on the transfer of funds abroad, including dividends, without prior approval by the Central Bank, most of which were eliminated by the Macri administration.

Although the transfer of funds abroad by local companies in order to pay annual dividends only to foreign shareholders and the depositary for the benefit of the ADS holders based on approved audited financial statements no longer requires Central Bank approval, other exchange controls could impair or prevent the conversion of anticipated dividends, distributions, or the proceeds from any sale of Class B shares, as the case may be, from Pesos into U.S. dollars and the remittance of the U.S. dollars abroad. In particular, with respect to the proceeds of any sale of Class B shares underlying the ADSs, as of the date of this annual report, the conversion from Pesos into U.S. dollars and the remittance of such U.S. dollars abroad is not subject to prior Central Bank approval provided the foreign beneficiary is either a natural or legal person residing in or incorporated and established in jurisdictions, territories or associated states that are considered "cooperators for the purposes of fiscal transparency." If such requirement is not met, prior Central Bank approval will be required.

The Argentine government could reinstate restrictive measures in the future. In such a case, the depositary for the ADSs may be prevented from converting Pesos it receives in Argentina for the account of the ADS holders. If this conversion is not possible, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. If the exchange rate fluctuates significantly during a time when the depositary cannot convert the foreign currency, you may lose some or all of the value of the dividend distribution. Also, if payments cannot be made in U.S. dollars abroad, the repatriation of any funds collected by foreign investors in Pesos in Argentina may be subject to restriction. See "*Item 10.D Exchange Controls—Other Regulations—Sale of Foreign Currency to Non-residents*."

We are traded on more than one market and this may result in price variations; in addition, investors may not be able to easily move shares for trading between such markets.

In addition to the trading of our ADSs in the United States and countries other than Argentina, our Class B shares are traded in Argentina. Trading in the ADSs or our Class B shares on these markets will take place in different currencies (U.S. dollars on the New York Stock Exchange ("NYSE") and Pesos on the *Bolsas y Mercados Argentinos S.A.* ("ByMA")), and at different times (resulting from different time zones, different trading days and different public holidays in the United States and Argentina). The trading prices of these securities on these two markets may differ due to these and other factors. Any decrease in the price of our Class B shares on the ByMA could cause a decrease in the trading price of the ADSs on the NYSE. Investors could seek to sell or buy our shares to take advantage of any price differences between the markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both our share prices on one exchange, and the ADSs available for trading on the other exchange. In addition, holders of ADSs will not be immediately able to surrender their ADSs and withdraw the underlying Class B shares for trading on the other market without effecting necessary procedures with the depositary. This could result in time delays and additional cost for holders of ADSs.

Under Argentine Corporate Law, shareholder rights may be fewer or less well defined than in other jurisdictions.

Our corporate affairs are governed by our bylaws and by the Argentine Corporate Law, which differ from the legal principles that would apply if we were incorporated in a jurisdiction in the United States (such as Delaware or New York), or in other jurisdictions outside Argentina. Thus, your rights or the rights of holders of our Class B shares under the Argentine Corporate Law to protect your or their interests relative to actions by our Board of Directors may be fewer and less well defined than under the laws of those other jurisdictions. Although insider trading and price manipulation are illegal under Argentine law, the Argentine securities markets may not be as highly regulated or supervised as the U.S. securities markets or markets in some of the other jurisdictions. In addition, rules and policies against self-dealing and regarding the preservation of shareholder interests may be less well defined and enforced in Argentina than in the United States, or other jurisdictions outside Argentina, putting holders of our Class B shares and the ADSs at a potential disadvantage.

Holders of our Class B shares and the ADSs located in the United States may not be able to exercise preemptive rights.

Under the Argentine Corporate Law, if we issue new shares as part of a capital increase, our shareholders may have the right to subscribe to a proportional number of shares to maintain their existing ownership percentage. Rights to subscribe for shares in these circumstances are known as preemptive rights. In addition, shareholders are entitled to the right to subscribe for the unsubscribed shares remaining at the end of a preemptive rights offering on a pro rata basis, known as accretion rights. Upon the occurrence of any future increase in our capital stock, United States holders of Class B shares or ADSs will not be able to exercise the preemptive and related accretion rights for such Class B shares or ADSs unless a registration statement under the Securities Act is effective with respect to such Class B shares or ADSs or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement with respect to those Class B shares or ADSs. We may not file such a registration statement, or an exemption from registration may not be available. Unless those Class B shares or ADSs are registered or an exemption from registration applies, a U.S. holder of our Class B shares or ADSs may receive only the net proceeds from those preemptive rights and accretion rights if those rights can be sold by the depositary; if they cannot be sold, they will be allowed to lapse. Furthermore, the equity interest of holders of Class B shares or ADSs located in the United States may be diluted proportionately upon future capital increases.

Non-Argentine companies that own our Class B shares directly and not as ADSs may not be able to exercise their rights as shareholders unless they are registered in Argentina.

Under Argentine law, foreign companies that own shares in an Argentine corporation are required to register with the *Inspección General de Justicia* (Superintendency of Legal Entities, or the "IGJ"), in order to exercise certain shareholder rights, including voting rights. If you own Class B shares directly (rather than ADSs) and you are a non-Argentine company and you are not registered with the IGJ, your ability to exercise your rights as a holder of our Class B shares may be limited.

Your voting rights with respect to the ADSs are limited by the terms of the deposit agreement.

Holders may exercise voting rights with respect to the Class B shares underlying ADSs only in accordance with the provisions of the deposit agreement. There are no provisions under Argentine law or under our bylaws that limit ADS holders' ability to exercise their voting rights through the depositary with respect to the underlying Class B shares, except if the depositary is a foreign entity and it is not registered with the IGJ, and in this case, the depositary is registered with the IGJ. However, there are practical limitations upon the ability of ADS holders to exercise their voting rights due to the additional procedural steps involved in communicating with such holders. For example, Law No. 26,831 requires us to notify our shareholders by publications in certain official and private newspapers of at least 20 and no more than 45 days in advance of any shareholders' meeting. ADS holders will not receive any notice of a shareholders' meeting directly from us. In accordance with the deposit agreement, we will provide the notice to the depositary, which will in turn, if we so request, as soon as practicable thereafter provide to each ADS holder:

- the notice of such meeting;
- voting instruction forms; and
- a statement as to the manner in which instructions may be given by holders.

To exercise their voting rights, ADS holders must then provide instructions to the depositary how to vote the shares underlying ADSs. Because of the additional procedural step involving the depositary, the process for exercising voting rights will take longer for ADS holders than for holders of Class B shares.

Except as described in this annual report, holders will not be able to exercise voting rights attaching to the ADSs.

The relative volatility and illiquidity of the Argentine securities markets may substantially limit your ability to sell Class B shares underlying the ADSs at the price and time you desire.

Investing in securities that trade in emerging markets, such as Argentina, often involves greater risk than investing in securities of issuers in the United States. The Argentine securities market is substantially smaller, less liquid, more concentrated and can be more volatile than major securities markets in the United States, and is not as highly regulated or supervised as some of these other markets. There is also significantly greater concentration in the Argentine securities market than in major securities markets in the United States. As of December 31, 2017, the ten largest Argentine companies in terms of market capitalization represented approximately 80% of the aggregate market capitalization of ByMA. Accordingly, although you are entitled to withdraw the Class B shares underlying the ADSs from the depositary at any time, your ability to sell such shares at a price and time at which you wish to do so may be substantially limited. Furthermore, if exchange controls are imposed by the Central Bank, these could have the effect of further impairing the liquidity of the ByMA by making it unattractive for non-Argentines to buy shares in the secondary market in Argentina. See "*Item 10.D Exchange Controls*."

Substantial sales of our Class B shares or the ADSs could cause the price of the Class B shares or of the ADSs to decrease.

We have shareholders that own a substantial amount of our Class B shares or ADSs. If such shareholders decide to sell a substantial amount of our Class B shares or the ADSs, or if the market perceives they intend to sell a substantial amount of our Class B shares or the ADSs, the market price of our Class B shares or the ADSs could drop significantly.

Our shareholders may be subject to liability for certain votes of their securities.

Our shareholders are not liable for our obligations. Instead, shareholders are generally liable only for the payment of the shares they subscribe. However, shareholders who have a conflict of interest with us and who do not abstain from voting may be held liable for damages to us, but only if the transaction would not have been approved without such shareholders' votes. Furthermore, shareholders who willfully or negligently vote in favor of a resolution that is

subsequently declared void by a court as contrary to Argentine Corporate Law or our bylaws may be held jointly and severally liable for damages to us or to other third parties, including other shareholders.

Item 4. Information of the Company

Recent Political and Economic Developments in Argentina

Presidential and congressional elections in Argentina took place in October and November 2015, resulting in Mr. Mauricio Macri being elected President of Argentina. The Macri Administration assumed office on December 10, 2015. Since assuming office, the Macri Administration has announced and executed several significant economic and policy reforms and transactions, including:

INDEC reforms. On January 8, 2016, based on its determination that the *Instituto Nacional de Estadísiticas y Censos* (the National Statistics and Census Institute, or "INDEC") had failed to produce reliable statistical information, particularly with respect to consumer price index ("CPI"), gross domestic product ("GDP"), poverty and foreign trade data, the current administration declared the national statistical system and the INDEC in a state of administrative emergency through December 31, 2016. As of the date of this annual report, the INDEC has published certain revised data, including the CPI, foreign trade and balance of payment statistics. On June 29, 2016, the INDEC published INDEC Report including revised GDP data for the years 2004 through 2015 (the "2016 Revised INDEC Report"). On September 22, 2016, the INDEC resumed publication of its essential goods and services basket assessment. On November 9, 2016, the International Monetary Fund ("IMF") Executive Board lifted its censure on Argentina, noting that Argentina had resumed the publication of data in a manner consistent with its obligations under the Articles of Agreement of the IMF. In March 2017, the INDEC published preliminary estimated GDP data for 2016, which shows a 2.3% GDP contraction compared to 2015. On September 21, 2017, GDP for the first quarter of 2017 increased by 1.1% compared to the last quarter of 2016, and 0.3% with respect to the same period in 2016, while according to the same source GDP for the second quarter of 2017 increased by 0.7% compared to the first quarter of 2017, and 2.7% with respect to the same period in 2016. See "*Risk Factors—Risks Related to Argentina—Some national and international economic agents have expressed their concerns about the accuracy of the INDEC's CPI and other economic data published by INDEC in the past*."

Foreign exchange reforms. The current administration eliminated substantially all of the restrictions, including certain currency controls, that were imposed under the previous administration. These reforms are expected to provide greater flexibility and easier access to the foreign exchange market (MLC). On August 8, 2016, the Central Bank issued Communication "A" 6037 as amended, which eliminated certain additional foreign exchange restrictions that were still in effect and established new foreign exchange rules, including:

the reestablishment of Argentine residents' rights to purchase and remit foreign currency outside of Argentina without limit and without specific allocation (*atesoramiento*);

the effective elimination of a mandatory, non-transferable and non-interest bearing deposit in connection with certain transactions involving foreign currency inflows by reducing the amount of the deposit from 30% of such transactions to 0%;

the elimination of the requirement to transfer and settle the proceeds from new foreign financial indebtedness incurred by the foreign financial sector, the non-financial private sector and local governments through the MLC; and

the elimination of the mandatory minimum stay period, applicable to the proceeds of any new financial indebtedness and renewal of existing indebtedness incurred by residents, held by foreign creditors and transferred through the MLC.

On May 19, 2017, the Central Bank eliminated most of the foreign exchange restrictions then in place by means of Communication "A" 6244, effective as of July 1, 2017. In addition, on November 1, 2017, President Macri enacted Decree No. 893/17 which partially repealed Decrees No. 2,581/64, No. 1,555/86 and No. 1,638/01, and eliminated the obligation of Argentine residents to transfer to Argentina and sell in the MLC the proceeds of their exports of goods. On November 10, 2017, the Central Bank issued Communication "A" 6363, that eliminated all restrictions

applicable to Argentine residents related to the transfer and sale of proceeds in the MLC resulting from the export of goods. Furthermore, on December 26, 2017, by virtue of Communication "A" 6401, the Central Bank replaced the reporting regimes set forth by Communications "A" 3602 and "A" 4237 with a new, unified regime applicable for information as of December 31, 2017. The unified reporting regime involves an annual statement whose filing is mandatory for every person whose total flow of funds or balance of assets and liabilities is or exceeds U.S.$1 million during the previous calendar year.

Foreign trade reforms. The Kirchner and Fernández de Kirchner administrations imposed export duties and other restrictions on several sectors, particularly the agricultural sector. The current administration eliminated export duties on wheat, corn, beef, mining, oil, and regional products, and reduced the duty on soybean exports by 5%, from 35% to 30%. Further, a 5% export duty on most industrial exports was also eliminated. With respect to payments for imports of goods and services to be performed abroad, the current administration eliminated the restrictions on access to the MLC. Importers were offered short-term debt securities issued by Argentina to be used to repay outstanding commercial debt for the import of goods. In addition, the import system was modified by the replacement of the *Declaraciones Juradas Anticipadas de Importación* system with a new import procedure that requires certain filings and import licences for certain goods (including textiles, footwear, toys, domestic appliances and automobile parts), which, unlike the previous system, does not contemplate discretionary federal government approval of payments for the import of products through the MLC. By Decree No. 893/2017, published in the Official Gazette on November 2, 2017, the Argentine government repealed article 1 of Decree No. 2581/1964, article 10 of Decree No. 1555/1986 and Decree No. 1638/2001. This action eliminated the obligation of Argentine exporters to repatriate and settle for Pesos in the MLC foreign currency proceeds derived from the export of goods. On January 2, 2017, the Argentine government enacted a further reduction of the export duties rate set for soybean and soybean products, setting a monthly 0.5% cut on the export duties rate beginning on January 2018 and until December 2019. In addition, importers were offered short-term debt securities issued by the Argentine government to repay outstanding commercial debt for the import of goods.

Fiscal policy. The current administration took steps to anchor the fiscal accounts, to reduce the primary fiscal deficit and achieved a primary fiscal deficit of 4.6% of GDP in 2016 through the elimination of subsidies and the reorganisation of certain expenditures and the generation of increased revenue through the tax amnesty. The 2018 budget bill of the federal government projects a fiscal deficit representing 3.2% of GDP in 2017.

Correction of monetary imbalances. The current administration announced the adoption of an inflation targeting regime in parallel with the floating exchange rate regime and set inflation targets for the next four years. The Central Bank has increased sterilisation efforts to reduce excess monetary imbalances and raised Peso interest rates to offset inflationary pressure. Since January 2017, the Central Bank started to use the seven-day repo reference rate as the anchor of its inflation targeting regime. Short term notes issued by the Central Bank ("LEBACs") would be used to manage liquidity. On December 28, 2017, the Central Bank announced its inflation targets for 2018, 2019 and 2020. The inflation target for 2018 is 15%, an increase from the Central Bank's previous target range of 8%-12% for the same year. Inflation targets for 2019 and 2020 are 10% and 5%, respectively.

National electricity state of emergency and reforms. Following years of very limited investment in the energy sector, as well as the continued freeze on electricity and natural gas tariffs since the 2001-2002 economic crisis, Argentina began to experience energy shortages in 2011. In response to the growing energy crisis, the current administration declared a state of emergency with respect to the national electricity system, which will remain in effect until December 31, 2017. The state of emergency allowed the Argentine government to take actions designed to ensure the supply of electricity to the entire country, such as instructing the Ministry of Energy and Mining to design and implement, with the cooperation of all federal public entities a coordinated programme which guarantees the quality and safety of the electric system. Pursuant to Resolution No. 6/2016 of the Ministry of Energy and Mining and Resolution No. 1/2016 of the National Electricity Regulator (*Ente Nacional Regulador de la Electricidad* or "ENRE"), the current administration announced the elimination of a portion of the energy subsidies and a substantial increase in electricity tariffs. Consequently, the average price of electricity has increased and could increase further. By correcting tariffs, modifying the regulatory framework and reducing the government's role as an active market participant, the current administration sought to correct distortions in the energy sector and stimulate investment. However, certain governmental initiatives were challenged in the Argentine courts and resulted in judicial injunctions or rulings limiting the government's initiatives.

During 2016, lower court injunctions suspended in certain provinces and cities end-user electricity tariff increases implemented as of February 1, 2016, and instructed the Ministry of Energy and Mining and the ENRE to conduct a non-binding public hearing prior to sanctioning any such increases. On October 28, 2016, a non-binding public hearing was conducted by the Ministry of Energy and Mining and ENRE to present tariff proposals submitted by distribution companies covering the greater Buenos Aires area (approximately 15 million inhabitants) for the 2017-2021 period in the framework of the Integral Tariff Review (as defined below). On December 14, 2016, eight non-binding public hearings (in Buenos Aires, Mendoza, Neuquén, Mar del Plata, Formosa, Santiago del Estero and Puerto Madryn) were conducted by the Ministry of Energy and Mining and ENRE to present tariff proposals for electricity transmission at the national and regional level and the seasonal reference prices of capacity and energy in the wholesale electricity market, as well as a proposal to reduce subsidies for the 2017-2021 period.

Tariff increases. With the aim of encouraging companies to invest and improve the services they offer and enabling the Argentine government to assist those in need, the current administration has begun updating the tariffs for electricity, transportation, gas and water services (the "Integral Tariff Review"). Each of the announced tariff increases includes the *tarifa social* (social tariff), which is designed to provide support to vulnerable groups, including beneficiaries of social programmes, retirees and pensioners that receive up to two minimum pensions, workers that receive up to two minimum salaries, individuals with disabilities, individuals registered in the *Monotributo* Social programme, domestic workers and individuals receiving unemployment insurance. Subsequent modifications to these announced tariff increases were made, including a 20% discount on the regular distribution price for 400 designated energy-intensive companies that purchase electricity directly from distributors.

On August 18, 2016, the Supreme Court of Argentina in "*Centro de Estudios para la Promoción de la Igualdad y la Solidaridad v/ Ministerio Federal de Energía y Mineria*", affirmed lower court injunctions suspending end-user gas tariff increases sanctioned as of April 1, 2016, and instructed the Ministry of Energy and Mining and the National Gas Regulator (*Ente Nacional Regulador del Gas* or "ENARGAS") to conduct a non-binding public hearing prior to sanctioning any such increases. On September 16, 2016, a non-binding public hearing was conducted by the Ministry of Energy and Mining and ENARGAS to submit (i) transitional tariffs for transportation and distribution of natural gas at the national level in the framework of the Integral Tariff Review for the period 2017-2021, (ii) a new set of gas prices at the Point of Entry to the Transportation System ("PIST") and (iii) a proposal to reduce subsidies for the period 2016-2022. Between October 2 and October 7, 2016, public hearings were also conducted at the national level with regard to tariff proposals for gas transportation and distribution throughout the country for the period 2017-2021 in the framework of the Integral Tariff Review.

On October 6 and October 7, 2016, after conducting non-binding public hearings, the Ministry of Energy and Mining and ENARGAS published a new end-user gas tariff scheme. The scheme establishes a two tariff schedule for private residences, establishing lower tariffs for units that decreased consumption compared to the same period in the previous year by at least 15%.

On October 11, 2016, the Ministry of Energy and Mining (a) expanded the amount of eligible beneficiaries of social tariffs to include retirees and pensioners that receive pensions equal to up to two minimum salaries, certain war veterans and medically dependent customers, and (b) decreed that institutions that perform activities of public interest would be entitled to residential rates.

In June 2017, an administrative court of the city of La Plata issued an injunction suspending the increases in electricity tariffs for customers located within the Province of Buenos Aires pursuant to a petition filed by the provincial Ombudsman, Guido Lorenzino. As of the date of this annual report, the injunction has been appealed and the decision is pending.

The year-on-year increase in the price of energy in the wholesale electricity market for end-users, which excludes transportation and distribution costs and accounts for approximately 45% of the tariff to end-users in the City of Buenos Aires, totalled 233% (from Ps.96/MWh to Ps.320/MWh on average), while the increase in the price of natural gas for end-users was 68% (from Ps.37/MMBtu to Ps.62/MMBtu on average).

Increase in transport tariffs. In January 2018, the Macri administration announced increases in public transport tariffs in the city of Buenos Aires and the Greater Buenos Aires area to be rolled out between January and February 2018.

Corporate Criminal Liability Law (*Ley de Responsabilidad Penal Empresaria*). On July 5, 2017, the Chamber of Deputies approved a bill providing for the criminal liability of corporate entities for criminal offenses against public administration and cross-border bribery committed by, among others, its shareholders, attorneys-in-fact, directors, managers, employees, or representatives. A company found liable under this bill may be subject to various sanctions, including, among others, fines ranging from 1% to 20% of its annual gross income and the partial or total suspension of its activities for up to ten years. In addition, the bill proposes to extend the criminal liability under the Argentine Criminal Code to cases of bribery committed outside Argentina by Argentine citizens or companies domiciled in Argentina. On September 27, 2017 the Senate approved the draft bill with modifications designed to reduce in part the impact of the statute, for instance by eliminating the inapplicability of the statute of limitations to certain of the criminal offenses originally proposed in the draft (the statute of limitations now has been set at six years). Further, the draft bill as modified by the Senate reduces the amount of fines originally proposed for criminal offenses that are not subject to a statute of limitations. On November 8, 2017, Congress passed the bill including those amendments as Law No. 27,401, which came into force on March 1, 2018.

Increase in minimum income thresholds. In December 2016, the Congress approved an increase in the minimum income threshold by approximately 23%, from Ps.25,000 to Ps.30,670 for married workers with two children and from Ps.18,880 to Ps.23,185 for single workers. The minimum income threshold will be subject to automatic adjustment going forward, by reference to increases in the average wages paid to public sector employees. The Congress also passed modifications to the income tax brackets to take into account the impact of inflation in recent years.

Draft bill for the development of the Argentine capital markets. On November 13, 2017, the executive branch submitted to Congress a draft bill that aims to develop the Argentine domestic capital markets. The draft bill provides for the amendment and update of the Argentine Capital Markets Law, the Mutual Funds Law and the Argentine Negotiable Obligations Law, among others. Furthermore, the bill provides for the amendment of certain tax provisions, regulations relating to derivatives and the promotion of a financial inclusion programme. On November 22, 2017, the draft was approved by the Chamber of Deputies of the Argentine Congress and was sent to the Senate for its signoff. However, as of the date of this annual report, the National Economy and Investment Commission of Senate has not reached an agreement on the proposed bill.

Project to Amend the Labor System. The Macri administration published a project to amend the labor system. The project's main purpose is to improve the efficiency and productivity of different productive sectors, increase employment, attract investment and reduce employment costs. This project is expected to be considered by Congress in 2018.

Pension Reform Law (*Ley de Reforma Previsional*). On December 28, 2017, Congress passed the Pension Reform Law, with the goal of improving the sustainability and predictability of Argentina's pension program, while still protecting the most vulnerable persons. To that effect, the Pension Reform Law modified the basic formula for the periodic adjustment of retirements, pensions and the Universal Child Allowance *(Asignación Universal por Hijo*). Under the pre-existing regime, the periodic adjustments occur twice a year, in March and September, and were based on the variation in certain tax revenues of ANSES (with a 50% weighting) and the change in the average wage, based on the greater of the *Remuneración Imponible Promedio de los Trabajadores Estables* ("RIPTE"), an index published by the Ministry of Labor that measures the salary increases of state employees, or the data published by INDEC (with a 50% weighting). Beginning in March 2018, the adjustments will be quarterly on the basis of a system that combines the variation of inflation (with a 70% weighting) and the RIPTE index (with a 30% weighting). The law also guarantees a one-time supplemental payment to beneficiaries of the Universal Basic Benefit (*Prestación Básica Universal*) who have established 30 years or more of service with effective contributions, so that the beneficiary's pension is equivalent to eighty-two percent (82%) of the value of the minimum living wage.

The Pension Reform Law also modified Section 252 of the Labor Law by establishing that employers may request employees who have reached 70 years of age to initiate retirement proceedings (compared to age 65 under the prior regimen). The employer must maintain the employment relationship until the earlier of (i) one year or (ii) until de employee obtains the benefit. Notwithstanding the foregoing, male employees may exercise their right to request pension benefits at age 65 and female employees may exercise such right at age 60. Public sector employees are excluded from the foregoing provision.

To mitigate the adverse impact of the transition from the previous adjustment regime to the formula approved by Congress on certain beneficiaries, on December 20, 2017, President Macri granted a special one-time Ps.750 subsidy to pensioners who receive less than Ps.10,000 per month and meet certain age and years of service requirements under the law. Beneficiaries of non-contributory pensions for old age or disability who receive less than Ps.10,000 per month and those who meet the requirements of the Universal Pension for the Elderly (*Pensión Universal para el Adulto Mayor*) were also granted a one-time subsidy of Ps.375. Finally, the presidential measure provided a one-time subsidy of Ps.400 to beneficiaries of the Universal Child Allowance and/or the Universal Pregnancy Allowance (*Asignación Universal por Embarazo*).

Tax on Financial Transactions (Impuesto al Cheque). On December 27, 2017, the National Congress extended the tax on financial transactions through 2022, and earmarked amounts collected for the Argentine Integrated Pension System.

Tax Reform (Reforma Tributaria). On December 27, 2017, the National Congress also approved a series of reforms intended to eliminate certain of the existing complexities and inefficiencies of the Argentine tax regime, diminish evasion, increase the coverage of income tax as applied to individuals and encourage investment while sustaining Argentina's medium and long term efforts aimed at restoring fiscal balance. The reforms will gradually come into effect over the next five years. The fiscal cost of the reform is estimated at 0.3% of GDP. The reforms form part of a larger program announced by President Macri intended to increase the competitiveness of the Argentine economy (including by reducing the fiscal deficit) and employment, and diminish poverty on a sustainable basis. The main aspects of the tax reform are the following:

Interest and capital gains derived from the sale or disposition of bonds issued by the federal government, the provinces and municipalities of Argentina and the City of Buenos Aires obtained by Argentine tax residents (individuals and undivided estates located in Argentina) will be subject to income tax at a rate of (a) 5%, in the case of Peso-denominated securities that do not include an indexation clause, and (b) 15%, in the case of Peso-denominated securities with an indexation clause or foreign currency denominated securities; gains realized by Argentine tax residents (individuals and undivided estates located in Argentina) from the sale of equity securities on a stock exchange will remain exempt, subject to compliance with certain requirements.

Holders of notes issued by the federal government, the provinces and municipalities of Argentina and the City of Buenos Aires that are not Argentine tax residents will be exempt from Argentine income taxes on interest and capital gains to the extent such beneficiaries do not reside in or channel their funds through non-cooperating jurisdictions. The non-cooperating jurisdictions list will be prepared and published by the executive branch. Short-term notes issued by the Central Bank (LEBACs) are outside the scope of these exemptions applicable to non-Argentine residents.

The aforementioned amendments have been in force since January 1, 2018.

Corporate income tax was reduced to 30% for the fiscal year commencing January 1, 2018, and will be further reduced to 25% for fiscal years commencing on or after January 1, 2020.

The tax reforms also provide for other amendments regarding social security contributions, tax administrative procedures law, criminal tax law, tax on liquid fuels and excise taxes.

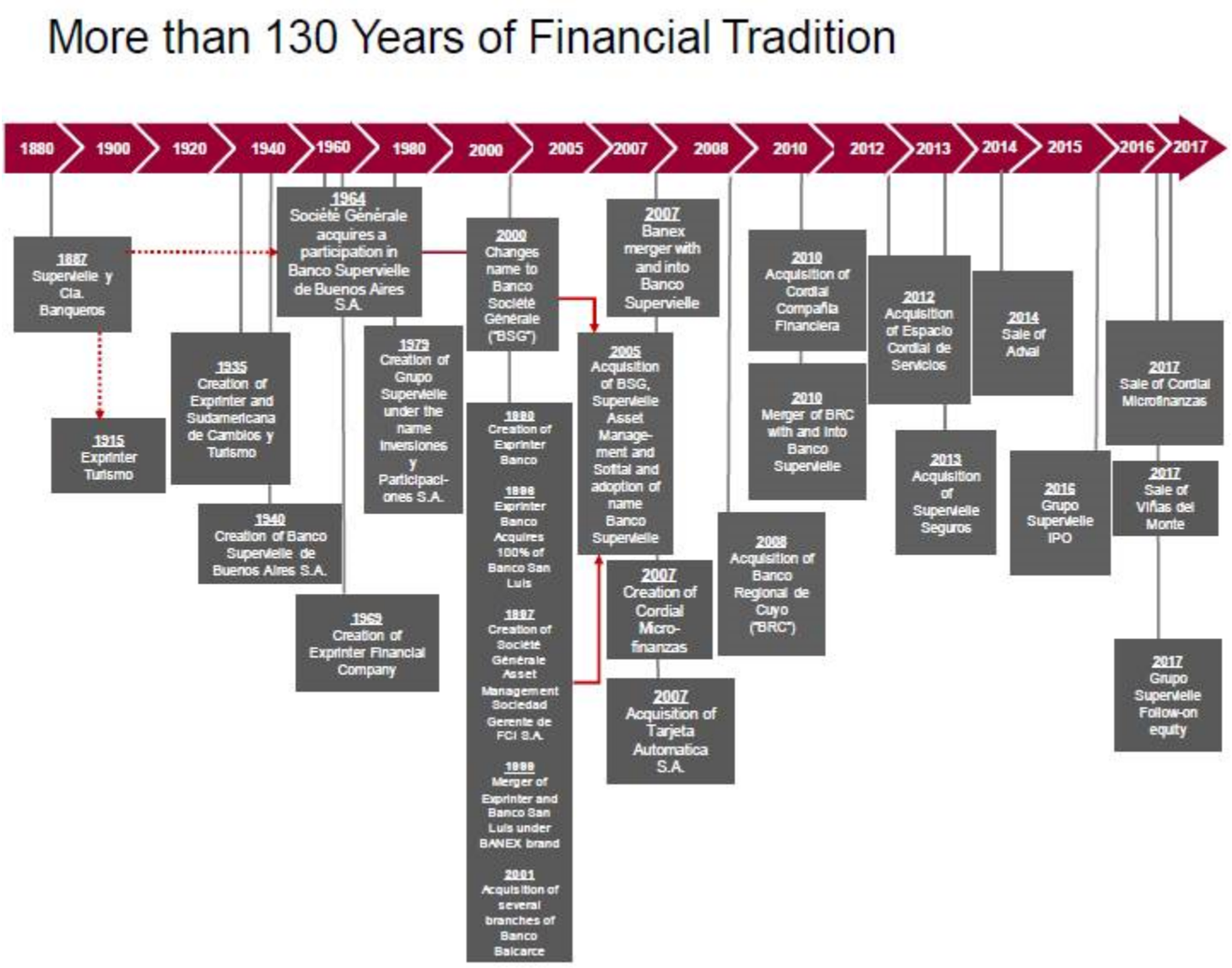
Decree of de-bureaucratization and simplification. On January 10, 2018, the Macri administration issued Emergency Decree No. 27/2018 aimed at simplifying, expediting and promoting efficiency in the procedures within administrative entities and agencies, avoiding any unnecessary bureaucracy and expenses.

Fiscal Consensus. On December 22, 2017, the Chamber of Deputies passed into law the Fiscal Agreement ("*Pacto Fiscal"*), also known as the Fiscal Consensus ("*Consenso Fiscal*"). This law was based on an agreement signed on November 16, 2017 between the Argentine government and representatives from 23 out of Argentina's 24 provinces, with the goal of implementing measures that favor sustained growth in economic activity, productivity and employment. The Fiscal Consensus includes a commitment to lowering distortive taxes by 1.5% of GDP over the next five years, a waiver of lawsuits against the Argentine government and a Ps.20,000 million payment to the province of Buenos Aires (which will increase over the next five years) as a partial and progressive solution to the conflict related to the Fondo del Conurbano Bonaerense (Buenos Aires Metropolitan Area Fund). The Fiscal

Consensus also set the basis for other policy reforms that were implemented by the Macri Administration in December 2017, such as the tax reform, the pension system reform and the Fiscal Responsibility Law ("*Ley de Responsabilidad Fiscal*").

Item 4.A History and development of the Company

We are a financial group with a long-standing presence in the Argentine financial system and a leading competitive position in certain attractive market segments. We are controlled by Julio Patricio Supervielle. We trace our history back almost 130 years, when the Supervielle family, predecessors of our controlling shareholder, first entered the Argentine financial services industry in 1887. Below is a brief history of our company, including the participation of the Supervielle family.



Supervielle y Cía. Banqueros

The predecessors of our controlling shareholder emigrated from France in the second half of the 19th century and established L.B. Supervielle y Cía. Banque Francaise (later Banco de Montevideo S.A.) in Montevideo, Uruguay. In 1887, they established Supervielle y Cía. Banqueros (a subsidiary of L.B. Supervielle y Cía. Banque Francaise) in Buenos Aires. Supervielle y Cía. Banqueros offered demand deposits, time deposits, savings accounts, securities trading orders, purchases and sales of foreign currency and drafts and letters of credit payable in European financial centers. Luis Bernardo Supervielle managed the bank until his death in 1901, whereupon the bank's management

transferred to his son, Luis Supervielle, and subsequently to Esteban Barón, son-in-law of Luis Bernardo Supervielle, who in 1905 became president of Supervielle y Cía. Banqueros. Mr. Barón managed the bank from 1905 until 1930, and subsequently served on the board of the bank as an Honorary President until 1964. Mr. Barón's son, Andrés Barón, joined the bank in 1925 and took over its general management in 1930, also becoming chairman of the board of the bank in 1940. He carried out these functions until 1964, and then served on the board of the bank as an Honorary President.

On December 30, 1940, Banco Supervielle de Buenos Aires S.A., a bank controlled by the Barón and Supervielle families, acquired the assets and liabilities of Supervielle y Cía. Banqueros and listed its shares on the Buenos Aires Stock Exchange. Esteban Barón and his son, Andrés Barón Supervielle, continued to manage the operations of this bank until 1964.

In 1964, Société Générale (Paris) acquired a majority of the capital stock of Banco Supervielle de Buenos Aires S.A. from the Baron and Supervielle families, transforming it into a universal bank with 60 branches and a significant presence in the corporate market. Following the acquisition of control by Société Générale, the Supervielle family had no role in the management of Banco Supervielle. In 1997, Banco Supervielle de Buenos Aires S.A. created Société Générale Asset Management Sociedad Gerente de FCI S.A. On March 20, 2000, the name Banco Supervielle de Buenos Aires S.A. was changed to Banco Société Générale S.A.

Banco Banex S.A.

In 1969, Jules Henri Supervielle, the father of Julio Patricio Supervielle, our controlling shareholder, and cousin of the Supervielle family members who had owned and managed Banco Supervielle de Buenos Aires S.A. until 1964, founded Exprinter de Finanzas S.A., which became Exprinter Banco S.A. in 1991. Exprinter Banco S.A. acquired 100% of the capital stock of Banco San Luis S.A. in 1996 pursuant to a public bidding process organized by its owner, the Province of San Luis. On July 25, 1996, the Province of San Luis entered into a financial agency agreement with Banco San Luis S.A. (the "*Contrato de Vinculación*"), pursuant to which the Province designated Banco San Luis as its financial agent. The acquisition of Banco San Luis S.A. by Exprinter Banco S.A. was part of a strategic plan aimed at growing in the interior of the country and penetrating the middle and lower-middle-income individual consumer and the SMEs segments. In 1998, Exprinter Banco S.A. and Banco San Luis S.A. merged to create Banco San Luis S.A.-Banco Comercial Minorista, and was later renamed Banco Banex S.A. On December 15, 2006, the government of the Province of San Luis extended the term of this financial agency agreement until 2021. On September 6, 2016, Banco Supervielle and the Province of San Luis, pursuant to the their commitment to enhance the economic development of the Province of San Luis, amended said agreement. On January 17, 2017, the Province of San Luis notified us of its decision to exercise its right to terminate the agreement, as of February 28, 2017 .

Creation of Holding Company

Grupo Supervielle was incorporated in the City of Buenos Aires on October 8, 1979 under the name Inversiones y Participaciones S.A., acquiring the name Grupo Supervielle S.A. in November 2008.

Acquisition of Banco Société Générale S.A. by Banco Banex S.A.

On March 3, 2005, the Central Bank approved the purchase by Banco Banex S.A. of a majority stake in Banco Société Générale S.A., Supervielle Asset Management Sociedad Gerente de FCI S.A. and Sofital S.A.F.e I.I. Upon consummation of this acquisition, Banco Société Générale S.A.'s corporate name was changed to Banco Supervielle S.A. At the time of the purchase, the total assets of Banco Banex S.A. were 61.34% of the total assets of Banco Societé Générale S.A.

Merger of Banco Banex S.A. and Banco Supervielle S.A.

On July 1, 2007, with the prior approval of the Central Bank, Banco Banex S.A. merged into the Bank.

Acquisition of Banco Regional de Cuyo S.A.

On September 19, 2008, the Bank finalized the acquisition of 99.94% of the capital stock of Banco Regional de Cuyo S.A. On September 30, 2010, the Central Bank approved the merger of Banco Regional de Cuyo S.A. with and into the Bank. The merger was completed on November 1, 2010.

Tarjeta Automática S.A.

In December 2007, we acquired 51% of Tarjeta's capital stock. The remaining 49% was held by Acalar S.A., an Argentine *sociedad anónima* 100% owned by the Coqueugniot family (Gabriel A. Coqueugniot, Cecilia B. Coqueugniot, Mónica I. Coqueugniot, and Diana I. Coqueugniot), in equal parts. Following several stock transfers that took place in 2009 and 2010, Tarjeta's capital stock is, as of the date of this annual report, held 87.5% by Grupo Supervielle, 10.0% by the Bank, and 2.5% by CCF.

Acquisition of Cordial Compañía Financiera (formerly known as "GE Compañía Financiera S.A.")

On July 6, 2010, Grupo Supervielle and the Bank acquired 100% of GE Compañía Financiera S.A. ("GE Compañía Financiera"), a financial services company that specialized in credit cards, personal loans and the distribution of certain third-party insurance products. The transaction was approved by the Central Bank on June 29, 2011. On August 1, 2011, the purchase was completed through a stock transfer in which 5% and 95% of the total shares were transferred to Grupo Supervielle and the Bank, respectively.

Through a strategic alliance with Walmart Argentina, Cordial Compañía Financiera has exclusive rights to promote and sell financial and credit products in Walmart Argentina stores nationwide through August 2020.

We acquired GE Compañía Financiera to further our strategy of increasing our market share in the Argentine banking and financial services industry through the strategic purchase of financial services companies and financial institutions.

On August 1, 2011, the shareholders of GE Compañía Financiera approved the name change to Cordial Compañía Financiera. On August 29, 2011, the IGJ authorized the name change.

Espacio Cordial Servicios S.A.

For business strategy purposes and with the intention of furthering our goods and services business plan, on October 2, 2012, the Board of Directors created a new entity called ECM S.A., which was later renamed Espacio Cordial Servicios S.A.

Espacio Cordial was created to sell insurance plans and coverage, tourism packages, health insurance and health services, electric appliances and furniture, insurance mechanisms and plans and alarm systems. Espacio Cordial deals with insurance services that can be delegated or assigned to third parties by insurance companies, such as Supervielle Seguros, in accordance with laws and regulations as of the date of this annual report.

Acquisition of Supervielle Seguros S.A. (formerly known as Aseguradores de Créditos del Mercosur S.A.)

On February 5, 2013, we and Sofital accepted an offer for the acquisition of 100% of the purchase shares of Aseguradores de Créditos del Mercosur S.A., which on October 30, 2013 was renamed Supervielle Seguros S.A.

On May 14, 2013, the National Superintendency of Insurance (*Superintendencia de Seguros de la Nación*) approved the transfer of the company's shares. As a result, on June 6, 2013, 95% of the shares of Aseguradores de Créditos del Mercosur S.A. were transferred to us and the remaining 5% of the shares were transferred to Sofital.

Sale of Adval S.A.

On May 30, 2014, Grupo Supervielle S.A. and Sofital S.A. entered into an agreement for the sale of 100% of the shares of Adval S.A. to CAT Technologies S.A. The purchase price is scheduled to be paid in installments due between July 2014 and July 2019. Under this agreement, as of December 31, 2015, Grupo Supervielle and Sofital held credits with CAT Technologies S.A. of Ps.2.3 million and Ps.0.1 million, respectively.

Successful IPO on May 19, 2016

Since May 19, 2016, the ordinary Class B shares of Grupo Supervielle S.A. have been listed on ByMA, and its American Depositary Shares ("ADSs"), representing five ordinary class B shares, have been listed in the NYSE under the symbol SUPV. Additionally, Grupo Supervielle made an initial public offer of its Class B shares in Argentina and of its ADSs in the international market in an aggregate amount of U.S.$323 million. Through the offering, Grupo Supervielle placed 146,625,087 ordinary Class B shares of which 137,095,955 were placed internationally in the form of ADSs, and of which 114,807,087 were newly issued ordinary Class B shares and 31,818,000 were outstanding.

Sale of Cordial Microfinanzas S.A.

On March 20, 2017, Grupo Supervielle and the Bank accepted an offer from Ciudad Microempresas to purchase Grupo Supervielle's and the Bank's shares of Cordial Microfinanzas. Ciudad Microempresas is a company owned by Corporación Buenos Aires Sur and Banco de la Ciudad de Buenos Aires. The decision to sell Cordial Microfinanzas was based on our need to focus our resources in designated strategic segments.

Grupo Supervielle and the Bank transferred on March 31, 2017 all their shares of Cordial Microfinanzas to Ciudad Microempresas as detailed below:

(i) Grupo Supervielle S.A.: 12,219,472 shares, which represented 87.5% of total capital stock of Cordial Microfinanzas; and

(ii) Banco Supervielle S.A.: 1,745,632 shares, which represented 12.5% of total capital stock of Cordial Microfinanzas.

As of December 31, 2016, Cordial Microfinanzas operated through 5 branches, had a total loan portfolio of Ps. 192 million, and held assets representing 0.39% of the total assets of Grupo Supervielle. Its contribution to the net income of Grupo Supervielle in 2016 was 0.78%.

Cordial Microfinanzas was created in 2007 by Grupo Supervielle to service the microfinance market in Argentina and with the objective of providing technical and financial assistance to micro-entrepreneurs to meet the needs related to their productive, commercial and service activities, thereby contributing to the development of their entrepreneurial capacity.

Capitalization of an in-kind contribution and resulting capital stock increase

At the ordinary and extraordinary shareholders' meeting of Grupo Supervielle held on April 27, 2017, the shareholders of Grupo Supervielle approved the capitalization of an in-kind contribution of 7,672,412 shares of common stock of Sofital S.A.F. e I.I. with a par value of Ps.1 and one vote per share made by Mr. Julio Patricio Supervielle and an increase of the capital stock of Grupo Supervielle of up to Ps.8,032,032, through the issuance of up to 8,032,032 new Class B shares with par value Ps.1 and one vote per share, at a subscription price of Ps.49.91 per share. In connection with the capital increase, a total of 7,494,710 new Class B shares were subscribed as follows: on July 18, 2017, 4,321,208 were issued to Mr. Julio Patricio Supervielle in return for the in-kind contribution, representing 57.66% of the total capital increase, and 3,173,502 Class B shares were issued to existing shareholders of Grupo Supervielle who exercised their preemptive and accretion rights with respect to the capital increase, representing 42.34% of the total capital increase.

Sale of shares of Viñas del Monte S.A.

On May 26, 2017, Grupo Supervielle, Sofital S.A.F. e I.I. and Mr. Julio Patricio Supervielle completed the transfer of their shareholdings in Viñas del Monte S.A., which were sold for an aggregate amount of U.S.$1,500,000. Grupo Supervielle transferred a total of 904,142 common, registered, non-endorsable shares to Ramón Francisco Federico and Guillermo Héctor Federico; Sofital S.A.F. Sofital S.A.F. e I.I. transferred a total of 47,000 common, registered, non-endorsable common shares to Ramón Francisco Federico and Guillermo Héctor Federico; and Mr. Julio Patricio Supervielle transferred a total of 2,618 common, registered, non-endorsable shares to Ramón Francisco Federico and Guillermo Héctor Federico.

Successful completion of capital increase

In September 2017, Grupo Supervielle S.A. made an increase of the capital stock through a global offer of Class B shares at a price of U.S.$4.0 per share. The global offer consisted of an international offer in United States and other countries outside of Argentina and a local offer in Argentina. Simultaneously with the global offer, Grupo Supervielle made an offer of preemptive and accretive rights of Class B shares to existing shareholders. As a result of the offer, Grupo Supervielle issued a total of 85,449,997 new Class B shares for a total of U.S.$344.0 million, including the base offer and the additional shares.

Creation of Adquisición y Desarrollo S.A.

On December 18, 2017, our Board of Directors approved the creation of Adquisición y Desarrollo S.A. to sell credit and non-credit product and services through new indirect channels. As of the date of this annual report, Adquisición y Desarrollo S.A. has not been registered with the IGJ.

Offer for the acquisition of the capital stock of Micro Lending S.A.

On April 6, 2018, the Board of Directors of Grupo Supervielle approved to issue an offer for the acquisition of 4,000,000 ordinary, nominative, non-endorsable shares of Ps.1 par value and entitled to one vote per share, representing 100% of the share capital of Micro Lending S.A. (“MILA”) for a total price of U.S.$20 million subject to price adjustment. MILA specializes in car financing, particularly for used cars. As of the date of this annual report, the acquisition is expected to close in the second quarter of 2018, and remains subject to certain customary conditions precedent.

Creation of Fideicomiso Financiero

On February 16, 2018, the Board of Directors approved the creation of Finterch Supervielle I (“Fideicomiso Financiero”) to invest in financial technology (fintech) and insurance technology (insurtech) start up projects for an amount up to U.S.$3 million.

Executive offices

Our principal executive offices are located at Bartolomé Mitre 434, 5th floor, Buenos Aires, Argentina. Our general telephone number is +54-11-4340-3100. Our website is http://www.gruposupervielle.com. Information contained or accessible through our website is not incorporated by reference in, and should not be considered part of, this annual report.

Our agent for service of process in the United States is CT Corporation System, located at 111 Eighth Avenue, New York, New York, 10011.

Item 4.B Business overview

Overview

We own the fourth largest Argentine private domestically-owned bank in terms of assets. We maintain a strong geographic presence in the City of Buenos Aires and the Greater Buenos Aires metropolitan area, which is Argentina’s most commercially significant and highly populated area, and we are leaders in terms of our banking

network in some of Argentina's most dynamic regions, including Mendoza and San Luis. The Bank, which consolidated with Cordial Compañía Financiera S.A. ("CCF"), is our main asset, comprising 98.3% of our total assets, and has a history of strong growth. Between the 2015 and 2017 period, our loan portfolio grew at a CAGR of 47.7%, as compared to an average of 39.9% for the private financial system in Argentina for the same period (excluding public banks). As of December 31, 2017, we served over two million customers, and our assets totaled Ps.94.0 billion (approximately U.S.$5.0 billion), in addition to Ps.14.7 billion (approximately U.S.$780.6 million) of assets managed by SAM. As of December 31, 2017, the Bank and CCF accounted for 90.8% and 7.3% of our total assets, respectively. In 2017, our loan and financial leasing portfolios (before loan loss provisions and including our securitized loan portfolio) grew 55.7%. In the same period, loans to the private sector in the Argentine financial system grew 51.7%.

The table below shows the evolution of our loan and financial leasing portfolios, our securitized loan and leasing portfolios and non-performing loans and coverage ratios on a quarterly basis between December 31, 2016 and December 31, 2017 and the annual variations (in percentages) of such portfolios between December 31, 2016 and December 31, 2017.

	As of December 31,	As of September 30,	As of June 30,	As of March 31,	As of December 31,	Year on Year Variation(1)
	2017				2016	
	(in thousands of Pesos, except percentages)					
Total Loans	54,954,373	47,835,751	39,371,973	37,093,363	34,896,509	57.5%
Receivables from financial leases	2,519,201	2,219,887	1,877,238	1,693,673	1,527,855	64.9%
Total Loans & Receivables from financial leases(2)	**57,473,574**	**50,055,638**	**41,249,211**	**38,787,036**	**36,424,364**	**57.8%**
Securitized loan portfolio	1,295,322	1,841,286	2,143,002	1,288,220	1,413,427	(8.4)%
Total	**58,768,896**	**51,896,924**	**43,392,213**	**40,075,256**	**37,837,791**	**55.3%**
NPL	2.8%	2.8%	2.9%	2.9%	2.8%	
Coverage ratio	91.8%	88.9%	88.0%	87.0%	87.1%	

(1) Variation of portfolio balances between December 31, 2016 and December 31, 2017.
(2) Includes loan loss provisions and excludes our securitized loan portfolio.

The table below shows the evolution of our total deposits and unsubordinated negotiable obligations on a quarterly basis between December 31, 2016 and December 31, 2017 and annual variations (in percentages) of such deposits and unsubordinated negotiable obligations between December 31, 2016 and December 31, 2017.

	As of December 31,	As of September 30,	As of June 30,	As of March 31,	As of December 31,	Year on Year Variation(1)
	2017				2016	
	(in thousands of Pesos, except percentages)					
Total Deposits	56,487,027	47,181,898	42,831,613	38,826,752	35,897,864	57.4%
Unsubordinated Negotiable Obligations	8,307,202	7,116,718	6,701,967	6,580,070	1,966,936	322.3%
Total Deposits & Unsubordinated Negotiable Obligations	**64,794,229**	**54,298,616**	**49,533,580**	**45,406,822**	**37,864,800**	**71.1%**

(1) Variation of total deposits and unsubordinated negotiable obligations between December 31, 2016 and December 31, 2017.

As of December 31, 2017, we served over 2 million customers, and our assets totaled Ps.94.0 billion (approximately U.S.$5.0 billion), in addition to Ps.14.7 billion (approximately U.S.$780.6 million) of assets managed by SAM. As of December 31, 2017, the Bank and CCF accounted for 90.8% and 7.3% of our total assets, respectively.

As of December 31, 2017 and December 31, 2016, according to calculations performed based on Central Bank and other third-party information, our share for the products or segments was as follows:

- Personal loans (advanced by the Argentine private financial system): our market share as of December 31, 2017 was 6.9%, compared to a 7.0% market share as of December 31, 2016;

- Leasing (made by the Argentine private financial system): a 15.2% market share as of December 31, 2017, compared to a market share of 12.7% (and greater than 13.1% when taking into account our securitized leasing portfolio) as of December 31, 2016;

- Our factoring market share of the Argentine private financial system as of December 31, 2017, was 7.5% compared to a 6.9% market share as of December 31, 2016; and

- MasterCard credit cards for which billing statements were issued (latest available information): a 9.8% market share as of December 31, 2017, compared to a 9.2% market share as of December 31, 2016;

Based on information published by ANSES, we made 14.1% of all social security payments to senior citizens in Argentina in 2017, compared to 14.7% in 2016.

We offer diverse financial products and services that are specifically tailored to cover the different needs of our customers through a multi-brand and multi-channel platform. We have developed a multi-brand business model to differentiate the financial products and services we offer to a wide spectrum of individuals, small businesses, SMEs, middle-market companies and large corporates in Argentina. As of the date of this annual report, our infrastructure supports our multi-channel distribution strategy with a strategic national footprint through 340 access points (compared to 326 access points as of December 31, 2017), which include 180 bank branches (compared to 179 bank branches as of December 31, 2017), 78 of these bank branches are fully dedicated to serve senior citizens, 19 banking payment and collection centers, and 80 CCF sales points located in Walmart supermarkets (compared to 67 sales points in Walmart supermarkets as of December 31, 2017), Tarjeta's 61 consumer finance sales points and through other retailers, and 521 ATMs and 193 self-service terminals.

As of December 31, 2017, the Bank's loan portfolio to branches ratio, which we calculate by dividing the total amount of loans outstanding at the end of the period by the number of branches at the end of such period, was Ps.300.8 million, compared to Ps.191.5 million as of December 31, 2016 and Ps.120.5 million as of December 31, 2015. Based on the Peso amounts of the loan portfolios reported by the following Argentine private banks in their respective financial statements as of December 31, 2017, the loan portfolio to branches ratio of (i) Banco Macro S.A. was Ps.298.8 million, (ii) Banco de Galicia y Buenos Aires S.A. was Ps.532.1 million and (iii) BBVA Banco Francés S.A. was Ps.503.9 million. The loan portfolio to branches ratio as of December 31, 2016 of (i) Banco Macro S.A. was Ps.194.8 million, (ii) Banco de Galicia y Buenos Aires S.A. was Ps.379.1 million and (iii) BBVA Banco Francés S.A. was Ps.309.3 million. The loan portfolio to branches ratio as of December 31, 2015 for (i) Banco Macro S.A. was Ps.138.3 million, (ii) Banco de Galicia y Buenos Aires S.A. was Ps.287.3 million, (iii) BBVA Banco Francés S.A. was Ps.227.5 million and (iv) the Argentine private banks was Ps.190.4 million. According to publicly available information provided by the Central Bank, as of December 31, 2017, the loan portfolio to branches ratio for all Argentine private banks was Ps.363.8 million.

Building on our banking sector expertise, we identify cross-selling opportunities and offer targeted products to our customers at each point of contact. For example, as of the date of this annual report, we acted as the exclusive on-site provider of financial services to Walmart Argentina customers at 80 of Walmart Argentina's approximately 108 supermarkets located in 21 provinces.

As of December 31, 2017 and December 31, 2016, on a consolidated basis, we had:

- Approximately 1.9 million active retail customers (including 1.4 million active retail customers of the Bank and approximately 0.5 million active retail customers of our other subsidiaries), 18,860 small businesses and 4,873 SMEs, Middle-Market Companies and Large Corporates as of December 31, 2017, compared to approximately 1.8 million active retail customers (including 1.4 million active retail customers of the Bank and approximately 0.4 million active retail customers of our other subsidiaries), 16,078 small businesses and 4,587 SMEs, Middle-Market Companies and Large Corporates as of December 31, 2016;

- Ps.94.0 billion in total assets as of December 31, 2017, compared to Ps. 53.2 billion in total assets as of December 31, 2016;
- Ps.56.0 billion in loans to the private sector and Ps.2.5 billion in financial leases as of December 31, 2017, compared to Ps. 35.3 billion in loans to the private sector and Ps. 1.5 billion in financial leases as of December 31, 2016;
- Ps.1.4 billion in securitized loan portfolio as of December 31, 2017, compared to Ps. 1.4 billion in securitized loan portfolio as of December 31, 2016;
- Ps.56.5 billion in deposits, including Ps.6.2 billion from the non-financial public sector, Ps.15.7 million from the financial sector and Ps.50.3 billion from the non-financial private sector as of December 31, 2017, compared to Ps. 35.9 billion in deposits, including Ps. 33.3 billion from the non-financial private sector, Ps. 9.3 million from the financial sector and Ps. 2.6 billion from the non-financial public sector as of December 31, 2016;
- Ps. 15.1 billion in shareholders' equity as of December 31, 2017, compared to Ps. 6.9 billion in shareholders' equity as of December 31, 2016; and
- 5,320 employees as of December 31, 2017, compared to 4,982 employees as of December 31, 2016.

In our cross-selling segments we had:

- Ps.14.7 billion (approximately U.S.$780.6 million) in assets under management through Supervielle Asset Management Sociedad Gerente de FCI S.A. as of December 31, 2017;
- Ps.789.6 million in gross written premiums (approximately U.S.$42.1 million) calculated as December 31, 2017, through Supervielle Seguros S.A. for the twelve-month period ended December 31, 2017;
- Ps.390.5 million in net revenue (approximately U.S.$42.1 million) through Espacio Cordial Servicios S.A., our retail company selling non-financial products and services for the twelve-month period ended December 31, 2017.

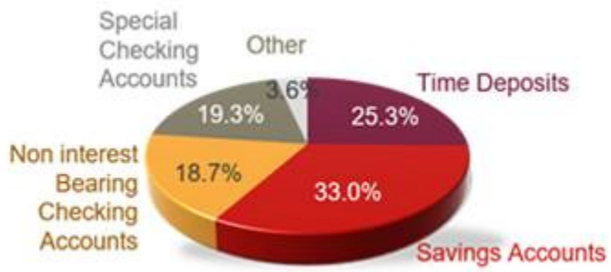
We have developed a segmentation strategy of our customer base to target the specific needs of each category of customers. Our business model has allowed us to deliver sustained levels of growth and profitability, that accelerated since our 2016 initial public offering ("IPO") and capital raise executed in May 2016 and later the follow-on equity offering in September 2017.

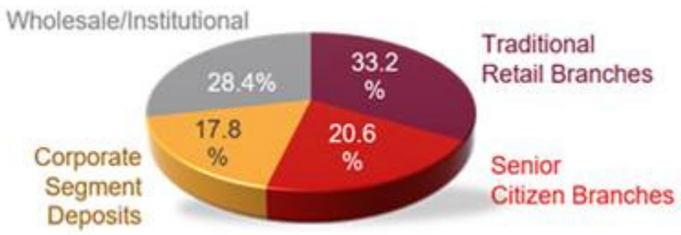
The following charts set forth the breakdown of our loan portfolio by segment, and of the specific customer categories in our corporate banking and retail banking segments as of December 31, 2017.



(1) As of December 31, 2017, SMEs refers to individuals and businesses with annual sales between Ps.40.0-200.0 million, middle market refers to individuals and businesses with annual sales between Ps.200.0-1,000.0 million and large refers to individuals and businesses with annual sales over Ps.1.0 billion.

The following charts set forth the breakdown of our deposits by type of account and customer category as of December 31, 2017.





Between 2015 and 2017, our loan portfolio grew at a CAGR of 47.7%, as compared to 39.9% for the Argentine private financial system (excluding public banks). Our ROAE was 30.8%, 22.7%, 32.2%, 26.3% and 25.4% for the fiscal years ended December 31, 2013, 2014, 2015, 2016 and 2017, compared to an average ROAE of 26.5%, 29.6%, 28.9%, 27.5% and 25.0% for the Argentine private financial system over the same periods. We achieved net interest margins of 16.4%, 17.4%, 18.1%, 20.6% and 19.1% for the fiscal years ended December 31, 2013, 2014, 2015, 2016 and 2017, which compares favorably to averages for Argentine private financial system of 12.5%, 14.3%, 19.8%, 14.9% and 13.4% for the fiscal years ended December 31, 2013, 2014, 2015, 2016 and 2017, respectively. As of December 31, 2017, we accounted for 5.1% of all loans and leasing held by Argentine private financial sector (excluding public banks) and 4.4% of all deposits maintained with the Argentine private financial sector, compared to 4.0% and 3.5%, respectively, in 2013.

Our technology-based sales model enhances our ability to offer customers efficient, high quality service. The Bank has made significant investments in its ATMs and self-service terminal network, more than doubling the network from 2010 to 2017. We were the first bank in Argentina to use biometrics technology as part of our distribution channels. We also have technology scoring systems that allow for an efficient credit-related decision-making process.

Segments

We conduct our operations through the following segments:

- Retail Banking
- Corporate Banking
- Treasury
- Consumer Finance
- Insurance
- Asset Management & Other Services

Products and Services

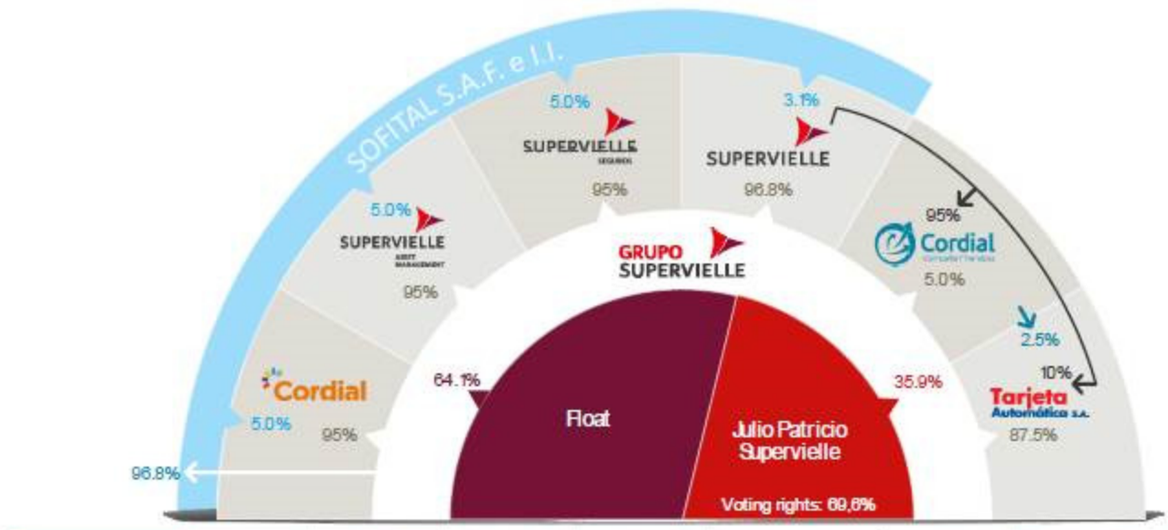
We offer our products and services in Argentina's main regions and cities through our main operating subsidiaries, which include:

- Banco Supervielle S.A. a universal commercial banking institution,
- Cordial Compañía Financiera S.A., a consumer financing company,

- Tarjeta Automática S.A., consumer financing company and distribution network,
- Supervielle Seguros S.A., an insurance company,
- Supervielle Asset Management Sociedad Gerente de FCI S.A., an asset management company, and
- Espacio Cordial de Servicios S.A., a retail company selling non-financial products and services.

Organizational structure

The following diagram illustrates our organizational structure as of the date of this annual report. Percentages indicate the ownership interest held.



Grupo Supervielle Share ownership	SOFITAL S.A.F. e I.I.	Banco Supervielle S.A.	Cordial Compañía Financiera	Tarjeta Automatica S.A.	Supervielle Asset Management S.A.	Espacio Cordial de Servicios S.A.	Supervielle Seguros S.A.
Direct participation	96.80%	96.77%	5.0%	87.5%	95.0%	95.0%	95.0%
Direct + indirect participation	100%	99.88%	99.89%	99.99%	100%	100%	100%

The following information is related to our subsidiaries and investees as of the date of this annual report:

Subsidiary	Country of Incorporation/ Residence
Banco Supervielle S.A.	Argentina
Cordial Compañía Financiera S.A.	Argentina
Supervielle Seguros S.A.	Argentina
Supervielle Asset Management S.A.	Argentina
Tarjeta Automática S.A.	Argentina
Sofital S.A.F.e I.I	Argentina
Espacio Cordial de Servicios S.A.	Argentina

Our Competitive Strengths

We have achieved a strong competitive position in our core products (personal loans, factoring, leasing and social security payments to senior citizens), as well as a strong presence in certain geographical regions in Argentina.

We have developed a leading position in the Argentine market in a number of attractive products to different customer segments.

We are leaders in the Argentine market in the following areas:

- ***Retail Customers.*** We maintain leading positions in attractive retail banking and consumer financing segments, offering a variety of products, from personal loans and credit cards to social security payment services to senior citizens. As of December 31, 2017, we had approximately 1.9 million retail customers, accounting for Ps.37.9 billion (approximately U.S.$2.0 billion) in deposits. As of December 31, 2017, loans to retail customers of the Bank and of CCF represented 6.9% of the Argentine financial private system market for personal loans, which ranked fifth out of 65 private financial institutions in Argentina. Based on information published by ANSES, in 2017, the Bank made 14.1% of all monthly social security payments to senior citizens (who collect their payments on a monthly basis). Additionally, we are the largest private issuer of Mastercard credit cards with billing statements and the exclusive on-site provider of financial services to Walmart Argentina customers, with a contract extended through August 2020, renewable at expiration subjet to renegotiation with Walmart Argentina.

- ***Corporate Customers***. We are also a leading provider of specially tailored financial services and products to the corporate sector, with a particular focus on SMEs and middle-market companies. As of December 31, 2017, we had a 15.2% market share in leasing, ranking first out of 50 private banks in Argentina, according to our estimates based on Central Bank information. As of December 31, 2017, we had a 7.5% market share in factoring in terms of Argentine financial market.

- ***Capital Markets.*** We have a leading position in Argentine capital markets, which we have developed as part of our funding strategy. In 2017, we had a 19% share in bank asset securitization and a 5.12% share in the overall Argentine asset securitization market according to our own estimates based on Central Bank and CNV information. In 2017, we had Ps.5.3 billion (approximately U.S.$ 283.9 million) in securitization and bond issuances for us and our subsidiaries, and Ps.2.6 billion (approximately U.S.$139.8 million) in securitization and bond issuances for third parties. Since our IPO and after the expansion of our capital base, we have reduced securitization of our originated assets, and intend to take advantage of our capital markets capabilities and expertise to serve corporate customers in connection with capital markets transactions.

Solid sources of funding

We have access to diversified, competitive and stable sources of funding. Our low-cost demand deposit base comprises 55.3% of our funding base (33.0% savings accounts and 18.7% checking accounts and 3.6% other accounts as of December 31, 2017). We use medium-term debt securities and securitization operations of consumer loans among our funding strategies. Additionally, our consolidated pro forma Tier I ratio was 18.4% as of December 31, 2017 and we have maintained excess liquidity for future capital injections to our subsidiaries in order to fund our growth strategy.

Creation of value for shareholders through the implementation of prudent financial risk management policies and the primary focus on the intermediation activities.

We have generated value and strong growth, while managing financial risks under policies designed to protect our capital and liquidity. In the past, in addition to our organic growth, we have successfully acquired and integrated strategic businesses. We have consistently limited our exposure to the non-financial public sector and limited term, currency and other mismatches in our assets and liabilities. We have high proportion of loans over total assets and we derive our net income primarily from financial intermediation activities rather than from trading or financial investments, which has resulted in more stable sources of income and reduced the exposure of our earnings to market volatility.

Access to multiple customer segments through differentiated brands and channels positions us to capture future growth in the Argentine financial system.

We target a broad spectrum of socioeconomic segments and companies of varying sizes using a multi-brand model to offer a wide range of financial services. The Bank offers customized financial products and services to corporate clients in SMEs and middle-market companies, as well as to high net worth and middle-income individuals and to middle and lower-middle-income senior citizens. CCF and Tarjeta focus their products and services on the middle and lower-middle-income segments of the urban population. Our multi-brand model allows us to access segments of the population that are underserved and we believe offer growth opportunities.

We consistently seek to leverage the strong cross-selling potential of our multi-brand and multi-channel business model and our stable pool of over two million customers.

Through our multi-brand and multi-channel approach, we are able to cross-sell and create synergies across our segments. Bancassurance specifically allows us to cross-sell value added insurance products in compliance with the regulations of the National Superintendency of Insurance (*Superintendencia de Seguros de la Nación*) and of the Central Bank, as applicable. We offer an attractive platform for cross-selling certain credit cards and loans through 141 consumer finance points of sale (compared to 128 consumer finance points of sale as of December 31, 2017). We cross-sell non-financial services and products such as insurance products and plans, tourism packages, health insurance and health services, electric appliances and furniture, and alarm systems through Espacio Cordial and our senior citizens' dedicated branches.

We believe our investment in developing a strategic national footprint positions us to capture profitable growth and benefit from economies of scale.

Through the Bank, we have a focused presence in Argentina's major regions and cities. Through our consumer finance business, we have presence in all the provinces of Argentina. Through our current infrastructure, we serve our customers through 340 access points (compared to 326 access points as of December 31, 2017), including branches, bank branches fully dedicated to serve senior citizens, 19 banking payment and sales and collection centers, consumer finance, branches and access points within Walmart stores, Tarjeta's 61 consumer finance sales points and through other retailers, and 521 ATMs and 193 self service terminals, our call center and home banking and mobile services. The Bank has an important presence in the City of Buenos Aires and the Greater Buenos Aires metropolitan area (where approximately 15.6 million or 39% of Argentina's population resides), through 112 branches, and CCF has 26 sales points within Walmart locations in the City of Buenos Aires and Greater Buenos Aires (compared to 21 sales points within Walmart locations as of December 31, 2017). The Bank is also one of the most active players in the Cuyo region, which includes the Province of Mendoza, San Juan and San Luis where it operates through 50 branches and 17 collection centers. The Bank has approximately 281,000 customers in Mendoza and approximately 227,000 in San Luis. CCF has seven sales points in the Cuyo region. We offer consumer finance services through our Tarjeta distribution platform mainly in the Patagonia region, where we rely on 20 branches and 41 sales and collection centers. Given the strength of our network in commercially significant and high income regions in Argentina, we believe we are well positioned to benefit from economies of scale by leveraging our existing network and growing our revenues without significant investments in additional expansion of our platform.

Long-standing presence in Argentina's financial sector, committed indirect controlling shareholder and experienced Board of Directors and management team.

Through our main subsidiary, the Bank, we trace our origins to the banking house Supervielle y Cía. Banqueros, established in 1887. Our long-standing presence in Argentina's financial sector has allowed us to establish strong long-term relationships with our customer base, build a reputation for personalized customer service and establish the Supervielle brand as a recognized household name in the Argentine banking industry for both individuals and corporations, as well as in the securitization and corporate bond segments of the local capital markets. Our controlling shareholder has a strong commitment to the Argentine financial system. Julio Patricio Supervielle is the Chairman of the Board of Directors and our CEO and has led Grupo Supervielle for over 16 years. During his tenure, we have experienced growth in terms of net worth, assets, deposits and our network, and we have successfully completed some of our most significant acquisitions. We rely on a Board of Directors whose members collectively have extensive experience in retail and commercial banking, a deep understanding of local business

sectors and strong capabilities in risk management, finance, capital markets, M&A and corporate governance. In addition, our stable senior management team is comprised of seasoned officials and experts in their fields that foster a business culture of high performance.

Our Vision and Strategy

The Argentine market is one of the least penetrated financial systems in Latin America, with a fragmented, competitive landscape. We believe the Argentine market has significant underutilized financial infrastructure, in the form of checking and savings accounts, but also good mobile and internet penetration levels. This situation presents a number of growth opportunities, as the country continues its stabilization process. We believe we are positioned to capture these growth opportunities given our focus on a differentiated customer experience, product offerings, extensive distribution network and leading technology.

We plan to continue focusing on becoming the premier bank for certain specific customer segments including high net worth customers, senior citizens, middle and lower-income populations, entrepreneurs and small businesses, SMEs and middle market companies. We aim to achieve this objective through multiple brands, by delivering customized value propositions in retail banking, corporate banking, treasury, consumer financing, insurance and asset management and other services. We intend to differentiate by reducing time- to-cash and with agile and robust processes. We will strive to capture increased efficiency and synergies derived from cross sell, customer loyalty and payroll customers from our corporate banking segment.

We believe we have the capabilities required to be successful, including, among others, a long-standing reputation; a strong franchise of 2 million customers; an extensive distribution network; a strong digital footprint; stable, atomized and diversified funding; a prudent risk management track record; and a strong culture based on shared values: leadership, innovation, simplicity, efficiency, commitment and respect.

We believe that our holistic approach to mortgage underwriting exemplifies our strengths. We are seeking to become one of the market leaders in this segment, by, for example, forging alliances with real estate developers, offering customers a competitive value proposition and having an exclusivity agreement with Zona Prop, a popular online real estate website.

The “Superate” advertising campaign launched in 2017 aims to continue differentiating our positioning by focusing on the potential for personal and collective lifestyle improvements and financial well-being among our customers. The campaign highlights that our mortgages, personal loans, SME loans, platform services and personal attention are tailored to our customers’ needs, and thereby become important tools for our customers to realize their goals.

The key components of our strategy are as follows:

Increase our market presence among attractive customers through an effective segmentation strategy and strengthened value proposition

We seek to increase revenues through cross-selling enabled by big data and CRM:

High net worth customers: We successfully launched the Identité brand in 2014 with an attractive value proposition designed to capture and monetize the high net worth customer segment. That value proposition includes a wide range of components like premium credit cards, loyalty programs and exclusive events for customers. To reach high net worth individuals, the bank leverages three key assets: a premium, differentiated brand, a highly trained workforce and an excellent branch network in high income neighborhoods.

Senior citizens: We intend to maintain our leadership position in the senior citizen segment, providing unique services and benefits catered to its specific needs. Leveraging our network of fully dedicated branches we seek to expand our credit card and personal loan business, finance travel packages and consumer goods and services, and distribute insurance products, including life, burial, health, personal accident insurance and home insurance. This segment is adopting technology rapidly, which we anticipate will increase efficiency of service delivery.

Middle and lower-middle-income population: This segment has one of the lowest banking penetration rates in Latin America and represents an important opportunity to attract new customers. CCF's exclusivity agreements with Walmart Argentina and Hipertehuelche Supermarkets position us to reach this segment with a powerful value proposition, particularly consumer finance loans and credit cards. This customer base also offers opportunities for cross-selling of other banking products. Additionally, we continuously analyze opportunities for new product launches to serve this segment, as well as opportunities to forge new alliances with other retailers.

Entrepreneurs and Small Businesses: We aim at continuing expanding our market share within our customer base of entrepreneurs and small businesses. We intend to leverage our branch network as a primary means of attracting business and focus on building our customized cash management services.

SMEs: Our aim is to become the premier bank for SMEs by deploying outstanding transactional and cash management services. We intend to develop strategic partnerships with key industry players to provide financial services through direct lending or factoring transactions to their critical providers and suppliers along their value chains. We will target specific opportunities and customers in the agroindustry sector, energy, infrastructure, construction and other specific sectors. With respect to the agri-industrial sector, we strive to deepen our existing relationships with leading industry players, providing financing to their customer base. In San Luis, Mendoza, and Tucumán, where we have a well-established distribution base, we intend to continue targeting clients and value chains related to their main regional economies. With respect to the wine industry, we seek to continue developing partnerships with premium wine producers and key industry suppliers. With respect to the energy and infrastructure sectors, we target SMEs and middle-market companies along the supply chains of oil and gas (exploration and production), renewable energy projects and medium and large construction companies.

Middle markets and large corporate customers: We intend to offer a full range of products and services, including financial advisory, transactional services, treasury management, short, medium and long term financing to the middle market and large corporate customers that we have historically targeted. We aim to achieve this goal through quick decision-making with respect to our credit evaluation process, personal attention, increasing transactional services (such as check maintenance, payroll management, payments to suppliers and tax payment services) and building upon our cash management products, payroll management and other products that translate into higher balances of immediately available deposits. As we follow a customized approach across the value chain, suppliers and clients of our large corporate customers will be another source of SMEs client origination for the bank.

Leverage our proximity to customers through our extensive distribution network of branches and sales points to provide a superior customer experience

We have a direct presence in Argentina's major regions and cities. The Bank has a particularly important presence in the Greater Buenos Aires metropolitan area and the Cuyo region, which includes the provinces of Mendoza, San Juan and San Luis. Given the geographical concentration of our network in commercially significant and high-income regions in Argentina, we believe we are well positioned to benefit from economies of scale by growing our revenues without significant investments in additional platform expansion.

We intend to selectively expand the bank's network of branches, emphasizing services for high net worth and upper-middle income individuals, small businesses and SMEs, with a focus on the City of Buenos Aires and the Greater Buenos Aires metropolitan area.

We intend to grow the number of hub and spoke sales units specialized in leasing, foreign trade financing and cash management services.

We intend to build upon our leadership position in retail and corporate banking services in the provinces of Mendoza and San Luis. We plan to continue our partnerships with premium retail stores and shopping outlets to obtain differentiated discounts and benefits for our retail customers, relying on our existing network, which is the largest in the region.

We aim to increase our access to non-banking customers, by developing partnerships with key medium-sized retailers across the country to provide banking services along the lines of our existing alliance with Walmart Argentina.

We plan to continue to expand our dedicated sales force with a focus on new entrepreneurs, small businesses and payroll services, to drive revenues and cross-selling ratios.

We intend to seek new strategic partnerships in the agribusiness sector to provide financial services to leading national and international players catered to their customer base. We plan to broaden our offering of commodity warrants and livestock leasing, leveraging our strong market leadership in San Luis and Córdoba, in the north of Argentina.

Continue capitalizing on synergies by developing new businesses to increase our share of wallet

Our two million customers provide a base from which to expand our share of wallet and increase customer loyalty. The Bancassurance business allows us to cross-sell historically profitable and low-claims products to our existing customer base. We have access through our distribution networks and aim to further develop our Bancassurance distribution model by expanding the variety of insurance products offered by Supervielle Seguros. Espacio Cordial allows us to reach our clients with a wide variety of non-financial products and services, including travel and home appliance financing and health services.

Grow our balance sheet while maintaining our conservative risk management policies

Over the past 15 years we have differentiated ourselves from our competition by systematically securitizing assets, becoming the leader in Argentine capital markets in this segment. Since our IPO and after the expansion of our capital base, we have reduced securitization of our originated assets relative to our total assets, and we have been growing systematically above industry growth levels.

Our conservative financial policies based on a diversified deposit base, low portfolio concentration, short term high liquidity and low interest rate, term and currency mismatches have allowed us to build a strong franchise in retail and corporate banking. Since the IPO, we increased our deposits following the pace of loan growth, and we will continue to cross-sell to retail and consumer customers and attract cash management deposits from corporate clients. We also intend to continue to access long-term funding from the international capital markets as the Bank did in February 2017 through the issuance of a Peso denominated 3.5 years floating rate note for the equivalent amount of U.S.$300 million.

Continue to improve our efficiency by focusing on innovation and technology

We will seek to increase commercial productivity by optimizing sales time using online and mobile banking, sales and collection centers, streamlining risk assessment and CRM technology. We also plan to continue working with world-class business intelligence tools to increase sales productivity and to improve relationships with clients through better predictive sales actions and communications.

Our strong culture of innovation supports our constantly keeping abreast of customer needs and global trends, creating and efficiently implementing solutions focused on local customer preferences.

We intend to expand our digital banking channel and online banking platform. Our goal is to offer an outstanding digital experience to our clients. We intend to continue increasing the number of active online users and migrating our services to digital channels, which we expect will allow us to increase low-cost distribution and convert service centers into full bank branches. We also intend to continue launching mobile banking applications, which will enable “one click” payment and “one click” loan functionalities, with anytime and everywhere financial services and provide alerts and messages to customers in order to achieve cost efficiencies through low-cost social network advertising.

We have significantly improved the digital experience of our factoring product line, cash management and payroll services, and introduced "iFactus," the first portal providing electronic factoring services and "e-Factoring," an electronic platform which allows for check scanning and electronic delivery to the bank for immediate deposit, custody or discounting, with deferred physical delivery.

We expect the future of financial services to be marked by a transformation towards a digital business model. The challenge for organizations is to optimize the technological innovation of traditional banking to attract new consumers of financial services, with the aim of creating the bank of tomorrow, today. During 2017, Banco Supervielle's Digital Innovation Team worked on the following services and disruptive technologies: Digital On Boarding; Mobile Corporate Banking; Face Biometrics and the new Cordial Compañia Financiera Application (Digital Acquisition Process).

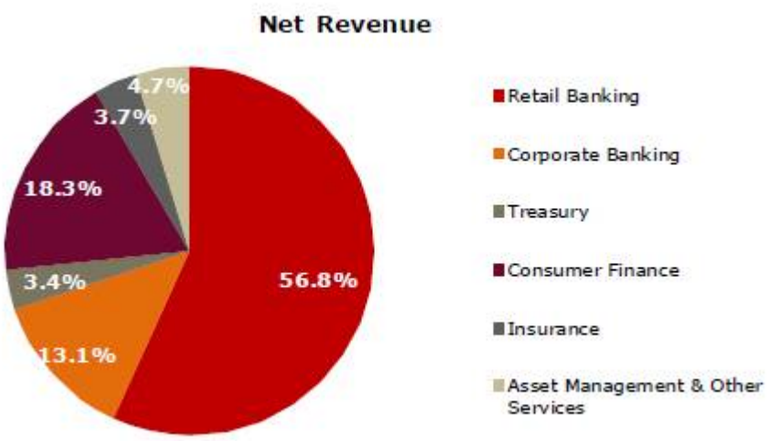
Business Segments

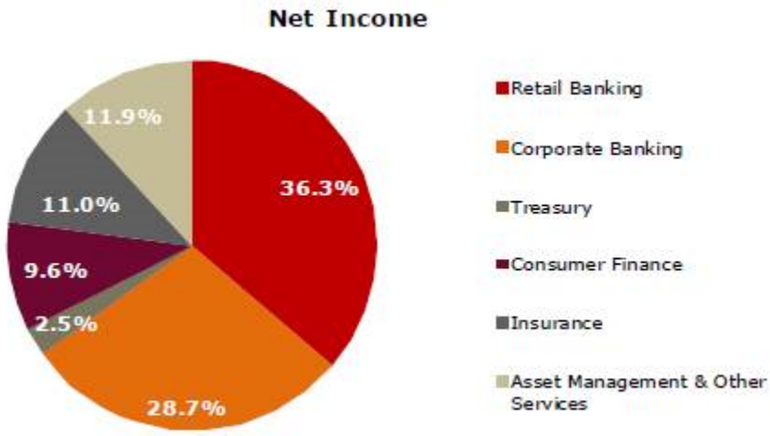
The following table sets forth the breakdown of our net revenue and net income by segment for the periods indicated.

	For the year ended December 31, 2017			
Segment	**Net Revenue**	**Percentage**	**Net Income**	**Percentage**
		(in thousands of Pesos)		
Retail Banking	7,200,565	56.8%	681,019	36.3%
Corporate Banking	1,660,577	13.1%	538,216	28.7%
Treasury	426,137	3.4%	47,746	2.5%
Consumer Financing	2,320,345	18.3%	179,440	9.6%
Insurance	469,671	3.7%	205,614	11.0%
Asset Management & Other Services	601,584	4.7%	223,554	11.9%
Total Allocated to Segments	12,678,879	100.0%	1,875,590	100.0%
Adjustments(1)	577,989		561,470	
Total Consolidated	**13,256,868**		**2,437,059**	

(1) Includes financial expenses incurred by Grupo Supervielle at the holding level in connection with its funding arrangements the net interest income received from the investment of liquity at the holding company, as well as transactions between segments.

The following graphs set forth the breakdown of our net revenue and net income by segment before adjustments as of December 31, 2017.





The following table sets forth the breakdown of our assets by segment as of December 31, 2017.

	As of December 31, 2017							
	Retail Banking	Corporate Banking	Bank Treasury	Consumer Finance	Insurance	Asset Mgmt & Other Services	Adjustments(1)	Consolidated Total
	(in thousands of Pesos)							
Assets								
Cash and due from banks	2,799,066	260,107	8,000,292	74,143	3,012	340	(7,485)	11,129,475
Government and corporate securities	—	—	15,255,201	—	87,832	3,003	—	15,346,036
Loans	20,868,845	27,605,696	2,302,233	6,093,736	—	—	(1,916,137)	54,954,373
Other receivables from financial transactions	(4,251)	506,331	4,570,399	794,727	330,864	315,115	48,211	6,561,396
Receivables from financial leasing	439,189	2,080,012	—	—	—	—	—	2,519,201
Other assets	379,155	10,893	244,148	522,328	111,323	285,235	1,907,715	3,460,797
Total Assets	**24,482,004**	**30,463,039**	**30,372,273**	**7,484,934**	**533,031**	**603,693**	**32,304**	**93,971,278**

(1) Includes elimination of inter-segment loans and assets not directly allocated to a single segment, such as unlisted equity investments, miscellaneous receivables, premises and equipment, miscellaneous assets and intangible assets.

	As of December 31, 2017							
	Retail Banking	Corporate Banking	Bank Treasury	Consumer Finance	Insurance	Asset Mgmt & Other Services	Adjustments(1)	Consolidated Total
	(in thousands of Pesos)							
Securitized Portfolio	549,743	—	—	745,579	—	—	—	1,295,322
Loan portfolio on Balance	21,308,034	29,685,708	2,302,233	6,093,736	—	—	(1,916,137)	57,473,574
Total Assets	**21,857,777**	**29,685,708**	**2,302,233**	**6,839,315**	**—**	**—**	**(1,916,137)**	**58,768,896**

The following table sets forth the breakdown of our customers and active customers from December 31, 2016 to December 31, 2017.

	As of December 31, 2017		As of September 30, 2017		As of June 30, 2017		As of March 31, 2017		As of December 31, 2016	
	Total Customers	Active Customers	Total Customers	Active Customers	Total Customers	Active Customers	Total Customers	Active Customers	Total Customers	Active Customers
Retail Banking	1,930,750	1,433,187	1,876,093	1,386,025	1,850,582	1,375,338	1,833,793	1,385,745	1,810,281	1,391,199
Corporate Banking	4,873	4,873	4,662	4,662	4,569	4,569	4,647	4,647	4,587	4,587
Consumer Finance	463,416	463,416	460,231	460,231	450,157	450,157	441,789	441,789	434,495	434,495
Total	2,399,039	1,901,476	2,340,986	1,850,918	2,305,308	1,830,064	2,280,229	1,832,181	2,249,363	1,830,281

Retail Banking

The Bank offers its retail customers a wide range of banking products including personal loans, short term advances, secured loans, payroll services through Plan Sueldo, credit cards, debit cards, savings accounts, time deposits, and checking accounts, as well as financing services and investments such as mutual funds, insurance coverage, guarantees and benefits payments to senior citizens and pensioners, among others.

The Bank has focused on automatic channels that provide greater functionality in face-to-face and digital automatic platforms, with a view to expediting transactions and generating new sales channels

Products and services are tailored to the needs of the different segments with which the bank works, focused on continuous improvement of customers' experience. Two of our more strategic segments are the small companies, grouped in *Emprendedores & Pymes* (Entrepreneurs & Small Businesses), and high net worth customers, which we refer to as our Identité segment. Additionally, products and services are offered to meet the needs of senior citizens.

In 2017, the size of the mortgage market in Argentina increased by 113%. We believe mortgages represent a greenfield opportunity. We are among the top 5 private banks in Argentina, in terms of market size, in the mortgage market, according to private estimates, with about 10% of new mortgages lent by private banks after just one year. Through the offer of mortgages, we expect to gain new customers and to cross sell existing customers by building long-term and loyal relationships.

The service model is customized to strategic segments while the operations model fosters a commercial and personal approach to customers, an enhanced approach. The bank has also developed a service model integrating new technologies and digital platforms to accelerate processes and improve customers' experience, tailored to each profile.

As of December 31, 2017, the Retail Banking segment had Ps.21.9 billion of outstanding loans and financial leases (including securitized loan portfolio), and contributed with Ps.7.2 billion to our consolidated net revenues (56.8% of our net revenues before adjustments) and with Ps.681.0 million to our consolidated net income (36.3% of total segments' net income before adjustments).We conduct our Retail Banking operations through the Bank.

Our Retail Banking services are focused on the customer segments discussed below.

- *Entrepreneurs and Small Businesses.* The Bank considers small businesses to be fundamental drivers for strengthening of productivity in the Argentine economy. For this reason, the Bank redefined its approach to the small business segment in order to develop the necessary tools and services to help small businesses grow and to respond to their needs with convenient and simple solutions. We service small businesses through our Retail Banking segment and SMEs and Middle-Market Companies through our corporate banking segment.

  In order to enhance strategic sub-segments, the Bank worked on lead generation through different sources, including agreements with small business associations and a presence at specific franchises and transportation events. Together with these actions, new tools were implemented to improve response speed to customers. Protocols for referral towards different channels were also implemented to improve efficiency.

  Development of the differentiated service model continued to include over 79% of the branches and over 91% of the Retail Banking segment's customers. The Bank focused on two specific executive profiles, offering specialized services to larger SMEs and streamlined services to smaller SMEs.

  Focus was also placed on obtaining a deeper knowledge of a company's lifecycle and its needs at different stages. To that end, two value propositions were developed, addressed at franchises and transportation market niches, and offering companies an adequate proposal for their needs in the different stages of their development. In addition, we continue to develop new value propositions for other new sub-segments.

- *High Net Worth Customers.* We offer our high net worth customers exclusive services such as priority access to our branches with minimal waiting time, concierge services, exclusive back offices for conducting banking activities, dedicated customer service representatives at the call center, a remote investment center and dedicated locations at our branches.

  A new lead generation scheme was developed that adds attractive benefits for prospective customers and combines welcome credit card benefits, such as promoting early activation and exclusive benefits in

supermarkets, gas stations, and restaurants, in addition to interest-free financing for the purchase of airline tickets.

The Bank continued to focus on our relationship with customers through promotions that encourage product placement. The development of credit approval platforms for credit cards and personal loans through digital channels continued throughout the year.

Taking into account the needs and requirements of customers, the face-to-face service model expanded to 60% of the branches, reaching 82% of the Retail Banking segment's customers.

- *Senior Citizens.* The Bank facilitates ANSES payments to more than 1 million beneficiaries per month, including retirees, pensioners and social plans, and it believes it is the private bank with the largest presence in this segment.

  In 2017, the Bank continued offering products and services addressing the needs of senior citizens, while further improving its value proposition and service model, particularly through Caja Rápida (cash dispenser with biometric identification) in its service centers.

  With these new dispensers, the Bank aims at providing a streamlined and innovative service, reducing waiting times significantly and introducing to its senior citizen customers new forms of interacting with the Bank. At December 31, 2017, there were 124 Cajas Rápidas, covering 79% of the network.

- *Middle-Income Persons.* In 2017, digital and alternative channels were developed to ease migration for the customers of this segment. To that end, new functionalities were added to Home Banking, Mobile and Contact Centers.

  The Bank focuses on providing a streamlined service in line with the customer needs as well as on enhancing the service model as regards product acquisition and placement.

  The comprehensive proposal for the Retail Banking segment is aimed at optimizing service channels, satisfying customers' expectations and becoming our customers' first choice bank.

  The Bank's focus on payroll customers has yielded a significant increase of the customer base in this category

Through our Retail Banking segment, we offer retail customers a wide range of products and services as described below.

Packages of banking services. As of December 31, 2017, the Bank maintained more than 2.5 million savings accounts and more than 88,000 checking accounts. In 2017, the Bank serviced more than 791,000 product bundles for senior citizens, more than 173,000 Plan Sueldo ("Payroll") accounts and more than 49,000 product bundles for high net worth customers. During 2017, the Bank encouraged bancarization at all levels, promoting streamlined transactions and enhancing the use of automatic channels. Campaigns were carried out to open savings accounts with debit cards for youth scholarships and social inclusion programs, which reached over 80,000 people. Likewise, the Bank offers bank accounts for minors to encourage the early development of savings habits and allowing for early contact with future generations of economically active individuals.

In line with the development of strategic segments, the Bank assessed the specific needs of customers with a view to designing products and services packages that meet the requirements of each sub-segment in order to actively support the development of customers and their community.

Investments. In line with the tax amnesty law implemented in 2017, the Bank developed special services addressed to financial customers, which resulted in deposits of U.S.$127.0 million. With a focus on the efficiency of operations, the Bank continued strengthening and developing autonomous channels for comprehensive management of investment operations. Time deposits through digital channels exceeded Ps.4.3 billion. A specific function was

implemented in Homebanking for the management of bonds and stock holdings. A high percentage of time deposits, mutual fund transactions and share purchases and sales were made through automatic channels. Exchange transactions were consolidated during 2017 due to the extension of transaction hours, with an increase of 40% in the use of digital channels for exchange transactions. However, based on the principle of maintaining direct contact with strategic segment customers, the Bank created the Comprehensive Investment Center, and trained staff to provide personal advice to customers and instill in them the confidence necessary to attract their whole investment portfolio. During 2017, share and mutual fund portfolios managed by the Bank recorded an 86% and 167% increase, respectively.

Insurance. The Bank has continued to grow in the insurance business. During 2017, the Bank launched products such as insurance on mortgages and other secured loans. Developments were made in sales through digital channels, including simulators that allow customers to assess which service is in line with their profile, to customize our product.

Loans. The Bank offers personal loans, short-term advances and salary advances to payroll customers. The placement of personal loans was boosted by a renewed offer and special facilities in line with the needs of each segment, together with the sales through digital channels implemented during the year. Accordingly, and with a view to further enhancing the placement of personal loans, the *Código de descuento* product was relaunched in the province of Mendoza, with a renewed commercial proposal.

Our mortgages strategy focuses on inflation adjusted credit lines. These are denominated in *unidades de valor adquisitivo* (“UVA”), an inflation adjusted unit that allows capital loans to be adjusted daily. As a result, interest rates are set in real terms and currently range between 5.9% and 8.4%, depending on the type of mortgage and the customer segment.

The UVA was introduced by the Central Bank in September 2016. Since then, mortgages with low monthly installments are more accessible to clients, and a higher number of clients at lower income levels can access larger loans. According to the respective regulations, monthly credit payments cannot exceed 30% of the individual’s monthly salary.

During 2017, in view of the widening of the market following the implementation of the UVA Mortgage Loans, commercial management focused on the development of a new, highly competitive product, with no cap restrictions and a maximum term of 30 years, managed by an outsourced center, which accounted for placements amounting to Ps.1.5 billion.

Credit Cards. As of December 31, 2017, the Bank maintained approximately 717,130 Visa and MasterCard accounts. Over the course of 2017, the Bank added nearly 60,000 new credit card customers. During 2017, the Bank moved forward in the process of card renewal by the implementation of the CHIP technology, which will reduce skimming.

The Bank also worked in the implementation of the new OnBoarding digital platform, which will act as a contact point for non-customers and will enhance and streamline sales processes through merchants and sales points and web channels where customers may apply for credit cards using self-service solutions. The Bank maintained a strong focus on store adherence. With focus on efficiency, the processes and documents required for store admission were unified and updated. In a second stage, and with focus on experience, manual processes were replaced by digital templates.

Total deposits from the Retail Banking segment as of December 31, 2017 amounted to Ps.37.9 billion (U.S.$2.0 billion), a 45.4% increase from the Ps.26.0 billion recorded as of December 31, 2016. Retail branch deposits and Senior Citizens deposits continued to represent a high portion of total deposits. In 2017, retail branch deposits plus Senior Citizen deposits represented 53.8% of total deposits compared to 60% in 2016.

In 2017 the network’s area of influence was expanded with the opening of three new branches. These openings were intended to consolidate the Bank’s presence in areas with a high density of stores and to achieve full coverage in commercial corridors where SMEs are established.

Additionally, 2017 featured substantial changes in Service Centers, modernizing daily operations and meeting the needs of the elderly. With the development of automatic solutions for queries and cash withdrawals that include biometric identification, the Bank has paved the way for future generations of retired customers.

Corporate Banking

The Bank, through its corporate banking segment, generally works with SMEs, middle-market companies and large corporates. The customer service model is based on regionalization. Services to SMEs and medium-large companies in the City of Buenos Aires and its vicinities are provided through regional branches located in the most densely populated areas, industrial areas and areas with commercial activity. The Bank believes that its proximity to its corporate banking customers gives it a competitive advantage.

As of December 31, 2017, the corporate banking segment had Ps.29.7 billion of outstanding loans and financial leases, and contributed with Ps.1.7 billion to our consolidated net revenues (13.1% of our net revenues before adjustments) and with Ps.538.2 million to our total net income (28.7% of total segments' net income before adjustments).

The main financial and transactional products and services that the Bank's corporate banking segment offers are factoring, leasing, employee payroll services (through which it offers solutions to meet its customers' working capital needs), foreign trade and cash management and transaction services. In addition, the Bank's corporate banking segment also offers checking account short-term advances, factoring, secured and unsecured loans, *Sociedad de Garantía Recíproca* (SGR)-guaranteed loans, pledge loans, supplier payment services, check custody services, armored transportation services, collections services, corporate credit cards, pension services, deposit accounts (including time deposits and short-term deposits).

The following sets forth additional information on the main products and services offered by our corporate banking segment:

Leasing. Banco Supervielle's leasing product maintained a high level of market acceptance, with over 1,100 contracts for a volume exceeding Ps.2.1 billion in 2017. As of December 31, 2017, we had a 15.2% market share in leasing in terms of private banks in Argentina.

During 2017, with a view to maintaining leadership and in the search for excellence in customer service, the leasing back office was established focusing on optimizing the response to, customers. For this purpose, the commercial team was restructured in the Branch Channel (dedicated to Large Companies, SMEs and Retail Banking) and the Vendor Channel (intended to increase penetration in the Vendor channel).

Factoring (check discounting, invoices and work certificates). The Bank participates in the check discounting market by offering three categories of products: (i) with recourse, where the customer who discounts the check with the Bank assumes the insolvency risk, (ii) first loss, where the customer assumes part of the insolvency risk, and (iii) non-recourse, where the Bank assumes all insolvency risk. Corporate banking factoring transactions represented 17.1% of the Bank's loan portfolio as of December 31, 2017, and the Bank estimated that its share of the factoring market of Argentine financial system as of December 31, 2017 was approximately 7.5%, according to the most recent publicly available information published by the Central Bank.

In 2017, the Bank continued promoting E-Factoring, which allows, by means of installed readers, images of the checks to be received and cashed or deposited, streamlining their processing and reducing time and cost.

Foreign Trade. The Bank is an active participant in foreign trade financing and offer personalized advice regarding technical, commercial and regulatory matters related to foreign trade. The Bank draws on a trained staff to advise customers on foreign trade, foreign exchange transactions, international transfers, credit assistance in connection with products offered, and operating issues.

During 2017, exchange regulations affecting foreign trade continued to be eased, which led to a more agile settlement process. In addition, the year was characterized by a significant growth of financing related to foreign trade, especially in the second half of the year, reaching a historic record of financing transactions in U.S. dollars.

The E-Comex channel, which allows importer and/or exporter customers to make inquiries regarding on-going transactions and manage their payments and/or collections through the Home Banking of Corporate Banking, continued to be consolidated. 59% of the Bank's total foreign trade related transactions were settled through this channel.

The Bank remains the only bank in the Argentine financial system to operate in the International Factoring market, through FCI (formerly called Factor Chain International), the largest and most prestigious chain of factoring companies.

By mid-December 2017, the Bank established a customer service center called "Contacto Comex", staffed by a team of experts fully dedicated to responding to E-Comex inquiries from customers.

Cash Management and Transaction Services. The Banks offers a range of products and services designed to assist in the corporate administration process, including payments to suppliers, electronic banking, payments and collections, cash management and armored transportation. Supplier payment services ensure timely payment, optimize the use of customers' funds and simplify our customers' administrative tasks. The various payment options are designed to meet each company's needs and include short-term advances based on deferred payment checks, with their respective statements and tax payment receipts, as well as transfers and payments against revolving credit facilities. Additionally, the Bank offers a convenient integrated check issuance, delivery and discounting service. Under various collection agreements entered into with service providers and public sector agencies, the Bank offers a comprehensive invoice and tax collection service using tellers, as well as a range of electronic payment options. Moreover, in the event that a company is paid for its products or services by credit card or voucher, the Bank serves as a payor bank for the major brands in the market, which enables credit card or voucher payments to be credited to the company's account with us.

As members of the Red Interbanking (a network comprised of Argentina's major financial institutions), the Bank offers an electronic communications system which enables our customers to optimize their banking transactions. The Bank's corporate customers can connect to the service from their personal computers at any time and review their accounts at any member bank, send us messages, transfer funds, make electronic wage payments, supplier payments and tax payments, and display market data. The Bank offers different electronic products for each segment of its corporate clientele, for example, Datanet Plus, Datanet Manager and InterPYME. Datanet Plus and Manager target SMEs, middle-market companies and large corporates and InterPYME is a product designed for small businesses. The Bank processes online transfers, allowing debit and credit transactions to be settled automatically and to be reflected in the relevant accounts in real time.

The Bank offers corporate electronic home banking services, which allows customers to access their bank accounts and information regarding our primary products and services online without having to leave their offices. People and businesses can access their account balance information and monitor account activity, factoring transactions, payments, deferred checks in custody and the status of checks written through the supplier payments service. Customers can also check the status of payments to leasing and foreign trade transactions, request checkbooks, carry out account transfers, pay paychecks, suppliers and corporate credit card bills, access electronic payment services for foreign trade services and discount checks remotely through the e-Factoring service with the electronic platform.

Sociedad de Garantía Recíproca (Mutual Guarantee Agents - "SGRs"). In 2017, the Bank remained the market leader, operating with 82% of the MGSs authorized in the country (28 out of 34 authorized SGRs and Guarantee Funds). The Bank is recognized as the bank of the SGRs by the *Cámara Argentina de Sociedades y Fondos de Garantías* and the Ministry of Production/Sepyme, the authority that supervises SGRs

In addition, during 2017, the Bank launched certain financing facilities secured by an SGR and addressed to SMEs that are part of value chains of large companies (e.g., wineries), in the City of Buenos Aires as well as in certain provinces.

Wines Division. During 2017, the Wines Division of Banco Supervielle continued implementing its strategy to become a specialized financial advisor to the wine industry.

The Bank's target market consists of wine estates with high added value products, that focus mainly on the export market. However, Banco Supervielle continued supporting all industry players, from leading grape producers to major wine estates as well as suppliers of wine manufacturing and bottling supplies.

The Bank's strategy targets participants in the entire value chain of wine production, from grape producers through wineries. This broad based strategy also allows us to develop our Retail Banking products with these customers.

Customized Value Proposition

1. Franchises. The Bank has introduced innovative loan models including franchise system variables to support the growth of entrepreneurship in Argentina through a professional system. The Bank finances up to 40% of the initial investment (capped at Ps.800,000 for new franchisees), offering preferential rates and a 6-month grace period on principal payments.

2. Transportation. The Bank has developed products for the cargo transportation segment activities and the value chain that enhances the growth of entrepreneurs and SMEs in general. For example, one of the attributes deemed key for a value proposition for this segment is the prompt response for the approval of loans for expansion of their truck fleet. The Bank has implemented single-day approvals of preferential rate financing for secured loans and leasing for the purchase of trucks and/or semitrailers. This allows SMEs to face new business opportunities and plan their activities more accurately.

Treasury

The Treasury segment is primarily responsible for the allocation of the Bank's liquidity according to the needs of the Retail Banking segment, the corporate banking segment and its own needs. The Treasury segment implements the Bank's financial risk management policies, manages the Bank's trading desks, distributes treasury products such as debt securities, and develops businesses with wholesale financial and non-financial clients. In 2017, this segment contributed Ps.426.1 million to the our consolidated net revenues (3.4% of total segments' net revenues) and Ps.47.7 million of net income (2.5% of total segments' net income). Below is a description of the services offered under this segment:

Treasury. The Bank's trading desks trade financial assets on a proprietary and third-party basis, sell financial products, and implement the Asset and Liability Management Committee ("ALCO") decisions, within the board's policies, regarding the Bank's liquidity and financial risk management policies. The Bank's trading operations include money market instruments, which include institutional investor deposits, public debt instruments, Central Bank debt notes, foreign exchange, stocks, futures, swaps and repos. Trades develop within the limits of a comprehensive risk map which sets limits on counterparty risk and on long and short positions for each asset class, depending on volatility, traders' seniority level, and other factors. The risk map also determines stop-loss policies. Banco Supervielle managed to grow in volume in all products operated, including foreign currency, public and private securities, stocks and derivatives. The Bank managed to position itself as one of the benchmarks of the market among institutional investors in all types of operations. This shows a great presence in the Argentine market in terms of financial products.

Correspondent Banking. The substantial increase in foreign credit facilities during 2016 continued in 2017, with the clear support of international banks, which resulted in new and significant credit facilities both for foreign trade and for working capital.

International banks also offered 5-year loans, disbursements of which were made during the second half of 2017.

Additionally, the international factoring operation allowed the Bank to play an active role in the market as the only Argentine bank that promotes a non-traditional foreign trade product and is a member of Factors Chain International.

Capital Markets. The Bank's capital markets department is responsible for structuring and placing debt and securitization instruments, primarily financial trusts, both for third parties and for all our subsidiaries. The Bank is one of the leading entities in the Argentine capital markets, with a 7.8% market share in Argentina in the year ended December 31, 2017.

During 2017, the Bank acted as arranger and underwriter of securitizations for Ps.4.1 billion, Ps.2.5 billion of which corresponded to six issues of Banco Supervielle and Cordial Compañía Financiera and Ps.1.6 billion of which corresponded to eight third party issues.

During 2017 the Bank acted as arranger of negotiable obligations for Ps.8.6 billion, Ps.2.8 billion of which corresponded to five local market issues of Banco Supervielle and Cordial Compañía Financiera, Ps.4.8 billion to foreign market issues of Banco Supervielle, and Ps.1.0 billion to five third party issues.

Public Sector and Intermediaries. On January 17, 2017, the Province of San Luis notified the Bank of its decision to terminate, effective as of February 28, 2017, the Financial Agency Agreement. The Financial Agency Agreement had been renewed twice and was due to expire in 2021. The government of the Province of San Luis has indicated that it will invite banks, including the Bank, to participate in the selection of a new financial agent. The Province has not yet released the terms and conditions of the auction to be held by the Province for the new financial agency agreement. As of the date of this annual report, the Bank continues to provide financial services to the provincial government of the Province of San Luis and its employees in spite of the termination of the Financial Agency Agreement.

The Bank has maintained a presence in the Province of San Luis since 1996. After acquiring Banco de San Luis in 1996, the Bank was appointed exclusive paying agent for the government of the Province of San Luis to provide financial agency and tax collection services to the Province of San Luis and serve as payor bank to provincial government employees.

As of the date of this annual report, the Bank has a private sector business franchise in the Province of San Luis as well and provides full banking services to individual consumers and SMEs and middle-market companies. Further, the Bank provides its corporate customers in the Province of San Luis with a wide range of financial services and has a primary focus on infrastructure and construction projects.

As of December 31, 2017, the Bank's exposure in the Province of San Luis was as follows:

As of December 31, 2017
(in thousands of Pesos, except for ratios and operating data)

Loans	
Banco Supervielle Total Loan Portfolio	58,839.5
Payroll loan to the Province of San Luis employees	685
Payroll loans to the Province of San Luis employees / Banco Supervielle Total Loan Portfolio	1%
Loans to the provincial government	—
Deposits	
Consolidated Total Deposits	60,757.8
Deposits made by the Province of San Luis	4,821
Deposits made by the Province of San Luis / Consolidated Total Deposits	8%
Net Revenue	
Related Net Revenue / Banco Supervielle's Consolidated Net Revenue	3%
Operating Data	
Employees	332
Branches	22
Senior Citizen Service Center	3
ATM's & Self Service Terminals	130

Of the Bank's approximately 227,000 customers in San Luis, it offers payroll services to about 24,000 employees that were covered by the services provided under the Financial Agency Agreement.

Consumer Financing

Through CCF and Tarjeta, we offer personal loans, credit cards, and consumer credit for goods to middle and lower-middle-income underserved banking segments focusing its operations on two key tenets:

(i) Accessibility: flexible proposals focused on the client and adapted to the multichannel concept.

(ii) Diversification: products that satisfy the needs of customers at each stage of their lives with personalized offerings and differential value proposals depending on the different clusters to which they belong.

The Consumer Financing segment's loan portfolio totaled approximately Ps.6.8 billion (U.S.$364.3 million) at December 31, 2017 (including the securitized loan portfolio).

For the year ended December 31, 2017, Consumer Financing contributed Ps.2.3 billion to our consolidated net revenues (18.3% of our net segments' revenues) and Ps.179.4 million of net income (9.6% of total segments' net income).

As of December 31, 2017, CCF offered the following products:

Personal Loans. CCF offers cash loans to individuals at a fixed interest rate. In 2017, CCF granted more than 182,000 personal loans, amounting to Ps.3.8 billion in the balance of personal loans.

Credit Cards. CCF's credit card is a financial tool through which its clients can make purchases in the network of businesses that accept MasterCard and obtain cash advances, pursuant to limitations set forth by CCF. Marketing for the CCF credit card is carried out in permanent marketing spaces located in Walmart Argentina stores, Hipertehuelche and Tarjeta's branches. CCF has exclusive rights to promote and sell financial and credit products in Walmart Argentina stores nationwide through August 2020.

Private Label Credit Cards. CCF's private label credit cards are credit cards that may only be used in Pesos and at the business through which they were issued. These private label credit cards aim to increase customer loyalty and generate incremental sales for the business. As of the date of this annual report, Walmart Argentina is the only business that offers a private label credit card.

Insurance and other non-financial products. CCF offers personal accident insurance, protected bag insurance for personal property contained in a bag, backpack, wallet, fanny pack or other bag that is either lost or stolen, health insurance, unemployment insurance, total protection, household assistance, extended warranty, protected technology, and home on behalf of the insurance companies with which CCF has an agreement.

Consumer Loans. CCF offers lines of credit for the purchase of specific products.

The agreement as exclusive provider of financial services to Walmart's customers in its stores is in force until August 2020, pursuant to the third consecutive renewal of this agreement executed in December 2014. This is the fourth consecutive period in which this agreement has been in effect.

Insurance

Through Supervielle Seguros, Grupo Supervielle offers insurance products, primarily personal accidents insurance, protected bag insurance and life insurance. All insurance products are offered to all our customers. Supervielle Seguros offers credit related and others insurance to satisfy the needs of our customers as well.

In 2017, our insurance operations through Supervielle Seguros contributed Ps.469.7 million to our consolidated net revenues (3.7% of our net segments' revenues) and Ps.205.6 million of net income (11.0% of our segments' net income).

Supervielle Seguros began issuing its policies in October 2014 starting with a few non-credit related insurance products, such as "protected bag" insurance and "personal accident" insurance.

By the end of year 2015, Supervielle Seguros began issuing credit-related policies. Supervielle Seguros's business substantially grew since then, partly because of the growth of the loans and credit card portfolio balances and partly because of the migration of some of the portfolio previously booked in a third party insurance company.

In March 2016, the Central Bank issued a new resolution, effective as of September 1, 2016, which prohibits financial institutions from charging individuals any fee and/or charge associated with credit related insurance policies. This resolution also specifies that financial institutions must purchase life insurance and total and permanent disability insurance for debit balances for their clients. As a result, since September 1, 2016 the Bank and CCF assume these risks by self-insuring and no longer contract new credit related insurances.

In 2017, Supervielle Seguros began offering home, protected technology, protected contents, total protection and broken bones policies in addition to personal accidents, protected bag, temporary life and debtor's credit life insurance policies.

Supervielle Seguros is continuously offering new products to the different customer segments of Grupo Supervielle companies: high net worth individuals (Identité), senior citizens, Entrepreneurs and SMEs, customers of the consumer finance and corporate and medium and large entities segments.

Supervielle Seguros focuses on the marketing of insurance policies through the networks of the Bank and CCF, as well as on credit related and other insurance intended to meet the needs of our different channels and customers.

Though the current organizational structure remains flexible, focused on critical strategic and control duties, supporting the remaining processes with core areas of Grupo Supervielle and with the advice of independent specialists through the implementation of services agreements, the company began during this year with the survey of processes to determine the investments required in technology and infrastructure, with a view to optimizing its processing capacity.

In 2017, Supervielle Seguros consolidated its offers in the following products:

Protected Bag Insurance. Protected bag insurance is insurance for personal property contained in a bag, backpack, wallet, fanny pack or other bag that is either lost or stolen. Protected bag insurance can cover items such as cellular phones, makeup, planners, lost documents, keys and locks. In addition, protected bag insurance may cover a certain amount of charges from fraudulent credit card use as a result of a lost or stolen bag.

Personal Accident Insurance. Personal accident insurance covers policy holders in the event that they suffer an accident, subject to certain exclusions.

Life Insurance. Supervielle Seguros markets its life insurance products to the Bank's senior citizen customers and sells its products through its own sales force that works within the Bank's service center network. The basic life insurance product includes coverage for death, and customers can add varying degrees of coverage for accidents, serious and terminal illnesses and transplants.

Life Insurance and Total and Permanent Disability Insurance for Debit Balances. In the third quarter of 2015, Supervielle Seguros began to offer an insurance product that covers debit balances in the event of death or total and permanent disability. However, as mentioned above, since September 1, 2016, Banco Supervielle and CCF assume these risks by self-insuring and no longer contract new credit related insurances.

Home Insurance. Home insurance coverage includes fire insurance (building and content), theft of content, theft and damage of appliances, glass breakage, civil liability, personal accident coverage for domestic staff and home assistance service in cases of emergencies.

Technology Insurance. Technology insurance covers theft or accidental damage as a result of theft of electronic equipment (includes notebooks, cell phones, tablets, smartphones, cameras and GPSs). In case of theft or accidental damage as a result of theft, the cost of the stolen property or the cost of repair will be compensated up to the maximum insured amount (once the repair invoice is provided).

Protected Bag Insurance. Protected bag insurance covers theft and accidental damage in relation with purchases paid with Walmart card, Mastercard Walmart card and Carta Mastercard card.

ATM Insurance. ATM insurance covers robbery at ATMs, death at the time of the assault and reimbursement of the costs of stolen documentation.

Protected Content. Protected content insurance covers theft and accidental damage of the personal effects that are inside a vehicle.

Broken Bones. The broken bones insurance covers death as result of an accident up to the amount of the insured capital. A certain amount will be paid in the event of quadriplegia or paraplegia, according to the respective insurance plan and once such condition has been verified by a medical audit. This insurance also covers the simple breakage of bones produced as an immediate consequence of an accident.

Supervielle Seguros has experienced a trend of growth in gross written premiums, reporting Ps.182.0 million in the first quarter of 2017, Ps.188.8 million in the second quarter of 2017, Ps.186.7 million in the third quarter of 2017 and Ps. 232.1 million in the fourth quarter of 2017.

The following table sets forth the breakdown of Supervielle Seguros's gross written premiums per quarter as of December 31, 2017.

Gross written premiums by product
(in millions of Pesos)

						% Change	
	4th quarter 2017	3rd quarter 2017	2nd quarter 2017	1st quarter 2016	4th quarter 2016	4th quarter 2017 vs. 3rd quarter 2017	4th quarter 2017 vs. 4th quarter 2016
Life insurance and total permanent disability insurance for debit balances	35.7	48.9	64.3	82.4	103.4	(27.0)%	(65.5)%
Personal Accident Insurance	17.6	17.1	16.0	13.8	13.2	3.2%	32.9%
Protected Bag Insurance	36.3	35.3	33.7	27.9	28.0	2.7%	29.9%
Broken Bones	6.7	6.2	6.5	0.1	—	8.9%	—
Others	7.0	0.5	0.4	—	—	1,346.3%	—
Home Insurance	28.0	3.1	—	—	—	809.1%	—
Technology Insurance	10.8	1.6	—	—	—	564.2%	—
ATM Insurance	5.9	1.5	—	—	—	290.7%	—
Mortgage Insurance	2.8	0.2	0.3	—	—	1,300.0%	—
Life Insurance	81.3	72.4	67.7	57.8	54.4	12.3%	49.5%
Total	**232.1**	**186.7**	**188.8**	**182.0**	**199.0**	**24.3%**	**16.6%**

Asset Management & Other Services

We also offer mutual fund services through SAM, and non financial services and products through Espacio Cordial.

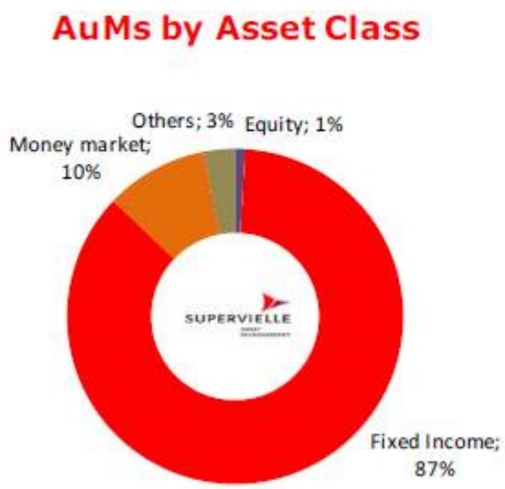
In 2017, these additional operations contributed Ps.601.6 million to our consolidated net revenues (4.7% of our segments' net revenues before adjustments) and Ps.223.6 million of net income (11.9% of our segments' net income before adjustments).

In 2017, SAM recorded Ps.113.2 million of net income, compared to Ps.77.4 million and Ps.81.8 million for years ended December 31, 2016 and 2015, respectively.

SAM's assets under management amounted to Ps.14.7 billion as of December 31, 2017, compared to Ps.10.0 billion and Ps.5.9 billion as of December 31, 2016 and 2015, respectively.

As of December 31, 2017, SAM had approximately 12,000 customers.

The following graph sets forth the breakdown of SAM's assets under management as of December 31, 2017.



Mutual Funds. SAM offers mutual funds services designed to meet customers' particular investment objectives and risk profiles through its Premier funds family. As of December 31, 2017, SAM had U.S.$780.6 million of assets under management.

The PREMIER family of funds consists of a Fixed Time Deposit Fund (Money Market Premier Renta CP in Pesos), five fixed income funds (*Premier Renta Plus, Premier Renta Fija Ahorro, Premier Capital, Premier Renta Fija Crecimiento* and *Premier Renta Mixta* in U.S. dollars), a variable income fund (*Premier Renta Variable*), an Investment Fund in SME securities (*Premier FCI Abierto PyMEs*) and three Mixed Income Funds, that invest in agricultural commodities derivatives (*Premier Commodities Agrarios*) and in combined portfolios of negotiable securities in Pesos, U.S. dollars and futures contracts (*Premier Inversión and Premier Balanceado*).

Fixed income funds offer the possibility to invest in short and medium term private and public debt assets. The Mutual Fund Premier Renta Plus portfolio is mainly made up of Lebacs and Provincial Bills, Mutual Fund Premier Renta Fija Ahorro invests in Lebacs, time deposits and negotiable obligations, Mutual Fund Premier Renta Fija Crecimiento is made up of short and medium term public and private debt assets and Mutual Fund Premier Capital invests in financial assets computable for the insurance companies' investment regulations. The portfolio of Mutual Fund Premier Renta Mix in U.S. dollars is made up of fixed income assets denominated in U.S. dollars issued by the Argentine government, provincial governments and companies.

The placement of these products is made by the Bank primarily through its commercial channels, by SAM and by brokerage firms. In December 2014, SAM began to offer its fund investment services to customers through the Bank's corporate home banking service. This service broadens SAM's channels of distribution and offers clients a high quality service.

In 2018, SAM plans to broaden its products to take advantage of new opportunities expected to be introduced by the new Capital Markets Law.

Retail Sales. Espacio Cordial sells various types of goods and services through a wide range of distribution channels, with a focus on cross-selling to our banking customers.

During 2017, we continued doing business and growing in already developed direct and indirect channels. In the direct channel, we continued to grow through points of sale located at the Bank's senior citizens dedicated branches throughout Argentina, mainly selling home appliances, health care plans, safety plans, prepaid services and tourist packages. Using indirect channels, we offered prepaid health services and the sale of electronic and home appliances by telephone and home appliances. We also offered through Tienda Supervielle technology products, home related products, furniture, sport products, clothing, well being and beauty related products, toys, perfumes and accessories.

Likewise, in 2017, we implemented new sales channels for all goods and services categories. In the tourism category, we launched our online channel through Tienda Supervielle Viajes with a competitive offer for hotels, flights, trains, travel assistance and experiences such as the 2018 FIFA World Cup. In the services category, we sold health care plans in the digital channel through a strong online strategy in social media and, in the electronic category, we entered into agreements with strategic partners for the marketing of such goods on their networks.

In partnership with CCF and Emilio Luque, a retail and wholesale supermarket chain, in December 2017, the electronic sector, fully managed by Cordial Servicios, was opened at the Salta branch of such company. This is the first step of Emilio Luque's branch expansion plan as well as the kick-off of the first expansion project of Cordial Servicios on third party networks intended to attract customers for Grupo Supervielle.

Our health care products and services offers were also enhanced. In the case of home and technology, categories and number of goods were doubled, and the tire and car accessories category was created in Tienda Supervielle. In relation with services, we launched a new kinesiology plan and we designed custom plans for the different customer segments.

In 2017, Espacio Cordial sold approximately 102,943 electronic products and approximately 146,000 service plans.

In 2017, net revenues from Espacio Cordial amounted to Ps.390.5 million (U.S.$20.8 million) compared to Ps.152.2 million in 2016.

For 2018, the objective of Cordial Servicios is to increase income in the 78 existing points of sale and at the already developed and recently implemented indirect sales channels.

Corporate Social Responsibility

Grupo Supervielle has become an important part of the Argentine financial system with a high potential of visibility in its social investments. Its social commitment has been growing steadily as its clients continue to increase their expectations regarding the social impact of its projects. Grupo Supervielle has a strong regional presence which allows it to participate in social actions, particularly in places and areas of poor social investment.

The strategic objectives of CSR are as follows:

(i) Be perceived not just as a profitable and innovative bank but also as an agent of change and creator of sustainable social value;

(ii) Develop an innovative and transformative strategy with concrete, measurable and high-impact actions;

(iii) Synergize CSR initiatives with local communities in which the bank has commercial activity; and

(iv) Build a collaborative and co-responsible organizational culture through programs designed in alliance with NGOs and Corporate Volunteering actions.

The CSR strategic plan is developed through 20 programs grouped in four core axis:

(i) Senior Citizens: Programs for senior citizens aim to promote active and healthy aging, social participation and the prevention of dependency.

(ii) Childhood: Programs for children help fight child poverty and malnutrition.

(iii) Education: Education programs promote opportunities through education.

(iv) Institutional Strengthening: Programs designed to contribute to the strengthening of public institutions and the construction of a long-term public agenda.

In 2017, Grupo Supervielle published its annual edition of the Sustainability Report covering 2016. The sustainability Report is prepared based on the guidelines and standards of the Global Reporting Initiative ("GRI") and is available on the Banco Supervielle website.

Our Subsidiaries

Banco Supervielle S.A.

We own 96.8% of the share capital of the Bank and Sofital owns 3.1%. The Bank is a universal commercial bank and our largest subsidiary. When consolidated with CCF, the Bank accounted for 98.2% of our total assets as of December 31, 2017. During the last fifteen years, the Bank experienced significant growth while efficiently managing risks, including those posed by the 2001-2002 crisis and the 2008 international economic downturn. The Bank operates in Argentina, and substantially all of its customers, operations and assets are located in Argentina. It offers a wide variety of financial products and services to retail and corporate customers.

According to the Central Bank, as of December 31, 2017, the Bank ranked ninth in terms of deposits, eighth in terms of total loans and ninth in terms of total assets among private banks in Argentina. As of such date, the Bank ranked fourth in terms of deposits and in terms of total assets among domestically-owned private banking groups. In 2017, the Bank continued to be a leader among private banks with respect to the payment of federal benefits to senior citizens in terms of the number of payments made. The Bank is also one of the leading providers of (i) factoring services in Argentina, with a 7.5% in the financial system as of December 31, 2017 and (ii) leasing services, with a market share estimated to be above 15.2% as of December 31, 2017.

As of December 31, 2017, the Bank on a consolidated basis had total assets of Ps.92.4 billion, a total loan portfolio (including the securitized loan portfolio) of Ps.60.3 billion and total deposits of Ps.60.8 billion, and its shareholders' equity totaled Ps.10.0 billion.

Cordial Compañía Financiera S.A.

The Bank owns 95% of CCF's common shares and Grupo Supervielle owns the remaining 5%. As of December 31, 2017, CCF had total assets of Ps.7.0 billion, net shareholders' equity of Ps.1.6 million and a personal loan portfolio and credit card loan on balance of Ps.6.2 billion (including the securitized loan portfolio, the total loan portfolio and credit card loans amounted to Ps.7.4 billion) and approximately 393,000 active credit cards issued.

In August 2011, we purchased CCF, a company formerly known as GE Compañía Financiera S.A., a financial services division of General Electric. GE Compañía Financiera had been operating for more than ten years in the Argentine market with financial products such as credit cards, personal loans, consumer loans and a wide range of insurance products.

Since 2000, through an agreement with Walmart Argentina, CCF has had exclusive rights to promote and sell financial and credit products to Walmart Argentina customers nationwide, including Changomas stores. The Walmart Argentina agreement grants CCF access, on an exclusive basis, to a distribution channel that includes 108 Walmart Argentina and Changomas stores located throughout Argentina and all future stores to be opened by Walmart Argentina during the term of the agreement. On July 6, 2010, CCF renewed the Walmart Argentina agreement through August 31, 2015 and in December 2014, CCF renewed the agreement again, through August 2020. This new extension of the agreement is expected to foster the expansion of CCF's business and the development of large, long term projects that are expected to bolster the growth of both parties to the agreement.

CCF specializes in specific credit products and financial consumer services. Its business model is based on offering financial products to mainly the middle and lower-middle-income sectors and is focused on two fundamental pillars:

i) *Accessibility*: Convenient services centered on the customer and adapted to the concept of multi-channel banking.

ii) *Diversification*: Products that satisfy the customers' needs in every stage of life with personalized offers and differentiated value propositions.

The concept of multi-channel banking requires CCF to have a presence everywhere in Argentina, including each of the 23 provinces, which it does through 116 branches and three main channels of distribution:

- Walmart Financial Services: Through this channel, CCF offers loans, credit card origination and insurance through an exclusive agreement with Walmart Argentina, reaching approximately 390,000 customers.

- Tarjeta Branches: Through this channel, CCF offers financing to middle and lower-middle-income customers. This service has a strong presence in the Patagonia region and reaches approximately 54,000 customers.

- "Tu Crédito Hipertehuelche": Through this channel, CCF offers loans, credit card origination and insurance through an exclusive agreement with Hipertehuelche Supermarkets, reaching approximately 20,000 customers.

To secure its market presence and to maximize customer satisfaction and prospects, CCF owns financial service stands in all medium and large Walmart Argentina locations and has a total of 80 sales and services points (compared to 67 sales and services points as of December 31, 2017). In smaller Walmart Argentina locations, CCF has developed a customer sales and services model through exclusive technology that does not require on-site presence.

Since 2014, CCF has been an exclusive financial services provider of customers of Hipertehuelche Supermarkets in the 16 stores Hipertehuelche has in the Argentine Patagonia. In these stores, CCF's has a financial services stand where it offer its products. Hipertehuelche is a home improvement and construction products retail chain.

For the year ended December 31, 2017, CCF was the first private issuer of MasterCard credit cards with account summary in Argentina.

Tarjeta Automática S.A.

Tarjeta was founded in 2002 to offer credit services to a segment of customers to whom banking services were not previously available. Its operations are concentrated primarily on granting personal loans. In 2007, we acquired Tarjeta.

Tarjeta has 20 public service branches and 41 stands at retail chains. The highest concentration of Tarjeta branches is in Patagonia.

Supervielle Seguros S.A.

In June 2013, Grupo Supervielle and Sofital purchased 100% of the shares of Supervielle Seguros (formerly known as Aseguradores de Créditos del Mercosur S.A.). Supervielle Seguros began operations in October 2014.

Supervielle Seguros began issuing its first policies in October 2014 starting with a few non-credit related insurance products, such as protected bag insurance and personal accident insurance. By the end of 2015, it began issuing credit-related policies substantially growing its business since then, partly through the growth of the loans and credit card portfolio balances and partly through the migration of some of the portfolios previously booked in a third party

insurance company. A Central Bank resolution issued in March, 2016 and effective September 1, 2016, prohibits financial institutions from charging individuals any fee and/or charge associated with credit related insurance policies. This resolution also specifies that financial institutions must purchase life insurance on debit balances or alternatively, self-insure the risk of death and permanent total disability of their clients. As a result, since September 1, 2016, both Banco Supervielle and CCF are self-insured against these risks and only contract new credit related insurances for mortgages loans. We intend to continue to expand this business and launch new insurance products previously offered to our customers by other insurance companies.

In parallel with the consolidation of its non-credit related insurance business, Supervielle Seguros plans to advance its products, adapt to the needs of its distribution channels and clients and evaluate how to incorporate the business into the credit-related businesses.

Supervielle Asset Management S.A.

Through SAM, we have become a player in the mutual funds market with the "Premier" funds family. In November 2014, Standard & Poor's published its "FundStar Ranking," which ranks mutual funds based on relative strengths compared to other mutual funds with similar long-term investment strategies. Premier Fixed-Income Savings Fund and Premier Income Fund Qualified received the highest rating of five stars and Premier Equity Fund received four stars.

As of December 31, 2017, SAM managed 11 mutual funds and had U.S.$780.6 million of funds under management. Based on data from the Argentine Association of Mutual Funds, we estimate that we have a market share of approximately 2.63% of the mutual fund industry in Argentina and that SAM is ranked 13 out of 46 managers in the market.

Espacio Cordial de Servicios S.A.

Espacio Cordial was created in October 2012 and began operating in December 2012. The business was created to sell various types of goods and services, including those related to insurance, tourism, health plans and services.

Sofital S.A.F. e I.I.

Sofital S.A.F. e I.I. is a *sociedad anónima* whose main activity consists of holding participations in other companies.

As of the date of this annual report, Sofital holds 3.1% of the capital stock of the Bank and 5.0% of the capital stock of SAM.

An in-kind capital contribution by Mr. Julio Patricio Supervielle of 7,672,412 non-endorsable ordinary registered shares of Sofital S.A.F. e I.I. to Grupo Supervielle was approved at a shareholders' meeting of Grupo Supervielle dated April 27, 2017. The capitalization of such capital contribution was approved by the CNV and registered by the IGJ on February 28, 2018.

Investments in and Divestments of Grupo Supervielle in its Subsidiaries

On February 5, 2013, we accepted an offer for the acquisition of 95% of the purchase shares of Aseguradores de Créditos del Mercosur S.A. (which was later renamed Supervielle Seguros). On May 14, 2013, the National Superintendency of Insurance approved the transfer of the company's shares. As a result, on June 6, 2013, 95% of the shares of Aseguradores de Créditos del Mercosur S.A. were transferred to us and the remaining 5% was transferred to Sofital.

On May 30, 2014, Sofital and Grupo Supervielle entered into an agreement for the sale of 100% of the shares of Adval to CAT Technologies S.A. The purchase price is scheduled to be paid in installments due between July 2014 and July 2019. As of December 31, 2015, Grupo Supervielle recorded a credit of Ps.2.3 million and Sofital S.A. a credit of Ps.0.1 million.

On February 25, 2014, the shareholders of Supervielle Seguros voted to increase the share capital by an amount of Ps.5,000,000 in proportion to their holdings to be integrated in cash and in kind.

On November 26, 2014, our Board of Directors decided to make a capital contribution to Supervielle Seguros for an amount of Ps.12,462,232.05. The capital contribution did not change our stake in Supervielle Seguros. The increase in share capital of Supervielle Seguros is pending the approval of the Superintendency of Insurance.

On April 29, 2016, we and the Bank made capital contributions to CCF for a total amount of Ps.25.0 million.

On May 31 and June 3, 2016, we made capital contributions to the Bank for Ps.2.2 billion. On September 22, 2016, the Bank held an Extraordinary Shareholders' meeting in which it resolved to capitalize said contributions by increasing the capital stock by Ps.182.1 million with an issue premium of Ps.2.0 billion.

On May 31 and June 16, 2016, we made capital contributions to CCF for Ps.14.0 million. On October 24, 2016, CCF held an Extraordinary Shareholders' meeting by which it resolved to accept such contributions for the total amount of Ps.305.0 million under the terms established in the respective agreements for the irrevocable capital contribution, to increase the capital stock in the amount of Ps.31.4 million increasing it from Ps.73.0 million to Ps.104.4 million, and issue 31,370,057 ordinary, non-endorsable nominative shares with a nominal value of Ps.1 each and entitled to one vote per share.

On February 17, 2017, we and the Bank made capital contributions to CCF for Ps.100.0 million. On March 9, 2017, CCF held an Extraordinary Shareholders' meeting by which it resolved to accept such contributions and increase the capital stock in the amount of Ps.19.5 million, from Ps.104.4 million to Ps.123,7 million, and issue 19,348,722 ordinary, non-endorsable nominative shares with a nominal value of Ps. 1 each and entitled to one vote per share.

On March 20, 2017, both our Board of Directors and the Bank's Board of Directors, accepted an offer from Ciudad Microempresa, to acquire 100% of the shares of Ciudad Microfinanzas. The offer was subject to the compliance of certain conditions, and the transaction was closed on March 31, 2017 when the conditions were met. Grupo Supervielle sold its 12,219,472 shares, representating 87.5% of the total capital stock, and Banco Supervielle sold its 1,745,632 shares, representing 12.5% of the total capital stock.

On March 27, 2017, we made a capital contribution to the Bank for Ps 95.0 million.

On May 26, 2017, Grupo Supervielle, Sofital S.A.F. e I.I. and Mr. Julio Patricio Supervielle completed the transfer of their shareholdings in Viñas del Monte S.A., which were sold for an aggregate amount of U.S.$1,500,000. Grupo Supervielle transferred a total of 904,142 common, registered, non-endorsable shares to Ramón Francisco Federico and Guillermo Héctor Federico; Sofital S.A.F. Sofital S.A.F. e I.I. transferred a total of 47,000 common, registered, non-endorsable common shares to Ramón Francisco Federico and Guillermo Héctor Federico; and Mr. Julio Patricio Supervielle transferred a total of 2,618 common, registered, non-endorsable shares to Ramón Francisco Federico and Guillermo Héctor Federico.

On July 24, 2017, Grupo Supervielle and the Bank made an irrevocable capital contribution in advance of future capital increases to CCF for an amount of Ps.2.5 million and Ps.47.5 million, respectively.

On September 20, 2017, Grupo Supervielle, the Bank and CCF made an irrevocable capital contribution in advance of future capital increases to Tarjeta Automática for an amount of Ps.131.3 million, Ps.15.0 million and Ps.3.8 million, respectively.

On November 24, 2017, Grupo Supervielle made an irrevocable capital contribution to the Bank for an amount of Ps.2.6 billion. On same date, the Bank held an ordinary shareholders' meeting by which it resolved to accept such contributions and increase the capital stock in the amount of Ps.105.5 million.

On December 13, 2017, Grupo Supervielle and the Bank made an irrevocable capital contribution in advance of future capital increases to CCF for an amount of Ps.30.0 million and Ps.570.0 million, respectively.

On January 16, 2018, Grupo Supervielle and the Bank made an irrevocable capital contribution in advance of future capital increases to CCF for an amount of Ps.19.0 million and Ps.361.0 million respectively. On January 24, 2018, CCF held an ordinary shareholders' meeting by which it resolved to accept the contributions received on July 24, 2017, December 12, 2017 and January 16, 2018, and increase the capital stock in the amount of Ps.56.751 million.

On April 6, 2018, the Board of Directors of Grupo Supervielle approved to issue an offer for the acquisition of 4,000,000 ordinary, nominative, non-endorsable shares of Ps.1 par value and entitled to one vote per share, representing 100% of the share capital of MILA for a total price of U.S.$20 million subject to price adjustment. MILA specializes in car financing, particularly for used cars. The acquisition is expected to close in the second quarter of 2018 subject to certain customary conditions precedent.

On April, 19, 2018, the shareholders' meeting of the Bank approved the capitalization of the capital contribution commited by us for an amount of Ps.861 million.

Market Area

We maintain a strong geographic presence in the City of Buenos Aires and the Greater Buenos Aires metropolitan area, which is Argentina's most commercially significant and highly populated area, and we are leaders in terms of our banking network in some of Argentina's most dynamic regions, including Mendoza and San Luis.

City of Buenos Aires. The City of Buenos Aires is the capital of Argentina and the center of commerce and seat of the national government in Argentina. Based on the publicly available information released by region, the City of Buenos Aires had a GDP per capita in 2005 of approximately U.S.$40,000 and a population of approximately 2.9 million (approximately 7.2% of Argentina's overall population). As of December 31, 2017, the unemployment rate in the City of Buenos Aires increased to 5.9% from 5.7% as of December 31, 2016. In terms of the banking sector, there are 843 bank branches (out of a total of 4,497 bank branches in Argentina) in the City of Buenos Aires. As of June 30, 2016, according to the last available information, the city accounts for 47% of total deposits and 53% of loans in Argentina.

Province of Buenos Aires. The Province of Buenos Aires, which includes the Greater Buenos Aires metropolitan area, is an agricultural center focused primarily on the production of soy, wheat, corn and other agricultural products. Based on the most recent publicly available information released by region, the Province of Buenos Aires had a GDP per capita in 2005 of approximately Ps.12,000 and a population of approximately 15.6 million (approximately 38.9% of Argentina's overall population). As of December 31, 2017, the unemployment rate in the Province of Buenos Aires decreased to 8.4% from 8.5% as of December 31, 2016. During the last decade, agricultural production has been strong as a result of high commodity prices which has contributed to Argentina's economic growth. It is expected that agriculture production will continue to be a key driver of economic growth in Argentina in the coming years. In terms of the banking sector, there are 1,449 bank branches (out of a total of 4,497) bank branches in Argentina) in the Province of Buenos Aires. As of June 30, 2017, according to the last available information, the region accounted for 23% and 18% of total deposits and loans in Argentina, respectively.

Mendoza. The Province of Mendoza is located in the Cuyo region and is the center of the wine industry in Argentina. Based on the most recent publicly available information released by region, Mendoza had a GDP per capita in 2005 of approximately Ps.13,000 and a population of approximately 1.7 million (approximately 4.3% of Argentina's overall population). As of December 31, 2017, the unemployment rate in Mendoza decreased to 2.7% from 3.3% as of December 31, 2016. In terms of the banking sector, there are 173 bank branches (out of a total of 4,497 bank branches in Argentina) in Mendoza. As of June 30, 2016, according to the last available information, the city accounts for 2% of total deposits and loans in Argentina.

San Luis. The Province of San Luis is located in the Cuyo region. The primary industries in the Province of San Luis are agricultural production and tourism. Based on the most recent publicly available information released by region, the Province of San Luis had a GDP per capita in 2005 of approximately Ps.13,000 and a population of approximately 0.4 million (approximately 1.1% of Argentina's overall population). As of December 31, 2017, the unemployment rate in the Province of San Luis decreased to 1.2% from 3.6% as of December 31, 2016. In terms of the banking sector, there are 51 bank branches (out of a total of 4,497 bank branches in Argentina) in the Province of

San Luis. As of June 30, 2016, according to the last available information, the Province of San Luis accounts for 0.5% and 0.3% of each of total deposits and loans in Argentina respectively.

Distribution Network

Our infrastructure supports our multi-channel distribution strategy with a strategic national footprint through 340 access points (compared to 326 access points as of December 31, 2017), which include 180 bank branches (compared to 179 bank branches as of December 31, 2017), 78 of these bank branches are fully dedicated to serve senior citizens, 19 banking payment and collection centers, 80 CCF sales points located in Walmart supermarkets (compared to 67 sales points in Walmart supermarkets as of December 31, 2017), 61 consumer financing branches of Tarjeta and other points of sale and 521 ATMs and 193 self-service terminals.

As of December 31, 2017, the Bank's loan portfolio to branches ratio, which we calculate by dividing the total amount of loans outstanding at the end of the period by the number of branches at the end of such period, was Ps.300.8 million, compared to Ps.191.5 million as of December 31, 2016 and Ps.120.5 million as of December 31, 2015. Based on the Peso amounts of the loan portfolios reported by the following Argentine private banks in their respective financial statements as of December 31, 2017, the loan portfolio to branches ratio of (i) Banco Macro S.A. was Ps.298.8 million, (ii) Banco de Galicia y Buenos Aires S.A. was Ps.532.1 million and (iii) BBVA Banco Francés S.A. was Ps.503.9 million. The loan portfolio to branches ratio as of December 31, 2016 of (i) Banco Macro S.A. was Ps.194.8 million, (ii) Banco de Galicia y Buenos Aires S.A. was Ps.379.1 million and (iii) BBVA Banco Francés S.A. was Ps.309.3 million. The loan portfolio to branches ratio as of December 31, 2015 for (i) Banco Macro S.A. was Ps.138.3 million, (ii) Banco de Galicia y Buenos Aires S.A. was Ps.287.3 million, (iii) BBVA Banco Francés S.A. was Ps.227.5 million and (iv) the Argentine private banks was Ps.190.4 million. According to publicly available information provided by the Central Bank, as of December 31, 2017, the loan portfolio to branches ratio for all Argentine private banks was Ps.363.8 million.

The following table and map show the geographical distribution of branches, senior citizens dedicated branches and sales and collection centers, except otherwise indicated:

Distribution Network

	As of December 31, 2017	As of the date of this annual report
Banco Supervielle S.A. Branches(1)	179	180
Banco Supervielle S.A. Sales and Collection Centers	19	19
Tarjeta Automática S.A. Branches	20	20
Tarjeta Automática S.A. Sales and Collection Centers	41	41
Cordial Compañía Financiera Sales Points	67	80
ATMs	518	521
Self-service Terminals	186	193

(1) In February and March 2017, the Central Bank approved our request to convert the remaining senior citizen service centers into full bank branches. As a result, as of the date of this annual report, we have 180 bank branches.

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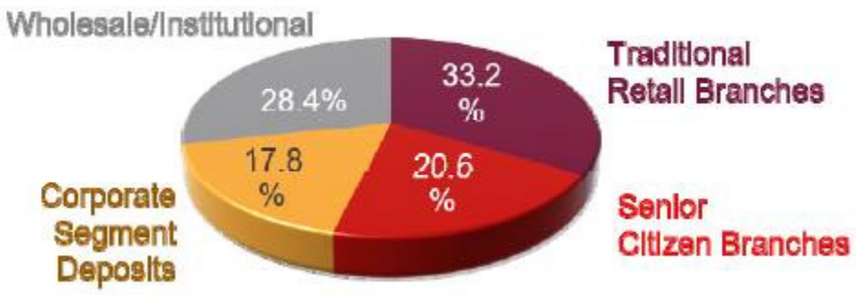
Deposits

The following tables compare the composition of the Bank's (on a consolidated basis) total liabilities and deposits with those of all Argentine private banks' in each case as of December 31, 2017:

	Year ended December 31, 2017			
Liabilities	**Banco Supervielle**		**Private Banks**	
	(in millions of Pesos)	**%**	**(in millions of Pesos)**	**%**
Deposits	60,758	73.7	1,374,702	75.6
Other Liabilities	21,646	26.3	442,967	24.4
Total	82,404	100	1,817,669	100

	Year ended December 31, 2017			
Deposits Breakdown	**Banco Supervielle**		**Private Banks**	
	(in millions of Pesos)	**%**	**(in millions of Pesos)**	**%**
Checking accounts	5,700	9.4	238,408	17.3
Saving Accounts	29,579	48.7	595,372	43.3
Time deposits	17,259	28.4	413,838	30.1
Other deposits	8,220	13.5	127,084	9.2
Total	60,758	100	1,374,702	100

Due to the importance of the franchise of our deposit network, retail plus senior citizens deposits continued to account for a significant portion of total deposits. As of December 31, 2017, retail plus senior citizens deposits represented 54% of total deposits, compared to 60% as of December 31, 2016.



Loan Portfolio — General Overview

Each loan category in our loan portfolio faces different risks. We have established underwriting policies, standards and pricing mechanisms designed to mitigate the risks posed by each loan category. Our loan portfolio has grown significantly since 2001. As of December 31, 2017, we had a loan portfolio (including the securitized loan portfolio) of Ps.60.3 billion (equivalent to U.S.$3.2 billion converted to U.S. dollars at the reference exchange rate as of December 31, 2017), compared to December 31, 2001, when we had a loan portfolio of Ps.92.9 million (equivalent to U.S.$92.9 million, converted to U.S. dollars at the reference exchange rate as of December 31, 2001).

Underwriting Policies

Our policies require that most loans only be approved for borrowers that are able to provide proof of a source of repayment and demonstrate an ability to service existing and future debt. Our underwriting procedures for all loan types require consideration of the borrower, including with respect to the borrower's financial condition, cash flow, the management skills and industry of our corporate customers, and the economic environment surrounding the issuance of any given loan.

We generally expect customers to repay loans with unencumbered cash available to them. A significant part of our loan portfolio is secured, and we assess the quality and liquidity of collateral before we grant any secured loan.

Interest Rate Terms

We price loans: (i) on both a fixed rate and floating rate basis; (ii) over different terms; and (iii) based upon different rate indices. Our pricing structures are consistent with our interest rate risk management policies and procedures. For more information on these policies and procedures, See "*—Credit Risk Management*."

Loans to individuals (personal loans, credit card loans and mortgages) are priced only on a fixed rate basis, while loans to small businesses and SMEs are priced on both a fixed rate and floating rate basis as follows:

- Fixed rate: promissory notes (checking and invoice discounts, work certificates for government projects and warrants), overdrafts, foreign trade loans, automobile, personal loans and mortgages with adjustable principal, based on inflation.
- Floating rate: automobile and other secured loans, receivables from financial leases.
- Both rates: corporate unsecured loans.

Risks

Below we list our loan categories from lowest risk to highest risk in terms of repayment ability and historical default rates:

1. Promissory notes (checking and invoice discounts and warrants)
2. Receivables from financial leases
3. Foreign trade loans
4. Mortgage loans
5. Corporate unsecured loans
6. Overdrafts
7. Automobile and other secured loans
8. Personal loans and credit card loans (from the Retail Banking segment)
9. Personal loans and credit card loans (from the Consumer Financing segment)

Summary of Loan Portfolio Categories

Promissory notes (factoring and check discounting and warrants)

Factoring and check discounting. Check discounting is used to finance working capital needs for businesses that have a diversified accounts receivable portfolio and customers or parties that issue checks and have a favorable credit history. Most of our check discounting transactions are with recourse to the assignor (*i.e.*, we secure repayment with a pledge over an assignment of the borrower's cash flow). However, some of our check discounting transactions are without recourse to the assignor, in which case we only have recourse to the endorser of the check. With respect to our operations with recourse, we evaluate the creditworthiness of both the assignor and the endorser of the check, specifically assessing each party's payment history, credit history and legal history by requiring a variety of documents to aid us in our underwriting process. We accept checks that are issued in the ordinary course of business from the customer with a payment date generally no longer than 180 days.

Warrants. Warrants are granted to finance working capital needs for producers or sellers of commodities or non-commodities such as sugar, soy, wheat, corn, sunflower, peanuts, cotton, yerba mate and tobacco. We take collateral in respect of the warrants for at least 20% to 35% in excess of the value of the products, depending on the type of product. The most significant risk we face when extending warrant financing relates to the quality and preservation of the underlying assets. To mitigate this risk, we select third-party companies to assess and monitor the value and quality of the underlying products. We establish maximum warranty amounts ranging from Ps.5.0 million to Ps.40.0 million depending on the type of product. We set interest rates for our warrants based on the term of the warrant and the quality of the underlying product.

Receivables from financial leases

Our financial leases are granted for financing acquisitions of capital assets, industrial equipment, road equipment and automobiles. The terms of these loans are typically between 18 and 60 months, varying based on the type of product or equipment and the useful life of such product or equipment.

The primary source of repayment for this product is cash flows from the borrower, and, therefore, we evaluate the borrower's repayment ability before granting such loans. We also evaluate the type of asset for which the financial lease is granted in the event the borrower is unable to repay the loan. If the borrower is unable to repay the loan, we may sell the asset to recover all or part of the outstanding amount of the loan.

The primary risk associated with our financial leases is that the borrower may default on the loan and the collateral may be insufficient to recover the outstanding amount of the loan. We mitigate this risk by: (i) granting financial leases in respect of new assets that have historically shown adequate resale values, (ii) requiring a down payment of

10% to 30% (depending on the repayment ability of the customer); and (iii) for certain types of assets, requiring a commitment from the supplier of the asset to buy or find a buyer for the asset in the event of the borrower's default. We set floating interest rates for our financial leases based on prevailing market rates.

Mortgage loans

The Bank grants inflation adjusted mortgage loans. The Bank sets a fixed interest rate but the remaining capital is adjusted on a monthly basis according to the UVA monthly evolution. Therefore, the loan has index-linked capital payments (the value of the capital and the installment is updated by inflation). The Bank evaluates the creditworthiness of the client based on credit and legal track records, a minimum credit score and income level. The loan is granted based on a loan-to-value ratio up to 75% of the property value (with a unlimited maximum amount). The terms of the mortgage loans are from 12 months to 360 months.

Foreign trade loans

Foreign trade loans are granted to finance exports and imports through pre-financing and financing loans for exports, international factoring and letters of credit for imports.

In the case of pre-financing and financing loans for exports, we analyze the repayment ability of both the borrower and its foreign client. Specifically, we ensure that the credit line that we grant is tailored to the borrower's historical export levels and projected export levels (based on contracts, purchase orders and other documentation). We generally grant pre-financing and financing loans for exports with terms ranging from 90 to 180 days, depending on the transaction and such loans are solely denominated in U.S. dollars. Interest rates for pre-financing and financing loans for exports depend on the term of the loan and range from 2% to 7.5%.

In the case of letters of credit for imports, we face a risk that we will have to pay for the imports in the event that the borrower defaults. To mitigate this risk, we ensure that the loan is granted once the merchandise to be imported can be shipped and the relevant shipment documentation can be issued. Generally, the term of our letters of credit do not exceed one year. We receive a fee for the letters of credit we issue instead of charging interest.

Corporate unsecured loans

Corporate financial loans. Our corporate financial loans finance short term working capital needs of up to one year or medium term working capital needs of up to three years for businesses that require monthly or periodic amortization. These loans are granted to customers with annual revenues in excess of Ps.50 million. We evaluate the customer's repayment ability using the general criteria and analysis for corporate customers. We also analyze the following factors: the shareholders and management of the borrower, the financial and economic environment, regulatory risk and projected cash flow for the entire period during which the loan will be outstanding to ensure that the borrower will be able to comply with the scheduled payments under the loan. We take into account the potential effects that economic variables such as exchange rate volatility and inflation could have on projected cash flow. We set either a floating or fixed interest rate for our corporate financial loans based on the creditworthiness of the borrower's business and the term of the loan.

Loans to small businesses. Our loans to small businesses are originated at the Bank's branches based on a policy that requires adequate credit and legal history, a minimum credit score and a certain level of revenues. Our loans to small businesses finance the working capital needs of businesses with annual revenues of up to Ps.50 million. The maximum loan assistance that we provide is Ps.725,000 for unsecured loans and Ps.725,000 for factoring services. Our general policy is that our small business loan portfolio be composed 50% of unsecured loans and 50% of secured loans and factoring transactions. The Bank's branches may grant up to Ps.150,000 of unsecured loans and Ps.150,000 of factoring transactions, and any excess amount must be evaluated by the Bank's specialized credit analysis unit. We set either a floating or fixed interest rate for our loans to small businesses based on the creditworthiness of the borrower's business and the term of the loan. The interest rates for our loans to small business are generally higher than the interest rates for our corporate financial loans reflecting the difference in size and revenues of the businesses.

Overdrafts

We grant overdrafts to businesses to finance working capital needs and ordinary course business activity. We assess whether the borrower has the ability to meet its payment obligations over a maximum 180-day period, placing an emphasis on the borrower's line of business. Businesses with operations that do not produce short-term revenues or with cyclical operations generally must seek other types of financing. We are able to anticipate a customer's ability to repay overdrafts by analyzing daily accounts payable, accounts receivable, credits and fluctuations. We set interest rates for our overdrafts on a monthly basis.

Automobile and other secured loans

We grant secured loans to finance automobile purchases. The maximum amount of our automobile loans is Ps.1,500,000 with a maximum term of 60 months. Before granting this automobile and other secured loans, we evaluate a customer's ability to meet monthly payment obligations by taking into account the prospective borrower's earnings, minimum credit rating and financial and legal background. We also require that the vehicle serve as collateral in the event of a payment default by the borrower. We set interest rates based on the term of the automobile loan and a loan-to-value ratio ranging from 40% to 80% of the value of the vehicle at the time of sale.

Personal loans and credit card loans (from the Retail Banking segment)

Our Retail Banking segment originates loans based on scoring systems and policies specifically tailored to our *Plan Sueldo* services, pension and retiree services and general clientele. For a detailed discussion of the Bank's credit application process, credit monitoring and review process and the risks associated with personal loans and credit card loans, See "*—Credit Risk Management—Banco Supervielle S.A.*"

Retail banking in Argentina is heavily regulated, including with respect to maximum interest rates and fees. See "*Item 4.B Business overview—Argentine Banking Regulation—Interest Rate and Fee Regulations*." We tailor our policies related to issuing and granting loans and credit to comply with these regulations.

Personal loans and credit card loans (from the Consumer Financing segment)

The personal and consumer loans offered by CCF and Tarjeta are unsecured products for personal use and are offered to the middle and lower-middle-income sectors. Due to the nature of these products, our pricing structure is high compared to the Argentine financial system. To be approved for such loans, these customers must provide proof of an available means of repayment and they typically but do not always have credit history. To mitigate the risks associated with personal and consumer loans, the initial term of any such loan is limited during the first loan, and performing borrowers may receive offers to extend the terms of the loans.

One of the principal sales channels for personal and consumer loans is through telemarketing typically targeting credit card customers or customers that took out a loan previously with CCF, Tarjeta or another company and performed in accordance with the terms of such loan.

The maximum amount of our personal and consumer loans is Ps.200,000, while the average loan is Ps.22,900. The average term of our personal and consumer loans is 18 months, with a maximum of 60 months. The loans are granted at a fixed rate and are paid back in monthly installments and amortized based on the French amortization system, which consists of equal monthly installments amortized in a manner in which (i) interest payments are higher at the beginning of the loan and decrease over the life of the loan, while (ii) principal payments are lower at the beginning of the loan and increase over the life of the loan.

Credit Risk Management

We define credit risk as the risk that arises from losses and/or a decline in the value of our assets as a result of our borrowers or counterparties defaulting on or not complying with their obligations. Credit risk includes any event that may cause a decline in the present value of our loans, but does not necessarily require the counterparty's default.

This risk also encompasses liquidity risk, which exists whenever a financial transaction cannot be completed or generate liquidity in accordance with an agreement. The magnitude of credit risk losses hinges upon two factors:

- the amount of exposure at the time of the default; and
- the amounts recovered by the Bank based on the payments received from the borrower and the execution of risk mitigation policies, such as guarantees that may limit losses.

With regard to risk appetite, the Credit Risk Management is the process that leads to the identification, measurement or evaluation, mitigation and monitoring or follow-up of the risk, as considered in the entire credit cycle, since its origin until collection, recovery or loss, and in case of non-compliance. Likewise, the definition of the Bank's risk appetite is generated through the development and monitoring of indicators, with their respective thresholds and limits for Credit Risk.

Our credit risk management policies also monitor concentration risk. This risk arises when the concentration of exposure has the capacity to generate enough losses (relating to results of operations, minimum capital requirements, assets or global risk levels) to impact the entity's financial strength or capacity to maintain its operations and significantly change the entity's risk profile.

The Board of Directors approves credit risk policies and strategies presented by the Risk Management Committee, in consultation with the Credit team, the Legal Affairs team and the Corporate Banking team, and in accordance with Central Bank regulations. The Bank's credit risk policies and strategies seek to develop commercial opportunities and business plans, while maintaining a prudent level of risk. The credit policy is tailored to corporations and individuals from every segment.

The pillars of the Bank's credit policy are based on an analysis of the client's cash flow and its repayment capacity. Regarding corporate clients, the Bank focuses on factoring products, the *Plan Sueldo* segment and senior citizen banking services. In addition, the Bank grants short and long term financing for specific products (such as leasing and secured transactions).

We believe that loan portfolio diversification is a staple of the Bank's credit risk management objective of distributing risk appropriately by economic segment, client type and loan amount. The same importance is given to the risk mitigation mechanisms that ensure adequate risk coverage, such as the use of credit instruments in the corporate segment that cover substantial amounts of the loan. Finally, we continuously use early detection processes to monitor the performance of the loan portfolio.

Credit Risk Measuring Models

The Bank relies on several models that estimate the distribution of possible losses arising out of the loan portfolio to calculate expected losses and minimum capital requirements. These models include:

- *Credit risk measurement models.* The Bank's models estimate distribution of possible loan portfolio losses, which depend on counterparties' default (probability of default ("PD")), as well as the exposure assumed with them (EAD - Exposure at the time of default) and the proportion of each unfulfilled loan that the Entity is able to recover (Loss in the event of default ("LGD")). Based on these parameters, the expected loss ("PE") and economic capital are estimated. As a result of this, a methodological and developmental plan has been developed in order to calculate the Risk Adjusted Return ("RAROC") at Banco Supervielle in order to optimize the management linked to Credit Risk.
- *Expected Losses Calculation.* This is calculated based on the results of the PD, EAD and LGD models. The expected loss calculation analyzes portfolio information to estimate the average value of loss distributions for a one year time horizon in the case of performing loans and for a lifetime horizon in the case of underperforming or non-performing loans.

- *Minimum Capital Requirement Calculation.* This is represented by the difference between the portfolio's risk value and expected losses within a 99.9% confidence interval for individuals and 99.0% confidence interval for corporate customers. We have two minimum capital requirement models (one for corporate customers and one for individuals), which include the economic capital required for our concentration risk and securitization risk.

Country Risk Management

Country risk arises from losses in investments or loans to individuals, corporations or governments, due to adverse changes in a foreign country's economic, political or social environment. The risk is present in loans granted to non-residents, loans in which the borrower's or its guarantor's solvency is significantly tied to the another country's circumstances, investments made abroad and contracts with foreign service providers.

We believe that the Bank has an adequate framework in place to manage this risk, given the complexity of its operations and its exposure to country risk. The Bank has no significant exposure to country risk except for credit lines with correspondents and international factoring. Country risk is a special consideration when granting credit lines and is analyzed on a case by case basis.

We have a Credit House Limit committee which is composed of at least three members of our Board of Directors, one of whom is the Chairman of the Board. The CEO of the Bank, the Chief Credit Risk Officer ("CCRO") and the Bank's heads of Retail Banking and/or Corporate Banking and/or Global Markets, are also members. The CCRO acts as chairman of the committee.

The Credit House Limit Committee is the highest authority in our and our subsidiaries' credit risk decision-making structure with respect to assessing situations in which any credit approval limit is exceeded.

Banco Supervielle S.A.

The Bank's Board of Directors sets its credit policy and risk limits, with information from its risk department and the various commercial banking units and in compliance with Central Bank regulations. The credit policy is aimed at taking advantage of business opportunities within the scope and terms of the Bank's business action plan, while maintaining prudent levels of exposure to counterparty risk. The Bank's credit policy focuses on companies and individuals of all segments, with a special focus on small businesses, entrepreneurs and SMEs.

The pillars of the Bank's credit policy include:

- maintaining independence between the risk management function and the business and management team;
- maintaining a highly professional corporate structure around risk management;
- keeping the Board of Directors and senior management involved in risk management decision-making;
- ensuring that risks are consistent with the risk appetite framework and subject to ongoing monitoring; and
- propose limits for credit risk tolerance to be approved by the Board of Directors.

Credit Application Process

The credit approval process is designed to facilitate an accurate risks analysis, expedient decisions and complete support information.

Potential customers are interviewed and asked to submit documentation to efficiently evaluate risk. The risk area performs a risk evaluation using computer software and issues an opinion on the requested assistance. If credit assistance is deemed feasible, the customer's application is submitted for approval at the appropriate level, pursuant to credit authority guidelines and depending on the facility amount requested, the term and security.

Applications by prospective retail customers are analyzed using an electronic application. Prospective corporate customers are evaluated on a case-by-case basis. There are no pre-approved lines of credit, except for individuals who may obtain a pre-approved line of credit based on their maximum debt burden ratio.

Credit Monitoring and Review Process

It is the Bank's policy to continually track and monitor risk in order to anticipate or foresee changes in the macroeconomic environment and anomalies that may affect the course of customers' activities and the repayment of loans. The Management and Credit Administration Department traces alert indicators for signals that may affect credit collection. Signals could be late payments of more than 30 days, alerts from credit bureaus, lawsuits from third parties, customers or suppliers and bounced checks. Action plans are in place to anticipate or mitigate potential nonperformance situations. The Credit and Risk Departments tracks alert indicators by:

- analyzing loan portfolio evolution;
- verifying compliance with credit regulatory requirements;
- reviewing the factoring portfolio on a daily basis by operation, maturity, concentration, direct and indirect risk;
- verifying and analyzing customer arrears;
- detecting market alerts, customer behavior in the market and the financial system, lawsuits, etc.;
- proposing action plans;
- involving the Corporate Forum and the Small Enterprises Forum;
- reporting customer alerts to officials and managers; and
- establishing allowances for estimated loan losses.

Credit Approval Process

The following chart describes the levels of approval for the different types of loans:

House Limit (Senior Committee + Board of Director's Chairman)		Credit Approval Limit (in millions of Pesos)	
		Unsecured	Secured
		Total Maximum Approval Limit	
Credit Approval Committee Corporate Banking	Senior Committee (Credit Manager + Commercial Coordinator Manager + CEO + Credit Coordinators + One Member of the Board of Directors)	300	300
	Coordinating Officers Committee (Credit + Corporate Banking)	80	140
	Regional Committee (Credit Manager or Credit Officers + Commercial Manager)	40	70
Retail Financing	Small Businesses (Retail Credit Manager + Commercial Manager)	25	35
	Small Businesses (Retail Credit Manager or Credit Supervisors)	25	35
	Retail Automatic credit analysis process	1.5	—
	Retail Manual credit analysis process	—	10

- The Risk Management Committee has the following responsibilities regarding credit policies:
  - Approves credit retail policies and oversees correct implementation and compliance with such policies.

- Defines credit evaluation criteria, including the cut-off points concerning scoring models, minimum income levels required and others.

- Monitors the evolution of the credit portfolio.

Recovery Process

The Bank's Recovery Area handles the collection of past due credits. Collections are handled by different units for individual and corporate customers.

With respect to individual customers, the Recovery Area begins a collection process when credits become past due by three days. The recovery team issues automatic notice actions from the 3rd to the 7th past due days in order to warn the customers. After this period, the collection of the overdue credit is handled by a third-party collection agency. After 90 days, the Recovery Area determines whether the past due credit should be sent to a different collection agency or it made subject to legal proceedings.

In the case of corporate customers, payment defaults are analyzed on a case-by-case basis, taking into consideration the size of the loan and the number of days in arrears, among other factors. However, generally, past due credits of corporate customers enter the collection process after 90 days. For financial leasing customers, the collection process begins after a credit is past due by 60 days. The Recovery Department may engage in extra-judicial settlement negotiations and approve payment proposals by debtors of amounts up to Ps.1 million.

The Corporate Forum meets every month to review the past due credits after 35 days, while the Retail SME Forum meets biweekly to review the outstanding dues after 15 days. This process allows the Corporate Recovery department to manage risk earlier, and also to take actions such as refinancing a loan, reducing the interest or using a guarantee.

The Corporate and Retail SME Forum, jointly with the Corporate Recovery department, can submit proposals to the Coordinating Officers Committee on how to address loan defaults that are outside their scope.

CCF and Tarjeta

To evaluate a prospective customer and detect possible fraud, CCF and Tarjeta maintain a centralized credit analysis process for issuing credit cards and granting personal loans. CCF and Tarjeta use an Experian decision engine, which combines automatic evaluation processes (including scorecards, credit bureaus (such as Equifax), negative file, maximum exposure, installment to income ratios and line assignment) with digitalized documentation controls performed by the underwriting team. This process also features different parameters for determining exposure and maximum risk per applicant, including point of sale, channel, product, incorporation process, risk level, among others.

In addition, each branch is categorized by risk level based on its portfolio's behavior trends per score range. A cut off by level is determined accordingly. These classifications are updated and validated regularly to ensure their accuracy.

CCF and Tarjeta periodically perform a risk analysis of their entire respective customer bases, evaluating payment behavior and exposure level, and using this information to offer better credit options for existing services and new products and services.

Collection efforts are managed internally at the early stages of delinquency and are tailored to each customer's risk level and behavior. CCF and Tarjeta conduct collection actions using an Avaya predictive dialer and applying different communication channels such as call centers, virtual messaging, SMS, letters and telegrams. After 180 days past due, collection efforts are outsourced to third-party collection agencies.

Information Technology and Operations

During 2017, the Information Technology and Operations Department was restructured to boost existing capacity, and adapt the functions scheme to its strategy.

A three-year strategic plan was developed, based on three pillars: adapting our information technology to our strategic business projects, developing the existing technological capabilities based on the improvement opportunities and guidelines associated with the Bank's strategy; and defining and executing IT specific strategic plans which pave the way for advances in areas such as technological infrastructure, applications, service operation, quality and governance.

The strategic business projects that called for IT initiatives were grouped into the following programs: Cash Management, Digital Banking, Senior Citizens Banking, Commercial Platform and Business Intelligence. During 2017, the Bank fully implemented the redesign of Individual Homebanking, Corporate Homebanking and Supervielle Mobile customer experience. The Bank also fully adapted the biometric identification system to the provisions of ANSES Resolution No. 648. A Wi-Fi connectivity system was installed in many Service Centers, the Comprehensive Customer Platform was optimized as well as processes to improve customer experience, commercial users and economic benefits. The Bank's IT and Operations Department also completed initiatives relating to our loan origination process (Entrepreneurs and SMEs), cash management plans, customer identification and referral at the Service Center level and other aspects of our business.

Projects for the evolution of current capacities focused on the Bank's strategy and the improvements resulting from the analysis of the operating model maturity, with a view to ensuring an efficient operating model and to positioning the IT area as Digital Bank enabler.

Centralized Operations

In 2017, important measures were adopted in furtherance of the Bank's continued efforts to improve operating efficiency and service quality to internal and external customers, reduce expenditure and search for innovative processes, in compliance with local and international practices in an adequate internal control environment.

The Bank consolidated the operations of the Identité Service Centers to render a focused service intended to improve customer satisfaction.

Transaction load and sales management processes were automated, eliminating manual processes and optimizing productivity and reducing expenses.

CCF

CCF has implemented improvements in its technological infrastructure in telecommunications, datacenter and end user devices, to improve the availability and performance of the services offered to the business. In 2017, projects were developed and implemented to continue offering an agile, simple and cordial service, emphasizing statements via email, launching a mobile application for consultation of credit card status and making improvements in interactive voice response via phone in order to provide a better customer experience and expand self-management.

CCF's initiatives for the short and medium term include projects relating to technological infrastructure, especially, improvements to increase perimeter security and updates of the call center platform. At the same time, there is a plan to support the business in the implementation of "Embozado en Tienda" (to produce the physical credit card plastic on the spot); the development of a new origination model, and to continue innovating the mobile application by adding more functionalities.

In 2017, CCF created the consumer IT unit aiming at a transformation of IT by introducing the concept of customer experience and generating a comprehensive vision of their needs.

Digital Innovation Unit

In 2016, we created the Digital Innovation Unit. We believe that ongoing technological evolution has given rise to a digital revolution which has had a profound impact in the financial system. Changes in customer preferences could result in profound changes in the banking industry in the future. Our Digital Innovation Unit aims at establishing a deep and dynamic research process for the creation of value for new generations and profiles of users. The Digital Innovation Unit participates in the development of new tools (products or services).

We expect the future of financial services to be marked by a migration to a digital business model. The challenge for organizations is to optimize the technological innovation of traditional banking to attract new consumers of financial services, with the aim of creating the bank of tomorrow today. During 2017, therefore, Banco Supervielle's Digital Innovation Team worked in the following services and disruptive technologies:

Digital On Boarding: Customers are accustomed to accessing digital services to satisfy their needs and desire a consistent experience in their use. With this in mind, we worked on digital platform in Argentina to purchase financial products. With a redesigned and simplified process, starting from registration, the platform will allow users to become customers in only two steps and have immediate access to tailor-made products and services.

Mobile Corporate Banking: In pursuit of offering innovative digital technologies to our corporate customers, in 2018 we launched the Corporate Mobile application. This application supplements the omnichannel portfolio and offers quick and convenient access to all the functionalities and financial services that we offer.

Face Biometrics: We believe that technological advances in the financial system should not be detrimental to its security. Our Digital Innovation team is dedicated to providing customers with simpler and more secure access to their financial services and information. In particular, we have begun developing facial recognition capabilities in order to allow customers to access digital channels through biometric identification software.

New Cordial Compañia Financiera Application (Digital Acquisition Process): We released a new version of the Mobile application for Walmart and Carta Automática customers, adding additional digital services, such as the acquisition of new products.

Competition

Retail Banking, Corporate Banking and Treasury

The Argentine financial system remains highly fragmented compared to the rest of Latin America.

In 1999, the Argentine financial system had 116 financial entities. This number decreased to 100 in 2002 and 89 in 2005. As of December 31, 2017, this number decreased to 77, of which 62 were banks (13 public and 49 private). In terms of ownership, in 1999 Argentine and foreign entities each held 41.3% of the Argentine banks while the remaining 17.3% of the banks were held by the public sector. As of December 31, 2017, while the participation of the public sector was 21.0%, the portion of banks controlled by Argentine entities represented 53.2% and the portion of banks controlled by foreign entities represented 25.8%.

In 1999, there were 17 financial companies, nine of which were controlled by Argentine entities and eight of which were controlled by foreign entities, and seven credit unions. As of December 31, 2017, the number of financial companies was 14, five of which were controlled by Argentine entities and nine of which were controlled by foreign entities, and only one credit union remained.

Competitive Framework

We were one of the top 10 private banks in the Argentine financial system with respect to loans, deposits, assets and equity as of December 31, 2017, as presented in the following tables:

	As of December 31, 2017	
	Total Assets	
	(in millions of Pesos)	Share of Total (%)
Banco Santander Río S.A.	332,926.8	16.1%
Banco de Galicia y Buenos Aires S.A.	299,710.8	14.5%
Banco Macro S.A.(1)	225,514.8	10.9%
BBVA Banco Francés S.A.	221,165.6	10.7%
HSBC Bank Argentina S.A.	126,371.1	6.1%
ICBC S.A.	109,628.0	5.3%
Credicoop Cooperativo Limitado	103,839.4	5.0%
Banco Patagonia S.A.	93,718.0	4.5%
Banco Supervielle SA	**88,808.8**	**4.3%**
Citibank N.A.	69,785.2	3.4%
Banco Hipotecario S.A.	58,974.8	2.8%
Nuevo Santa Fe	49,222.0	2.4%
Itau Argentina	45,215.7	2.2%
Comafi	29,526.4	1.4%
Banco de San Juan S.A.	27,686.0	1.3%
Others	190,447.7	9.2%
Total Private Banks	2,072,541.1	

	As of December 31, 2017	
	Total Loans	
	(in millions of Pesos)	Share of Total (%)
Banco Santander Río S.A.	166,220.7	15.5%
Banco de Galicia y Buenos Aires S.A.	158,817.4	14.8%
Banco Macro S.A.(1)	132,952.4	12.4%
BBVA Banco Francés S.A.	123,705.6	11.5%
HSBC Bank Argentina S.A.	65,921.2	6.2%
ICBC S.A.	60,661.0	5.7%
Banco Patagonia S.A.	56,337.7	5.3%
Banco Supervielle SA	**50,776.8**	**4.7%**
Credicoop Cooperativo Limitado	46,379.3	4.3%
Banco Hipotecario S.A.	31,909.0	3.0%
Nuevo Santa Fe	27,526.8	2.6%
Citibank N.A.	26,457.1	2.5%
Itau Argentina	22,895.6	2.1%
Banco Comafi S.A.	16,486.1	1.5%
Nuevo Banco de entre Rios S.A.	11,853.4	1.1%
Otros	72,909.7	6.8%
Total Private Banks	1,071,809.8	

	As of December 31, 2017	
	Total Deposits	
	(in millions of Pesos)	Share of total (%)
Banco Santander Río S.A.	234,037.3	17.0%
Banco de Galicia y Buenos Aires S.A.	200,884.4	14.6%
BBVA Banco Francés S.A.	153,962.7	11.2%
Banco Macro S.A.(1)	143,636.5	10.4%
Credicoop Cooperativo Limitado	89,049.7	6.5%
HSBC Bank Argentina S.A.	85,860.2	6.2%
Banco Patagonia S.A.	68,685.4	5.0%
ICBC S.A.	64,952.7	4.7%
Banco Supervielle SA	**60,057.4**	**4.4%**
Nuevo Santa Fe	36,163.5	2.6%
Citibank N.A.	33,928.6	2.5%
Itau Argentina	29,903.1	2.2%
Banco Hipotecario S.A.	21,006.3	1.5%
Banco de Santiago del Estero S.A.	20,891.1	1.5%
Nuevo Banco de entre Rios S.A.	20,889.5	1.5%
Otros	110,976.4	8.1%
Total Private Banks	1,374,884.8	

Source: Central Bank.
(1) Includes Banco del Tucumán S.A.
(2) Includes 33 private banks with assets below Ps.27 billion, as of December 31, 2017.

When consolidated with CCF, we were one of the top five private banks in the Argentine financial system with respect to personal loans as of December 31, 2017, as presented in the following table:

	As of December 31, 2017	
	Personal Loans	
	(in millions of Pesos)	Share of total (%)
Banco Macro S.A.(1)	47,376.7	22.4%
Banco Santander Río S.A.	29,382.2	13.9%
Banco de Galicia y Buenos Aires S.A.(2)	22,288.7	10.5%
BBVA Banco Francés S.A.	16,318.5	7.7%
Banco Supervielle SA(3)4)	**14,579.4**	**6.9%**
Nuevo Banco de Santa Fe	9,686.9	4.6%
Banco Patagonia S.A.	8,731.1	4.1%
HSBC Bank Argentina S.A.	7,087.3	3.4%
Banco Hipotecario S.A.	6,262.2	3.0%
ICBC S.A.	5,907.1	2.8%
Nuevo Banco de Entre Rios	5,493.2	2.6%
Others	38,316.8	18.1%
Financial Private System	211,430.2	

Source: Central Bank.
(1) Includes Banco del Tucumán S.A.
(2) Consolidated with Compañía Financiera Argentina S.A.
(3) Does not include securitized personal loan portfolio
(4) Consolidated with CCF.

We were one of the top five private banks in the Argentine financial system with respect to leasing, as presented in the following table as of December 31, 2017:

	As of December 31, 2017	
	Leasing	
	(in millions of Pesos)	Share of total (%)
Banco Supervielle SA	**2,519.20**	**15.2%**
Banco Comafi S.A.	2,293.20	13.8%
BBVA Banco Francés S.A.	2,273.80	13.7%
Banco de Galicia y Buenos Aires S.A.	1,872.60	11.3%
HSBC Bank Argentina S.A.	1,363.0	8.2%
Banco Patagonia S.A.	1,361.70	8.2%
Credicoop Cooperativo Limitado	919.7	5.5%
Banco Santander Río S.A.	903.2	5.4%
ICBC S.A.	852.5	5.1%
Citibank N.A.	766.5	4.6%
Others	1,488.9	9.0%
Total Private Banks	16,614.3	

Source: Central Bank
(1) Does not include securitized leasing portfolio.

The Bank, when consolidated with CCF, ranked first among private banks in the Argentine financial system with respect to MasterCard active accounts as of December 31, 2017 as presented in the following table:

		As of December 31, 2017
		MasterCard active accounts with billing statement
1	**Banco Supervielle S.A.(1)**	9.8%
2	Banco de Galicia y Buenos Aires S.A	8.0%
3	Banco Macro S.A.	6.9%
4	BBVA Banco Francés S.A.	6.9%
5	HSBC Bank Argentina S.A.	5.7%
6	Banco Patagonia S.A	4.3%
7	Industrial and Commercial Bank of China (Argentina) S.A.	3.5%
8	Banco Itaú Argentina S.A	2.9%
9	Banco Columbia S.A.	2.4%
10	Banco Comafi S.A.	1.2%

Source: First Data Cono Sur S.R.L.
(1) Consolidated with CCF.

Until our IPO in May 2016, the Bank ranked first among private banks in the Argentine financial system with respect to the origination of all bank asset securitization in the Argentine market. Since the IPO we significantly reduced the number of our own securitizations. The Bank's market share as of the periods indicated, are shown in the following table:

	As of December 31, 2017	
	Bank asset securitization	
	(in millions of Pesos)	Share of total (%)
Banco Sáenz S.A.	169	4.4%
Banco Supervielle S.A	736	19.1%
Banco BICA S.A	1,406	36.4%
BST S.A.	975	25.2%
Banco Comafi S.A	573	14.8%
Total	3,862	100.0%

Source: Company estimates based on data from the CNV.

We were one of the top ten companies in the Argentine capital markets with respect to the origination of total asset securitizations as of the periods indicated, as shown in the following table:

	As of December 31, 2017	
	Total Securitizations	
	(in millions of Pesos)	Share of total (%)
Grupo Electrónica Megatone	8,762	17.7%
Grupo Garbarino	4,578	9.3%
Grupo Frávega	4,283	8.7%
Grupo Carsa	4,253	8.6%
Grupo Supervielle	2,534	5.1%
Grupo Cencosud	2,270	4.6%
Vicentín S.A.I.C.	2,177	4.4%
Ribeiro S.A.C.I.F.A. e I.	1,790	3.6%
CMR Falabella S.A.	1,641	3.3%
Grupo Comafi	1,640	3.3%

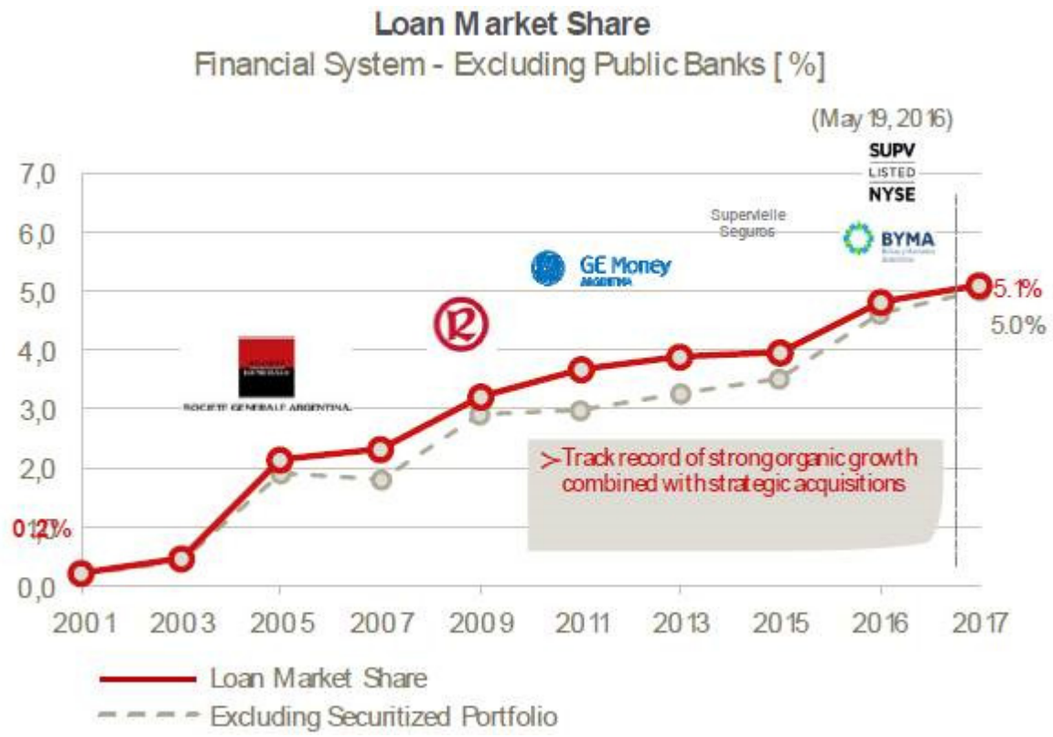
Source: Company estimates based on data from the CNV.

The Bank faces a high degree of competition in virtually all core financial products with respect to pricing (interest rate or fee) and term. The Bank's strategy in the face of this competition is to maintain aggressive business policies, differentiate itself with respect to product offering and customer service, and redesign processes for greater sales productivity.

Notwithstanding this competitive challenge, our strategy for growth, both organic and through acquisitions, has resulted in an 133.4% % increase in our financial system market share (excluding public banks) since 2005 according to the Central Bank. Throughout this period, we gained some of the market share lost by several of our larger competitors.

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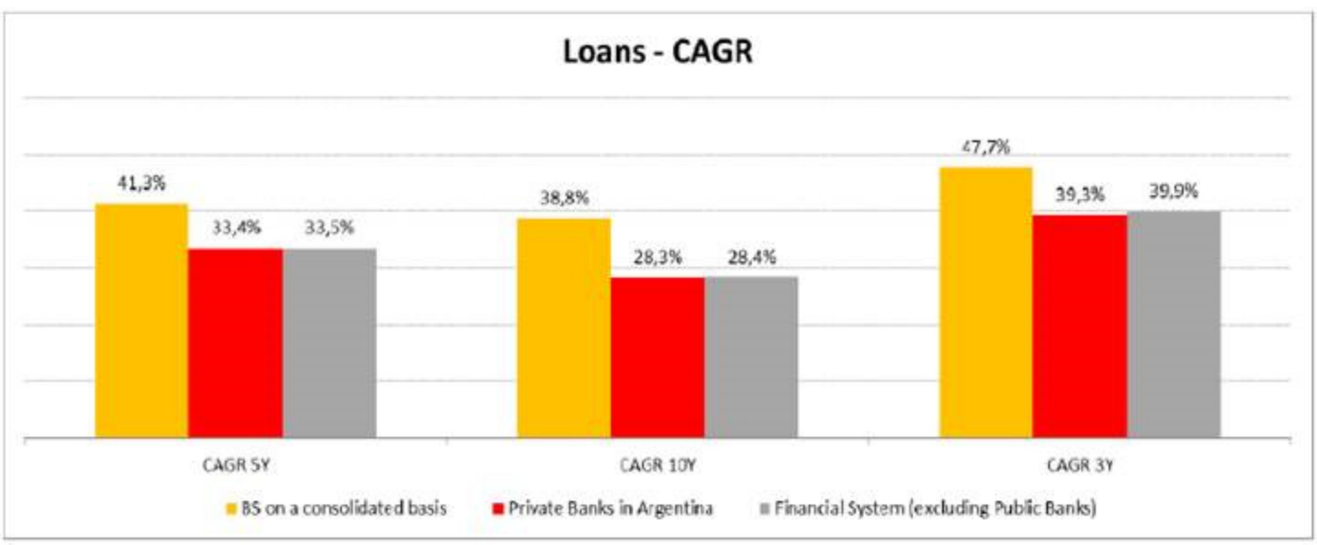
The following graph shows the Bank's loan market share on a consolidated basis since 2001.



Source: Central Bank.

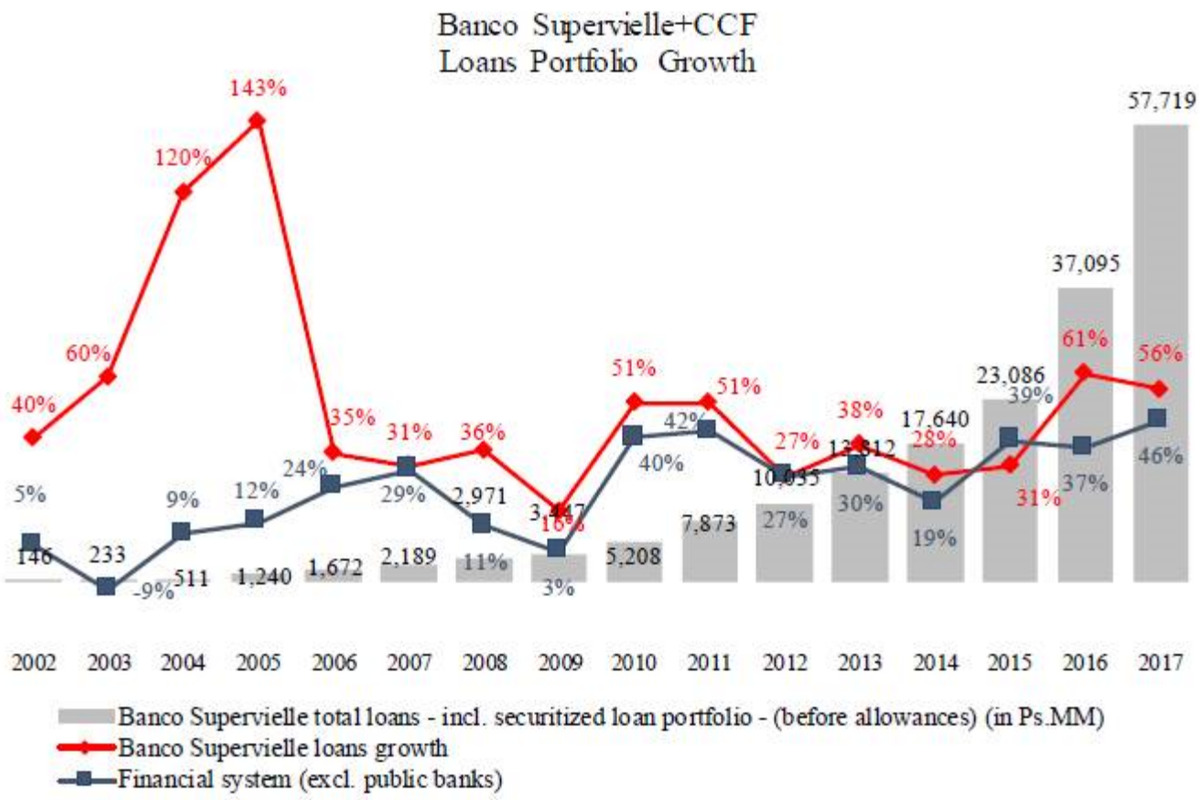
Taking into consideration total loan portfolio and receivables from financial leases portfolio, total loans and leasing market share was 5.1% as of December 31, 2017.

The graph below shows a comparison of the Bank's loan portfolio CAGR compared to the average loan portfolio CAGR of Argentine private Banks and the private financial system (excluding public banks).



Source: Central Bank.

The graph below shows a comparison of the Bank's loan portfolio growth compared to the average loan portfolio growth of the Argentine financial system.



Source: Central Bank.

Consumer Financing

CCF offers its products primarily to the middle and lower-middle-income sectors. CCF's main competitors can be divided into two groups: (1) those that are not subject to Central Bank oversight such as Provencred, Tarjeta Naranja, Tarjetas Cuyanas, Credial and Tarjeta Shopping and (2) those that are subject to Central Bank oversight such as Compañía Financiera Argentina and BST CrediLogros.

With respect to its Walmart Argentina private label credit card, CCF's primary competitors in terms of the types of products offered are Tarjeta Más (issued at Jumbo and Easy and used in Jumbo, Easy, Disco, Vea and Blaisten), Tarjeta Carrefour (issued and used exclusively at Carrefour) and Tarjeta Coto (issued and used exclusively at Coto). However, unlike its competitors, CCF was the first to also issue an open MasterCard credit card, allowing CCF to operate in the banking and retail sectors. Currently, Tarjeta Más is the only other competitor with a similar strategy. In addition, CCF is the sole provider of in-store personal cash loans and consumer loans that may be granted and used immediately at the retail stores.

Tarjeta's competitors vary in terms of region and type of product. Competitors in the lending space include Compañía Financiera Argentina, BST CrediLogros, Banco Columbia, Credil, Corefin and Empresur. In terms of the credit card space, Tarjeta's main competitor is Tarjeta Naranja, followed by regional competitors such as Nevada and Credimas.

With respect to the products offered through the Hipertehuelche channel, even though there are no financial companies dedicated solely to the construction sector, CCF's competitors include CETELEM, Cuota sí (CFA), DIRECTO and Cuota YA. However, these competitors do not operate in the Patagonia region where Hipertehuelche operates, and are competitors only with respect to the types of products offered.

Mutual Funds

With respect to the mutual fund market, based on third party sources we estimate our market share is 2.63% and that SAM is ranked thirteenth out of 43 managers in the industry. Our main competitors are Galicia Administradora de Fondos S.A.S.G.F.C.I., Macro Fondos S.G.F.C.I.S.A., ICBC Investments S.A.S.G.F.C.I., Francés Administradora de Inversiones S.A.G.F.C.I., Itaú Asset Management S.A.S.G.F.C.I., HSBC Administradora de Inversiones S.A.S.G.F.C.I., BNP Paribas Asset Management Arg S.A.S.G.F.C.I. and Santander Río Asset Management G.F.C.I.S.A.

Argentine Banking Regulation

Overview

Founded in 1935, the Central Bank is the principal monetary and financial authority in Argentina. Its mission is to promote monetary and financial stability, employment and economic development with social equity. It operates pursuant to its charter, which was amended in 2012 by Law No. 26,739 and the provisions of the FIL. Under the terms of its charter, the Central Bank must operate independently from the Argentine government.

Since 1977, banking activities in Argentina have been regulated primarily by the FIL, which empowers the Central Bank to regulate the financial sector. The Central Bank regulates and supervises the Argentine banking system through the Superintendency. The Superintendency is responsible for enforcing Argentina's banking laws, establishing accounting and financial reporting requirements for the banking sector, monitoring and regulating the lending practices of financial institutions and establishing rules for participation of financial institutions in the foreign exchange market and the issuance of bonds and other securities, among other functions.

The powers of the Central Bank include the authority to fix the monetary base, set interest rates, establish minimum capital, liquidity and solvency requirements, regulate credit, approve bank mergers, approve certain capital increases and transfers of stock, grant and revoke banking licenses, and to authorize the establishment of branches of foreign financial institutions in Argentina and the extension of financial assistance to financial institutions in cases of temporary liquidity or solvency problems.

The Central Bank establishes different technical ratios that must be observed by financial entities with respect to levels of solvency, liquidity, the maximum credits that may be granted per customer and foreign exchange asset and liability positions.

In addition, financial entities need authorization from the Central Bank for the disposition of their assets, such as opening or changing branches or ATMs, acquiring share interests in other financial or non-financial corporations and establishing liens over their assets, among others.

As the supervisor of the financial system, the Central Bank requires financial institutions to submit information on a daily, monthly, quarterly, semiannual and annual basis. These reports, which include balance sheets and income statements, information related to reserve funds, use of deposits, classifications of portfolio quality (including details on principal debtors and any allowances for loan losses), compliance with capital requirements and any other relevant information, allow the Central Bank to monitor the business practices of financial entities. In order to confirm the accuracy of the information provided, the Central Bank is authorized to carry out inspections.

If the Central Bank's rules are not complied with, various sanctions may be imposed by the Superintendency, depending on the level of infringement. These sanctions range from a notice of non-compliance to the imposition of fines or, in extreme cases, the revocation of the financial entity's operating license. Additionally, non-compliance with certain rules may result in the compulsory filing of specific adequacy or restructuring plans with the Central Bank. These plans must be approved by the Central Bank in order for the financial institution to continue to operate.

Banking Regulation and Supervision

Central Bank Supervision

Since September 1994, the Central Bank supervised Argentine financial institutions on a consolidated basis. Such institutions must file periodic consolidated financial statements that reflect the operations of headquarters, their branches in Argentina and abroad, and their significant subsidiaries, whether domestic or foreign. Accordingly, requirements in relation to liquidity and solvency, minimum capital, risk concentration and loan loss provisions, among others, should be calculated on a consolidated basis.

Permitted Activities and Investments

The FIL governs any individuals and entities that serve as habitual financial intermediaries and, as such, are part of the financial system, including commercial banks, investment banks, mortgage banks, financial companies, savings and loan companies for residential purposes and credit unions. Except for commercial banks, which are authorized to conduct all financial activities and services that are established by law or by regulations of the Central Bank, the activities that may be carried out by Argentine financial entities are set forth in the FIL and by related Central Bank regulations. Commercial banks are allowed to perform any and all financial activities to the extent such activities are not forbidden by law. Some of the activities permitted for commercial banks include the ability to (i) receive deposits from the public in both local and foreign currency; (ii) underwrite, acquire, place or negotiate debt securities, including government securities, in both exchange and over-the-counter markets (subject to prior approval by the CNV, if applicable); (iii) grant and receive loans; (iv) guarantee customers' debts; (v) conduct foreign currency exchange transactions; (vi) issue credit cards; (vii) act, subject to certain conditions, as brokers in real estate transactions; (viii) carry out commercial financing transactions; (ix) act as registrars of mortgage bonds; (x) participate in foreign exchange transactions; and (xi) act as fiduciary in financial trusts. In addition, pursuant to the FIL and Central Bank Communication "A" 3086, as amended, commercial banks are authorized to operate commercial, industrial, agricultural and other types of companies that do not provide supplemental services to the banking services (as defined by applicable Central Bank regulations) to the extent that the commercial bank's interest in such companies does not exceed 12.5% of its voting stock or its capital stock. Nonetheless, if the aforementioned limits were to be exceeded, the bank should (i) request Central Bank's authorization; or (ii) give notice of such situation to the referred authority, as the case may be. However, even when commercial banks' interests do not reach such percentages, they are not allowed to operate such companies if (i) such interest allows them to control a majority of votes at a shareholders' or Board of Directors' meeting, or (ii) the Central Bank does not authorize the acquisition.

Furthermore, in respect of supplementary services, pursuant to Communication "A" 5700, as amended by Communication "A" 6241 and "A" 6342 issued on May 16 and October 13, 2017, respectively, commercial banks are authorized to operate local or foreign companies that have one or two of the exclusive corporate purposes listed in section 2.2 of Communication "A" 5700, in which the commercial bank's interest either exceeds 12.5% of such companies' voting stock or allows the commercial bank to control a majority of votes at a shareholders' or board of directors' meeting. If the corporate purposes of such companies include two of the corporate purposes listed in section 2.2 of Communication "A" 5700, the authorization of the Central Bank is required.

Under Central Bank regulations, the total amount of the investments of a commercial bank in the capital stock of third parties, including interests in Argentine mutual investment funds, may not exceed 50% of such bank's regulatory capital (*Responsabilidad Patrimonial Computable*, or "RPC"). In addition, the total amount of a commercial bank's investments in the following, taken as a whole: (i) unlisted stock, excluding interests in companies that provide services that are supplementary to the finance business and interests in state-owned companies that provide public services, (ii) listed stock and interests in mutual funds that do not give rise to minimum capital requirements on the basis of market risk, and (iii) listed stock that does not have a "largely publicly available market price," is limited to 15% of such bank's RPC. To this effect, a given stock's market price is considered to be "largely publicly available" when daily quotations of significant transactions are available, and the sale of such stock held by the bank would not significantly affect the stock's quotation.

Operations and Activities that Banks Are Not Permitted to Perform

Section 28 of the FIL prohibits commercial banks from: (a) creating liens on their own assets without prior approval from the Central Bank, (b) accepting their own shares as collateral, (c) conducting transactions with their own directors or managers and with companies or persons related thereto under terms that are more favorable than those regularly offered in transactions with other clients, and (d) carrying out commercial, industrial, agricultural or other activities without prior approval of the Central Bank, except those considered financial activities under Central Bank regulations. Notwithstanding the foregoing, banks may own shares in other financial institutions with the prior approval of the Central Bank, and may own shares or debt of public services companies, if necessary to obtain those services.

Liquidity and Solvency Requirements

Legal Reserve

According FIL rules and Central Bank regulations, financial institutions are required to maintain a Legal Reserve to be funded with no more than 20% and no less than 10% of their yearly income. This reserve can only be used during periods in which a financial institution has incurred losses and has exhausted all other reserves. If a financial institution does not comply with the required legal reserve, it is not allowed to pay dividends to its shareholders. For further information, please see "*Item 5. Operating and Financial Review and Prospects—Item 5.A Operating Results*."

Non-liquid Assets

Since February 2004, non-liquid assets (computed on the basis of their closing balance at the end of each month, and net of those assets that are deducted to compute the regulatory capital) plus the financings granted to a financial institution's related parties (computed on the basis of the highest balance during each month for each customer) cannot exceed 100% of the Argentine regulatory capital of the financial institution, except for certain particular cases in which it may exceed up to 150%.

Non-liquid assets consist of miscellaneous assets and receivables, bank property and equipment, assets securing obligations, except for swap, futures and derivative transactions, certain intangible assets and equity investments in unlisted companies or listed shares, if the holding exceeds 2.5% of the issuing company's equity. Non-compliance with the ratio produces an increase in the minimum capital requirements equal to 100% of the excess on the ratio.

Minimum Capital Requirements

The Central Bank requires financial institutions to maintain minimum capital amounts measured as of each month's closing. The minimum capital is defined as the greater of (i) the basic minimum capital requirement, which is explained below, or (ii) the sum of the credit risk, operational risk and market risk. Financial institutions (including their domestic Argentine and international branches) must comply with minimum capital requirements both on an individual and a consolidated basis.

The following table sets forth information regarding excess capital and selected capital and liquidity ratios of the Bank, consolidated with CCF:

	Year ended December 31,		
	2017	2016	2015
	(in thousands of Pesos, except percentages and ratios)		
Calculation of excess capital:			
Allocated to assets at risk	4,710,391	3,178,270	2,082,489
Allocated to Bank premises and equipment, intangible assets and equity investment assets	191,549	172,154	102,252
Market risk	121,155	45,385	30,741
Interest rate risk	—	—	—
Public sector and securities in investment account	131,109	78,472	16,739
Operational risk	1,016,501	713,227	512,948
Required minimum capital under Central Bank regulations	**6,170,705**	**4,187,508**	**2,745,169**
Basic net worth	9,903,099	5,706,639	2,597,534
Complementary net worth	913,256	778,885	662,679
Deductions	(386,192)	(338,671)	(291,653)
Total capital under Central Bank regulations	**10,430,163**	**6,146,853**	**2,968,560**
Excess capital	**4,259,458**	**1,959,345**	**223,391**
Selected capital and liquidity ratios:			
Regulatory capital/risk weighted assets(1)	13.9%	12.5%	8.7%
Average shareholders' equity as a percentage of average total assets	10.5%	11.2%	9.5%
Total liabilities as a multiple of total shareholders' equity	8.2x	7.8x	10.9x
Cash as a percentage of total deposits	18.2%	22.6%	28.5%
Liquid assets as a percentage of total deposits	42.4%	26.6%	31.2%
Tier 1 Capital / Risk weighted assets	12.6%	10.9%	6.7%

(1) Risk Weighted Assets includes operational risk weighted assets, market risk weighted assets, and credit risk weighted assets. Operational risk weighted assets and market risk weighted assets are calculated by multiplying their respective required minimum capital under Central Bank regulations by 12.5. Credit Risk Weighted Assets is calculated by applying the respective credit risk weights to our assets, following Central Bank regulations.

As of December 31, 2017, Banco Supervielle's Tier 1 ratio on a consolidated basis with CCF, was 12.6%, compared to 10.9% at December 31, 2016. Including the Ps.4.3 billion funds from the follow-on equity offering proceeds retained at the holding company, Grupo Supervielle, which are available for further capital injections in its subsidiaries, the consolidated proforma TIER1 Capital ratio as of December 31, 2017 stood at 18.41%. Supervielle's Tier1 ratio coincides with CET1 ratio.

As of December 31, 2017, the Bank's total capital ratio on a consolidated basis with CCF was 13.9% compared to 12.5% as of December 31, 2016. Including the funds retained at the holding company (Grupo Supervielle) level after the follow-on equity offering of Grupo Supervielle, which are available for further capital injections into its subsidiaries, the consolidated pro-forma total capital ratio as of December 31, 2017 was 19.6%.

The capital composition to be considered in order to determine compliance with minimum capital requirements is the financial institution's RPC (Communication "A" 5580, as amended).

Minimum capital requirements of commercial banks acting as custodians of securities representing investments of the *Fondo de Garantía de Sustentabilidad del Sistema Integrado Previsional Argentino* and/or as registrar of mortgage securities must comply with an extra 0.25% of the value of securities in custody and/or mortgage securities and must be invested in Argentine public bonds or monetary regulation instruments.

Basic Minimum Capital

The basic minimum capital requirement varies depending on the type of financial institution and the jurisdiction in which the financial institution's headquarter is registered, with Ps.26 million for banks under category I and II (Ps.12 million for other financial entities under this category), and Ps.15 million for banks under category III to VI (Ps.8 million for other financial entities under this category).

Category	Banks	Other Entities (*)
I and II	Ps.26 million	Ps.12 million
III to VI	Ps.15 million	Ps.8 million

(*) Except credit entities.

Additionally, financial entities located in ports and airports must comply with Category I requirements and those entities engaged in foreign trade transactions must comply with the requirements applicable to banks under such category.

Notwithstanding the foregoing, the regulatory capital of commercial banks acting as custodians of securities representing investments of the *Fondo de Garantía de Sustentabilidad del Sistema Integrado Previsional Argentino*

must be equal to or exceed the greater of Ps.400 million or an amount equivalent to 1% of the total book value of the securities in custody.

Description of Argentine Tier 1 and Tier 2 Capital Regulations

Argentine financial institutions must comply with guidelines similar to those adopted by the Basel Committee on Banking Regulations and Supervisory Practices, as amended in 1995 (the "Basel Rules"). In certain respects, however, Argentine banking regulations require higher ratios than those set forth under the Basel Rules.

The Central Bank takes into consideration a financial institution's RPC in order to determine compliance with capital requirements. Pursuant to Communications "A" 5369 and "A" 5580, as amended and supplemented, RPC consists of Tier 1 capital (Basic Net Worth) and Tier 2 capital (Complementary Net Worth).

Tier 1 capital consists of (i) ordinary capital level 1 ("COn1"), (ii) deductible items from ordinary capital level 1 (CDCOn1), (iii) additional capital level 1 ("CAn1"), and (iv) deductible items from additional capital level 1 (CDCAn1).

COn1 includes the following net worth items: (i) capital stock (excluding preferred stock), (ii) non-capitalized capital contributions (excluding share premium), (iii) adjustments to shareholders' equity, (iv) earnings reserves (excluding the special reserve for debt instruments), (v) unappropriated earnings, (vi) other results either positive or negative, in the following terms:

- with respect to results from prior fiscal years, 100% of net earnings or losses recorded until the last quarterly financial statements with limited review report, corresponding to the last full fiscal year and in respect of which the auditor has not issued the audit report;
- 100% of net earnings or losses for the current year as of the date of the most recent audited quarterly financial statements;
- 50% of profits or 100% of losses for the most recent audited quarterly or annual financial statements; and
- 100% of losses not shown in the financial statements, arising from quantification of any facts and circumstances reported by the auditor;

(vii) Other comprehensive results:

(a) 100% of the results registered in the following items belonging to the account "Other comprehensive cumulative results" for the most recent audited quarterly or annual financial statements:

- Revaluation of property, plant, equipment and intangible assets;
- Gains or losses of financial instruments at fair value with changes in other comprehensive income.

(b) 100% of the debtor balance of each of the items recorded under "Other comprehensive cumulative results" not mentioned in the preceding item, for the most recent audited quarterly or annual financial statements,

(viii) share premiums of the instruments included in COn1, and, in the case of consolidated entities, (ix) minority shareholdings (common shares issued by subsidiaries subject to consolidated supervision and belonging to third parties, if certain criteria are met).

In order for the shares to fall under COn1, at the time of issuance, the financial entity must not generate any expectation that such shares will be reacquired, redeemed or amortized, and the contractual terms must not contain any clause that might generate such an expectation.

The above-mentioned items will be considered without certain deductions pursuant to subsection 8.4.1 and 8.4.2 (as applicable) of the Central Bank Communication "A" 5580.

Items deductible from COn1 include, among other things: (a) positive balances resulting from the application of income tax withholdings above 10% of the previous months of basic net worth; (b) deposits maintained in a corresponding account with a foreign financial institutions that are not rated as "investment grade," (c) debt securities not held by the relevant financial institutions, except in the case of securities registered by or in custody of the Central Bank (CRYL), Caja de Valores S.A., or Clearstream, Euroclear and the Depository Trust Company, (d) securities issued by foreign governments whose credit rating is at least 'investment grade' according to Communication "A" 5671; (e) subordinated debt instruments issued by other financial institutions; (f) certain credits related to the application of tax deferrals; (g) shareholders; (h) real property added to the assets of the financial entity and with respect to which the title deed is not duly recorded at the pertinent Argentine real property registry, except where such assets shall have been acquired in a court-ordered auction sale; (i) goodwill; (j) organization and development costs; (k) items pending allocation, debtor balances and other; (l) certain assets, as required by the Superintendency resulting from differences between carry amount and the fair value of assets or actions taken to distort or disguise the true nature or scope of operations; (m) any deficiency relating to the minimum loan loss provisions required by the Superintendency; (n) equity interests in companies that have the following activities: (i) financial assistance through leasing or factoring agreements, (ii) transitory equity acquisitions in other companies in order to further their development to the extent the ultimate purpose is selling such interest after development is accomplished and (iii) the issuance of credit or debit cards as provided by Communication "A" 5700 (75% deductible as of June 2017 and 100% deductible as of June 2018); (o) excess in the granting of asset-backed guaranties, according to Central Bank's regulations; (p) the highest balance of that month's financial assistance to the public sector, when certain conditions are met; (q) earnings from sales related to securitizations under certain circumstances; (r) gains and losses related to derivative transactions due to changes in the credit risk of the financial institution; (s) losses from derivatives under certain circumstances and (t) equity interests in other Argentine or foreign financial institutions subject to a consolidated supervision.

CAn1 includes certain debt instruments of financial entities not included under COn1 and meet the regulatory criteria established in section 8.3.2 of Communication "A" 5580 (as amended and supplemented), and share premiums resulting from instruments included in CAn1. Furthermore, in the case of consolidated entities, it includes instruments issued by subsidiaries subject to consolidated supervision and belonging to third parties, pursuant to applicable regulatory requirements.

Moreover, debt instruments included under CAn1 must comply with the following requirements:

- Must be totally subscribed and paid in full.

- Subordinated to depositors, unsecured creditors and to the subordinated debt of the financial entity. The instruments must contemplate that in the case of the entity's bankruptcy and once all debts with all the other creditors are satisfied, its creditors shall have priority in the distributions of funds only and exclusively with respect to the shareholders (irrespective of their class), with the express waiver of any general or special privilege.

- Must not be insured or guaranteed by the issuer or a related entity, and with no agreement improving, either legally or economically, the payment priority in the case of the entity's bankruptcy.

- They shall not contemplate any type of capital payment, except in the case of liquidation of the financial entity. Provisions gradually increasing remuneration or other incentives for anticipated amortization are not allowed.

- After 5 years as from the issuance date, the financial entity can buy back the debt instruments if: (i) it has the previous authorization of the Superintendency, (b) the entity does not create any expectations regarding the exercise of the purchase option, and (c) the debt instrument is replaced by a RPC of equal or greater value sustained by its revenue capacity, or if it is demonstrated that once the purchase option is exercised its RPC significantly exceeds at least by 20% of the minimum capital requirements.

- Any capital repayment requires previous authorization from the Superintendency. In the case of a capital repayment, the financial entity must not create any market expectations regarding the granting of such authorization.

- The financial entity can pay dividends/interest coupons at any time. The included dividends/interest coupons shall not have periodic adjustments because of the financial entity's credit risk.

- Debt instruments should not have been bought by the financial entity or any other entity over which the financial entity has control or significant influence.

- Debt instruments should not have been bought with direct or indirect financing from the financial entity and they shall not contain elements that make re-capitalization difficult.

Instruments considered liabilities must absorb losses once a pre-established triggering event takes place. The instruments must do so through their conversion into common shares and a mechanism assigning losses to the instrument. Tier 2 capital consists of (i) certain debt instruments of financial entities not included in Tier 1 capital and which meet the regulatory criteria established in section 8.3.3 of Communication "A" 5580 (as amended and supplemented), (ii) share premium from instruments included in Tier 2 capital, and (iii) loan loss provisions on the loan portfolio of debtors classified as being in a "normal situation" pursuant to Central Bank regulations on debtor classification and on financings with class "A" preferred securities not exceeding 1.25% of the assets measured for credit risk. Additionally, in the case of consolidated entities, it includes (iv) debt instruments issued by subsidiaries subject to a consolidated supervision and belonging to third parties, if they meet the criteria in order to be included under complementary net worth.

The above-mentioned items will be considered minus deductible items pursuant to section 8.4.2 of Communication "A" 5580 (as amended and supplemented) issued by the Central Bank, which is described below.

Moreover, debt instruments included under complimentary net worth must comply with the following requirements:

- Must be totally subscribed and paid in full.

- Subordinated to depositors, unsecured creditors and the subordinated debt of the financial entity.

- Must not be insured or guaranteed by the issuer or a related entity, and has no agreement in place to improve payment priority in the case of the entity's bankruptcy either legally or economically.

- Maturity: (i) original maturity date within no less than 5 years, (ii) clauses considering gradually increasing remuneration or other incentives for anticipated amortization are not allowed, and (iii) from the beginning of the last five years of life of the indebtedness, the computable amount will be diminished by 20% of its nominal issuance value. After 5 years as from the issuance date, the financial entity can buy back the debt instruments with the previous authorization of the Superintendency, and if the entity does not create any expectations regarding the exercise of the purchase option. The debt instrument must be replaced by an RPC of equal or greater value sustained by its revenue capacity, or if it is demonstrated that once the purchase option is exercised its RPC significantly exceeds at least in a 20% of the minimum capital requirements.

- The investor shall not be entitled to accelerate the repayment of future projected payments, except in the case of bankruptcy or liquidation.

- They cannot incorporate dividends/coupons with periodic adjustments linked to the financial entity's credit risk.

- They should not have been bought by the financial entity or any other entity over which the financial entity has control or significant influence.

- They should not have been bought with direct or indirect financing from the financial entity.

Additionally, instruments included in Tier 2 capital and CAn1, shall meet the following conditions in order to assure their loss-absorbency capacity:

a) Their terms and conditions must include a provision pursuant to which the instruments must absorb losses—either through a release from debt or its conversion into ordinary capital—once a triggering event has occurred, as described hereunder.

b) If the holders receive compensation for the debt release performed, it should be carried out immediately and only in the form of common shares, pursuant to applicable regulations.

c) The financial entity must have been granted the authorization required for the immediate issuance of the corresponding common shares in the case of a triggering event, as described below.

Triggering events of regulatory provisions described above are: (i) when the solvency or liquidity of the financial entity is threatened and the Central Bank rejects the regularization plan submitted or revokes its authorization to function, or authorizes restructuring protecting depositors (whichever occurs first), or (ii) upon the decision to capitalize the financial entity with public funds.

The Bank has issued three series of subordinated notes, all of which are outstanding as of the date of this annual report. The series issued in 2013 and 2014 comply with all the requirements described above. However, the series issued in November 2010 is not in compliance with the requirements because it was issued prior to the effectiveness of Communication "A" 5580. See "*Item 5.B Liquidity and Capital Resources—Financings—Bank — Foreign currency-denominated Subordinated Notes*." On February 9, 2017, under the Bank's global program of simple negotiable obligations, not convertible into shares, for a nominal value of up to U.S.$2,300 million (previously, U.S.$800 million) (or its equivalent in other currencies or units of value), the Bank issued Class A Negotiable Obligations, which constitute unsubordinated senior obligations, and therefore are not computable for the purpose of calculating the RPC.

Further criteria regarding the eligibility of items included in the RPC calculation must be followed pursuant to the regulatory requirements of minority and other computable instruments issued by subsidiaries, subject to consolidated supervision by third parties. A minority shareholding may be included in COn1 of the financial entity if the original instrument complies with the requirements established for its qualification as common shares regarding the RPC.

Deductible items applied to the different capital levels:

Investments in computable instruments under the financial entity's RPC are not subject to consolidated supervision when the entity owns up to 10% of the issuer's ordinary capital according to the following criteria: (i) investments include direct, indirect or synthetic interests; (ii) investments include the acquired net position; (iii) securities issued to be placed within 5 business days. When the holdings in other financial entity's capital (individually representing less than 10% of each issuer's COn1) exceed 10% of the COn1 of the financial entity, net of deductions, the amount over 10% must be deducted from each one of the capital levels according to the following formula:

- Amount to be deducted from COn1: the amount exceeding 10% multiplied by the proportion of holdings of COn1 over total capital interests.

- Amount to be deducted from CAn1: the amount exceeding 10% multiplied by the proportion of holdings of CAn1 over total capital interests.

- Amount to be deducted from complementary net worth: the amount exceeding 10% multiplied by the proportion that represents the holdings of complementary net worth over total capital interests.

Investments in computable instruments under the financial entity's RPC are not subject to consolidated supervision when the entity owns up to 10% of the issuer's ordinary capital or when the issuer is a subsidiary of a financial

entity according to the following criteria: (i) investments include direct, indirect or synthetic interests; (ii) investments include the acquired net position; and (iii) securities issued to be placed within 5 business days.

Limitations

Communication "A" 5580 (as amended and supplemented) establishes minimum thresholds regarding capital integration: (i) for COn1, the amount resulting from multiplying the capital risk weighted assets ("RWA") by 4.5%; (ii) for the basic net worth, the amount resulting from multiplying the RWA by 6% and (iii) for the RPC, the amount resulting from multiplying the RWA by 8%. It is important to note that the RWA calculation results from multiplying the required minimum capital under Central Bank regulations by 12.5. The failure to comply with any of these limitations is considered an infringement of the minimum capital integration requirements.

Pursuant to Communication "A" 5867, RWA shall be calculated as follows:

RWA = RWAc + [(MR+OR) x 12.5]

Where:

RWAc: credit risk weighted assets

RM: minimum capital requirement for market risk

OR: minimum capital requirement for operational risk

Economic Capital

Communication "A" 5398 of the Central Bank requires financial institutions to have an integrated global internal process in place to assess the adequacy of their economic capital based on their risk profile (the "Internal Capital Adequacy Assessment Process" or "ICAAP"), as well as a strategy aimed at maintaining their regulatory capital. If, as a result of this internal process, it is found that the regulatory capital is insufficient, financial institutions must increase regulatory capital based on their own estimates to meet the regulatory requirement.

The economic capital of financial institutions is the amount of capital required to pay not only unexpected losses arising from exposure to credit, operational and market risks, but also those arising from other risks to which the financial institution may be exposed.

Financial institutions must demonstrate that their internal capital targets are well-funded and adequate in terms of their general risk profile and operations. The ICAAP should take into consideration all material risks to which the institution is exposed. To this end, institutions must define an integral process for the management of credit, operational, market, interest rate, liquidity, securitization, graduation, reputational and strategic risks and use stress tests to assess potential adverse scenarios that may affect their regulatory capital.

The ICAAP must include stress tests supplementing and validating any other quantitative or qualitative approach employed by the institution in order to provide the Board of Directors and senior management with a deeper understanding of the interaction among the various types of risk under stress conditions. In addition, the ICAAP must consider the short- and long-term capital needs of the institution and ensure the prudent accumulation of excess capital during positive periods of the economic cycle.

Pursuant to Communication "A" 5398, the main elements of a strict capital evaluation include:

a) Policies and procedures to guarantee that the entity identifies, quantifies and informs all the important risks.

b) A process which relates economic capital with the current level of risk.

c) A process which sets forth capital sufficiency objectives related to the risk, taking a strategic approach from the entity and its business plan into consideration.

d) An internal process of controls, tests and audits, with the objective to guarantee that the general risk management process is exhaustive.

The required amount of capital of each institution shall be determined based on its risk profile, taking into consideration other external factors such as the effects of the economic cycle and the economic scenario.

Requirements Applicable to Dividend Distribution

The Central Bank imposed restrictions on the payment of dividends, limiting the ability of financial institutions to distribute dividends without its prior consent.

By means of Communication "A" 6464, the Central Bank amended and restated its regulations regarding dividend distributions by financial institutions. Pursuant to such regulations, dividend distributions shall be admitted as long as none of the following circumstances apply:

1) the financial institution is subject to a liquidation procedure or the mandatory transfer of assets ordered by the Central Bank in accordance with section 34 or 35 bis of the FIL;

2) the financial institution is receiving financial assistance from the Central Bank;

3) the financial institution is not in compliance with its reporting obligations to the Central Bank and;

4) the financial institution is not in compliance with minimum capital requirements (both on an individual and consolidated basis and excluding any individual franchise granted by the Superintendency) and with minimum cash reserves (on average), whether in Pesos, foreign currency or securities issued by the public sector.

5) if the average minimum cash reserve is lower than the amount of cash required by the latest reported position or the pro forma position after making the dividend payment; and/or

6) if the financial institution did not comply with the applicable Additional Capital Margins (as defined below).

Financial institutions that comply with all of the above-mentioned conditions may distribute dividends up to an amount equal to: (i) the positive balance of the account "unappropriated earnings" (*resultados no asignados*) at the end of the fiscal year, plus (ii) voluntary reserves for future payments of dividends, minus (iii) voluntary reserves and mandatory statutory reserves registered as of that date and other items, such as (a) 100% of the debit balance of each of the items recorded under "Other accumulated comprehensive income", (b) the result from the revaluation of property, plant, equipment and intangible assets and investment properties, (c) the net positive balance of the book-value and the market-value of certain public debt securities and Central Bank notes that the financial institution owns that are not marked to market, (d) unrecorded adjustments of asset value informed by the Superintendency or mentioned by external auditors on their report, and (e) individual exemptions for asset valuation granted by the Superintendency.

In addition, financial entities may not distribute profits with the profit arising from the application of IFRS for the first time, and must set up a special reserve that can only be canceled for capitalization or to absorb any negative balances from the item "Unassigned results."

In addition, for financial institutions that are branches of foreign financial institutions, the Superintendency will consider the liquidity and solvency of their headquarters and the markets in which they operate.

Pursuant to Communication "A" 5580, the minimum regulatory capital has to account for the requirement of counterparty risk capital for securitizations for every ongoing transaction at the time of determination.

Central Bank's Communication "A" 5689, as amended by Communication "A" 6324, dated January 8, 2015, set forth that financial entities shall make an accounting entry for and provide information about any administrative

and/or disciplinary penalties, and adverse criminal judgments issued by courts, which were applied or filed by the Central Bank, the UIF, the CNV and the National Insurance Superintendence (SSN). The amount corresponding to the accounting entry shall include all of the penalties and a provision for 100% of each penalty must be made. Such provisions must be maintained until payment is made or a final judgment is issued. According to Central Bank Communication "A" 5707, as amended by Central Bank Communication "A" 5827, if dividends are to be distributed, this amount shall also be deducted from the distributable amount. In April 2016, the Central Bank issued Communication "A" 5940, which amended provisions of Communication "A" 5689. Pursuant to such Communication, the financial entities that, to the date thereof, have an amount for these items registered in the account "Provisions — For administrative, disciplinary and criminal penalties," must analyze, according to the enforcing legal reports, if each such penalty meets the conditions for its total or partial accountable registration, according to the provisions in the "Accounts Plan and Manual" (which set forth that penalties must be probable and that their amount can be reasonably estimated).

In January 2015, Communication "A" 5694 of the Central Bank also established that those entities considered domestic systemically important (D-SIB) must take into account an extra minimum capital requirement equivalent to 1% of the total risk-weighted assets which they must comply with using exclusively ordinary capital level 1 (Con1) according to the schedule described under "— Liquidity and Solvency Requirements—Requirements Applicable to Dividend Distribution" (currently, RWA is calculated by multiplying the required minimum capital under Central Bank regulations by 12.5). According to Central Bank Communication "A" 5707, as amended by Central Bank Communication "A" 5827, if dividends are to be distributed, this requirement becomes effective immediately.

Pursuant to Central Bank Communication "A" 5827, as amended by Communication "A" 6213, as of January 1, 2016, financial entities are required to establish a capital margin in addition to their minimum capital requirements, for the purpose of accumulating their own resources, which they will be able to use if they incur losses, thus reducing the risk of non-compliance with minimum capital requirements ("Additional Capital Margins"). The higher the use of such marginal amounts, the higher the percentage of profits that financial entities will be required to withhold in order to restore that margin. Additionally, the capital preservation margin shall be 2.5% of the entity's RWA, in addition to applicable minimum capital requirements. In the case of financial entities qualified as systematically significant entities, the capital preservation margin shall be 3.5% of their respective RWA (the "Capital Conservation Buffer").

Credit Risk

The minimum capital requirement in respect of counterparty risk ("CRC") must be calculated by dividing the sum of each item's daily balance by the amount of days corresponding to the month. Pursuant to Communication "A" 6128, as of January 1, 2017, the minimum capital requirement for credit risk will be calculated as follows:

CRC = (k x 0.08 x RWAc) + INC

Variable "k" is determined by the rating (1 is the strongest, 5 is the weakest) assigned to the financial entity by the Superintendency, pursuant to the following scale:

Rating	K Factor
1	1
2	1.03
3	1.08
4	1.13
5	1.19

For the purposes of the calculation of the capital requirement, the rating will be that of the third month after the month of the most recent rating informed to the entity. For so long as no notice is given, the "k" factor will be equal to 1.03.

RWAc: These are credit risk weighted assets, calculated by adding the following:

A x p + PFB x CCF x p + no DvP + (DVP + RCD+ $INC_{(fractioning)}$) x 12.5

Variable “A” refers to computable assets/exposures; “PFB” is computable items which are not registered on the balance sheet (“off balance sheet items”); “CCF” the conversion credit factor; and “p” refers to the weighting factor, expressed on a per unit basis.

In addition, “no DvP” refers to transactions that do not involve delivery against payment. The amount is determined by the addition of the amounts arrived at by applying the weighting factor (p) on the relevant transactions.

“DvP” refers to failed delivery against payment transactions (for purposes of these rules, failed payment against payment (PvP) transactions are also included). The amount is determined by the addition of the amounts arrived at by multiplying the current positive exposure by the applicable capital requirement.

“RCD” refers to requirements for counterparty risk in over-the-counter (“OTC”) transactions.

“$INC_{(fractioning)}$” means the incremental minimum capital requirements based on any excess over the following limits:

- equity interest held in companies: 15%
- total equity interests held in companies: 60%

The established maximum limits will be applied on the financial entity’s computable regulatory capital for the last day before the relevant date, as prescribed in the rules on “Credit risk fractioning.”

“INC” incremental minimum capital requirements based on any excess in the fixed assets and other ratios, the limitations established under “Credit risk fractioning” rules, and the limitations derived from the credit risk degree.

Each type of asset is weighted according to the level of risk assumed to be associated with it. In broad terms, the weights assigned to the different types of assets are:

Type of Asset	**Weighting (%)**
Cash and cash equivalents	
Cash held in treasury, in transit (when the financial institution assumes responsibility and risk for transportation), in ATMs, in checking accounts and in special accounts with the Central Bank, gold coins or bars	0
Cash items in the process of collection, cash in armored cars and in custody at financial institutions	20
Exposure to governments and central banks	
To the Central Bank denominated and funded in Pesos	0
To the public non-financial sector denominated and funded in Pesos, including securitized exposures	0
To the public non-financial sector arising from financing granted to social security beneficiaries or public employees (with discount code)	0
To the public non-financial sector and the Central Bank. Other	100
To other sovereign states or their central banks and other foreign public non-financial sector institutions	100
To the Bank for International Settlements, the IMF, the European Central Bank and the European Community	0
Exposure to the Multilateral Development Banks (MDB)	
The International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), the Inter-American Development Bank (IDB), the European Investment Bank (EIB), the Asian Development Bank (ADB), the African Development Bank (AFDB), the European Investment Fund (EIF), the Nordic Investment Bank (NIB), the Caribbean Development Bank (CBD), the Islamic Development Bank (IDB) and the European Council Development Bank (ECDB)	0
Other	100
Exposure to local financial institutions	
Denominated and funded in Pesos arising from transactions with an initial contractual term of up to 3 months	20
Other	100
Exposure to foreign financial institutions	100
Exposure to local and foreign companies and other entities - including national foreign exchange	100

Type of Asset	Weighting (%)
entities, insurance companies, brokerage houses and other companies considered non-financial private sector entities pursuant to the provisions of Section 1 of the regulations governing the "Financing of the non-financial public sector"	
Exposures included in the retail portfolio	
Loans to individuals (provided that installments of loans granted by the institution do not exceed, at the time of the agreements, 30% of borrower's income) and to Micro, Small- and Medium-Sized Companies ("MiPyMEs")	75
Other	100
Exposures guaranteed by reciprocal guaranty companies (sociedades de garantía recíproca) or public security funds registered with the registries authorized by the Central Bank	50
Primary mortgages and mortgages of any ranking on residential homes, to the extent the entity is the mortgagee	
If credit facility does not exceed 75% of the appraised value of such real property	
- Sole, permanently-occupied family home	35
- Other	50
On the amount exceeding 75% of the appraised value of such real property	100
Primary mortgages and mortgages *of any ranking other than on residential homes, to the extent the entity is the mortgagee*	
Up to 50% of the lower of the real property market value or 60% of the mortgage loan	50
On the remaining portion of the loan	100
Delinquent loans over 90 days	
Weighting varies according to the loan and specific provisions Created	50-150
Interests in companies	150
Exposures to central counterparty entities *(CCP)*	0
Other assets and / or items off the balance *sheet*	100

Minimum capital requirements also depend on the CAMELBIG rating (1 is the strongest, 5 is the weakest) assigned by the Superintendency, which also determines the "k" value. This rating system complies with international standards and provides a broad definition of the performance, risks and perspectives of financial entities. Financial entities have to adjust their capital requirements according to the following "k" factors:

CAMELBIG Rating	K Factor
1	1.00
2	1.03
3	1.08
4	1.13
5	1.19

Excluded items include: (a) securities granted for the benefit of the Central Bank for direct obligations; (b) deductible assets pursuant to RPC regulations; and (c) financings and securities granted by branches or local subsidiaries of foreign financial entities by order and on account of their headquarters of foreign branches or the foreign controlling entity, to the extent: (i) the foreign entity has an investment grade rating, (ii) the foreign entity is subject to regulations that entail consolidated fiscalization, (iii) in the case of finance operations, they shall be repaid by the local branch or subsidiary exclusively with funds received from the aforementioned foreign intermediaries; and (iv) in the case of guarantees granted locally, they are in turn guaranteed by their foreign branch headquarters or the foreign controlling entity and foreclosure on such guaranty may be carried out immediately and at the sole requirement of the local entity.

Interest Rate Risk

Until January 1, 2013, financial entities had to comply with minimum capital requirements regarding interest rate risk. These requirements are intended to capture the sensitivity of assets and liabilities to changes in the interest rates. Communication "A" 5369 removed all of these minimum capital requirements. Notwithstanding this change, financial entities must continue to calculate the interest rate risk and remain subject to the Superintendency's supervision.

Market Risk

Minimum capital requirements for market risks are computed as a function of the market risk of financial entities' portfolios, measured as their VaR. The regulation includes those assets traded on a regular basis in open markets and excludes those assets held in investment accounts, which must meet counterparty and interest rate risk minimum capital requirements.

There are five categories of assets. Domestic assets are divided into equity and public bonds/Central Bank debt instruments, the latter being classified in two categories based on whether their modified duration is less than or more than 2.5 years. Foreign equity and foreign bonds comprise two other categories and are also classified according to their duration, the latter of which is also broken up into two separate categories based on whether their modified duration is less than or more than 2.5 years. The fifth category is made up of foreign exchange positions, which are differentiated based on currency.

Overall capital requirements in relation to market risk are based on the sum of the five amounts of capital necessary to cover the risks arising from each category of assets.

Market risk minimum capital requirements must be met daily. Information must be reported to the Central Bank on a monthly basis. Since May 2003, the U.S. dollar has been included as a foreign currency risk component for the calculation of the market risk requirement and all assets and liabilities denominated in U.S. dollars are taken into account.

Pursuant to Communication "A" 5867, market risk will be defined as the possibility of incurring losses in on- and off-balance sheet recorded positions as a result of adverse changes in market prices. The market risk minimum capital requirement will be the arithmetic sum of the minimum capital requirement for interest rate, stock, exchange rate and options risks. To meet this capital requirement, entities must apply a "Standard Measurement Method" based on an aggregate of components that separately capture the specific and general market risks for securities positions.

General considerations. Risks subject to this minimum capital requirement include risks derived from positions in instruments — such as securities and derivatives — recorded as part of the trading portfolio, and risks from foreign currency positions recorded, indistinctly, as part of the investment or trading portfolio. For the purpose of the above accounting recording, the trading portfolio of financial entities comprises positions in financial instruments included among an entity's assets for purposes of trading or of providing hedging to other items contained in the portfolio. Pursuant to Communication "A" 5867, a financial instrument may be accounted for as part of the trading portfolio — for purposes of meeting the minimum capital requirement for market risk — if such instrument may be traded free from any restriction or if the instrument may be hedged in full. Also, the portfolio must be actively managed and its positions must be valued on a daily basis and with the required accuracy. Positions kept for trading purposes are those positions that the entity intends to sell in the short term or from which it intends to derive a profit as a result of changes, either actual or expected, in short-term prices, or by means of arbitrage activities. They include both positions that the entities keep for their own use and those they purchase in the course of services performed for customers or "market making' activities". Financial entities must calculate the minimum capital requirement for the counterparty credit risk involved in over-the-counter transactions involving derivatives and securities financing transactions (SFT) — such as repo transactions (repo agreements), recorded as part of the trading portfolio on a separate and additional basis to the calculation of capital requirements for general market risk and specific market risk of the underlying securities. For this purpose, entities will be required to apply the methods and weighting factors usually applicable when those transactions are recorded as part of the investment portfolio. Entities must have clearly defined policies and procedures in place, designed to determine the exposures that are to be included into or excluded from the trading portfolio in order to calculate their minimum capital requirement for market risk. On the other hand, the investment portfolio will include all securities held by the entity which are not included in the trading portfolio.

The minimum capital requirement for exchange rate risk will apply to the total position in each foreign currency. The minimum capital requirement for securities will be computed in respect of the instruments accounted for as part of the trading portfolio, which must be valued prudently (marked to market or marked to model). Instruments whose yield is determined in relation to CER must be considered fixed-rate securities. Whether recorded as part of the

trading or of the investment portfolio, items to be deducted for purposes of calculating the RPC will be excluded from the calculation of the market risk minimum capital requirement.

Minimum capital requirement for interest rate risk: The minimum capital requirement for interest rate risk must be calculated in respect of any debt securities and other instruments accounted for as part of the trading portfolio, including any non-convertible preferred shares. This capital requirement is calculated by adding two separately calculated requirements: first, the specific risk involved in each instrument, either a short or a long position, and second, the general market risk — related to the effect of interest rate changes on the portfolio — a set off of the long and short positions held in different instruments will be allowed.

Minimum capital requirement for positions in stock. The capital requirement for the risk of holding equity positions in the trading portfolio applies to both long and short positions in ordinary shares, convertible debt securities that function like shares and any call or put options for shares, as well as any other instrument with a market behavior similar to that of shares, excluding non-convertible preferred shares, which are subject to the minimum capital requirement for interest rate described in the preceding paragraph. Long and short positions in the same security may be computed on a net basis.

Minimum capital requirement for exchange rate risk. The capital requirement for exchange rate risk establishes the minimum capital required to hedge the risk involved in maintaining positions in foreign currency, including gold. To calculate the capital requirement for exchange rate risk, entities must first quantify its exposure in each currency, and then estimate the risks inherent in the combination of long and short positions in different currencies.

Minimum capital requirement for positions in options. The calculation of the capital requirement for the risk involved in positions in options may be based on the "simplified method" set forth in Communication "A" 5889 if the entity only purchases options — provided that the market value of all the options in its portfolio does not exceed 5% of the entity's RPC for the previous month —, or if its positions in sold options are hedged by long positions in options pursuant to exactly the same contractual terms. In all other cases, the entity must use the alternative ("delta plus") method, also contemplated in the regulation.

As from the effective date of Communication "A" 5867 and until August 31, 2016, financial entities were required to calculate the market risk minimum capital requirement in accordance with the method set forth in Communication "A" 5867 and also on an off-balance sheet basis, pursuant to the method in effect as of December 31, 2015, and to consider, for purposes of determining the minimum capital requirement, the result of the method involving the highest amount of the market risk capital requirements. After August 31, 2016, only the method set forth in Communication "A" 5867 is applicable.

Consequences of a Failure to Meet Minimum Capital Requirements

In the event of non-compliance with capital requirements by an existing financial institution, Central Bank Communication "A" 6091 provides the following:

(i) *non-compliance reported by the institutions*: the institution must meet the required capital no later than the end of the second month after becoming non-compliant or submit a restructuring plan within 30 calendar days following the last day of the month in which such non-compliance occurred. In addition, non-compliance with minimum capital requirements will entail a number of consequences for the financial institution, including prohibition from opening branches in Argentina or in other countries, establishing representative offices abroad, or owning equity in foreign financial institutions, as well as a prohibition from paying cash dividends. Also, the Superintendency may appoint a delegate, who shall have the powers set forth by the FIL.

(ii) *Non-compliance identified by the Superintendency*: the institution must file its defense within 30 calendar days after being served notice by the Superintendency. If no defense is filed, or if the defense is disallowed, the non-compliance will be deemed to be final, and the procedure described in item (i) confirm will apply.

Furthermore, pursuant to Communication "A" 5867, as amended, if a financial institution fails to meet market risk daily minimum capital requirements, except for any failure to meet the requirements on the last day of the month, calculated as a sum of VaR of included assets or derived from the calculation of capital requirements for interest rate, exchange rate and stock risks the financial institution must replace its capital or decrease its financial position until such requirement is met, and has up to ten business days from the first day on which the requirement was not met to meet the requirement. If the financial institution fails to meet this requirement after ten business days, it must submit a regularization and reorganization plan within the following five business days and may become subject to an administrative proceeding initiated by the Superintendency.

Operational Risk

The regulation on Operational Risk ("OR") recognizes the management of OR as a comprehensive practice separated from that of other risks given its importance. OR is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The definition includes legal risk but excludes strategic and reputational risk.

Financial institutions must establish a system for the management of OR that includes policies, processes, procedures and the structure for their adequate management. This framework must also allow the financial entity to evaluate capital sufficiency.

Seven OR event types are defined, according to internationally accepted criteria:

- internal fraud;
- external fraud;
- employment practices and workplace safety;
- clients, products and business practices;
- damage to physical assets;
- business disruption and system failures, and
- execution, delivery and process management.

Financial entities are charged with implementing an efficient OR management system following the guidelines provided by the Central Bank. A solid system for risk management must have a clear assignment of responsibilities within the organization of financial entities. Thus, the regulation describes the roles prepared by each level of the organization in managing of OR (such as the roles of the Board of Directors, senior management and the business units of the financial institution).

A financial institution's size and sophistication, and the nature and complexity of its products and processes, and the extent of the transaction determines the type of "OR Unit" required. For small institutions, this unit may even consist of a single person. This unit may functionally respond to the senior management (or similar) or a functional level with risk management decision capacity that reports to that senior management.

An effective risk management will contribute to prevent future losses derived from operational events. Consequently, financial entities must manage the OR inherent in their products, activities, processes and systems. The OR management process comprises:

a) Identification and assessment: the identification process should consider both internal and external factors that could adversely affect the development of the processes and projections done according to the business strategies defined by the financial institution. Financial entities should use internal data, establishing a process to register frequency, severity, categories and other

relevant aspects of the OR loss events. This should be complemented with other tools, such as self-risk assessments, risk mapping and key risk indicators.

b) Monitoring: an effective monitoring process is necessary for quickly detecting and correcting deficiencies in the policies, processes and procedures for managing OR. In addition to monitoring operational loss events, banks should identify forward-looking indicators that enable them to act upon these risks appropriately.

c) Control and mitigation: financial entities must have an appropriate control system for ensuring compliance with a documented set of internal policies, which involve periodic reviews (at least annually) of control strategies and risk mitigation, and adjust these as necessary.

Pursuant to Communication "A" 5282, the minimum capital requirements regarding OR are equal to 15% of the annual average positive gross income of the last 36 months.

The OR formula is as follow:

$$C_{RO} = \frac{\sum_{t=1}^{n} \alpha * IB_t}{n}$$

The variables in the OR formula are defined as follows:

- C_{ro}: the capital requirement for operational risk.
- α: 15%.
- n: the number of twelve-month consecutive terms with positive IB, based on the 36 months preceding the month of calculation. The maximum value of n is 3.
- IBt: gross income from twelve-month consecutive terms, provided that it is a positive figure, corresponding to the 36 months preceding the month of calculation.

IB is defined as the sum of (a) financial and service income minus financial and service expenses and (b) other income minus other expenses.

The following items are excluded from items (a) and (b) above:

(i) expenses derived from the creation or elimination of reserves during previous fiscal years and recovered credits during the fiscal year that were written off in previous fiscal years;

(ii) profits or losses from holding equity in other financial institutions or companies, if these were deductible from RPC;

(iii) extraordinary or unusual gains (*i.e.*, those arising from unusual and exceptional events that resulted in gains) including income from insurance recovery; and

(iv) gains from the sale of financial public sector notes, as set forth under the Central Bank regulations ("*Valuación de instrumentos de deuda del sector público no financiero y de regulación monetaria del Banco Central de la República Argentina*").

New financial institutions must comply, in their first month, with an OR minimum capital requirement equivalent to 10% of the aggregate requirements determined for credit and market risks, in the latter case, for the positions on the last day of that month. As from the second and up to the thirty-sixth month, the monthly capital requirement will be equivalent to 10% of the average requirements determined for the months elapsed until, and including, the calculation period based on a consideration of the risks referred to in the preceding paragraph. From the thirty-seventh month onwards, the monthly requirement is calculated based on the OR formula.

Minimum Cash Reserve Requirements

The minimum cash reserve requirement requires that a financial institution keeps a portion of its deposits or obligations readily available and not allocated to lending transactions. Pursuant to Communication "A" 3498 (as amended and supplemented) as of March 1, 2002, the minimum cash requirement includes deposits and obligations for other financial intermediation transactions (overnight and fixed term transactions).

Minimum cash requirements are applicable to demand and time deposits and other liabilities arising from financial intermediation denominated in Pesos, foreign currency, or government and corporate securities, and any unused balances of advances in checking accounts under formal agreements not containing any clauses that permit the bank to discretionally and unilaterally revoke the possibility of using such balances.

Minimum cash reserve obligations exclude (i) amounts owed to the Central Bank, (ii) amounts owed to domestic financial institutions (excluding special deposits related to inflows of funds — Decree 616/2005), (iii) amounts owed to foreign banks (including their head offices, entities controlling domestic institutions and their branches) in connection with foreign trade financing facilities, (iv) cash purchases pending settlement and forward purchases, (v) cash sales pending settlement and forward sales (whether or not related to repurchase agreements), (vi) overseas correspondent banking operations, and (vii) demand obligations for money orders and transfers from abroad pending settlement to the extent that they do not exceed a 72 business hour term as from their deposit.

The liabilities subject to these requirements are computed on the basis of the effective principal amount of the transactions, excluding interest accrued, past due, or to become due on the aforementioned liabilities, provided they were not credited to the account of, or made available to, third parties, and, in the case of fixed term deposit of UVA and UVIs, the accrued amount resulting from the increment of the value of such unit.

The basis on which the minimum cash reserve requirement is computed is the monthly average of the daily balances of the liabilities at the end of each day during each calendar month, except for the period ranging from December of a year to February of the next year, period in which it shall be applied on a quarterly average. Such requirement shall be complied with on a separate basis for each currency and/or security and/or instrument under monetary regulation in which the liabilities are denominated.

The table below shows the percentage rates that should be applied to determine the required minimum cash reserve requirement, which in the case of transactions in Peso, will depend on the category under which the jurisdiction of the main office of the financial entity falls (Communication "A" 6195) and Communication "A"6080):

	Rate %			
	Category I		Categories II to VI	
Item	Pesos	Foreign Currency	Pesos	Foreign Currency
1- Checking account deposits	20		18	
2- Savings account, basic account and free universal account	20	25	18	25
3- Legal custody accounts, special accounts for savings clubs, salary/social security accounts, special checking accounts for legal entities and social security savings accounts	20	25	18	25
4- Other demand deposits and liabilities, pension and social security benefits credited by ANSES pending collection and immobilized reserve funds for liabilities covered by these regulations	20	25	18	25
5- Unused balances of advances in checking accounts under executed overdraft agreements	20		18	
6- Deposits in checking accounts of non-bank financial institutions, computed for purposes of meeting their required minimum cash reserve	100		100	

Item	Rate %			
	Category I		Categories II to VI	
	Pesos	Foreign Currency	Pesos	Foreign Currency
7- Time deposits, liabilities under acceptances, repurchase agreements (including responsibilities for sale or transfer of credits to agents different from financial institutions), stock-exchange repos (cautions and stock exchange passive repos), constant-term investments, with an option for early termination or for renewal for a specified term and variable income, and other fixed-term liabilities, except rescheduled deposits included in the following items 11, 12, 13 and 14 of this table:				
(i) Up to 29 days	14	23	13	23
(ii) From 30 days to 59 days	10	17	9	17
(iii) From 60 days to 89 days	5	11	4	11
(iv) From 90 days to 179 days	1	5	0	5
(v) From 180 days to 365 days	—	2	—	2
(vi) More than 365 days	—	0	—	0
8- Liabilities owed due to foreign facilities (not executed by means of time deposits or debt securities)	—		—	
9- Securities (including Notes)				
(i) Up to 29 days	14	23	14	23
(ii) From 30 days to 59 days	10	17	10	17
(iii) From 60 days to 89 days	5	11	5	11
(iv) From 90 days to 179 days	1	5	1	5
(v) From 180 days to 365 days	—	2	—	2
(vi) From 365 days	—	—	—	—
10-Liabilities owing to the Trust Fund for Assistance to Financial and Insurance Institutions	—		—	
11-Demand and time deposits made upon a court order with funds arising from cases pending before the court, and the related immobilized balances	13	15	13	15
12-Special deposits related to inflows of funds. Decree 616/2005		100		100
13-Time deposits in nominative, non-transferable Peso-denominated certificates, belonging to public sector holders, with the right to demand early withdrawal in less than 30 days from its setting up	16		15	
14-Deposits and term investments —including savings accounts and securities (including Notes)— in UVIs and UVAs				
(i) Up to 29 days	7	—	6	—
(ii) From 30 days to 59 days	5	—	4	—
(iii) From 60 days to 89 days	3	—	2	—
(iv) More than 90 days	—	—	—	—
15- Deposits and fixed term investments created in the name of minors for funds they receive freely	—	—	—	—

In addition to the abovementioned requirements, the reserve for any defect in the application of resources in foreign currency for a certain month shall be applied to an amount equal to the minimum cash requirement of the corresponding currency for each month.

The minimum cash reserve must be set up in the same currency to which the requirement applies, and may include the following:

1. Accounts maintained by financial institutions with the Central Bank in Pesos.

2. Accounts of minimum cash maintained by financial institutions with the Central Bank in U.S. dollars, or other foreign currency.

3. Special guarantee accounts for the benefit of electronic clearing houses and to cover settlement of credit card and ATM transactions and immediate transfer funds.

4. Checking accounts maintained by non-bank financial institutions with commercial banks for the purpose of meeting the minimum reserve requirement.

5. Special accounts maintained with the Central Bank for transactions involving social security payments by the ANSES.

6. Minimum cash sub-account 60, authorized in the Registration and Settlement Central for Public Debt and Financial Trusts — CRYL ("*Central de Registro y Liquidación de Pasivos Públicos y Fideicomisos Financieros* — CRYL") for public securities and securities issued by the Central Bank at their market value.

These eligible items are subject to review by the Central Bank and may be changed in the future.

The Central Bank makes interest payments on reserve requirements up to the legal cash requirement level established for term transactions. Reserves in excess of that requirement will not be compensated.

Compliance on public bonds and time deposits must be done with holdings marked to market and of the same type, only in terms of monthly status. Holdings must be deposited in special accounts at the Central Bank.

Compliance with the minimum cash reserve requirement will be measured on the basis of the monthly average of the daily balances of eligible items maintained during the month to which the minimum cash reserve refers by dividing the aggregate of such balances by the total number of days in the relevant period.

The aggregate balances of the eligible items referred to above, maintained as of each daily closing, may not, on any one day during the month, be less than 50% of the total required cash reserve, excluding the requirement for incremental deposits, determined for the next preceding month, recalculated on the basis of the requirements and items in force in the month to which the cash reserves relate. The daily minimum required is 70% when a deficit occurs in the previous month.

Any deficiencies in meeting the required minimum cash reserve and the daily minimum reserve in Pesos are subject to a penalty equal to twice the private banks' Buenos Aires Deposits of Large Amount Rate ("BADLAR") rate for deposits in Pesos for the last business day of the month.

Any deficiencies in meeting the required minimum cash reserve and the daily minimum reserve in foreign currency are subject to a penalty equal to twice the private banks' BADLAR rate for deposits in U.S. dollars or twice the 30-day U.S. dollar LIBOR rate for the last business day of the month (whichever is higher).

Minimum cash requirements may decrease:

1. according to the participation in total financing to the non-financial private sector in pesos in the micro, small and medium-sized enterprise ("MiPyMES");

2. based on cash withdrawals made through ATMs of the entity;

3. depending on the accreditations made by the National Social Security Administration (ANSES) for the payment of social security benefits;

4. depending on the granting of financing to MiPyMES from section 1.1.14 of Section 1, Chapter XVIII, LISOL of Central Bank regulations;

5. depending on the granting of financing under the "Ahora 12" Program. The implementation of the Consumer Promotion Program and the Production of Goods and Services named "Ahora 12" was created by Joint Resolution 671/2014 and 267/2014 of the former Ministry of Economy and Public Finance and the Ministry of Industry. Minimum cash requirements may increase with a defect in the application of credit quotas to clients other than MiPyMEs. Minimum foreign cash requirements may decrease in the event of a relaunching of LEBAC's (Central Bank bills) subscriptions.

Internal Liquidity Policies of Financial Institutions

Liquidity Coverage Ratio

Pursuant to the Central Bank's regulations on the liquidity coverage ratio (the "LCR"), financial institutions must adopt management and control policies that ensure the maintenance of reasonable liquidity levels to efficiently manage their deposits and other financial commitments and must comply with the liquidity coverage ratio established thereunder, under a stress test scenario with a 30 day horizon. Such policies should establish procedures for evaluating the liquidity of the institutions in the framework of prevailing market conditions to allow them to revise projections, take steps to eliminate liquidity constraints and obtain sufficient funds, at market terms, to maintain a reasonable level of assets over the long term. Such policies should also address (i) the concentration of assets and liabilities in specific customers, (ii) the overall economic situation, likely trends and the impact on credit availability, and (iii) the ability to obtain funds by selling government debt securities and assets.

The organizational structure of the entity must place a specific unit or person in charge of managing liquidity and assign levels of responsibility to the individuals who will be responsible for managing the liquidity coverage ratio ("LCR"), which will require daily monitoring. The participation and coordination of the entity's top management authority (*e.g.*, a CEO) will be necessary.

In addition, financial institutions must designate a director or advisor who will receive reports at least weekly, or more frequently if circumstances so require, such as when changes in liquidity conditions require new courses of action to safeguard the entity. In the case of branches of foreign financial institutions the reports must be delivered to the highest authority in the country.

Appointed officers and managers will be responsible for managing the liquidity policy that, in addition to monitoring the LCR, includes taking the necessary steps to comply with minimum cash requirements.

Financial institutions must report the list of such officers and directors, as well as any subsequent changes, to the Superintendency within 10 calendar days from the date of any such change.

In addition to the LCR, there are other parameters that are used as systematic tools of control. These policies contain specific information regarding cash flows, balance structure and available underlying assets free of charge. These parameters, along with the LCR, offer basic information to evaluate the liquidity risk. The included parameters are:

- gaps in contractual terms;
- funding concentration;
- available assets free of restrictions;
- LCR for relevant currency; and
- market-related monitoring tools.

Additionally, Communication "A" 6209, as amended, sets forth that financial institutions must have an adequate stock of high-quality liquid assets ("HQLA") free of any restrictions which can be immediately converted into cash in order to cover their liquidity needs during a period of 30 days in case of a stress scenario. Also, financial institutions must carry out their own stress tests so as to determine the liquidity level they should maintain in other scenarios, considering a period higher than 30 calendar days.

The LCR must be equal to or greater than 1 (that is to say, the stock of HQLA must not be lower than the total net cash outlays) in the absence of a financial stress scenario. If this is not the case, the LCR may fall below 1.

The Central Bank describes how to categorize a stress scenario, taking into account the following: the partial loss of retail deposits; the partial loss of wholesale non-guaranteed funding capacity; the partial loss of guaranteed funding; additional fund outlays due to situations contractually provided for as a consequence of a significant decline in the

financial institution's credit quality; market volatility increases that have an effect on the quality of guarantees or on the potential future exposure of positions in derivatives; the unforeseen use of credit and liquidity facilities compromised and available but not used that the financial institution may have granted to its clients; and/or the need that the financial institution may experience to repurchase debt or to comply with non-contractual obligations so as to mitigate its reputational risk.

Pursuant to Communication "A" 5724, for implementing the above, the financial institutions must consider the following schedule:

Period	Ratio
January 2016 to December 2016	0.70
January 2017 to December 2017	0.80
January 2018 to December 2018	0.90
As of January 2019	1.00

The LCR calculation must be made on a permanent and monthly basis.

In order to calculate the LCR, the related assets include, among others, cash in hand, in transit, in armored transportation companies and ATMs; deposits with the Central Bank; certain national public bonds in Pesos or in foreign currency; securities issued or guaranteed by the International Payments Bank, the International Monetary Fund, the European Central Bank, the European Union or Multilateral Development Banks that comply with certain conditions and debt securities issued by other sovereign entities (or their central banks).

Net Stable Funding Ratio

Recently, the Central Bank introduced the net stable funding ratio ("NSFR"), effective as of January 1, 2018. The purpose of this ratio (which complements the LCR) is to encourage that long-term assets be financed with stable resources and, in this way, mitigate the risk of eventual tense situations in funding. By requiring financial institutions to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet operations, the NSFR limits excessive dependence on short-term wholesale funding, promotes a better assessment of the funding risk of the items on and off balance sheet and favors the stability of the sources of funds.

The NSFR is defined as the quotient between the available amount of stable funding (MDFE) and the required amount of stable funding (MRFE):

NSFR: MDFE / MRFE

Where:

MDFE: is part of the capital and liabilities of the financial entity that are expected to be available for a period of one year; and it is calculated based on the general characteristics of the funding sources that financial institutions have that affect their stability, such as the contractual maturity of their liabilities and the different propensities to withdraw funds that have different providers of anchoring.

MRFE: the amount of funding necessary during this period, which is a function of the liquidity and residual term of the entity's assets and of its off-balance sheet commitments; and it is calculated taking into account the general characteristics of the liquidity risk profile of the assets and of the off-balance-sheet exposures of the financial institution.

The NSFR must at all times be greater than or equal to one. The Superintendency may require the entity to adopt stricter standards in order to reflect its funding risk profile, also taking into account for that purpose the evaluation that has been made of compliance with the rules on "Guidelines for risk management in financial institutions" in terms of liquidity by the entity.

Entities must observe the NSFR at all times and report it to the Superintendency quarterly through the information regime established for this purpose.

Credit Risk Regulation

The regulations on credit risk establish standards in order to reduce such risk without significantly eroding average profitability. There are three types of ratios that limit a lender's risk exposure, namely: risk concentration limits, limits on transactions with customers on the basis of the institution's capital and credit limits on the basis of the customer's net worth.

Risk concentration: regulations include the concept of risk concentration, defined as the sum of loans that individually exceed 10% of the financial institution's RPC. Total operations may not exceed, at any time:

- three times the institution's RPC for the previous month, without considering the operations involving local financial institutions;
- five times the institution's RPC for the previous month, on total financings; and/or
- ten times the institution's RPC for the previous month, for second tier commercial banks when taking into account transactions with other financial institutions.

The three times and five times limits listed above are increased to four times and six times the institution's RPC for the previous month, respectively, whenever increases are allocated to provide assistance to trusts or fiduciary funds from the non-financial public sector.

Loans (other than inter-bank loans) that exceed 2.5% of the financial institution's RPC must be recommended by senior management and approved by the institution's Board of Directors or similar authority.

Diversification of risk: Financial institutions must ensure that their loan portfolio is diversified among the highest possible number of individuals or companies and across all economic sectors to avoid a concentration of risk arising from a small group of individuals or companies or related to a specific sector that could significantly affect the institution's assets.

Degree of risk: In the case of credit limits based on the customers' net worth, as a general rule the financial assistance cannot exceed 100% of the customer's net worth. The basic margin may be increased by an additional 200% provided such additional margin does not exceed 2.5% of the financial institution's RPC as of the last day of the second month prior to the date of the financing and the increase is approved by the Board of Directors of the relevant financial institution.

Limits on Credit Assistance

Maximum individual limits on credit assistance for non-related clients are calculated as a percentage of the financial institution's RPC.

Maximum limits for credit assistance to non-financial public sector are as follows:

Transactions with the non-financial public sector	Maximum limit (*)
i) Transactions with the national public sector	50%
ii) Transactions with each provincial jurisdiction or the City of Buenos Aires	10%
iii) Transactions with each municipal jurisdiction	3%

(*) *Individual limits will be increased by 15% when the increase is applied to financial assistance granted to trusts or fiduciary funds, subject to certain conditions and related to the financing of public sector or the inclusion of debt instruments issued by them.*

Globally, lending to the public sector cannot exceed 75% of the institution's RPC. Monthly credit assistance to the public sector cannot exceed 35% of a financial institution's assets.

Maximum limits for credit assistance to the non-financial private sector of the country and non-financial sector abroad are as follows:

Transactions with the non-financial private sector of the country and non-financial sector abroad	Maximum limit
i) For each borrower	
a) Unsecured financings	15%
b) Total financings (secured or unsecured) and/or collateralized obligations including financings guaranteed by third parties	25%
ii) For each Reciprocal Guarantee Company (RGC) (including affiliates) or public guarantee fund	25%
iii) For each export credit insurance company	15%

Maximum limits for credit assistance to the financial sector of the country are as follows:

		Taker	
Transactions with the financial sector of the country	Lender	Rated 1, 2 or 3	Rated 4 or 5
i) Financing by a financial institution that is not a second tier commercial bank to a local financial institution	Rated 1, 2 or 3	25%	25%
	Rated 4 or 5	25%	0%
ii) Financing by a financial institution that is a second tier commercial bank	Rated 1, 2 or 3	100%	100%
	Rated 4 or 5	100%	0%

**This limit can be divided in two segments, with and without collateral, in each case by 25% subject to compliance with certain requirements.*

Maximum limits for credit assistance to the financial sector abroad are as follows:

Transactions with the financial sector abroad	Maximum limit
i) Investment grade banks	25%
ii) Non-investment grade banks	5%

The allocation of margins for exposure to counterparty credit risk in derivative contracts is done on the basis of risk-sensitive measures and the features of each particular type of transaction (type of contract, frequency of marking to market, volatility of the asset). Transactions to be included are forwards, futures and options on shares and public bonds, and Central Bank debt instruments for which volatility is published, purchase and sale options on such assets, and swaps.

Limits for Affiliated Individuals

The aggregate amount of relevant transactions with affiliated companies or individuals may not exceed at any time the limits of the financial institution's net worth as of the last day of the month prior to the month of calculation, according to the following general rules:

- in the case of local financial institutions which have transactions that are subject to consolidation by the lender or borrower, when the entity receiving financial assistance (i) has received a grade 1 rating by the Superintendency, the financial institution can provide assistance in an amount up to 100% of its computable net worth; or (ii) has received a grade 2 rating by the Superintendency, general financial assistance can be provided for an amount up to 10% of the financial institution's computable net worth; and additional assistance in an amount up to 90% of said computable net worth as long as loans and other credit facilities mature within 180 days;

- in the case of local financial institutions not included in (i) above, the financial institution can provide assistance in an amount up to 10% of its computable net worth; and

- in the case of other related local companies that exclusively provide complementary services to the activity performed by the financial institution, as well as related foreign banks rated "investment grade," such companies may receive assistance in an amount of up to 10% of the computable net worth of the financial institution which grants assistance.

If the financial institution has a rating of 4 or 5, financial assistance to a related person or company cannot be granted, except in certain special situations.

Finally, the total, non-excluded amount of financial assistance provided to, and the shareholder participation in the related individuals and companies by a financial institution cannot exceed 20.0% of the institution's Argentine regulatory capital, except when the applicable limit is 100.0%.

Under Central Bank regulations, a person is "related" to a financial institution (and thus part of the same "economic group"):

- if the financial institution directly or indirectly controls, is controlled by, or is under common control with, such person;
- if the financial institution or the person that controls the financial institution and such person has or may have common directors to the extent such directors, voting together, will constitute a simple majority of each board; or
- as an exception, determined by the Board of Directors of the Central Bank (pursuant to a proposal from the Superintendency).

In turn, control by one person over another is defined under such regulations as:

- holding or controlling, directly or indirectly, 25.0% or more of the voting stock of the other person;
- having held 50% or more of the voting stock of the other person at the time of the last election of directors;
- holding, directly or indirectly, any other kind of participation in the other person (even if it represents a participating interest below the abovementioned percentages) so as to be able to prevail in its shareholders' or Board of Directors' meetings; or
- when the Board of Directors of the Central Bank, pursuant to a proposal from the Superintendency, determines that a person is exercising a controlling influence, directly or indirectly, in the direction or policies of another person.

The regulations contain several non-exclusive factors to be used in determining the existence of such controlling influence, including, among others:

- the holding of a sufficient amount of the other person's capital stock as to exercise influence over the approval of such person's financial statements and payment of dividends;
- representation on the other person's Board of Directors;
- significant transactions between both persons;
- transfers of directors or senior officers between both persons;
- technical and administrative subordination by one person to the other; and
- participation in the creation of policies of the financial institution.

Interest rate and fee regulations

Maximum lending rates

Pursuant to Communication "A" 5590, which was in force from June 2014 to December 2015, the Central Bank established limits to lending rates applicable to consumer financing with respect to personal loans and pledge loans granted to retail customers, that are not considered as MiPyMEs.

Pursuant to these limits, two groups of institutions were defined: (i) financial entities with non-financial private sector deposits in Pesos, taking into account the average of the three months prior to April 2014, equal to or higher than 1% of the total non-financial private sector deposits of the financial system (Group I) and (ii) all other financial institutions (Group II).

In the case of institutions falling under Group I, the Central Bank would publish on a monthly basis the maximum interest rates that these financial institutions were authorized to apply to each financing disbursed and/or restructured. The maximum interest rates were based on the product of multiplying the most recent "reference interest rate" (as published by the Central Bank and based on the simple average of the cut-off rates applicable to Central Bank bills for a term closest to 90 days, two months before the disbursement) by the following multiples: (i) in respect of pledge loans: 1.25; (ii) in respect of overdrafts, credit card loans and mortgages on housing assigned to financial institutions by third parties, as receivables in respect to trusts where trust assets were constituted by them, and as collateral for granting loans: 2.00; and (iii) in respect of personal loans: 1.45.

In the case of Group II, the multiples used were as follows (i) in respect of pledge loans: 1.40; (ii) in respect of overdrafts, credit card loans and mortgages on housing assigned to financial institutions by third parties, as receivables in respect to trusts where trust assets were constituted by them, and as collateral for granting loans: 2.00; and (iii) in respect of personal loans: 1.80.

On December 17, 2015, the Central Bank issued Communication "A" 5853, pursuant to which the provisions that established maximum interest rates applicable to the lending transactions described above ceased to have effect in respect of any new transactions conducted as from and including such date. In addition, Communication "A" 5853 established the basic requirement that compensatory interest rates be freely agreed upon among financial institutions and their customers in accordance with established provisions under applicable statutory regulations, such as Central Bank regulations which state the maximum interest rate applicable to credit card facilities.

With respect to transactions conducted at a regulated rate, any non-compliance identified until December 31, 2015 will be addressed pursuant to the rules in effect as of December 16, 2015. For any non-compliance identified as from January 1, 2016, the rules established by Communication "A" 5849 will be applicable. Communication "A" 5849 establishes the procedure for reimbursing customers any amounts charged by financial institutions in excess of the applicable maximum lending rate.

Minimum term deposit rates

Pursuant to Communication "A" 5640, which was in effect from October 2014 to December 2015, the Central Bank established minimum interest rates applicable to term deposits made by individuals (in a principal amount equal to or lower than the amount covered by *Seguro de Depósitos S.A.* ("SEDESA") at the time) (*i.e.*, deposits not exceeding Ps.350,000). Communication "A" 5659, issued on October 31, 2015, increased the monthly contribution that banks were required to set aside each month to fund the Deposits Guarantee Fund ("*Fondo de Garantía de los Depósitos*") from 0.015% to 0.060% of the monthly average of the daily deposits balance. On April 7, 2016, the Central Bank issued Communication "A" 5943, as amended and supplemented by Communication "A" 6462, pursuant to which the monthly contribution rate reverted back to 0.015% of the monthly average of the daily deposits balance, and as of May 1, 2016, the amount covered was extended to Ps.450,000.

The interest rate applicable to such deposits could not be lower than the result of multiplying the most recent "reference borrowing rate" (as published by the Central Bank and based on the simple average of the cut-off rates applicable to Central Bank bills for a term closest to 90 days, two months before the withdrawal of the deposits) by

the following multiple, depending on the original term of each deposit: (a) from 30 to 44 days: 0.91, (b) from 45 to 59 days: 0.93 and (c) from 60 to 119 days: 0.97, (d) from 120 to 179 days: 0.98 and (e) over 180 days: 0.99.

On December 17, 2015, the Central Bank issued Communication "A" 5853, pursuant to which the provisions that established minimum interest rates applicable to the term deposits described above ceased to have effect in respect of any new transactions conducted as from and including such date. The remuneration for fixed-rate deposits will be established at a rate freely agreed upon among the parties.

With respect to transactions conducted at a regulated rate, any non-compliance identified on or before December 31, 2015 will be addressed pursuant to the rules in effect as of December 16, 2015. For any non-compliance identified as from January 1, 2016, the rules established by Communication "A" 5849 will be applicable. Communication "A" 5849 established the procedure by which financial institutions must pay customers any amounts due as a result of non-compliance with the applicable minimum term deposit rates.

Fees

On October 6, 2013, the Central Bank issued Communication "A" 5460, granting broad protection to financial services customers. The protection includes, among other things, the regulation of fees and commissions charged by financial institutions for services provided. Fees and charges must represent a real, direct and demonstrable cost and should be supported by a technical and economic justification. It is worth noting that Communication "A" 5514 sets forth an exception to the enforcement of Communication "A" 5460 for certain credit agreements that have pledges as collateral and are issued before September 30, 2018.

On June 10, 2014, the Central Bank issued Communications "A" 5591 and "A"5592, through which established new rules regarding fees and charges for basic financial products and services. Beginning on the effective date of the rule, financial institutions must have prior authorization from the Central Bank to implement increases to the cost of those services. The rule also specifically defines which financial services are considered basic.

On December 23, 2014, the Central Bank issued Communication "A" 5685 amending Communication "A" 5460, setting forth that any increase in commissions of new products or services must have the prior authorization of the Central Bank.

On August 21, 2015, the Central Bank issued Communication "A" 5795 (as amended and supplemented by several regulations, including but not limited to Communication "A" 5828) establishing additional rules aimed at protecting financial services customers by reinforcing regulations that prohibit financial institutions from charging fees and commissions related to insurance products that financial services customers purchase as accessories of financial services, regardless of whether it is a customer request or a condition set by the financial institution to access the financial service. In this regard, beginning on November 13, 2015, financial institutions may not receive remunerations or profits from such insurance products or receive remunerations or profits, directly or indirectly, from insurance companies with respect to such products.

Furthermore, Communication "A" 5828 creates a distinction between "life insurance on debit balances" and "other insurance," establishing for the former that financial institutions cannot charge users any fee and/or charge associated with such kind of insurance. Financial institutions must purchase life insurance on debit balances with coverage for death or permanent total disability with respect to financings granted to human beings. Alternatively, they can self-insure the risks of death and permanent total disability of financial services clients. In both cases, coverage must fully cover the amount due in case of death or total permanent disability of the beneficiary.

On March 21, 2016, the Central Bank issued Communication "A" 5927 (as supplemented by Communication "A" 5928) that established new rules aimed at protecting financial users. In this regard, beginning on April 1, 2016, financial services customers who make electronic transfers will not be charged fees or commissions. Clients that do not meet such category (such as certain companies) that make transfers of funds of up to Ps.250,000 by electronic means will not be charged fees or commissions. Communication "A" 5927 also established that immediate transfers of funds of up to Ps.100,000 per day and per account can be made via the internet (home banking) every day of the year.

On March 21, 2016, the Central Bank issued Communication "A" 5928, pursuant to which all savings accounts will be free, including the use of the corresponding debit card. In this regard, all existing and new savings accounts will now be free of charge. Saving accounts will not face minimum amount requirements or any charge related to their creation, maintenance or renewal. In addition, pursuant to such regulation, commissions could be increased up to 20%, but clients must be notified of such increase 60 days in advance. Furthermore, as of September 1, 2016, caps on commissions will be eliminated, but financial institutions will have to notify their customers regarding the commissions that other financial entities will be charging.

Lastly, through Communication "A" 6212, effective as of April 1, 2017, the Central Bank issued a scheme to gradually reduce, on an annual basis, credit card and debit card sales commissions. In this regard, the maximum credit card sales commission rate for 2017 is 2.0% and for 2018, 2019, 2020 and 2021 and after, will be 1.85%, 1.65%, 1.50% and 1.30%, respectively. The maximum debit card sales commissions for 2017 is 1.0% and for 2018, 2019, 2020 and 2021 and after, will be 0.90%, 0.80%, 0.70% and 0.60%, respectively.

Mandatory extension of credit facilities for productive investments

On July 5, 2012, the Central Bank issued Communication "A" 5319, mandating financial entities to extend credit facilities for productive investments (the "2012 Quota"), according to the terms and conditions described therein. Subsequently, the Central Bank issued Communication "A" 5380 and "A" 5449 (the "2013 Quota"), "A" 5516 and "A" 5600 (the "2014 Quota"), "A" 5681 and "A" 5771 (the"2015 Quota"),"A" 5874 and "A" 5975 (the "2016 Quota"), "A" 6084 and "A" 6259 (the "2017 Quota") and "A" 6352 (the "2018 Quota"), establishing new regulations applicable to credit facilities for productive investments (the "Quota"). The 2012 Quota, the 2013 Quota, the 2014 Quota, the 2015 Quota, the 2016 Quota and the 2017 Quota are not cumulative and must be complied with, independently, in each year. Financial Institutions subject to this regime are those operating as financial agents of the national, provincial, City of Buenos Aires and/or municipal governments and/or those whose participation in the deposits of the non-financial private sector in Pesos, are equal to or greater than 1% of the total deposits in the financial system. Through Communication "A" 6352 issued on November 3, 2017, the Central Bank started to gradually reduce the percentage of these facilities, until its complete elimination scheduled in December 2018.

2014 Quota

Financial entities included in the 2014 quota must extend credit facilities for an amount equivalent to 5% of the nonfinancial private sector deposits in Pesos, calculated according to the balance resulting as of the end of November 2013, for the first tranche, and for an amount equal to at least 5.5% of deposits of non-financial private sector deposits in Pesos, calculated according to the balance resulting as of the end of May 2014, for the second tranche.

The maximum interest rate for the first tranche is 17.50% and for the second tranche is 19.50% fixed per annum for at least the first 36 months. After the completion of this period, if the financing continues, institutions may apply a variable rate that may not exceed the total BADLAR rate in Pesos plus 300 basis points.

The 2014 Quota must target 100% of the credit facilities rendered to micro, small- and medium-sized enterprises. The credits granted must be denominated in Pesos and, at the time of disbursement of the funds, must have a weighted average life equal to or greater than 24 months and shall mature beyond 36 months. Financing under the first tranche must be granted by June 30, 2014. Financing under the second tranche must be granted by December 31, 2014.

The maximum interest rate for the second semester of 2014 Quota is 19.50% fixed per annum for at least the first 36 months. After the completion of this period, if the financing continues, institutions may apply a variable rate that may not exceed the total BADLAR rate in Pesos plus 300 basis points.

2015 Quota

Financial entities included in the 2015 Quota must extend credit facilities in the first tranche for an amount equal to at least 6.5% of deposits of non-financial private sector deposits in Pesos, calculated according to the average

balances of November 2014, and in the second tranche for an amount equal to at least 7.5% of deposits of non-financial private sector deposits in Pesos, calculated according to the average balances of May 2015.

The maximum interest rate for the 2015 Quota was established at a fixed 19% per annum for the first tranche and at a fixed 18% per annum for the second tranche, for at least the first 36 months. After the completion of this period, if the financing continues, institutions may apply a variable rate that may not exceed the BADLAR rate in Pesos plus 150 basis points for the first tranche and BADLAR rate in Pesos plus 50 basis points for the second tranche.

The 2015 Quota must target 80% of the credit facilities rendered to micro, small- and medium-sized enterprises. The remaining 20% can target enterprises that exceed the maximum established for their area of activity in the rules on "micro-, small- and medium- sized enterprises" and that the total exports do not exceed the 20% of total sales of the last financial year. The credits granted must be denominated in Pesos and, at the time of disbursement of the funds, must have a weighted average life equal to or greater than 24 months and shall mature beyond 36 months. All financing under the 2015 Quota must be granted by December 31, 2015.

2016 Quota

Central Bank Communication "A" 5874, as amended, sets forth the following guidelines for the 2016 Quota:

Financial entities acting as financial agents for the national, provincial, Autonomous City of Buenos Aires' and/or municipal governments and/or whose share in the non-financial private sector deposits in Pesos in the financial system is equal to or greater than 1%, based on the simple average of daily balances of the non-financial private sector deposit in Pesos for the previous calendar six-month period, will be required to extend credit facilities equivalent to at least 14% of the non-financial private sector deposits in Pesos, calculated on the basis of the monthly average of daily balances in November 2015 and, as of July 1, 2016, to at least 15.5% of the non-financial private sector deposits in Pesos, calculated on the basis of the monthly average of daily balances in May 2016.

In the case of entities falling within the above scope whose share of total non-financial private sector deposits in Pesos is lower than 0.25% (calculated as described in the preceding paragraph) the percentage to be applied will be not less than 8% - and not less than 9% from July 1, 2016, to December 31, 2016.

Not less than 75% of the 2016 Quota must be allocated to credit facilities intended for micro-, small- and medium- sized enterprises.

Communication "A" 5874 and "A" 5975 established the type of financing which may be considered eligible to be computed as part of the 2016 Quota, which includes the following:

(i) Financing of investment projects (meaning financing extended for the purchase of capital goods and/or the construction of facilities necessary for the production of goods and/or services and for the commercialization of goods and/or services; financing of working capital for investment projects for up to an amount equivalent to 20% of the total project amount; the purchase of real estate, provided the financing amount does not exceed 70% of the value attributable to the constructions built on the land; financing for the purchase of motor vehicles and machinery, provided that the purchase transaction be carried out at the selling price applied to cash transactions; among others);

(ii) Discount of deferred payment checks, certificates of public works (or any documentation that may replace them) and invoices and promissory notes for customers that are micro-, small- and medium- sized enterprises for up to an amount equivalent to 30% of the first tranche of the 2016 Quota, and for the whole quota of the second tranche of the 2016 Quota;

(iii) Inclusion, by means of an assignment or discount, of financing facilities provided to users of financial services, or of receivables in respect of trusts whose trust assets consist — primarily — of such financing provided by financial entities not included within the scope of the above mentioned rules, with a total nominal annual financial cost not exceeding 27%, for the financings granted as of October 31, 2016, and 21% for the financings granted as of November 1, 2016, which may amount to up to 5% of the 2016 Quota;

(iv) Microcredit extended to micro entrepreneurs that meet certain requirements (including that, either individually or as a family group, they do not have revenues exceeding two adjustable minimum living wages and are not registered as value added tax, income tax and personal assets tax payers with AFIP). On a supplemental basis, micro entrepreneurs may be granted loans for the purchase of consumption goods or services;

(v) Loans extended to natural persons at an interest rate of up to a nominal annual 22% for the first year and as from the second year, if the above rate is not maintained, at a variable interest rate equivalent to the Peso BADLAR rate charged by private banks, plus 150 basis points. The proceeds of these loans must be used directly for the purchase of a sole family dwelling for the respective family group, and must be implemented by means of a collateral assignment of rights in the trusts created for the construction of those properties , subject to certain conditions. This type of financing may collectively amount to up to 10% of the 2016 Quota;

(vi) Mortgage loans extended to individuals for the purchase, construction or enlargement of dwellings, at an interest rate of up to a nominal annual 22% for the first year and as from the second year, if the above rate is not maintained, at a variable interest rate equivalent to the Peso BADLAR rate charged by private banks, plus 150 basis points. These loans may collectively amount to up to 10% of the 2016 Quota;

(vii) Assistance provided to natural persons and/or legal entities in areas where an emergency situation prevails as a result of natural disasters. This assistance may amount to up to 15% of the 2016 Quota; and

(viii) Financing extended by financial entities that do not fall within the scope of these rules and/or to companies that provide financial assistance through capital lease transactions, provided the proceeds of such transactions are applied to funds, as of the effective date of the legal regulation, to provide financing to MIPyMEs for the purchase of motor vehicles and/or machinery at prices not exceeding cash transaction prices (*i.e.*, list price, net of any general discounts) and pursuant to the conditions of the 2016 Quota. The proceeds must be used within a term of 10 business days between the date when financial assistance is received from the financial entity and the date the funds are used for lending to MiPyMEs (Communication “A” 5929); and

(ix) Financing extended to financial institutions regarding assistance mentioned in item (vii) and incorporations made from that assistance if granted by financial institutions. The entity which provides financing or its assignee, may compute such assistance, for which a report from the external auditor is required;

(x) Working capital financing to MiPyME, extended as of August 1, 2016, for working capital allocated to livestock farming (e.g., for the purchase and/or production of cattle, sheep, pigs, poultry, apiculture, etc.), dairy farming or other productive activities carried out in regional economies within the scope of section 2.2.9. of the “Minimum loan loss provisions” regulations, for up to an amount equivalent to 10% of the 2016 Quota; and

(xi) Financing to non-financial institutions that issue credit cards and have joined the “Ahora 12” program.

(xii) The maximum interest rate to be applied, except for the financing facilities described in items (iii), (v) and (vi) above, will be a nominal annual fixed rate of 22% for the financings granted as of October 31, 2016, and of 17% for the financings granted as of November 1, 2016. In the case of financings restated in purchasing power units, CER adjustable (UVA), the maximum interest rate will be a nominal annual fixed rate of 1%. The rate will be free for transactions with customers who do not meet the conditions of a micro-, small- or medium-sized enterprise.

Financing facilities must be denominated in Pesos and have — at the time of disbursement — an average maturity period equal to or longer than 24 months, based on weighted principal maturities, and the total maturity period must not be less than 36 months. Financing facilities described in item (i) above and to be used for working capital purposes must have an effective weighted average maturity period equal to or longer than 24 months. The discount transactions contemplated in items (ii) and (iii) will not be subject to a minimum maturity period requirement. The mortgage loans referred to in item (vi) must have a minimum maturity period of 10 years. The working capital financing facilities for MiPyMEs described in item (ix) must have an effective weighted average maturity period equal to or longer than 18 months.

The entities may make up this portfolio with loans extended on a joint basis with other entities, in the relevant proportion.

In case early pre-payment is accepted, only debtors will be entitled to such pre-payment right.

2017 Quota

As of January 1, 2017, and up to June 30, 2017, financial entities included in the 2017 Quota must maintain a balance of comprised financings, equal to at least 18% of the non-financial private sector deposits in Pesos, calculated on the basis of the monthly average of daily balances in November 2016.

In the case of entities falling within the above scope whose share of total non-financial private sector deposits in Pesos is lower than 0.25% (calculated as described in the preceding paragraph) the percentage to be applied will be no less than 10% from January 1, 2017 to June 30, 2017. According to Communication "A" 6217, at least 75% of the 2017 Quota must be granted to MiPyMEs and/or financial services customers.

With respect to the second half of 2017, the financial entities reached must maintain, from July 1, 2017 until December 31, 2017, a balance of comprised financings equal to at least 18% of private sector deposits in Pesos, calculated on the basis of the monthly average daily balances from May 2017. For the case of financial entities whose participation in deposits in the non-financial private sector in Pesos amounts to less than 0.25%, the percentage to apply, from July 1, 2017 and until December 31, 2017, will not be less than 10%, and must also be at least 75% of the 2017 Quota must be granted to MiPyME and/or financial services customers.

2018 Quota

The financial entities reached must maintain, in each of the months in 2018, a balance of comprised financings equal to at least the amount that arises from applying the percentages provided in the following table to the monthly average daily balances of November 2017 of total non-financial private sector deposits in Pesos:

Months of 2018	Percentage
January	16.50%
February	15.00%
March	13.50%
April	12.00%
May	10.50%
June	9.00%
July	7.50%
August	6.00%
September	4.50%
October	3.00%
November	1.50%
December	0.00%

For financial entities whose total non-financial private sector deposits in Pesos is less than 0.25%, the applicable percentage to apply will be derived from the table below:

Months of 2018	Percentage
January	9.17%
February	8.33%
March	7.50%
April	6.66%
May	5.83%
June	5.00%
July	4.17%
August	3.33%
September	2.50%
October	1.66%
November	0.83%
December	0.00%

Loans and Housing Units

The Central Bank has adopted measures for taking deposits and extending loans expressed in a special measuring unit adjustable by the CER. These special units are referred to as Adjustable Purchase Value Units (*Unidades de Valor Adquisitivo Actualizables*, or "UVAs").

Consequently, UVAs and UVIs coexist and may be used both with respect to bank loans and deposits.

The initial value of the UVI was Ps.14.05 (the same as the UVA), representing the cost of construction of one thousandth square meter of housing as of March 31, 2016. As of March 22, 2018, the value of UVI and UVA are 22.67 and 22.49, respectively.

Both units are amended based on the indices published by the INDEC and the Central Bank on their websites.

Foreign Exchange System

During the first quarter of 2002, the Argentine government established certain foreign exchange controls and restrictions.

On February 8, 2002, Decree No. 260 was issued, establishing as of February 11, 2002 the MLC system through which all foreign exchange transactions must be traded at exchange rates to be freely agreed upon.

On such date, the Central Bank issued Communications "A" 3471 and "A" 3473, which stated that the sale and purchase of foreign currency can only be performed with entities authorized by the Central Bank to operate in the foreign exchange. Item 4 of Central Bank Communication "A" 3471 stated that the sale of foreign currency in the local exchange market shall in all cases be against Peso bills.

Since January 2, 2003, there have been further modifications to the restrictions imposed by the Central Bank. For further information, see "*Item 10.D Exchange Controls*."

As of mid-December 2015, there have been significant changes to the legal framework applicable to the foreign exchange market aiming at granting greater flexibility to foreign exchange transactions.

These changes, initially contemplated under Communication "A" 5850, Communication "A" 5899 and Communication "A" 5955, among others, allowed those entities authorized to operate in the exchange market to engage in foreign currency arbitrage and exchange transactions with their customers. In addition, these regulations made it less burdensome for residents to access the foreign exchange market in order to acquire external assets, and for the repatriation by non-residents of both portfolio and direct investment.

Effective as of August 9, 2016, the Central Bank continued to establish more flexible rules for foreign exchange transactions, for example through the issuance of Communication "A" 6037, followed by Communication "A" 6244 which resulted in a simplification of the rules that had been in place since 2002.

The new regulations provide that foreign exchange transactions may be performed under a sworn statement detailing the subject matter of the transaction; insofar no specific requirements apply to the transaction, and eliminated the obligation to produce documents supporting each foreign exchange transaction.

In addition, transactions involving the creation of external assets by residents are no longer limited by a specific amount, and regulations restricting market access to transactions involving derivative instruments with foreign counterparties have been suppressed. The new regulations also provided greater flexibility to the requirements needed to engage in exchange transactions during extended schedule hours.

Foreign Currency Lending Capacity

The Regulations on the allocation of deposits in foreign currencies, Communication "A" 4851 as amended, establish that the lending capacity from foreign currency deposits, including U.S. dollar-denominated deposits to be settled in Pesos, must fall under one of the following categories:

a. pre-financing and financing of exports to be made directly or through principals, trustees or other brokers, acting on behalf of the owner of the merchandise;

b. financing for manufacturers, processors or collectors of goods, provided they refer to non-revocable sales agreements with exporters for foreign currency-denominated prices (irrespective of the currency in which such transaction is settled), and they refer to exchangeable foreign-currency denominated goods listed in local or foreign markets, broadly advertised and easily available to the general public;

c. financing for manufacturers of goods to be exported, as final products or as part of other goods, by third-party purchasers, provided that such transactions are secured or collateralized in foreign currency by third-party purchasers;

d. financing of investment projects, working capital or purchase of any kind of goods—including temporary imports of commodities—that increase or are related to the production of goods to be exported, including syndicated loans, whether granted by local or foreign financial institutions;

e. financing for commercial clients or commercial loans considered as consumer loans, with the purpose of importing capital goods, whenever they help to increase goods production for the domestic market;

f. debt securities or financial trust participation certificates whose underlying assets are loans made by the financial entities in the manners set forth in (a) to (d) above (excluding syndicated loans);

g. foreign currency debt securities or financial trust participation certificates, publicly listed under an authorization by the CNV, whose underlying assets are securities bought by the fiduciary and guaranteed by reciprocal guarantee companies or public guarantee funds, in order to finance export transactions;

h. financings for purposes other than those mentioned in (a) to (d) above, included under the IDB credit program ("Préstamos BID N° 119/OC-AR"), not exceeding 10% of the lending capacity;

i. inter-financing loans (any inter-financing loans granted with such resources must be identified);

j. Central Bank bills denominated in dollars;

k. direct investments abroad by companies that reside in Argentina, that seek the development of productive activities of non-financial goods and/or services, either through contributions and/or purchases of shares in companies, to the extent that they are constituted in countries or territories considered cooperators for the purposes of fiscal transparency according to the provisions of article 1 of Decree No. 589/13 as amended; and

l. financing of investment projects, including working capital, that allow the increase of production in the energy sector and have firm sales contracts and/or endorsements or guarantees in foreign currency.

Communication "A" 5534 as amended, provides a specific formula in order to calculate the financial institution's capacity to lend money in foreign currency for imports (relating to items (d) and (e), and, as applicable items (f) to (h) of the foregoing paragraph).

The lending capacity shall be determined for each foreign currency raised, such determination being made on the basis of the monthly average of daily balances recorded during each calendar month. Any defect in the application shall give rise to an increase in the minimum cash requirement in the relevant foreign currency.

General Exchange Position

The general exchange position includes all the liquid external assets of the institution, such as gold, currency and foreign currency notes reserves, sight deposits in foreign banks, investments in securities issued by OECD members' governments with a sovereign debt rating not below "AA," certificates of time deposits in foreign institutions (rated not less than "AA"), and correspondents' debit and credit balances. It also includes purchases and sales of these assets already arranged and pending settlement involving foreign exchange purchases and sales performed with customers within a term not exceeding two business days. It does not include, however, foreign currency notes held in custody, correspondent balances for third-party transfers pending settlement, term sales and purchases of foreign currency or securities nor direct investments abroad (Communication "A" 4646 and "A" 4814).

Pursuant to Communication "A" 6244, which entered into force on July 1, 2017, entities can freely determine the level and use of their GEP. In this regard, the aforementioned entities are allowed to manage their foreign currency positions, both in terms of the composition of their assets and the possibility of entering and exiting their holdings in the country, with their consequent impact on reserves.

In addition, the aforementioned Communication provided that the entities authorized to operate in foreign exchange may also carry out arbitrage and foreign exchange transactions, to the extent that the counterparty is a branch or agency abroad of local official banks, a foreign financial entity wholly or majority owned by foreign states, a foreign financial or exchange entity that is not incorporated in countries or territories pursuant to the Recommendations of the Financial Action Task Force, or a foreign company dedicated to the purchase and sale of banknotes from different countries and / or precious metals in coins or bars of good delivery and whose head office is located in a member country of the Basel Committee for Banking Supervision.

Foreign Currency Net Global Position

All assets, liabilities, commitments and other instruments and operations from financial intermediation in foreign currency and or linked to the variations of the exchange rate are included in the net global position, including cash and term transactions and other derivatives agreements, foreign currency deposits in accounts maintained with the Central Bank, gold positions, monetary regulation instruments in foreign currency, subordinated debt in foreign currency and debt securities issued in foreign currency.

It also includes the term transactions carried out within a framework agreement regarding markets authorized by the CNV with the settlement by difference mode, without delivery of the underlying asset traded. Likewise, certificates or notes issued by financial trusts and claims under common trusts are also included in the relevant proportion, provided that the underlying assets are denominated in foreign currency.

Deductible assets for determining RPC and any included items recorded by the financial entity in its foreign branches are excluded from the ratio.

Two ratios are considered in the Foreign Currency Net Global Position:

Negative Foreign Currency Net Global Position

Pursuant to Communication "A" 6128, as of January 1, 2017 this position cannot exceed 25% of the RPC of the immediately preceding month.

Positive Foreign Currency Net Global Position

Pursuant to Communication "A" 6128 of the Central Bank, as of January 1, 2017 this daily position (monthly average of the daily balance converted to Pesos at the reference exchange rate) cannot exceed 25% of the lesser of the RPC or the entity's own liquid assets (own liquid assets meaning the RPC surplus over fixed assets and other concepts to be computed in accordance with Central Bank regulation related to the "Fixed assets and other concepts ratio") of the immediately preceding month.

Excesses to such position will be subject to a charge equivalent to 1.5 times the nominal interest rate of the Lebac in Pesos (Central Bank bills). The charges not entered in time and form will be subject to an interest equivalent to the rate that arises from adding 50% to the rate applicable to those excesses.

In addition to the aforementioned charges, the sanctions established in Section 41 of the Financial Institutions Act may be applied (including, attention call, warning, fines, temporary or permanent disqualification for the use of the bank current account, temporary or permanent disqualification to act as promoters, founders, directors, administrators, members of the supervisory boards, trustees, liquidators, managers, auditors, partners or shareholders, and revocation of the authorization to operate).

Rosario Futures Index ("ROFEX") U.S. dollar futures state of emergency

On December 14, 2015, Argentina Clearing S.A. and Mercado a Término de Rosario S.A. resolved, through Communication 657 (subject to the CNV's express approval, which was subsequently granted): (i) to declare a state of emergency with respect to any open positions as of such date involving U.S. dollar futures contracts maturing prior to June 2016 and entered into after September 29, 2015; and (ii) to provide, in respect of any open purchased positions as of such date involving U.S. dollar futures maturing prior to and including June 2016, the following remedies: (a) the original transaction price was adjusted by adding Ps.1.25 per U.S. dollar for those transactions opened from and including September 30, 2015 to and including October 27, 2015; (b) the original transaction price was adjusted by adding Ps.1.75 per U.S. dollar for those transactions opened as of October 28, 2015.

The adjustments referred to in the preceding paragraph were applied by registering a sale transaction at the original transaction price and a simultaneous purchase at the original price plus the amount indicated in items (a) and (b) above, which caused a novation of the transactions involved into new transactions at the new established price.

For the purposes of complying with registration requirements involving the relevant ROFEX and Argentina Clearing S.A. transactions, the Central Bank was registered as counterparty to such transactions.

Assignment of foreign exchange positions by financial and foreign exchange entities

On December 17, 2015, Communication "A" 5852 provided that financial entities authorized to deal in exchange transactions and foreign exchange entities were required to sell to the Central Bank their respective positive foreign currency positions at closing on December 16, 2015, valued at the reference exchange rate of such date, and then repurchase them in full. The repurchase transaction could be effected on December 17, 18 or 21, 2015, at the reference exchange rate prevailing on the day of the repurchase.

In particular, an open purchase position in U.S. dollar futures traded on ROFEX and having had its original price adjusted as provided under Item II) of Communication 657 of Argentina Clearing and Mercado a Término de Rosario S.A. was required to be sold to the Central Bank at the adjusted original price resulting from the enforcement of such Communication, and then repurchased in full at the reference exchange rate prevailing on the day of the repurchase.

For the purpose of exercising the repurchase date option contemplated in the first paragraph, an entity was required to submit a letter signed by its president or chief local officer to the General Operations Sub-department before 10:00 a.m. of the selected day, expressly stating the decision it had adopted.

If an entity failed to exercise the option contemplated in the first paragraph or to comply with any of the formal requirements set forth above, the repurchase was to be completed on December 22, 2015 at the reference exchange rate prevailing on such date.

The notion of "foreign currency position" referred to above was determined as follows: (i) for foreign exchange bureaus, agencies and offices: their general exchange position; and (ii) for financial entities authorized to deal in foreign exchange transactions: their net global foreign currency position, less any net assets corresponding to their liabilities in foreign-currency denominated government securities, based on the currency in which the respective financial services were paid (either a foreign currency or U.S. dollar-linked Argentine Pesos).

If the determined foreign currency position was negative, no sale to the Central Bank and repurchase was required.

On December 18, 2015, the Bank carried out the above-mentioned repurchase at the reference exchange rate established for such date. In addition, on December 22, 2015, CCF carried out the above-mentioned repurchase at the reference exchange rate established for such date.

Fixed Assets and Other Items

The Central Bank determines that the fixed assets and other items maintained by the financial entities must not exceed 100% of the entity's RPC.

Such fixed assets and other items include the following:

- Shares of local companies
- Miscellaneous receivables
- Property and equipment
- Other assets

The calculation of such assets will be effected according to the month-end balances, net of devaluations, accumulated amortizations and allowances for loan losses.

Non-compliance with the ratio produces an increase in the minimum capital requirements equal to 100% of the excess on the ratio.

Credit Ratings

Since November 28, 2014, Communication "A" 5671, as amended by Communication "A" 6162, supersedes the provisions issued by the Central Bank containing ratings requirements assigned by a local risk rating company. Where provisions require certain international ratings, the criteria set forth by Communication "A" 5671 govern.

The provisions of Communication "A" 5671 are basic guidelines to properly assess the credit risk that financial institutions must observe when implementing Central Bank regulations including the requirement of a particular rating and do not replace the credit assessment that each financial institution must make to their counterparts. International credit ratings that refer to these provisions shall be issued by rating agencies that have a code of conduct based on the "Principles of the Code of Conduct for Agents Rate Risk" issued by the International Organization of Securities Commissions ("IOSCO").

Annex II of Communication "A" 5671 provides a table regarding the new qualification requirements for financial institutions. This table classifies the credit ratings requirements for different transactions.

Debt Classification and Loan Loss Provisions

Credit Portfolio

The regulations on debt classification are designed to establish clear guidelines for identifying and classifying the quality of assets, as well as evaluating the actual or potential risk of a lender sustaining losses on principal or interest, in order to determine (taking into account any loan security) whether the provisions against such contingencies are adequate. Banks must classify their loan portfolios into two different categories: (i) consumer or housing loans and (ii) commercial loans. Consumer or housing loans include housing loans, consumer loans, credit-card financings, loans of up to Ps.5 million to micro-credit institutions and commercial loans of up to Ps.5 million with or without guarantees. All other loans are considered commercial loans. Consumer or housing loans in excess

of Ps.5 million, the repayment of which is linked to the evolution of its productive or commercial activity, are classified as commercial loans.

At the entity's option, financing of a commercial nature of up to Ps.5 million, whether or not such financing has preferred guarantees, may be grouped together with credits for consumption or housing, in such case they will receive the treatment provided for the latter. If a customer has both kinds of loans (commercial and consumer or housing loans), the consumer or housing loans will be added to the commercial portfolio to determine under which portfolio they should be classified based on the amount indicated. In these cases, the loans secured by preferred guarantees shall be considered to be at 50% of its face value.

Under the current debt classification system, each customer, as well as the customer's outstanding debts, are included within one of six sub-categories. The debt classification criteria applied to the consumer loan portfolio are primarily based on objective factors related to customers' performance of their obligations or their legal standing, while the key criterion for classifying the commercial loan portfolio is each borrower's paying ability based on their future cash flow.

Commercial Loans Classification

The principal criterion by which to evaluate a loan pertaining to the commercial portfolio is its borrower's ability to repay it, whose ability is mainly measured by such borrower's future cash flow. Pursuant to Central Bank regulations, commercial loans are classified as follows:

Classification	Criteria
Normal Situation	Borrowers for whom there is no doubt as to their ability to comply with their payment obligations.
Subject to special Monitoring/Under observation	Borrowers that, among other criteria, are up to 90 days past due and, although considered to be able to meet all their financial obligations, are sensitive to changes that could compromise their ability to honor debts absent timely corrective measures.
Subject to special Monitoring/Under negotiation or refinancing agreement	Borrowers who are unable to comply with their obligations as agreed with the bank and, therefore, formally state, within 60 calendar days after the maturity date, their intention to refinance such debts. The borrower must enter into a refinancing agreement with the bank within 90 calendar days (if up to two lenders are involved) or 180 calendar days (if more than two lenders are involved) after the payment default date. If no agreement has been reached within the established deadline, the borrower must be reclassified to the next category according to the indicators established for each level.
Troubled	Borrowers with difficulties honoring their financial obligations under the loan on a regular basis, which, if uncorrected, may result in losses to the bank.
With high risk of insolvency	Borrowers who are highly unlikely to honor their financial obligations under the loan.
Irrecoverable	Loans classified as irrecoverable at the time they are reviewed (although the possibility might exist that such loans might be collected in the future). The borrower will not meet its financial obligations with the financial institution.
Irrecoverable according to Central Bank's Rules	(a) A borrower that has defaulted on its payment obligations under a loan for more than 180 calendar days according to the corresponding report provided by the Central Bank, which includes: (1) financial institutions liquidated by the Central Bank, (2) residual entities created as a result of the privatization of public financial institutions, or in the privatization or dissolution process, (3) financial institutions whose licenses have been revoked by the Central Bank and find themselves subject to judicial liquidation or bankruptcy proceedings and (4) trusts in which SEDESA is a beneficiary; or (b) certain kinds of foreign borrowers (including banks or other financial institutions that are not subject to the supervision of the Central Bank or similar authority of the country in which they are incorporated) that are not classified as "investment grade" by any of the rating agencies approved by the Central Bank.

Consumer and Housing Loans Classification

The principal criterion used in the assessment of loans in the consumer and housing portfolio is the length of the duration of the default of such loans. Under the Central Bank regulations, consumer and housing borrowers are classified as follows:

Classification	Criteria
Performing	If all payments on loans are current or less than 31 calendar days overdue and, in the case of checking account overdrafts, less than 61 calendar days overdue.
Low Risk	Loans upon which payment obligations are overdue for a period of more than 31 and up to 90 calendar days.
Medium Risk	Loans upon which payment obligations are overdue for a period of more than 90 and up to 180 calendar days.
High Risk	Loans in respect of which a legal action seeking collection has been filed or loans having payment obligations overdue for more than 180 calendar days, but less than 365 calendar days.
Irrecoverable	Borrowers who are highly unlikely to honor their financial obligations under the loan.
Non-recoverable loans	Loans in which payment obligations are more than one year overdue or the debtor is insolvent or in bankruptcy or liquidation.
Irrecoverable loans Central Bank's rules	Same criteria as for commercial loans in the Irrecoverable according to Argentine Banking GAAP.

Minimum Credit Provisions

The following minimum credit provisions are required to be made by Argentine banks in relation to the credit portfolio category:

Category	With Preferred Guarantees	Without Preferred Guarantees
"Normal"	1%	1%
"Under observation" and "Low risk"	3%	5%
"Under negotiation or refinancing agreement"	6%	12%
"With problems" and "Medium Risk"	12%	25%
"With high risk of insolvency" and "High Risk"	25%	50%
"Irrecoverable"	50%	100%
"Irrecoverable by technical decision"	100%	100%

The Superintendency may require additional provisioning if it determines that the current level is inadequate.

Financial institutions are entitled to record allowances for loan losses in amounts larger than those required by the Argentine Banking GAAP. In such cases and despite the existence of certain exceptions, recording a larger allowance for a commercial loan, to the extent the recorded allowance amount falls into the next credit portfolio category set forth by Argentine Banking GAAP, shall automatically result in the corresponding debtor being recategorized accordingly.

Minimum Frequency for Classification Review

Financial institutions are required to develop procedures for the analysis of credit facilities assuring an appropriate evaluation of a debtor's financial situation and a periodic revision of such situation taking into consideration objective and subjective conditions of all the risks taken. The procedures established have to be detailed in a manual

called “Manual of Procedures for Classification and Allowances” which must be made available for the Superintendency to review at any time. The classification analysis shall be duly documented. The classification review must include (i) clients whose outstanding credit (in Pesos and in foreign currency) exceeds the lesser of 1% of the financial institution’s RPC corresponding to the prior month and Ps.4.0 million and (ii) at least 20% of the financial institution’s total active credit portfolio, which, if applicable, shall be completed by incorporating clients whose total indebtedness is less than the limits described in (i) in this sentence.

In the case of commercial loans, the applicable regulations also require a minimum frequency of review. Such review must take place: (i) quarterly for clients with indebtedness equal to or greater than 5% of the financial entity’s RPC for the prior month and (ii) semi-annually for clients whose indebtedness is (x) greater than the lesser of 1% of the financial entity’s RPC for the prior month and Ps.4.0 million, and (y) lesser than 5% of the financial entity’s RPC for the prior month. At the end of the second quarter, the full review under points (i) and (ii) should cover no less than 50% of the financial institution’s commercial loan portfolio and, if less, it shall be completed by incorporating customers (in descending order) whose total indebtedness is less than the limits described in (ii)(x) of the preceding sentence.

In addition, financial institutions have to review the rating assigned to a debtor in certain instances, such as when another financial institution reduces the debtor classification in the “Credit Information Database” and grants 10% or more of the debtor’s total financing in the financial system. Only one-level discrepancy is allowed in relation to the information submitted by financial institutions to the “Credit Information Database” and the lower classification awarded by at least two other banks and total lending from such banks account for 40% or more of the total informed; if there is a greater discrepancy, the financial institution will be required to reclassify the debtor.

Allowances for Loan Losses

The allowance for loan losses is maintained in accordance with applicable regulatory requirements of the Central Bank. Increases in the allowance are based on the level of growth of the loan portfolio, as well as on the deterioration of the quality of existing loans, while decreases in the allowance are based on regulations requiring the write-off of non-performing loans classified as irrecoverable after a certain period of time and on decisions of the management to write off non-performing loans evidencing a very low probability of recovery.

Priority Rights of Depositors

Under Section 49 of the FIL, in the event of judicial liquidation or bankruptcy of a bank all depositors, irrespective of the type, amount or currency of their deposits, will be senior to the other remaining creditors (such as shareholders of the bank), with exceptions made for certain labor liens (section 53 paragraphs “a” and “b”) and for those creditors backed by a pledge or mortgage, in the following order of priority: (a) deposits of up to Ps. 450,000 per person (including all amounts such person deposited in one financial entity), or its equivalent in foreign currency, (b) all deposits of an amount higher than Ps.450,000, or its equivalent in foreign currency, and (c) the liabilities originated in commercial lines granted to the financial institution and which directly affect international commerce. Furthermore, pursuant to section 53 of the FIL, as amended, Central Bank claims have absolute priority over other claims, except for pledged or mortgaged claims, certain labor claims, the depositors’ claims pursuant to section 49, paragraph e), points i) and ii), debt granted under section 17, paragraphs (b), (c) and (f) of the Central Bank’s Charter (including discounts granted by financial entities due to a temporary lack of liquidity, advances to financial entities with security interest, assignment of rights, pledges or special assignment of certain assets) and debt granted by the Banking Liquidity Fund backed by a pledge or mortgage.

The amendment to section 35 bis of the FIL Law by Law No. 25,780 sets forth that if a bank is in a situation where the Central Bank may revoke its authorization to operate and become subject to dissolution or liquidation by judicial resolution, the Central Bank’s Board of Directors may take certain actions. Among this actions, in the case of excluding the transfer of assets and liabilities to financial trusts or other financial entities, the Central Bank may totally or partially exclude the liabilities mentioned in section 49, paragraph e), as well as debt defined in section 53, giving effect to the order of priority among creditors. Regarding the partial exclusion, the order of priority of point e) section 49 must be followed without giving a different treatment to liabilities of the same grade.

Mandatory Deposit Insurance System

Law No. 24,485 passed on April 12, 1995, as amended, created a Deposit Insurance System, or "SSGD", which is mandatory for bank deposits, and delegated the responsibility for organizing and implementing the system to the Central Bank. The SSGD is a supplemental protection to the privilege granted to depositors by means of Section 49 of the FIL, as mentioned above.

The SSGD has been implemented through the establishment of a Deposit Guarantee Fund, or "FGD", managed by a private-sector corporation called SEDESA. According to Decree No. 1292/96, the shareholders of SEDESA are the government through the Central Bank and a trust set up by the participating financial institutions. These institutions must pay into the FGD a monthly contribution determined by Central Bank regulations. The SSGD is financed through regular and additional contributions made by financial institutions, as provided for in Central Bank Communication "A" 4271, dated December 30, 2004.

The SSGD covers deposits made by individuals and legal entities in Argentine or foreign currency and maintained in accounts with the participating financial institutions, including checking accounts, savings accounts, and time deposits up to the amount of Ps.350,000, as set forth by Central Bank Communication "A" 5659, dated October 31, 2014, as amended. Pursuant to Communication "A" 5943, the Central Bank set the guarantee amount for these deposits as of May 1, 2016 at Ps.450,000.

Effective payment on this guaranty will be made within 30 business days after revocation of the license of the financial institution in which the funds are held; such payments are subject to the exercise of the depositor's priority rights described above.

In view of the circumstances affecting the financial system, Decree No. 214/2002 provided that SEDESA may issue registered securities for the purpose of offering them to depositors in payment of the guarantee in the event it should not have sufficient funds available.

The SSGD does not cover: (i) deposits maintained by financial institutions in other financial institutions, including certificates of deposit bought in the secondary market, (ii) deposits made by persons directly or indirectly affiliated with the institution, (iii) time deposits of securities, acceptances or guarantees, (iv) any transferable time deposits that have been transferred by endorsement, (v) immobilized balances from deposits and other excluded operations, and (vi) any deposits in which the agreed-upon interest rate is higher than the reference interest rates periodically released by the Central Bank for time deposits and demand deposit account balances and available amounts from overdue deposits or closed accounts.

Pursuant to Communication "A" 5710, every financial institution is required to contribute to the FGD a monthly amount of 0.06% of the monthly average of daily balances of deposits in local and foreign currency, as determined by the Central Bank.

When fixed term deposits in U.S. dollars of the private non-financial sector are used to purchase Central Bank bills denominated in U.S. dollars, financial institutions must contribute 0.015% of the monthly average of daily balances of the net position of such bills. Prompt contribution of such amounts is a condition precedent to the continuing operation of the financial institution. The first contribution was made on May 24, 1995. The Central Bank may require financial institutions to advance the payment of up to the equivalent of two years of monthly contributions and debit the past due contributions from funds of the financial institutions deposited with the Central Bank. The Central Bank may require additional contributions by certain institutions, depending on its evaluation of the financial condition of those institutions. Communication "A" 5943, set the monthly contribution to the FDG at 0.015%.

When the contributions to the FGD reach the greater of Ps.2 billion or 5.0% of the total deposits of the system, the Central Bank may suspend or reduce the monthly contributions, and reinstate them when the contributions subsequently fall below that level.

Capital Markets

Commercial banks are authorized to subscribe for and sell shares and debt securities. At present, there are no statutory limitations as to the amount of securities for which a bank may undertake to subscribe. However, under Central Bank regulations, underwriting of debt securities by a bank would be treated as "financial assistance" and, accordingly, until the securities are sold to third parties, such underwriting would be subject to limitations.

Law 26,831 (the "Capital Markets Law"), introduced substantial changes to regulations governing markets, stock exchanges and the various agents operating in capital markets, in addition to certain amendments to the CNV's powers. On September 9, 2013, the CNV published the CNV Rules supplementing the Capital Markets Law. The CNV Rules have been in force since September 18, 2013.

One of the most significant modifications introduced by the Capital Markets Law and the CNV Rules is that agents and markets must comply with the CNV's requirements for applying for an authorization to operate, as well as registration requirements. It further provides that each category of agent must meet minimum net worth and liquidity requirements.

Additionally, under the Capital Markets Law, the self-regulation of markets was eliminated, and authorization, supervision, control, as well as disciplinary and regulatory powers, are conferred to the CNV regarding all capital market players.

TM20

Beginning October 5, 2017, the Central Bank has begun to publish on a daily basis a survey of the average interest rates paid by Banks for their fixed-term deposits of over Ps.20 million, for terms of between 30 and 35 days (the "TM20"), in order to reflect the behavior of wholesale depositors.

A TM20 denominated in dollars will also be published for deposits for the same term that are for U.S.$20 million or more.

The information published by the Central Bank is broken down by public vs. private banks, both for operations in Pesos and foreign currencies.

Financial Institutions with Economic Difficulties

The FIL provides that any financial institution, including a commercial bank, operating at less than certain required technical ratios and minimum net worth levels, in the judgment of the Central Bank adopted by members representing the majority of the Board of Directors, with impaired solvency or liquidity or in any of the other circumstances listed in Section 44 of the FIL, must (upon request from the Central Bank and in order to avoid the revocation of its license) prepare a *plan de regularización y saneamiento*, or a restructuring plan. The plan must be submitted to the Central Bank on a specified date, not later than 30 calendar days after the date on which a request to that effect is made by the Central Bank. Upon the institution's failure to submit, secure regulatory approval of, or comply with, a restructuring plan, the Central Bank will be empowered to revoke the institution's license to operate as such.

Furthermore, the Central Bank's charter authorizes the Central Bank Superintendency to fully or partially suspend, exclusively subject to the approval of the President of the Central Bank, the operations of a financial institution for a term of 30 days if the liquidity or solvency thereof are adversely affected. Such term could be renewed for up to 90 additional days, with the approval of the Central Bank's Board of Directors. During such suspension term an automatic stay of claims, enforcement actions and precautionary measures is triggered, any commitment increasing the financial institution's obligations shall be null and void, and debt acceleration and interest accrual shall be suspended.

If per the Central Bank's criteria a financial institution is undergoing a situation which, under the FIL, would authorize the Central Bank to revoke its license to operate as such, the Central Bank may, before considering such revocation, order a plan of restructuring that may consist of a series of measures, including, among others:

- adoption of list measures to capitalize or increase the capital of the financial institution;
- revoke the approval granted to the shareholders of the financial institution to hold interests therein;
- restructure or transfer assets and liabilities;
- grant temporary exemptions to comply with technical regulations or payment of charges and penalties arising from such flawed compliance; or
- appoint a delegate or auditor ("*interventor*") that may prospectively replace the Board of Directors of the financial institution.

Revocation of the License to Operate as a Financial Institution

The Central Bank may revoke the license to operate as a financial institution in case a restructuring plan fails or is not deemed feasible, or local laws and regulations are violated, or the solvency or liquidity of the financial institution is affected, or significant changes occur in the institution's condition since the original authorization was granted, or if any decision by the financial institution's legal or corporate authorities concerning its dissolution is adopted, among other circumstances set forth in the FIL. In addition, pursuant to Communication "A" 5785, sanctions imposed by the Central Bank, the UIF, the CNV and/or the National Superintendency of Insurance (*Superintendencia de Seguros de la Nación*) on financial institutions and/or their authorities, may result in the revocation of their licenses to operate as financial institutions. Such revocation may occur when, in the opinion of the Board of Directors of the Central Bank, there was a material change in the conditions deemed necessary to maintain such license, including those relating to the suitability, experience, moral character or integrity of (i) the members of a financial institution's Board of Directors (directors, counselors or equivalent authorities), (ii) its shareholders, (iii) the members of its supervisory committee and (iv) others, such as its managers. For such purposes, the Superintendency also takes into consideration information that it receives from, and/or sanctions imposed by, equivalent foreign agencies or authorities. When weighing the significance of the sanctions, the Superintendency takes into account the type of sanctions, the underlying reason for such sanctions and the amount of sanctions imposed on the financial institution. Additionally, the Superintendency factors in the degree of participation in the events leading up to the sanction, the economic effects of the violation, the degree of damage caused to third parties, the economic benefit that the sanctioned party received from the violation, the sanctioned party's operating volume, its liability and the title or function that such party holds.

Once the license to operate as a financial institution has been revoked, the financial institution will be liquidated.

Liquidation of Financial Institutions

As provided in the FIL, the Central Bank must notify a competent court of the revocation decision, which will then determine who will liquidate the entity: the corporate authorities (extrajudicial liquidation) or an independent liquidator appointed by the court for that purpose (judicial liquidation). The court's decision will be based on whether or not there is sufficient assurance that the corporate authorities are capable of carrying out such liquidation properly.

Bankruptcy of Financial Institutions

According to the FIL, financial institutions are not allowed to file their own bankruptcy petitions. In addition, the bankruptcy shall not be adjudged until the license to operate as financial institution has been revoked.

Once the license to operate as a financial institution has been revoked, a court of competent jurisdiction may adjudge the former financial institution in bankruptcy, or a petition in bankruptcy may be filed by the Central Bank or by any creditor of the bank, in this case after a period of 60 calendar days has elapsed since the license was revoked.

Once the bankruptcy of a financial institution has been adjudged, provisions of the Bankruptcy Law (as defined below) and the FIL shall be applicable; provided however that in certain cases, specific provisions of the FIL shall supersede the provisions of the Argentine Bankruptcy Law (i.e. priority rights of depositors).

Merger, Consolidation and Transfer of Goodwill

Merger, consolidation and transfer of goodwill may be arranged between entities of the same or different type and will be subject to the prior approval of the Central Bank. The new entity must submit a financial-economic structure profile supporting the project in order to obtain authorization from the Central Bank.

Financial System Restructuring Unit

The Financial System Restructuring Unit was created to oversee the implementation of a strategic approach for those banks benefiting from assistance provided by the Central Bank. This unit is in charge of rescheduling maturities, determining restructuring strategies and action plans, approving transformation plans, and accelerating repayment of the facilities granted by the Central Bank.

Anti-Money Laundering Regulation

Anti-Money Laundering/Combating the Financing of Terrorism ("AML/CFT")

The concept of money laundering is generally used to denote transactions intended to introduce criminal proceeds into the institutional system and thus to transform profits from illegal activities into assets of a seemingly legitimate origin.

Terrorist financing is the act of providing funds for terrorist activities. This may involve funds raised from legitimate sources, such as personal donations and profits from businesses and charitable organizations, as well as from criminal sources, such as drug trade, weapons and other goods smuggling, fraud, kidnapping and extortion.

On April 13, 2000, the Argentine Congress passed Law No. 25,246, as amended, including by Laws No. 26,087; 26,119; 26,268, 26,683, 26,734, 26,831 and 26,860 (the "Anti-Money Laundering Law"), which defines money laundering as a type of crime. In addition, the law, which supersedes several sections of the Argentine criminal code established severe penalties for anyone participating in any such criminal activity and created the UIF, establishing an administrative criminal system. Following the enactment of Law No. 27, 260 and its complementary Decree No. 895/2016, the UIF is now under the supervision of the Ministry of Economy and Public Finance (currently the Ministry of Treasury).

On June 1, 2011, the Argentine Congress passed Law No. 26,683, amending several sections of the Argentine Criminal Code and Law No. 25,246. This law included money laundering as an autonomous crime separating it from the crime of concealment. It also modified the integration of the UIF, establishing more restrictive rules for the appointment of its agents; expanded the UIF's powers by allowing its agents to request reports from both private and public entities; and provided that the UIF may seize unlawfully obtained funds and property without a court order.

The main purpose of the Anti-Money Laundering Law is to prevent money laundering. In line with internationally accepted practice, it does not attribute responsibility for controlling these criminal transactions only to government agencies, but also assigns certain information-gathering duties to diverse private sector entities such as banks, stockbrokers, brokerage houses and insurance companies.

On December 22, 2011, the Argentine Congress passed Law No. 26,734 (the "Countering Financing of Terrorism Law"), which includes terrorism financing as a crime.

Below is a summary of certain provisions regarding the provisions of the AML/CFT regime set forth by the Anti-Money Laundering and Combating Financing of Terrorism Laws, as amended and supplemented by other rules and regulations, including regulations issued by the UIF, the Central Bank, the CNV and other regulatory entities. Investors are advised to consult their own legal counsel and to read the Anti-Money Laundering and Combating Financing of Terrorism Laws and its statutory regulations. The UIF is the agency responsible for the analysis, treatment and transmission of information, with the aim of preventing money laundering resulting from different

crimes and the financing of terrorism. The Argentine Criminal Code defines money laundering as a crime committed by any person who exchanges, transfers, manages, sells, levies, disguises or in any other way commercializes goods obtained through a crime, with the possible consequence that the original assets or the substitute thereof appear to come from a lawful source, provided that their value exceeds Ps.300,000, whether such amount results from one or more related transactions. The penalties established are the following:

(i) imprisonment for three (3) to ten (10) years and fines of two (2) to ten (10) times the amount of the transaction;

(ii) the penalty provided in section (i) shall be increased by one third of the maximum and a half of the minimum, when (a) the person carries out the act on a regular basis or as a member of an association or gang organized with the aim of continuously committing acts of a similar nature, and (b) the person is a governmental officer who carries out the act in the course of his duties;

(iii) if the value of the assets does not exceed Ps.300,000, the penalty shall be imprisonment for six (6) months to three (3) years.

The Argentine Criminal Code also punishes any person who receives money or other assets from a criminal source with the purpose of applying them to a transaction, making them appear to be from a lawful source.

Section 306 of the Argentine Criminal Code (as amended by Law No. 26,734) defines terrorism financing as a crime committed by any person who, directly or indirectly, collects or provides property or money, with the intention that they be used, or knowing that they will be used, in whole or in part: (a) to finance the commission of the crime established in Section 41 quinquies; (b) by an organization that commits or attempts to commit the crimes established in Section 41 quinquies; (c) by a person who commits, attempts to commit or participates in any way in the commission of the crimes established in Section 41 quinquies. The penalty is imprisonment for five to fifteen years and fines from two to ten times the amount of the transaction.

In line with internationally accepted practices, the Anti-Money Laundering Law does not merely assign responsibility for controlling these criminal transactions to government agencies, but also assigns certain duties to various private sector entities such as banks, stockbrokers, brokerage houses and insurance companies, which become legally bound reporting parties. These duties basically consist of information-capturing functions.

According to the Anti-Money Laundering Law, the following persons, among others, are subject to report to the UIF: (i) financial institutions and insurance companies; (ii) exchange agencies and individuals or legal entities authorized by the Argentine Central Bank to operate in the purchase and sale of foreign currency in the form of cash or checks drawn in foreign currency or by means of credit or debit cards or in the transfer of funds within Argentina or abroad; (iii) broker-dealers, companies managing investment funds, over-the-counter market agents, and intermediaries engaged in the purchase, lease, or borrowing of securities; (iv) armored transportation services companies and companies or concessionaires rendering postal services that carry out foreign currency transfers or remittance of different types of currency or notes; (v) governmental organizations, such as the Central Bank, the Argentine Tax Authority, the National Superintendency of Insurance (*Superintendencia de Seguros de la Nación*), the CNV and the IGJ; (vi) professionals in economics sciences and notaries public; and (vii) individuals and legal entities acting as trustees of any kind and individuals or legal entities related directly or indirectly to trust accounts, trustees and trustors under trust agreements.

Individuals and entities subject to the Anti-Money Laundering Law must comply with some duties that include: (i) obtaining documentation from their customers that irrefutably evidences their identity, legal status, domicile, and other data stipulated in each case (know your customer policy); (ii) reporting any suspicious event or transaction (which according to the customary practices of the field involved, as well as to the experience and competence of the parties who have the duty to inform, are those transactions attempted or consummated that, having been previously identified as unusual transactions by the legally bound reporting party, or have no economic or legal justification or are unusually or unjustifiably complex, whether performed on a single occasion or repeatedly (regardless its amount); and (iii) abstaining from disclosing to customers or third parties any act performed in compliance with the Anti-Money Laundering Law. Within the framework of analysis of a suspicious transaction report, the aforementioned individuals and entities cannot refrain from disclosing to the UIF any information required from it by claiming that such information is subject to bank, stock market or professional secret, or legal or

contractual confidentiality agreements. The AFIP shall only disclose to UIF the information in its possession when the suspicious transaction report has been made by such entity and refers to the individuals or entities involved directly with the reported transaction. In all other cases the UIF shall request that the federal judge holding authority in a criminal matter order the AFIP to disclose the information in its possession.

Argentine financial institutions must comply with all applicable anti-money laundering regulations as provided by the Central Bank, the UIF, and, if applicable, the CNV. In this regard, in accordance with Resolution No. 229/2014 of the UIF, both the Central Bank and the CNV are considered "Specific Control Organs." In such capacity, they must cooperate with the UIF in the evaluation of the compliance with the anti—money laundering proceedings by the legally bound reporting parties subject to their control. In that respect, they are entitled to supervise, monitor and inspect such entities, and if necessary, to implement certain corrective measures and actions.

Resolution 121/2011 issued by the UIF, as amended ("Resolution 121"), was applicable to financial entities subject to the FIL, to entities subject to the Law No. 18,924, as amended, and to individuals and legal entities authorized by the Central Bank to intervene in the purchase and sale of foreign currency through cash or checks issued in foreign currency or through the use of credit or payment cards, or in the transfer of funds within or outside the national territory. Resolution No. 229/2011 of the UIF, as amended or supplemented by Resolutions No. 52/2012 and 140/2012 ("Resolution 229"), was applicable to brokers and brokerage firms, companies managing common investment funds, agents of the over-the-counter market, intermediaries in the purchase or leasing of securities affiliated with stock exchange entities with or without associated markets, and intermediary agents registered on forwards or option markets. Resolution 121 and Resolution 229 regulated, among other things, the obligation to collect documentation from clients and the terms, obligations and restrictions for compliance with the reporting duty regarding suspicious money laundering and terrorism financing transactions and set forth general guidelines in connection with the client's identification (including the distinction between occasional and regular clients), the information to be requested, the documentation to be filed and the procedures to detect and report suspicious transactions.

The main duties established by such resolutions were the following: (a) to create a manual establishing the mechanisms and procedures to be used to prevent money laundering and terrorism financing; (b) to appoint a member of the Board of Directors as compliance officer; (c) to implement periodic audits; (d) to offer personnel training; (e) to create a record of detected unusual (as such term is explained below) and suspicious operations; (f) to implement technological tools to allow for the development of efficient control systems for the prevention of money laundering and terrorism financing; (g) to implement measures to allow persons obliged under Resolution 121 and Resolution 229 to electronically consolidate the transactions carried out with clients, and to develop electronic tools to identify certain behaviors and observe possible suspicious transactions, requesting information and, if applicable, supporting documents from its customers; and (h) to adopt reinforced identification methods applicable to customers with specific features as provided by applicable regulations. Entities covered by Resolution 121 and Resolution 229, as legally bound reporting parties, had to report any money laundering suspicious activity to the UIF within 150 calendar days of its occurrence (or attempt) and any terrorism financing suspicious activity before a 48-hour period of its occurrence (or attempt) has elapsed. In addition, pursuant to UIF Resolution No. 3/2014, within the maximum 150 calendar day period, entities covered by Resolution 121 and Resolution 229 had to report any money laundering suspicious activity to the UIF within 30 calendar days as of the day on which any such activity is qualified as suspicious by such legally bound reporting party.

Reporting parties must also fulfil other requirements, including but not limited to: (a) put together a manual outlining the mechanisms in place to comply with the applicable anti-money laundering law and the rules handed down by the UIF; (b) appoint a Compliance Officer who must necessarily be a member of the Board and who shall watch for the adherence to and implementation of the procedures and obligations set forth in the applicable rules and regulations; (c) set up a "money laundering control and prevention committee" to plan for, coordinate and watch for compliance with the policies laid down by the entity's Board of Directors, (d) arrange for periodical and independent audits of the global anti-money laundering program; and (e) embrace risk analysis policies and develop a written record of the risk analysis and management actions taken in connection with the reported suspicious operations.

In August 2016, UIF Resolution No. 94/2016 established that legally bound reporting parties under Resolution 121 could apply simplified due diligence measures for customer identification when opening a savings account (*i.e.*, presentation of ID, PEP declaration and checking that the holder in the lists of terrorists and/or terrorist

organizations) in cases where the client met certain specified requirements. According to the resolution, the simplified identification measures did not release the legally bound reporting party from the duty of monitoring the operations carried out by such customer. Also, in case any of the requirements stated in the resolution could not be verified, the legally bound reporting parties had to apply the identification measures set out in Resolution 121.

Additionally, following the guidelines of Decree No. 918/2012 described below, the UIF's Resolution No. 29/2013 regulated (i) the method of reporting suspicious transactions of terrorism financing and the persons obligated to do so and (ii) the administrative freezing of assets on natural or legal persons or entities designated by the United Nations Security Council pursuant to Resolution 1267 (1999) and subsequent, or linked to criminal actions under Section 306 of the Argentine Criminal Code, both prior to the report issued pursuant to UIF Resolutions No. 121 and 229, and as mandated by the UIF after receiving such report.

On January 11, 2017, the UIF published Resolution No. 4/17 ("Resolution 4/17"), which allows the legally bound reporting parties detailed in subsections 1, 4 and 5 of section 20 of Law No. 25,246, as amended (i.e., financial entities subject to the FIL, brokers and brokerage firms, companies managing common investment funds, agents of the over-the-counter market, intermediaries in the purchase or leasing of securities affiliated with stock exchange entities with or without associated markets, and intermediary agents registered on forwards or option markets), to apply special due diligence identification measures to foreign and national investors (which must comply with the requirements established by Resolution 4/17 to qualify) to Argentina when at-distance opening special investment accounts. The special due diligence regime shall not exempt the legally bound reporting parties of Resolution 4/17 from monitoring and supervising the transactions performed during the course of the commercial relationship, according to a risk-based approach.

Resolution 4/17 also regulates the due diligence measures between legally bound financial reporting parties. It requires that when the opening of the accounts is requested by settlement and clearing agents, or the "ALyCs," the local financial entity will have complied with current anti-money laundering and counter terrorist financing regulations after performing due diligence with respect to the ALyCs. The ALyCs shall be responsible for performing due diligence with respect to its customers. Resolution 4/17 expressly establishes that, even though the financial entities are not responsible for performing due diligence with respect to the ALyCs' customers, they are not exempt from monitoring and supervising the transactions performed by their clients (the ALyCs) during the course of the commercial relationship, according to a risk-based approach.

The Central Bank and the CNV must also comply with anti-money laundering regulations set forth by the UIF, including reporting suspicious transactions. In particular, the Central Bank must comply with UIF Resolution No. 12/2011, as supplemented by, among other resolutions, Resolutions No. 1/2012 and No 92/2012, which, among other things, sets forth the Central Bank's obligation to evaluate the anti-money laundering controls implemented by Argentine financial institutions (with the limitation of access to the reports and records of suspicious operations, which are, as explained above, confidential and subject only to the UIF's supervision), and lists examples of what circumstances should be specifically considered in order to establish whether a particular transaction may be considered unusual and eventually qualified as suspicious.

Central Bank regulations require Argentine banks to take certain minimum precautions to prevent money laundering and terrorism financing. Each institution must have an anti-money laundering committee, formed by a member of the Board of Directors, the officer responsible for AML/CFT matters (*Oficial de Cumplimiento*) and an upper-level officer for financial intermediation and foreign exchange matters (*i.e.*, with sufficient experience and knowledge on such matters and decision-making powers). Additionally, as mentioned, each financial institution must appoint a member of the Board of Directors as the person responsible for money laundering prevention, in charge of centralizing any information the Central Bank may require on its own initiative or at the request of any competent authority and reporting any suspicious transactions to the UIF. Notwithstanding the officer's role as a liaison with the UIF, all board members have personal, joint, several and unlimited responsibility for the entity's compliance with its reporting duties with the UIF. In addition, this officer will be responsible for the implementation, tracking and control of internal procedures to ensure compliance with the regulations in financial institutions and its subsidiaries.

In this regard, the guidelines issued by the Central Bank to detect unusual, suspicious or terrorist financing money laundering transactions require reporting suspicious transactions, based on the legally bound reporting party's resources and the type of analysis carried out. In particular, the following circumstances, among others, should be

considered: (a) the amounts, types, frequency and nature of the operations carried out by the clients that are not related to their economic background and activity; (b) unusually high amounts, the complexity and the unusual modalities of the operations carried out by the clients; (c) when clients refuse to provide data or documents required by the entities or when the information supplied by them is detected to be altered; (d) when the client does not comply with the applicable rules in the matter; (e) when the client exhibits an unusual disregard for the risks assumed and/or the costs of the transactions are inconsistent with the economic profile of the transaction; (f) when the transactions involve domains, jurisdictions, territories or associated states that are considered "cooperators for the purpose of fiscal transparency" according to the provisions of Article 1 of Decree 589/2013, (g) when several different entities report the same address, or when the same persons represent or are authorized signatories of several different entities, without any economic or legal reason, with special consideration for any of the companies or organizations included in the list contained in section 2(b) of Decree No. 589/2013 whose main activity involved offshore transactions; (h) when the transactions involved are of similar nature, amount, modality or simultaneity, implying that they could have been fragmented into several small-volume transactions, in order to evade the procedures for detecting and/or reporting operations; (i) continued gains or losses on repeated transactions between the same parties; or (j) when there is evidence of the illegal origin, management or destination of funds used in operations, for which the legally bound reporting party does not have an explanation.

Furthermore, pursuant to Communication "A" 5738 (as amended and supplemented, including, without limitation, by Communication "A" 6060) of the Central Bank, Argentine financial institutions must comply with certain additional "know your customer policies." In this sense, pursuant to such Communication, under no circumstance may new commercial relationships be initiated if the "know your customer policies" and the risk management legal standards have not been complied with. In addition, in respect of the existing clients: if the "know your customer policies" could not be complied with, the Argentine financial institution must carry out an analysis based on risk, in order to assess the continuation of operations with such client. The criteria and procedure must be described in the financial entity's risk management internal handbook regarding money laundering regulations. If the Argentine financial institution must discontinue operations with such client, it must do it in accordance with Central Bank's regulations for each type of product. Furthermore, pursuant to this Communication, Argentine financial entities must keep the documentation related to the discontinuance for 10 years and include in their prevention manuals the detailed procedures to initiate and discontinue operations with clients in accordance with the above-mentioned additional "know your customer policies" implemented.

The CNV Rules include a specific chapter regarding "Prevention of Money Laundering and the Financing of Terrorism" and state that the persons set forth therein (Negotiation Agents, Clearing and Settlement Agents (which are stockbrokers), Distribution and Placement Agents, Manager and Custody Agents of Collective Investment Funds, Brokerage Agents, Collective Depositary Agents, issuers with respect to capital contributions, irrevocable capital contributions for future capital increases or significant loans that have been made in its benefit, specifically with respect to the identity of contributors and/or creditors and the origin and legality of the funds so contributed or loaned) are to be considered legally bound to report under the Anti-Money Laundering Law, and therefore must comply with all the laws and regulations in force in connection with anti-money laundering and terrorism financing, including resolutions issued by the UIF, presidential decrees referring to resolutions issued by the United Nations Security Council in connection with the fight against terrorism and the resolutions (and its annexes) issued by the Ministry of Foreign Affairs. In addition, CNV Rules impose certain restrictions in connection with payment arrangements (limiting, among other things, the cash amount that the entities set forth therein could receive or pay per day and per client, to Ps.1,000) and impose certain reporting obligations.

In addition, the CNV Rules establish that the above-mentioned entities shall only be able to carry out any transactions contemplated under the public offering system, when such transactions are carried out or ordered by persons organized, domiciled or resident in dominions, jurisdictions, territories or associated States included in the cooperating countries list contained in Executive Decree No. 589/2013, section 2(b). When such persons are not included in such list and in their home jurisdiction qualify as registered intermediaries in an entity under control and supervision of a body that carries out similar functions to those carried out by the CNV, they will only be allowed to carry out such transactions if they provide evidence indicating that the relevant securities and exchange commission in their home jurisdiction has signed a memorandum of understanding for cooperation and exchange of information with the CNV.

Regarding terrorism financing, Decree No. 918/2012 established the procedures for the freezing of assets linked to terrorism financing (including automatic freezing), and the creation and maintenance procedures (including the inclusion and removal of suspected persons) for registries created in accordance with the relevant United Nations Security Council's resolutions.

On February 17, 2016, the "National Coordination Program for the Prevention of Asset Laundering and the Financing of Terrorism" was created by Executive Decree No. 360/2016 as an instrument of the Ministry of Justice and Human Rights. This Program was assigned the duty to reorganize, coordinate and strengthen the national system for the prevention of money laundering and the financing of terrorism, taking in consideration the specific risks that might have an impact on Argentine territory and the global demand for a more effective compliance with international obligations and recommendations established under United Nations Conventions and the standards of the Financial Action Task Force (FATF). These duties will be performed and implemented through a National Coordinator appointed for this purpose. Also, applicable statutory rules were modified, and it was established that the Ministry of Justice and Human Rights will be the Argentine government's central authority in charge of the inter-institutional coordination among all public and private agencies and entities with competent jurisdiction on this matter, while the UIF will retain the ability to perform operating coordination activities at the national, provincial and municipal levels in relation to matters strictly inherent in its jurisdiction as a financial intelligence agency.

Additionally, through the enactment of Law No. 27,260 and its supplemental Decree No. 895/2016, the UIF was granted the right to provide information to other public entities who also have intelligence or investigation rights, insofar as the sharing of this information has been previously authorized by the president of the UIF as long as there is reasonable, precise and serious evidence of the commission of any of the crimes contemplated under the Anti-Money Laundering Law. The entities receiving the communications of the UIF providing this information will be subject to the confidentiality obligations of Section 22 of the Anti-Money Laundering Law, and will be subject to the criminal penalties of such law if they breach their duty of confidentiality and reveal secret information.

In June 2017, the UIF published Resolution No. 30-E/17, which abrogated Resolution 121 and set the new guidelines that financial and foreign exchange entities must follow as legally bound financial reporting parties under the Anti-Money Laundering Law, based on the revised FATF recommendations of 2012, in order to adopt a risk-based approach. Resolution No. 30-E/17, effective as of September 15, 2017 (except for a few provisions, which are set to become effective on March and June 2018), determines the minimum compliance elements that must be included in a system for the prevention of money laundering and terrorist financing, such as the process of customer due diligence, training programs, operations monitoring, reporting of suspicious operations and non-compliance normative, among others.

Resolution No. 30 provides that financial entities, such as us, are required to take certain actions embracing a Risk-Based Approach, aimed at identifying and assessing their respective risk exposure to money laundering and terrorism financing, in respect of their customers, countries and geographic areas, products and services, operations or distribution channels, including without limitation, reporting to the UIF the operations it considers suspicious of Money Laundering / Financing of Terrorism within 15 calendar days, as of the date on which the entity qualifies the transaction as suspicious. Likewise, the reporting date may not exceed 150 calendar days as of the date of the suspected or attempted operation. The term for the report of a suspicious operation of financing of terrorism will be 48 hours, computed from the date of the operation performed or attempted..

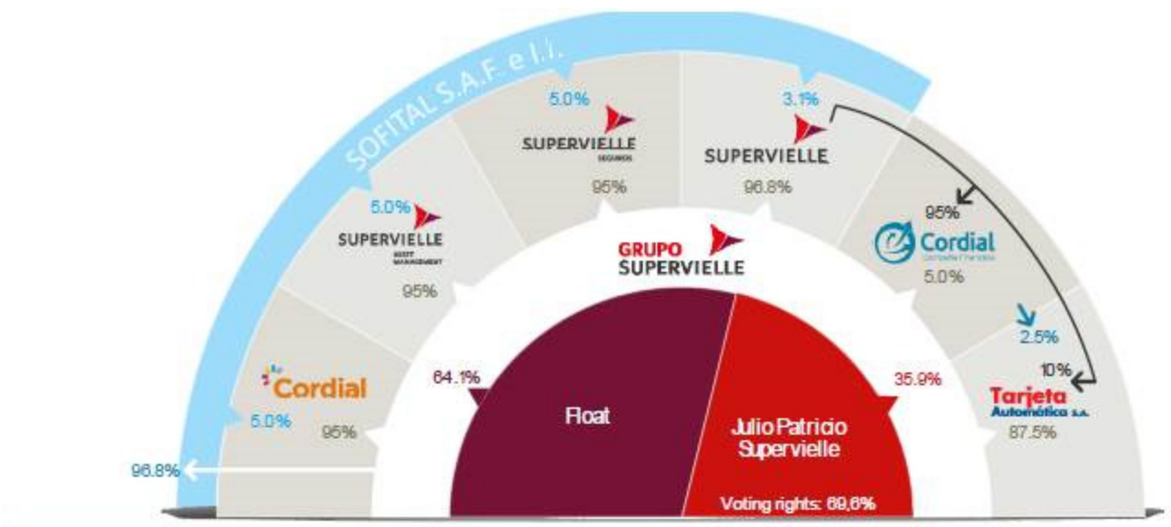
Recently, the Resolution No. 21/2018 ("Resolution 21") was published which replaces the regime imposed by Resolution 229 and amends the Resolution No. 140/2012 regarding publicly offered financial trusts, their trustees, trustors and individuals or legal entities directly or indirectly related to them, in order to adjust to the recommendations of the FATF and implement a risk-based approach. Resolution 21 is applicable to the parties indicated in Section 20 of the Anti-Money Laundering Law, subsection 4): Broker-dealers and stockbrokers, mutual fund management companies, electronic open market agents, and all those intermediaries in the purchase, lease or loan of securities that operate under scope of stock exchanges with or without attached markets; and subsection 5); the intermediary agents enrolled in the markets, futures and options whatever their purpose, including the liquidation and compensation agents, the negotiation agents and the collective investment products management agents of mutual funds. The legal entities referred to in subsection 22) of Section 20 of the Anti-Money Laundering Law that act as financial fiduciaries whose fiduciary securities have authorization of public offering of the CNV are also included under the scope of Resolution 21.

Under Resolution 21, the clients will be categorized according to the risk implied (low, medium or high), which will allow for the application of differentiated due diligence measures while permitting that simplified due diligence measures are executed with respect to clients and stockholders of foreign funds (to the extent they comply with the applicable conditions of their country of origin), thus easing the identification process without weakening the prevention system. Within this framework, individuals are enabled to implement reputable technological platforms that allow carrying out long-distance procedures, without the need to file documentation in person, without it affecting the fulfillment of the applicable requirements.

For an extensive analysis of the money laundering regime in effect as of the date of this annual report, investors should consult legal counsel and read Title XIII, Book 2 of the Argentine Criminal Code and any regulations issued by the UIF, the CNV and the Central Bank in their entirety. For such purposes, interested parties may visit the websites of the Argentine Ministry of Economy, at www.minhacienda.gob.ar, the Argentine Ministry of Public Finance, at www.minfinanzas.gob.ar, the UIF, at www.uif.gov.ar, the CNV, at www.cnv.gob.ar, or the Central Bank, at www.bcra.gob.ar. The information found on such websites is not a part of this annual report.

Item 4.C Organizational structure

The following diagram illustrates our organizational structure as of the date of this annual report. Percentages indicate the ownership interest held.



Grupo Supervielle Share ownership	SOFITAL S.A.F. e I.I.	Banco Supervielle S.A.	Cordial Compañía Financiera	Tarjeta Automatica S.A.	Supervielle Asset Management S.A.	Espacio Cordial de Servicios S.A.	Supervielle Seguros S.A.
Direct participation	96.80%	96.77%	5.0%	87.5%	95.0%	95.0%	95.0%
Direct + indirect participation	100%	99.88%	99.89%	99.99%	100%	100%	100%

The following information is related to our subsidiaries and investees as of the date of this annual report:

Subsidiary	Country of Incorporation/ Residence
Banco Supervielle S.A.	Argentina
Cordial Compañía Financiera S.A.	Argentina
Supervielle Seguros S.A.	Argentina
Supervielle Asset Management S.A.	Argentina
Tarjeta Automática S.A.	Argentina
Sofital S.A.F.e I.I.	Argentina
Espacio Cordial de Servicios S.A.	Argentina

Item 4.D Property, plants and equipment

The Bank owns 4,346 square meters of office space at Reconquista 330 in Buenos Aires and San Martín/Espejo in Mendoza for management, administrative and other commercial purposes and for central area personnel. The Bank also owns 15,046 square meters for retail branch properties in Mendoza, Córdoba, San Luis and Buenos Aires (including 13,001 squares meters of the properties acquired from the financial trust), 1,322 square meters of land in the City of San Luis and the City of Mendoza and 2,832 square meters of properties not related to our core business.

In November 2007 Banco Supervielle securitized certain strategic located branches through the transfer of such properties to a real estate trust "Renta Inmobiliaria I" (the "Supervielle Renta Inmobiliaria Financial Trust") which issued multiple classes of bonds and certificates of participation in the local capital market. Its initial value was U.S.$14.3 million. The Bank leased the branches from the financial trust and paid a monthly rental since then.

Following the securitization terms and conditions, in November 2016, the Bank exercised its priority right to buy all or part of the properties from the Supervielle Renta Inmobiliaria Financial Trust, before these properties were divested by the trustee.

As a consequence, on December 14, 2016, the Bank acquired at market price, all of the properties from the financial trust, using their franchise value, for a total amount of Ps.329.8 million. Subsequently, the Supervielle Renta Inmobiliaria Financial Trust was terminated and the securities were paid back to its holders including the gain on sale of those properties as they were valued at historical acquisition cost.

As we had relevant holdings in the securities issued by the Supervielle Renta Inmobiliaria Financial Trust, we recognized a gain in income from our participation in securization trusts of Ps.137.7 million, a turnover tax of Ps.9.6 million in financial expenses and income tax of Ps.35.7 million.

Supervielle Seguros owns 1,954 square meters of office space located at Reconquista 330 in Buenos Aires.

The rest of our administrative buildings and offices (including our headquarters), branches, senior citizens dedicated branches, sales and collection centers and storage properties are leased pursuant to arm's length agreements.

We sublease from the Bank the offices where our headquarters are located at Bartolomé Mitre 434, 5th Floor, City of Buenos Aires.

Selected Statistical Information

You should read this information in conjunction with our audited consolidated financial statements and related notes, and the information under "*Item 5.A Operating Results*" included elsewhere in this annual report. We prepared this information from our financial records, which are maintained in conformity with Argentine Banking GAAP, and do not reflect adjustments necessary to reflect the information in accordance with U.S. GAAP.

Average Balance Sheets, Interest Earned on Interest-earning Assets and Interest Paid on Interest-bearing Liabilities

The average balances of our interest-earning assets and interest-bearing liabilities, including the related interest that is receivable and payable, are calculated on a daily basis.

Average balances have been separated between those denominated in Pesos and those denominated in U.S. dollars. The nominal interest rate is the amount of interest earned or paid during the period divided by the related average balance.

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The following tables show average balances, interest amounts and nominal rates for our interest-earning assets and interest-bearing liabilities for the years ended December 31, 2017, 2016 and 2015.

	Year ended December 31,								
	2017			2016			2015		
	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate
ASSETS									
Interest-earning assets									
Investment portfolio									
Government and corporate securities									
Pesos	313,110	81,137	25.9%	165,383	33,260	20.1%	197,733	13,932	7.0%
Dollars	1,786,243	437,561	24.5%	597,712	145,409	24.3%	306,386	119,440	39.0%
Total	**2,099,353**	**518,698**	**24.7%**	**763,096**	**178,669**	**23.4%**	**504,119**	**133,372**	**26.5%**
Participation in our securitization trusts(1)									
Pesos	817,612	148,627	18.2%	1,277,081	362,241	28.4%	1,348,974	283,428	21.0%
Dollars	1,240	—	0.0%	—	—	0.0%	—	—	0.0%
Total	**818,852**	**148,627**	**18.2%**	**1,277,081**	**362,241**	**28.4%**	**1,348,974**	**283,428**	**21.0%**
Securities issued by the Central Bank									
Pesos	5,282,857	1,318,422	25.0%	1,846,240	673,993	36.5%	707,491	257,274	36.4%
Dollars	—	—	0.0%	106,696	49,838	46.7%	1,716	—	0.0%
Total	**5,282,857**	**1,318,422**	**25.0%**	**1,952,936**	**723,831**	**37.1%**	**709,207**	**257,274**	**36.3%**
Total Investment Portfolio									
Pesos	6,413,579	1,548,186	24.1%	3,288,704	1,069,494	32.5%	2,254,198	554,634	24.6%
Dollars	1,787,483	437,561	24.5%	704,408	195,247	27.7%	308,102	119,440	38.8%
Total	**8,201,062**	**1,985,747**	**24.2%**	**3,993,113**	**1,264,742**	**31.7%**	**2,562,300**	**674,074**	**26.3%**
Loans and financings:									
Promissory notes(2)									
Pesos	6,190,479	1,395,622	22.5%	3,811,989	1,086,442	28.5%	3,165,116	837,789	26.5%
Dollars	221,412	8,063	3.6%	25,772	882	3.4%	12,530	675	5.4%
Total	**6,411,891**	**1,403,685**	**21.9%**	**3,837,761**	**1,087,324**	**28.3%**	**3,177,646**	**838,464**	**26.4%**
Overdrafts									
Pesos	3,262,587	1,162,911	35.6%	2,509,796	996,571	39.7%	1,638,881	594,315	36.3%
Dollars	63	—	0.0%	—		0.0%	—	—	0.0%
Total	**3,262,650**	**1,162,911**	**35.6%**	**2,509,796**	**996,571**	**39.7%**	**1,638,881**	**594,315**	**36.3%**
Loans to the financial sector									
Pesos	494,945	89,845	18.2%	240,611	73,754	30.7%	28,977	9,173	31.7%
Dollars	13,943	306	2.2%	—	—	0.0%	—	—	0.0%
Total	**508,888**	**90,151**	**17.7%**	**240,611**	**73,754**	**30.7%**	**28,977**	**9,173**	**31.7%**
Mortgage loans									
Pesos	457,344	109,801	24.0%	40,766	8,999	22.1%	59,344	10,014	16.9%
Dollars	—	—	0.0%	—	—	0.0%	—	—	0.0%
Total	**457,344**	**109,801**	**24.0%**	**40,766**	**8,999**	**22.1%**	**59,344**	**10,014**	**16.9%**
Automobile and other secured loans									
Pesos	157,946	30,916	19.6%	78,980	17,271	21.9%	133,740	32,678	24.4%

Dollars	—	—	0.0%	—	—	0.0%	—	—	0.0%
Total	**157,946**	**30,916**	**19.6%**	**78,980**	**17,271**	**21.9%**	**133,740**	**32,678**	**24.4%**
Corporate unsecured loans									
Pesos	4,041,754	1,076,056	26.6%	2,418,252	819,097	33.9%	1,769,763	561,635	31.7%
Dollars	—	—	0.0%	—	—	0.0%	—	—	0.0%
Total	**4,041,754**	**1,076,056**	**26.6%**	**2,418,252**	**819,097**	**33.9%**	**1,769,763**	**561,635**	**31.7%**
Personal loans									
Pesos	12,443,671	6,104,346	49.1%	7,884,433	3,631,979	46.1%	5,170,131	2,144,410	41.5%
Dollars	—	—	0.0%	—	—	0.0%	—	—	0.0%
Total	**12,443,671**	**6,104,346**	**49.1%**	**7,884,433**	**3,631,979**	**46.1%**	**5,170,131**	**2,144,410**	**41.5%**
Credit Card Loans									
Pesos	6,124,034	1,802,651	29.4%	5,399,079	1,733,539	32.1%	4,108,877	1,289,162	31.4%
Dollars	241,143	62	0.0%	145,684	67	0.0%	84,161	224	0.3%
Total	**6,365,177**	**1,802,713**	**28.3%**	**5,544,763**	**1,733,606**	**31.3%**	**4,193,038**	**1,289,386**	**30.8%**

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	Year ended December 31,								
	2017			2016			2015		
	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate
Receivables from financial leases									
Pesos	1,772,213	440,811	24.9%	1,310,083	359,116	27.4%	834,193	207,296	24.8%
Dollars	191,606	14,040	7.3%	7,606	471	6.2%	2,958	115	3.9%
Total	**1,963,819**	**454,851**	**23.2%**	**1,317,689**	**359,587**	**27.3%**	**837,151**	**207,411**	**24.8%**
Total Loans excl. Foreign trade and U$S loans									
Pesos	34,944,973	12,212,959	34.9%	23,693,989	8,726,768	36.8%	16,909,022	5,686,472	33.6%
Dollars	668,167	22,471	3.4%	179,062	1,420	0.8%	99,649	1,014	1.0%
Total	**35,613,140**	**12,235,430**	**34.4%**	**23,873,051**	**8,728,188**	**36.6%**	**17,008,671**	**5,687,486**	**33.4%**
Foreign Trade Loans and U$S loans									
Pesos	—	—	0%	—	—	0.0%	—	—	0.0%
Dollars	7,218,244	361,112	5.0%	2,375,825	130,047	5.5%	645,829	42,975	6.7%
Total	**7,218,244**	**361,112**	**5.0%**	**2,375,825**	**130,047**	**5.5%**	**645,829**	**42,975**	**6.7%**
Total Loans									
Pesos	34,944,973	12,212,959	34.9%	23,693,989	8,726,768	36.8%	16,909,022	5,686,472	33.6%
Dollars	7,886,411	383,583	4.9%	2,554,887	131,467	5.1%	745,478	43,989	5.9%
Total	**42,831,384**	**12,596,542**	**29.4%**	**26,248,876**	**8,858,235**	**33.7%**	**17,654,500**	**5,730,461**	**32.5%**
Other receivables from financial transactions(3)									
Pesos	1,642,667	391,933	23.9%	692,438	218,755	31.6%	159,750	35,164	22.0%
Dollars	1,236	239	19.3%	1,625	187	11.5%	143,294	18,408	12.8%
Total	**1,643,903**	**392,172**	**23.9%**	**694,063**	**218,942**	**31.5%**	**303,044**	**53,572**	**17.7%**
Total interest-earning assets									
Pesos	43,001,219	14,153,078	32.9%	27,675,131	10,015,018	36.2%	19,322,972	6,276,271	32.5%
Dollars	9,675,130	821,383	8.5%	3,260,920	326,901	10.0%	1,196,874	181,837	15.2%
Total	**52,676,349**	**14,974,461**	**28.4%**	**30,936,051**	**10,341,919**	**33.4%**	**20,519,846**	**6,458,108**	**31.5%**
Non interest-earning assets									
Cash and due from banks									
Pesos	6,506,050			4,804,565			3,339,803		
Dollars	4,609,488			2,149,089			1,000,228		
Total	**11,115,538**			**6,953,654**			**4,340,031**		
Unlisted equity Investments									
Pesos	1,580			7,806			5,973		
Dollars	6			1			1		
Total	**1,586**			**7,807**			**5,974**		
Premises and equipment and miscellaneous and intangible assets and unallocated items									
Pesos	1,297,229			1,022,713			878,180		
Dollars	—			—			—		
Total	**1,297,229**			**1,022,713**			**878,180**		
Allowance for loan losses									
Pesos	(1,061,319)			(705,117)			(510,429)		

Dollars	(85,189)	(30,459)	(17,879)
Total	**(1,146,508)**	**(735,576)**	**(528,308)**
Other assets			
Pesos	4,987,001	2,929,059	1,635,717
Dollars	667,947	353,385	109,725
Total	**5,654,948**	**3,282,444**	**1,745,442**
Total non interest-earning assets			
Pesos	11,730,541	8,059,026	5,349,245
Dollars	5,192,252	2,472,016	1,092,075
Total	**16,922,793**	**10,531,042**	**6,441,320**
Total Assets			
Pesos	54,731,760	35,734,156	24,672,217
Dollars	14,867,382	5,732,937	2,288,948
Total	**69,599,142**	**41,467,093**	**26,961,165**

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	Year ended December 31,								
	2017			2016			2015		
	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate
LIABILITIES									
Interest-bearing liabilities									
Special checking accounts									
Pesos	4,139,446	633,945	15.3%	—	—	0.0%	—	—	0.0%
Dollars	1,178,635	3,751	0.3%	—	—	0.0%	—	—	0.0%
Total	**5,318,081**	**637,696**	**12.0%**	—	—	**0.0%**	—	—	**0.0%**
Time deposits									
Pesos	12,567,904	2,299,676	18.3%	11,646,092	3,071,579	26.4%	8,950,016	2,221,941	24.8%
Dollars	1,325,298	8,382	0.6%	806,650	10,282	1.3%	337,459	2,807	0.8%
Total	**13,893,202**	**2,308,058**	**16.6%**	**12,452,742**	**3,081,861**	**24.7%**	**9,287,475**	**2,224,748**	**24.0%**
Borrowings from other financial institutions and unsubordinated negotiable obligations									
Pesos	7,262,083	1,835,753	25.3%	2,332,394	734,321	31.5%	1,530,080	420,682	27.5%
Dollars	701,896	24,345	3.5%	217,832	7,390	3.4%	121,831	2,994	2.5%
Total	**7,963,979**	**1,860,098**	**23.4%**	**2,550,226**	**741,711**	**29.1%**	**1,651,911**	**423,676**	**25.6%**
Subordinated Loans and negotiable obligations									
Pesos	—	—	0.0%	—	—	0.0%	—	—	0.0%
Dollars	1,319,046	128,237	9.7%	1,285,162	128,027	10.0%	800,088	81,282	10.2%
Total	**1,319,046**	**128,237**	**9.7%**	**1,285,162**	**128,027**	**10.0%**	**800,088**	**81,282**	**10.2%**
Total interest-bearing liabilities									
Pesos	23,969,433	4,769,374	19.9%	13,973,486	3,805,899	27.2%	10,480,095	2,642,623	25.2%
Dollars	4,524,875	164,715	3.6%	2,309,644	145,699	6.3%	1,259,378	87,083	6.9%
Total	**28,494,308**	**4,934,089**	**17.3%**	**16,288,130**	**3,951,598**	**24.3%**	**11,739,473**	**2,729,706**	**23.3%**
Low and non-interest bearing liabilities and stockholders' equity									
Savings accounts									
Pesos	8,991,324	2,569	0.0%	6,192,384	740	0.1%	4,616,801	4,556	0.1%
Dollars	3,848,201	1,133	0.0%	1,238,934	3,899	0.1%	286,894	274	0.1%
Total	**12,839,525**	**3,702**	**0.0%**	**7,431,318**	**4,639**	**0.1%**	**4,903,695**	**4,830**	**0.1%**
Demand deposits									
Pesos	6,721,340			6,541,618			4,766,900		
Dollars	2,762,491			601,764			99,828		
Total	**9,483,831**			**7,143,382**			**4,866,728**		
Special checking accounts									
Pesos	—			1,749,023			1,117,708		
Dollars	—			—			—		
Total	—			**1,749,023**			**1,117,708**		
Other liabilities									
Pesos	7,024,815			4,618,267			3,117,904		
Dollars	2,154,935			878,693			171,114		

Total	**9,179,750**	**5,496,961**	**3,289,018**
Non-controlling interest result			
Pesos	20,944	120,803	67,500
Dollars	—	—	—
Total	**20,944**	**120,803**	**67,500**
Stockholders' equity			
Pesos	9,580,785	4,986,499	2,094,750
Dollars	—	—	—
Total	**9,580,785**	**4,986,499**	**2,094,750**
Total low and non-interest- Bearing Deposits			
Pesos	32,339,208	22,459,572	14,663,855
Dollars	8,765,627	2,719,391	557,836
Total	**41,104,835**	**25,178,963**	**15,221,691**

	Year ended December 31,								
	2017			2016			2015		
	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate	Average Balance	Interest Earned/ (Paid)	Average Nominal Rate
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY									
Pesos	56,308,640			36,438,058			25,143,950		
Dollars	13,290,502			5,029,035			1,817,214		
Total	**69,599,142**			**41,467,093**			**26,961,165**		

(1) Includes senior and subordinated bonds and participation certificates.
(2) Consists of unsecured checks and accounts receivable deriving from factoring transactions.
(3) Includes overnight deposit and unlisted corporate bonds.

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Changes in Interest Income and Interest Expense; Volume and Rate Analysis

The following tables allocate, by currency of denomination, changes in our interest income and interest expense. The changes are segregated for each major category of interest-earning assets and interest-bearing liabilities into amounts attributable to changes in the average volume and changes in their respective nominal interest rates for the year ended December 31, 2017 compared to the year ended December 31, 2016 and for the year ended December 31, 2016 compared to the year ended December 31, 2015. We have calculated volume variances based on movements in average balances over the period and rate variance based on changes in interest rates on average interest-earning assets and average interest-bearing liabilities. We have allocated variances caused by changes in both volume and rate to volume.

	Year ended December 31,					
	2017/2016			2016/2015		
	Increase (Decrease) Due to Changes in			Increase (Decrease) Due to Changes in		
	Volume	Rate	Net Change	Volume	Rate	Net Change
	(in thousands of Pesos)					
ASSETS						
Interest-earning assets						
Investment portfolio						
Government and corporate securities						
Pesos	38,281	9,596	47,877	(6,506)	25,834	19,328
Dollars	291,144	1,007	292,152	70,873	(44,904)	25,969
Total	**329,425**	**10,603**	**340,029**	**64,367**	**(19,070)**	**45,297**
Participation in our securitization trusts(1)						
Pesos	(83,523)	(130,091)	(213,614)	(20,392)	99,206	78,813
Dollars	—	—	—	—	—	—
Total	**(83,523)**	**(130,091)**	**(213,614)**	**(20,392)**	**99,206**	**78,813**
Securities issued by the Central Bank						
Pesos	857,663	(213,234)	644,429	415,715	1,004	416,719
Dollars	—	(49,838)	(49,838)	49,036	802	49,838
Total	**857,663**	**(263,072)**	**594,591**	**464,751**	**1,806**	**466,557**
Total Investment Portflolio						
Pesos	754,320	(275,628)	478,692	336,424	178,437	514,860
Dollars	265,128	(22,814)	242,314	109,848	(34,041)	75,807
Total	**1,019,447**	**(298,442)**	**721,005**	**446,272**	**144,396**	**590,668**
Loans and financings:						
Promissory notes(2)						
Pesos	536,222	(227,042)	309,180	184,363	64,290	248,653
Dollars	7,124	57	7,181	453	(246)	207
Total	**543,347**	**(226,986)**	**316,361**	**184,816**	**64,044**	**248,860**
Overdrafts						
Pesos	268,324	(101,984)	166,340	345,816	56,440	402,256
Dollars	—	—	—	—	—	
Total	**268,324**	**(101,984)**	**166,340**	**345,816**	**56,440**	**402,256**
Loans to the financial sector						
Pesos	46,168	(30,077)	16,091	64,872	(291)	64,581
Dollars	306	—	306	—	—	—
Total	**46,474**	**(30,077)**	**16,397**	**64,872**	**(291)**	**64,581**
Mortgage Loans						
Pesos	100,014	788	100,802	(4,101)	3,086	(1,015)
Dollars	—	—	—	—	—	—
Total	**100,014**	**788**	**100,802**	**(4,101)**	**3,086**	**(1,015)**
Automobile and other secured loans						
Pesos	15,457	(1,812)	13,645	(11,975)	(3,432)	(15,407)
Dollars	—	—	—	—	—	—
Total	**15,457**	**(1,812)**	**13,645**	**(11,975)**	**(3,432)**	**(15,407)**
Corporate unsecured loans						
Pesos	432,233	(175,274)	256,959	219,653	37,809	257,462
Dollars	—	—	—	—	—	—
Total	**432,233**	**(175,274)**	**256,959**	**219,653**	**37,809**	**257,462**
Personal loans						
Pesos	2,236,572	235,795	2,472,367	1,250,348	237,221	1,487,569
Dollars	—	—	—	—	—	—
Total	**2,236,572**	**235,795**	**2,472,367**	**1,250,348**	**237,221**	**1,487,569**
Credit card Loans						
Pesos	213,395	(144,284)	69,112	414,259	30,119	444,377
Dollars	25	(30)	(5)	28	(185)	(157)
Total	**213,420**	**(144,313)**	**69,107**	**414,287**	**29,933**	**444,220**

	Year ended December 31,					
	2017/2016			2016/2015		
	Increase (Decrease) Due to Changes in			Increase (Decrease) Due to Changes in		
	Volume	Rate	Net Change	Volume	Rate	Net Change
Receivables from financial leases						
Pesos	114,948	(33,253)	81,695	130,449	21,370	151,820
Dollars	13,483	86	13,569	288	68	356
Total	**128,430**	**(33,167)**	**95,264**	**130,737**	**21,438**	**152,176**
Total Loans excl. Foreign Trade and U$S loans						
Pesos	3,932,119	(445,929)	3,486,190	2,498,981	541,315	3,040,296
Dollars	16,449	4,602	21,051	630	(224)	406
Total	**3,948,568**	**(441,327)**	**3,507,241**	**2,499,611**	**541,091**	**3,040,702**
Foreign Trade Loans and U$S Loans						
Pesos	—	—	—	—	—	—
Dollars	242,255	(11,190)	231,065	94,696	(7,624)	87,072
Total	**242,255**	**(11,190)**	**231,065**	**94,696**	**(7,624)**	**87,072**
Total Loans						
Pesos	3,932,119	(445,929)	3,486,190	2,498,981	541,315	3,040,296
Dollars	259,317	(7,201)	252,116	93,107	(5,629)	87,478
Total	**4,191,437**	**(453,130)**	**3,738,306**	**2,592,088**	**535,686**	**3,127,774**
Other receivables from financial transactions(3)						
Pesos	226,720	(53,542)	173,178	168,287	15,304	183,591
Dollars	(75)	127	52	(16,303)	(1,918)	(18,221)
Total	**226,645**	**(53,415)**	**173,230**	**151,984**	**13,386**	**165,370**
Total interest-earning assets						
Pesos	5,044,306	(906,246)	4,138,060	3,022,461	716,285	3,738,747
Dollars	544,543	(50,061)	494,482	206,917	(61,853)	145,064
Total	**5,588,849**	**(956,307)**	**4,632,542**	**3,229,378**	**654,433**	**3,883,811**
LIABILITIES						
Special checking accounts						
Pesos	633,945	—	633,945	—	—	—
Dollars	3,751	—	3,751	—	—	—
Total	**637,696**	**—**	**637,696**	**—**	**—**	**—**
Time deposits						
Pesos	168,673	(940,576)	(771,903)	711,072	138,566	849,638
Dollars	3,280	(5,180)	(1,900)	5,981	1,494	7,475
Total	**171,953**	**(945,756)**	**(773,803)**	**717,052**	**140,060**	**857,113**
Borrowings from other financial institutions and unsubordinated negotiable obligations						
Pesos	1,246,156	(144,724)	1,101,432	252,597	61,042	313,639
Dollars	16,790	165	16,955	3,257	1,139	4,396
Total	**1,262,946**	**(144,559)**	**1,118,387**	**255,854**	**62,181**	**318,035**
Subordinated Loan						
Pesos	—	—	—	—	—	—
Dollars	3,294	(3,084)	210	48,323	(1,578)	46,745
Total	**3,294**	**(3,084)**	**210**	**48,323**	**(1,578)**	**46,745**
Total interest-bearing liabilities						
Pesos	1,987,972	(1,024,497)	963,475	952,501	210,775	1,163,276
Dollars	80,639	(61,623)	19,016	66,254	(7,638)	58,616
Total	**2,068,611**	**(1,086,120)**	**982,491**	**1,018,755**	**203,137**	**1,221,892**
Low & Non-Interest Bearing Deposits and Saving accounts						
Pesos	800	(2,130)	(1,330)	992	(1,649)	(657)
Dollars	768	(375)	393	569	(103)	466
Total	**1,568**	**(2,505)**	**(937)**	**1,561**	**(1,752)**	**(191)**

(1) Includes senior and subordinated bonds and participation certificates.
(2) Consists of unsecured checks and accounts receivable deriving from factoring transactions.
(3) Includes overnight deposits and unlisted corporate bonds.

Interest-earning Assets: Net Interest Margin and Spread

The following table analyzes, by currency of denomination, our levels of average interest-earning assets and net interest income, and illustrates the comparative margins and spreads for each of the years indicated.

	Year ended December 31,		
	2017	2016	2015
	(in thousands of Pesos, except percentages)		
Average interest-earning assets(1)(2)			
Pesos	43,001,219	27,675,131	19,322,972
Dollars	9,675,130	3,260,920	1,196,874
Total	**52,676,349**	**30,936,051**	**20,519,846**
Net interest earned			
Pesos	9,381,135	6,205,220	3,629,092
Dollars	655,535	180,462	94,480
Total	**10,036,670**	**6,385,682**	**3,723,572**
Net Interest Margin			
Pesos	21.8%	22.4%	18.8%
Dollars	6.8%	5.5%	7.9%
Weighted average yield(3)	**19.1%**	**20.6%**	**18.1%**
Yield Spread			
Pesos	18.4%	17.3%	14.9%
Dollars	6.5%	5.9%	9.5%
Weighted interest spread(4)	**16.5%**	**16.8%**	**15.0%**
Gross Yield			
Pesos	32.9%	36.2%	32.5%
Dollars	8.5%	10.0%	15.2%

(1) Includes all loans, leasing agreements and investments (including public and private bonds, Central Bank notes and securitization securities) and other receivables from financial intermediation that earn interest.
(2) These figures represent daily averages.
(3) Takes into account the average interest earned on interest-earning assets and is weighted in accordance with the volume of each asset.
(4) Takes into account the average interest earned on interest-earning assets, net of average interest paid on interest-bearing liabilities.

Investment Portfolio

We own, manage and trade a portfolio of securities issued by the Argentine government and other public sector and corporate issuers. We also hold senior and subordinated bonds and participation certificates in financial trusts created in connection with our securitization transactions. The following table sets out our investments in Argentine and other governments and corporate securities, including holdings in senior and subordinated bonds and participation certificates in financial trusts as of December 31, 2017, 2016 and 2015 by type and currency of denomination.

	Year ended December 31,		
	2017	2016	2015
	(in thousands of Pesos)		
LISTED GOVERNMENT SECURITIES			
Holdings of Trading Securities			
LOCAL			
In Pesos:			
Argentine sovereign bonds in Pesos maturity 2020	7,288	—	—
Argentine sovereign bonds in Pesos maturity 2019	—	33,161	—
Argentine sovereign bonds in Pesos maturity 2018	—	20,511	—
Argentine sovereign bonds in Pesos maturity 2017	—	3,270	—
National Treasury Bonds maturity 09/30/2016 (BONAC)	—	—	6,345
National Treasury Bonds maturity 05/09/2016 (BONAC)	—	—	10,145
National Treasury Bonds maturity 2016 (BONAR)	—	—	6,150
Consolidated bonds	—	—	1,027
Securities denominated in Pesos discount	—	158	—
Secured government bonds in Pesos (Decree 1579/02) 2018	4	—	7
Others	—	—	—
In Foreign Currency:			
Treasury Bills in dollars	1,051,554	—	—

	Year ended December 31,		
	2017	2016	2015
		(in thousands of Pesos)	
Argentine sovereign bonds in dollars 8.28% maturity 2033	—	—	8,446
Argentine sovereign bonds in dollars 8.75% maturity 2024	53,571	—	183
Argentine sovereign bonds in dollars 8% maturity 2020 BONAR XX	65,915	14	—
Argentine sovereign bonds in dollars 7% maturity 2017	—	20	—
Argentine sovereign bonds in dollars 7.5% maturity 04 2026	8,636	—	—
Securities denominated in dollars discount maturity 2033	—	155	—
Argentine sovereign bonds in dollars 0.75%, maturity 2017 (BONAD)	—	—	56,505
Argentine sovereing bonds in dollars 1.75% maturity 2016 (BONAD)	—	—	13
Argentine sovereign bonds in dollars 7% maturity 2017 (BONAR X)	—	—	54,025
Argentine sovereign bonds in dollars 2.40% maturity 2018	—	42,815	79,203
Argentine sovereign bonds in dollars 4% maturity 2016 (BAADE)	—	—	7,579
Argentine sovereign bonds in dollars 0.75% maturity 2017	—	25,137	—
Others	228	2	—
Total listed government securities	**1,187,196**	**125,243**	**229,628**
UNLISTED GOVERNMENT SECURITIES			
In Forign Currency:			
Treasury Bills in dollars, maturity 2017	505,149	818,853	—
Argentine sovereign bonds in U.S. dollars 9% maturity 2018	437	—	—
Others	3,003	—	—
Total unlisted government securities	**508,589**	**818,853**	**—**
SECURITIES ISSUED BY THE ARGENTINE CENTRAL BANK			
Listed			
Central Bank Bills in Pesos	13,611,524	336,785	645,218
Unlisted			
Central Bank Bills in Pesos	103	1,077,268	46,028
Total securities issued by the Argentine Central Bank	**13,611,627**	**1,414,053**	**691,246**
INVESTMENTS IN LISTED CORPORATE SECURITIES			
LOCAL			
Others	38,624	1,895	11,008
Total investments in listed corporate securities	38,624	1,895	11,008
Total government and corporate securities	**15,346,036**	**2,360,044**	**931,881**
PARTICIPATION IN SECURITIZATION TRUSTS(1)			
Financial trusts debt securities — senior	99,969	100,644	664,933
Financial trusts debt securities — subordinated	—	—	167
Financial trusts participation certificates	470,238	530,607	706,956
Total	**570,207**	**631,251**	**1,372,056**

(1) Included within “other receivables from financial transactions”. Consists mainly of participations in financial trusts created pursuant to our own securitization transactions.

As of December 31, 2017, we held securities issued by the Central Bank for a total of approximately Ps.13.6 billion, in terms of market value and book value. These amounts exceeded 10% of our shareholders’ equity as of such dates and represented 14.5% of our total assets.

Remaining Maturity of Investment Portfolio

The following table analyzes the remaining maturities of our investment portfolio (including our holdings in senior and subordinated bonds and participation certificates in financial trusts) as of December 31, 2017 based on their terms when issued.

	Maturing				
	Within 1 year	After 1 year but within 5 years	After 5 years but within 10 years	After 10 years	Total Amount as of December 31, 2017
	(Book value in thousands of Peso, except percentages)				
LISTED GOVERNMENT SECURITIES					
Holdings of Trading Securities					
LOCAL					
In Pesos:					
Argentine sovereign bonds in Pesos maturity 2020	—	7,288			7,288
Secured government bonds in Pesos (Decree 1579/02) 2018	4	—	—	—	4
Others	—	—	—	—	—
In Foreign Currency:					
Treasury Bills in dollars	1,051,554	—	—	—	1,051,554
Argentine sovereign bonds in dollars 8.75%, maturity 2024	—	—	53,571	—	53,571
Argentine sovereign bonds in dollars 8%, maturity 2020 BONAR XX	—	65,915	—	—	65,915
Argentine sovereign bonds in dollars 7,5% maturity 04 2026	—	8,636	—	—	8,636
Others	—	101	—	127	228
Total listed government securities	1,051,558	81,940	53,571	127	1,187,196
UNLISTED GOVERNMENT SECURITIES					
In Pesos:					
Social Security Consolidation Bonds	—	—	—	—	—
GDP Bonds Linked Securities in Pesos 2035	—	—	—	—	—
Consolidation bonds in dollars 5th Series	—	—	—	—	—
In Foreign Currency:					
GDP Bonds linked securities USD 2035	—	—	—	—	—
Treasure letters in dollars	505,149	—	—	—	505,149
Argentine sovereign bonds in dollars 9 % maturity 2018	437	—	—	—	437
Others	3,003	—	—	—	3,003
Total unlisted government securities	508,589	—	—	—	508,589
SECURITIES ISSUED BY THE ARGENTINE CENTRAL BANK					
Listed					
Central Bank Bills in Pesos	13,611,524	—	—	—	13,611,524
Central Bank Notes in Pesos	—	—	—	—	—
Unlisted					
Central Bank Bills in Pesos	103	—	—	—	103
Central Bank Notes in Pesos	—	—	—	—	—
Total securities issued by the Argentine Central Bank	13,611,627	—	—	—	13,611,627
INVESTMENTS IN LISTED CORPORATE SECURITIES					
LOCAL					
Others	38,624	—	—	—	38,624
Total investments in listed corporate securities	38,624	—	—	—	38,624
Total government and corporate securities	**15,210,398**	**81,940**	**53,571**	**127**	**15,346,036**
PARTICIPATION IN SECURITIZATION TRUSTS(1)					
Financial trusts debt securities — senior	97,890	2,079	—	—	99,969
Financial trusts debt securities — subordinated	—	—	—	—	—
Financial trusts participation certificates	—	470,238	—	—	470,238
Total	**97,890**	**472,317**	—	—	**570,207**
Weighted average yield	29.3%	42.1%	83.2%	76.0%	

(1) Included within "other receivables from financial transactions". Consists mainly of participations in financial trusts created pursuant to our own securitization transactions.

Loan and Financing Portfolio

The following table analyzes our loan and financing portfolio by type as of December 31, 2017, 2016, 2015, 2014 and 2013.

	Grupo Supervielle S.A.				
	As of December 31,				
	2017	2016	2015	2014	2013
	(in thousands of Pesos)				
Loans and financings					
To the non-financial public sector	32,607	4,306	8,778	12,666	15,699
To the financial sector	419,366	473,414	181,734	3,514	36,029
To the non-financial private sector and foreign residents:					
Overdrafts	3,616,843	3,110,097	1,634,870	993,284	679,085
Promissory notes(1)(2)	14,665,561	9,101,773	5,707,289	5,296,100	4,272,286
Mortgage loans	1,549,765	78,057	50,032	69,554	83,660
Automobile and other secured loans	313,724	65,076	104,469	168,603	225,901
Personal loans	14,818,163	9,916,776	6,018,601	3,631,840	2,970,622
Credit card loans	7,966,037	6,678,578	5,677,922	3,688,328	2,410,111
Foreign trade loans and U.S. dollar loans	11,215,752	5,311,475	618,410	591,887	530,186
Others	1,890,153	1,056,104	763,469	557,827	410,710
Less: allowance for loan losses	(1,533,598)	(899,147)	(617,313)	(417,023)	(342,000)
Total loans	**54,954,373**	**34,896,509**	**20,148,261**	**14,596,580**	**11,292,289**
Other receivables from financial transactions(3)					
Unlisted corporate bonds	66,619	29,166	14,243	191,372	145,718
Others	955,649	669,119	423,640	243,246	107,028
Plus: accrued interest and adjustment receivables	—	1	1	1	1
Less: allowances	(10,326)	(5,807)	(5,944)	(5,221)	(4,439)
Total other receivables from financial transactions	**1,011,942**	**692,479**	**431,940**	**429,398**	**248,308**
Receivables from financial leases	2,544,557	1,543,109	1,090,368	590,960	519,197
Less: Allowances for receivables from financial leases	(25,356)	(15,254)	(15,391)	(7,114)	(7,317)
Total receivables from financial leases	**2,519,201**	**1,527,855**	**1,074,977**	**583,846**	**511,880**
Total financing	**58,485,516**	**37,116,843**	**21,655,178**	**15,609,824**	**12,052,477**

(1) Consists of unsecured checks and accounts receivable deriving from factoring transactions, and unsecured corporate loans that totaled Ps.5,238.4 million, Ps.3,102.8 million, Ps.2,399.3 million, Ps.1,547.5 million and Ps.979.9 million as of December 31, 2017, 2016, 2015, 2014 and 2013, respectively.

(2) The Bank purchases promissory notes at less than face value. Documented interest is the difference between face value and the price paid for the promissory notes, plus accrued interest, and represents the income that will accrue during the life of the promissory note. The face value of the promissory note is listed under the item "Promissory notes."

(3) Includes only line-items within other receivables from financial transactions that are considered financings under Argentine Banking GAAP.

As of December 31, 2017, our loan and financing portfolio (net of allowances for loan losses) amounted to Ps.58.5 billion, a 57.6% increase when compared to December 31, 2016, driven by a 58.4% increase in loans to the non financial private sector compared to a 51.7% increase of the Argentine financial system as a whole (which includes private banks, public banks and other financial institutions). If we also consider the loan portfolio outstanding in each of the financial trusts created in connection with our securitizations, the annual increase in our loan and financing portfolio was 55.3%. Loans to the financial and non financial public sector as of December 31, 2017 amounted to Ps.452.0 million, Ps.25.4 million lower than the Ps.477.7 million outstanding as of December 31, 2016.

Loan and financing portfolio, including the loan portfolio outstanding in each of the financial trusts created in connection with our securitizations, is not a measure defined by Argentine Banking GAAP. This measure represents our loan and financing portfolio as of each period end derived from our balance sheet plus the loan portfolio outstanding in each of the financial trusts created in connection with our securitizations for the same periods. The measure is an important indicator of our loan origination and administration capacity. The loan portfolio outstanding in all of the financial trusts created in connection with our securitizations totaled Ps.1.3 billion, Ps.1.4 billion and Ps.2.7 billion as of December 31, 2017, 2016 and 2015, respectively. These measures have inherent limitations, such as the lack of comparability, the absence of a standard defining how to perform calculations so that these

calculations are uniformly applied and the fact that they are not audited. To mitigate these limitations, we have procedures in place to calculate these measures using the appropriate Argentine Banking GAAP or other regulations. Although these measures are frequently used in the evaluation of performance, they have the above mentioned limitations as analytical tools, and should not be considered in isolation, or as a substitute for, analysis of results as reported under Argentine Banking GAAP.

The following table sets forth information describing variations in our loan and financing portfolio taking into account the impact of transfers to financial trusts created in connection with our securitizations as of the dates indicated below:

	Grupo Supervielle S.A.				
	As of December 31,				
	2017	2016	2015	2014	2013
	(in thousands of Pesos)				
Total loan and financing portfolio (net of allowances for loan losses)	**58,485,516**	**37,116,843**	**21,655,178**	**15,609,824**	**12,052,477**
Personal loan portfolio outstanding in each of the financial trusts (net of allowances for loan losses)(1)	1,423,852	1,367,117	2,465,621	2,613,915	2,176,414
Receivables from financial leases outstanding in each of the financial trusts (net of allowances for receivables from financial leases)(1)	(128,530)	46,310	244,922	444,341	304,145
Total financing including loan and financing portfolio outstanding in each of our financial trusts	**59,780,838**	**38,530,270**	**24,365,721**	**18,668,080**	**14,533,036**

(1) Net of allowances for loan losses and allowances for receivables from financial leases, which together totaled Ps.128.5, Ps.70.4 million, Ps.74.1 million, Ps.68.1 million and Ps.83.0 million for the years ended December 31, 2017, 2016, 2015, 2014 and 2013, respectively.

Maturity Composition of the Loan and Other Financing Portfolio

The following table analyzes our loan and other financing portfolio as of December 31, 2017 by type and by the time remaining to maturity. Loans and financings are stated before deduction of allowances for loan losses.

	Maturing			
	Within 1 year	After 1 year through 5 years	After 5 years	Total amount as of December 31, 2017
	(in thousands of Pesos except percentages)			
Loans				
To the non-financial public sector	5,976	26,631	—	32,607
To the financial sector	341,685	77,681	—	419,366
To the non-financial private sector and foreign residents:	—	—	—	
Promissory notes(1)	12,985,730	1,679,831	—	14,665,561
Overdrafts	3,616,843	—	—	3,616,843
Mortgage loans	3,867	6,402	1,539,496	1,549,765
Automobile and other secured loans	284,083	29,641	—	313,724
Personal loans	6,399,231	8,317,398	101,534	14,818,163
Credit card loans	7,580,914	385,123	—	7,966,037
Foreign trade loans and U.S. dollar loans	6,479,097	4,678,069	58,586	11,215,752
Other loans	1,466,291	417,342	6,520	1,890,153
Total loans	**39,163,717**	**15,618,118**	**1,706,136**	**56,487,971**
Percentage of total loan portfolio	**69.3%**	**27.7%**	**3.0%**	**100.0%**
Other receivables from financial transactions				
Unlisted corporate bonds	1,150	65,469	—	66,619
Others	316,984	638,665	—	955,649
Plus: accrued interests and adjustments receivable included in the debtor classification regulation	—	—	—	—
Total other receivables from financial transactions	**318,134**	**704,134**	**—**	**1,022,268**
Percentage of total loan portfolio	**31.1%**	**68.9%**	**0.0%**	**100.0%**
Total receivables from financial leases	929,260	1,609,311	5,986	**2,544,557**
Percentage of total portfolio of receivables from financial leases	**36.5%**	**63.3%**	**0.2%**	**100.0%**

(1) Consists of unsecured checks and accounts receivable deriving from factoring transactions.

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Interest Rate Sensitivity

The following table analyzes our loan and other financing portfolio as of December 31, 2017 by type of interest rate. Loans and financings are stated before deduction of allowances for loan losses.

	As of December 31, 2017			
	Loans	Other receivables from financial transactions(1)	Receivables from financial leases	Total
	(in thousands of Pesos)			
Variable rate				
Ps.	2,420,476	17,314	401,359	2,839,149
Foreign currency	—	—	6,168	6,168
Sub Total	2,420,476	17,314	407,527	2,845,317
Fixed rate				
Ps.	41,759,893	991,222	1,825,797	44,576,912
Foreign currency	12,307,602	13,732	311,233	12,632,567
Sub Total	54,067,495	1,004,954	2,137,030	57,209,479
Total	**56,487,971**	**1,022,268**	**2,544,557**	**60,054,796**

(1) Includes only line-items within other receivables from financial transactions that are considered financings under Argentine Banking GAAP.

Loans and Financings — Portfolio Classification

The following table presents our loan and other financing portfolio, before the deduction for allowances for loan losses, using the classification system of the Central Bank in effect at the end of each year indicated:

	Grupo Supervielle S.A.								
	Year ended December 31,								
	2017	%	2016	%	2015	%	2014	%	2013	%
	(in thousands of Pesos, except percentages)									
Loan portfolio categories										
Normal situation (1)	53,804,419	95.2%	34,057,394	95.1%	19,613,596	94.5%	14,192,413	94.5%	11,038,865	94.9%
Subject to special monitoring-under observation- in negotiation or subject to refinancing agreements/low risk (2)	1,062,117	1.9%	726,232	2.0%	470,003	2.3%	357,393	2.4%	233,641	2.0%
With problems/ medium risk (3)	772,064	1.4%	498,572	1.4%	264,492	1.3%	176,231	1.2%	152,207	1.3%
High risk of insolvency/ high risk (4)	816,289	1.4%	494,126	1.4%	364,649	1.8%	256,510	1.7%	187,607	1.6%
Uncollectible (5)	31,536	0.1%	18,533	0.1%	52,533	0.3%	30,668	0.2%	21,729	0.2%
Uncollectible, classified as such under regulatory requirements (6)	1,546	0.0%	799	0.0%	301	0.0%	387	0.0%	242	0.0%
Total loans	**56,487,971**	**100%**	**35,795,656**	**100.0%**	**20,765,574**	**100.0%**	**15,013,603**	**100.0%**	**11,634,289**	**100.0%**
Other receivables from financial transactions portfolio categories										
Normal situation (1)	910,419	89.1%	648,582	92,9%	407,884	93.1%	422,043	97.1%	243,131	96.2%
Subject to special monitoring-under observation- in negotiation or subject to refinancing agreements/low risk (2)	44,922	4.4%	20,568	2.9%	13,022	3.0%	4,587	1.1%	3,718	1.5%
With problems/ medium risk (3)	25,321	2.4%	12,822	1.8%	6,048	1.4%	2,532	0.6%	1,980	0.8%
High risk of insolvency/ high risk (4)	37,862	3.7%	14,746	2.1%	7,902	1.8%	3,822	0.9%	3,066	1.2%
Uncollectible (5)	3,720	0.4%	1,562	0.2%	3,028	0.7%	1,633	0.4%	850	0.3%
Uncollectible, classified as such under regulatory requirements (6)	24	0.0%	6	0.0%	—	0.0%	1	0.0%	2	0.0%
Total Other receivables from financial transactions	**1,022,268**	**100%**	**698,286**	**100.0%**	**437,884**	**100.0%**	**434,619**	**100.0%**	**252,747**	**100.0%**
Categories of receivables from financial leases										
Normal situation (1)	2,486,954	97.7%	1,510,245	97.9%	1,065,057	97.7%	567,063	96.0%	489,224	94.2%
Subject to special monitoring-under observation- in negotiation or subject to refinancing agreements/low risk (2)	36,687	1.4%	18,114	1.2%	12,113	1.1%	12,715	2.6%	20,285	3.9%
With problems/ medium risk (3)	6,125	0.1%	5,331	0.3%	1,674	0.2%	6,010	1.0%	3,099	0.6%
High risk of insolvency/ high risk (4)	13,767	0.5%	9,386	0.6%	10,987	1.0%	1,098	0.2%	6,045	1.2%
Uncollectible (5)	1,024	0.0%	33	0.0%	537	—	4,074	0.7%	544	0.1%
Uncollectible, classified as such under regulatory requirements	—	0.0%	—	0.0%	—	0.0%	—	0.0%	—	0.0%
Total receivables from financial leases	**2,544,557**	**100%**	**1,543,109**	**100.0%**	**1,090,368**	**100.0%**	**590,960**	**100.0%**	**519,197**	**100.0%**

(1) Current loans and loans up to 31 days past due on principal or interest. Borrower can readily service all financial obligations: shows strong cash flow, liquid current financial situation, adequate financial structure, punctual payment record, capable management, timely and precise available information and satisfactory internal controls. Borrower is determined to be in the top 50.0% of an industry that is performing well and has a good outlook.

(2) Debt payment is occasionally delinquent, with arrears from 31 to 90 days. Under observation: cash flow analysis indicates that, at the time made, the customer is able to honor all financial commitments. However, there are potential situations that, unless timely controlled or corrected, may affect the customer's future payment capacity. Under negotiation or with refinancing agreements includes customers that, upon their inability to pay their obligations on agreed upon conditions, state their intention to refinance their debts within 60 days computed from the date of their default in payment.
(3) Debt is in arrears at least 91 days and up to 180 days. Cash flow analysis evidences difficulties in servicing of debt on agreed terms, such that if the problems are not solved, they may result in some loss.
(4) Judicial proceedings demanding payment have been initiated against the borrower, or the borrower is delinquent with arrears greater than 180 days and up to one year. Cash flow analysis demonstrates that full repayment of the borrower's obligations is highly improbable.
(5) Loans to insolvent or bankrupt borrowers, or borrowers subject to judicial proceedings, with little or no possibility of collection, or in arrears in excess of one year. Loans in this category are considered total losses. Although these assets could have a possibility of recovery under certain future circumstances, lack of collectability is evident as of the date of analysis.
(6) Loans to borrowers indicated by the Central Bank to be more than 180 days in arrears to any liquidated or bankrupt financial entity.

Amounts Past Due and Non-accrual Loans and Other Financing

The following table analyzes our non-accrual loan and other financing portfolio, by type of loan as of the dates indicated, as well as amounts past due in our loan and other financing portfolio, by type of loan and other financing as of the dates indicated.

The past due loans listed in the table below include loans of the Bank, Tarjeta, Espacio Cordial and CCF past due more than 90 days and Cordial Microfinanzas loans past due more than 30 days.

Our policy for placing Bank and CCF loans on non-accrual status is prescribed by Central Bank regulations, which consider both quantitative and qualitative factors. Loans are deemed either "With problems/Medium risk," "High risk of insolvency/High risk" or "Uncollectible." Loans deemed "With problems/Medium risk" are those loans to individuals that are in arrears at least 91 days and up to 180 days, or those loans to businesses for which cash flow analysis suggests problems in normal servicing of existing debt, such that if the problems are not resolved, we may incur some loss. Loans deemed "High risk of insolvency/High risk" are (i) those of borrowers against whom judicial proceedings have been initiated for payment, (ii) those whose borrowers are delinquent with arrears greater than 180 days and up to one year, and (iii) those for which cash flow analysis suggests that full repayment of the borrower's obligations is highly improbable. Lastly, loans deemed "Uncollectible" are those (i) to insolvent or bankrupt borrowers, or borrowers subject to judicial proceedings, with little or no possibility of collection, or (ii) those in arrears in excess of one year. Loans in the "Uncollectible" category are considered total losses.

	Grupo Supervielle S.A.				
	Year ended December 31,				
	2017	2016	2015	2014	2013
	(in thousands of Pesos)				
Non-Accrual Loans					
To the non-financial private sector and foreign residents					
Overdrafts	53,285	32,840	35,388	28,044	25,936
Promissory notes(1)	20,266	20,423	17,709	22,349	4,903
Unsecured corporate loans	34,389	24,313	36,125	10,159	13,472
Mortgage loans	—	4,473	207	403	1,018
Automobile and other secured loans	675	888	3,237	7,228	7,480
Personal loans	1,022,771	658,513	336,448	241,946	189,309
Credit card loans	458,846	282,414	244,396	152,331	119,772
Foreign Trade Loans	767	—	3,810	—	2,627
Other Loans	30,436	17,400	13,530	8,840	6,129
Total Non-Accrual Loans	**1,621,435**	**1,041,264**	**690,850**	**471,300**	**370,645**
Other receivables from financial transactions					
Others	66,927	9,597	8,103	4,762	3,344
Total Non-Accrual Other receivables from financial transactions	**66,927**	**9,597**	**8,103**	**4,762**	**3,344**
Receivables from financial leases	20,916	14,750	13,198	11,182	9,688
Total Non-Accrual receivables from financial leases	**20,916**	**14,750**	**13,198**	**11,182**	**9,688**
Total Non-Accrual Financings	**1,709,278**	**1,065,611**	**712,151**	**487,244**	**383,677**
Non-Accrual Financings					
With Preferred Guarantees	25,006	25,747	17,698	23,849	25,488
With Other Guarantees	—	—	—	—	—
Without Guarantees	1,684,272	1,039,864	694,352	463,299	358,172
Total Non-Accrual Financings	**1,709,278**	**1,065,611**	**712,151**	**487,244**	**383,677**

	Grupo Supervielle S.A.				
	Year ended December31,				
	2017	2016	2015	2014	2013
	(in thousands of Pesos)				
Past Due Loans					
To the non-financial private sector and foreign residents					
Overdrafts	44,700	51,259	4,413	34,044	13,048
Promissory notes(1)	19,204	23,695	50,026	23,128	6,793
Unsecured corporate loans	51,364	46,789	141,557	36,397	15,476
Mortgage loans	—	6,141	47	5,685	957
Automobile and other secured loans	80	857	1,060	6,309	6,207
Personal loans	994,693	558,722	123,072	204,569	166,708
Credit card loans	309,950	202,698	256,475	115,312	95,504
Foreign trade loans	1,307	2,562	47,476	25,461	5,476
Other loans	32,941	13,102	36,629	8,434	5,088
Total Past Due Loans	**1,454,238**	**905,825**	**660,755**	**459,339**	**315,257**
Other receivables from financial transactions					
Others	3,456	8,322	1,946	2,870	1,857
Total Past Due Other receivables from financial transactions	**3,456**	**8,322**	**1,946**	**2,870**	**1,857**
Receivables from financial leases	42,312	21,602	113,375	19,168	9,593
Total Past Due Financings	**1,500,006**	**935,749**	**776,076**	**481,377**	**326,707**
Past Due Financings					
With Preferred Guarantees	65,418	70,901	119,075	70,821	24,792
Without Guarantees	1,434,588	864,848	657,001	410,556	301,915
Total Past Due Financings	**1,500,006**	**935,749**	**776,076**	**481,377**	**326,707**

(1) Consists of unsecured checks and accounts receivable deriving from factoring transactions.

Risk Element — Interest

The following table analyzes the gross interest income that would have been recorded in the year ended December 31, 2017 if the loans had been current in accordance with their original terms and had been outstanding throughout the period or since origination, if held for part of the period, as well as the amount of interest income on those loans that was included in net income for the period.

	As of December 31, 2017
	(in thousands of Pesos)
Interest income that would have been recorded on non-accrual loans on which the accrual of interest was discontinued	180,181
Interest on loans classified as non-accrual included in net income	112,969

Analysis of the Allowance for Loan Losses

The Central Bank's regulations require financial institutions to classify certain consumer or housing loans in excess of Ps.5.0 billion as commercial loans, and allow financial institutions to classify certain commercial loans of up to Ps.5.0 billion as consumer and housing loans. See "*Argentine Banking Regulation—Liquidity and Solvency Requirements—Debt Classification and Loan Loss Provisions—Credit Portfolio*." As of December 31, 2017 we did not hold any consumer or housing loans in excess of Ps.5.0 billion classified as commercial loans and we held commercial loans for less than Ps.5.0 billion for which we applied the consumer and housing loan classification for a total amount of Ps.4.3 billion. The estimated impact derived from the application of this classification on our loan loss provisions and allowance for loan losses for the year ended December 31, 2017 was an increase of Ps.6.5 million in both items.

The table below sets forth annual variations in the allowances for loan losses for the years ended December 31, 2017, 2016, 2015, 2014 and 2013. See " *Item 5.A Operating Results—Critical Accounting Policies—Allowances for Loan Losses*." Amounts below include allowances for loans, leasing and other receivables from financial transactions.

	Grupo Supervielle S.A.				
	Year ended December 31,				
	2017	2016	2015	2014	2013
	(in thousands of Pesos)				
Balance at the beginning of the year	920,208	638,648	429,358	353,756	295,691
Provisions charged to income	1,820,169	1,057,637	543,844	356,509	350,535
Write-offs and reversals(1)	(1,194,018)	(776,077)	(334,554)	(280,907)	(296,985)
Other adjustments	23,575	—	—	—	4,515
Balance at the end of year	**1,569,934**	**920,208**	**638,648**	**429,358**	**353,756**
Provisions net of write-offs and reversals	1.5%	1.1%	1.2%	0.6%	0.6%
Provisions charged to income					
Promissory notes(2)	63,519	58,557	2,228	33,143	18,218
Unsecured corporate loans	37,305	34,929	31,089	15,163	10,764
Overdrafts	40,755	67,737	27,392	17,752	14,967
Mortgage loans	14,253	2,348	58	219	984
Automobile and other secured loans	3,499	1,512	941	3,928	5,831
Personal loans	1,091,171	542,792	265,770	140,817	138,146
Credit cards loans	403,312	231,421	185,849	126,429	112,726
Foreign Trade Loans	59,942	67,737	1,820	4,497	3,483
Other financings	46,363	14,943	8,507	4,179	34,213
Other receivables from financial transactions	42,750	11,453	5,957	6,366	4,508
Receivables from financial leases	17,300	24,208	14,233	4,016	6,695
	1,820,169	**1,057,637**	**543,844**	**356,509**	**350,535**
Write-offs and reversals					
Promissory notes(2)	(22,167)	(40,049)	(6,858)	(18,328)	(14,477)
Unsecured corporate loans	(13,019)	(39,488)	(4,403)	(9,191)	(8,315)
Overdrafts	(23,682)	(32,948)	(10,895)	(9,721)	(8,658)
Mortgage loans	—	—	(294)	(369)	(601)
Automobile and other secured loans	(1,098)	(2,636)	(2,608)	(4,293)	(8,538)
Personal loans	(759,000)	(372,784)	(186,248)	(142,797)	(135,489)
Credit cards loans	(311,091)	(254,072)	(108,206)	(79,733)	(101,030)
Foreign Trade Loans	—	—	—	(3,842)	(1,202)
Other financings	(19,208)	(14,393)	(3,852)	(2,857)	(9,016)
Other receivables from financial transactions	(38,893)	(7,291)	(5,234)	(5,558)	(3,191)
Receivables from financial leases	(5,860)	(12,416)	(5,956)	(4,218)	(6,468)
	(1,194,018)	**(776,077)**	**(334,554)**	**(280,907)**	**(296,985)**

(1) Consists of decreases in the allowance for loan losses when the loan for which the allowance was created is no longer on our balance sheet because it has been written-off, or because it has been collected, in which case the allowance is reversed. Loans are 100% provisioned before being written off.

(2) Consists of unsecured checks and accounts receivable deriving from factoring transactions.

Allocation of the Allowance for Loan Losses and Other Financing

The following table allocates the allowance for loan and other financing losses by category of loans and sets forth the percentage distribution of the total allowances for each of the years ended December 31, 2017, 2016, 2015, 2014 and 2013. Amounts below include allowances for loans, leasing and other receivables from financial transactions.

	Grupo Supervielle S.A.														
	Year ended December 31,														
	2017			2016			2015			2014			2013		
	Amount	% of Total Financing	% of Financing Category	Amount	% of Total Financing	% of Financing Category	Amount	% of Total Financing	% of Financing Category	Amount	% of Total Financing	% of Financing Category	Amount	% of Total Financing	% of Financing Category
	(in thousands of Pesos, except percentages)														
Loans:															
Promissory notes(1)	107,661	7%	7%	74,272	8.1%	8.3%	53,627	8.4%	8.7%	54,891	12.8%	13.2%	42,726	12.1%	12.5%
Unsecured corporate loans	70,816	5%	5%	41,020	4.5%	4.6%	50,545	7.9%	8.2%	22,387	5.2%	5.4%	17,660	5.0%	5.2%
Overdrafts	66,997	4%	4%	47,237	5.1%	5.3%	43,902	6.9%	7.1%	26,601	6.2%	6.4%	19,888	5.6%	5.8%
Mortgage loans	14,598	1%	1%	2,203	0.2%	0.2%	815	0.1%	0.1%	1,016	0.2%	0.2%	1,295	0.4%	0.4%
Automobile and other secured loans	3,475	0%	0%	993	0.1%	0.1%	2,535	0.4%	0.4%	4,244	1.0%	1.0%	5,147	1.5%	1.5%
Personal loans	837,490	53%	55%	446,552	48.6%	49.7%	225,616	35.3%	36.5%	149,508	34.8%	35.9%	122,147	34.5%	35.7%
Credit card loans	236,937	15%	15%	158,166	17.2%	17.6%	212,423	33.3%	34.4%	135,790	31.6%	32.6%	113,075	32.0%	33.1%
Foreign Trade Loans	31,595	2%	2%	33,777	3.7%	3.8%	11,212	1.8%	1.8%	8,055	1.9%	1.9%	8,868	2.5%	2.6%
Other financings:	164,029	10%	11%	94,627	10.3%	10.5%	16,638	2.6%	2.7%	14,531	3.4%	3.5%	11,194	3.2%	3.3%
Total Loans	**1,533,598**	**98%**	**100%**	**899,147**	**97.7%**	**100.0%**	**617,313**	**96.7%**	**100.0%**	**417,023**	**97.1%**	**100.0%**	**342,000**	**96.7%**	**100.0%**
Other receivables from financial transactions	10,326	1%	100%	5,807	0.6%	100.0%	5,944	0.9%	100.0%	5,221	1.2%	100.0%	4,439	1.3%	100.0%
Receivables from financial leases	25,356	2%	100%	15,254	1.7%	100.0%	15,391	2.4%	100.0%	7,114	1.7%	100.0%	7,317	2.1%	100.0%
Total	**1,569,280**	**100%**	**100%**	**920,208**	**100.0%**	**100.0%**	**638,648**	**100.0%**	**100.0%**	**429,358**	**100.0%**	**100.0%**	**353,756**	**100.0%**	**100.0%**

(1) Consists of unsecured checks and accounts receivable deriving from factoring transactions.

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Loans and Other Financing Portfolio by Economic Activity

The table below analyzes our loan and other financing portfolio according to the borrower's main economic activity as of December 31, 2017, 2016, 2015, 2014 and 2013. Amounts below include allowances for loans, leasing and other receivables from financial transactions.

	Grupo Supervielle S.A.									
	As of December 31,									
	2017		2016		2015		2014		2013	
	Loan Portfolio	% of Loan Portfolio	Loan Portfolio	% of Loan Portfolio	Loan Portfolio	% of Loan Portfolio	Loan Portfolio	% of Loan Portfolio	Loan Portfolio	% of Loan Portfolio
	(in thousands of Pesos, except percentages)									
Oils and oilseeds	147,262	0.2%	31,452	0.1%	40,392	0.18%	35,021	0.22%	90,159	0.73%
Agriculture, crops and fruit	3,000,710	5.0%	1,217,849	3.2%	780,888	3.50%	1,008,363	6.29%	752,418	6.06%
Manufactured foodstuff, cattle beef	977,564	1.6%	611,499	1.6%	373,955	1.68%	260,980	1.63%	272,804	2.20%
Household items, sales / Trading	657,475	1.1%	744,842	2.0%	162,113	0.73%	127,949	0.80%	308,531	2.49%
Automotive vehicles and car parts	1,495,123	2.5%	360,406	0.9%	267,917	1.20%	522,760	3.26%	300,554	2.42%
Sugar	684,014	1.1%	256,371	0.7%	117,589	0.53%	185,419	1.16%	113,845	0.92%
Foreign and local banks	415,393	0.7%	127,058	0.3%	—	—	22,801	0.14%	108,422	0.87%
Alcoholic beverages	146,884	0.2%	260,210	0.7%	135,636	0.61%	104,815	0.65%	38,592	0.31%
Civil construction	1,190,588	2.0%	745,777	2.0%	590,772	2.65%	253,976	1.58%	180,836	1.46%
Road works and specialized construction	3,424,009	5.7%	1,772,852	4.7%	1,090,153	4.89%	630,765	3.93%	307,690	2.48%
Cooperatives and small financial institutions	3,222,067	5.4%	1,171,755	3.1%	339,852	1.52%	311,261	1.94%	344,283	2.78%
Private and public mail services	19,122	0.0%	42,326	0.1%	36,510	0.16%	48,718	0.30%	51,203	0.41%
Cattle raising	199,030	0.3%	221,898	0.6%	116,047	0.52%	85,763	0.53%	68,659	0.55%
Leather	120,995	0.2%	89,509	0.2%	73,699	0.33%	90,456	0.56%	49,776	0.40%
Electricity and gas distribution	1,135,089	1.9%	315,947	0.8%	66,588	0.30%	108,440	0.69%	47,162	0.38%
Home appliances, audio and video devices, production and importation	236,584	0.4%	371,177	1.0%	61,281	0.27%	121,088	0.75%	165,025	1.34%
Hydrocarbon extraction and production	358,217	0.6%	400,658	1.1%	12,610	0.06%	138,053	0.86%	88,623	0.71%
Families and individuals(1)	28,483,212	47.4%	19,222,165	50.5%	13,733,797	61.60%	7,804,466	48.66%	5,981,333	48.21%
Hypermarkets and supermarkets	1,550,732	2.6%	1,324,768	3.5%	391,316	1.76%	580,535	3.62%	349,912	2.82%
Machines and tools — Production, sale and/or lease	606,425	1.0%	963,616	2.5%	183,052	0.82%	122,331	0.76%	85,910	0.69%
Motorcycles, parts and accessories	—	0.0%	—	0.0%	—	0.0%	—	0.0%	—	0.0%
Paper and cardboard	274,312	0.5%	141,229	0.4%	70,663	0.32%	52,404	0.33%	45,642	0.37%
Plastic - Manufactures	824,191	1.4%	265,851	0.7%	309,765	1.39%	247,564	1.55%	273,101	2.20%
Metal products	155,878	0.3%	55,185	0.1%	56,168	0.25%	59,907	0.37%	47,547	0.38%
Pharmaceutical products and laboratories	519,605	0.9%	517,629	1.4%	243,158	1.09%	203,976	1.27%	137,143	1.11%
Chemical products	392,089	0.7%	146,341	0.4%	68,864	0.31%	156,895	0.98%	26,652	0.21%
Waste collection and recycling	384,648	0.6%	294,848	0.8%	273,732	1.23%	88,991	0.55%	59,604	0.48%
Corporate services	629,859	1.0%	318,056	0.8%	88,831	0.40%	72,080	0.45%	64,989	0.53%
Health services	360,065	0.6%	142,107	0.4%	59,358	0.27%	101,869	0.64%	67,961	0.55%
Mineral extraction and production	1,245,624	2.1%	555,825	1.5%	69,567	0.31%	58,143	0.36%	62,169	0.50%
Telecommunications	15,569	0.0%	2,964	0.0%	5,402	0.02%	9,988	0.06%	12,441	0.10%
Textile industry	551,755	0.9%	159,865	0.4%	250,000	1.12%	258,411	1.61%	235,666	1.90%
Cargo transportation	791,186	1.3%	447,220	1.2%	322,362	1.45%	330,371	2.06%	230,617	1.86%
Wine industry	1,026,849	1.7%	662,557	1.7%	396,564	1.78%	369,166	2.30%	274,601	2.21%
Real estate agencies	243,297	0.4%	93,432	0.2%	42,974	0.19%	88,897	0.55%	28,578	0.23%

Other(2)	4,569,374	7.6%	3,985,806	10.5%	1,462,251	6.56%	1,376,560	8.59%	1,133,785	9.14%
Total	**60,054,796**	**100.0%**	**38,037,051**	**100.0%**	**22,293,826**	**100%**	**16,039,182**	**100%**	**12,406,233**	**100%**

(1) Loans for personal consumption.
(2) Includes all other industries. None of such industries exceeds 1% of the total loan and other financing portfolio.

Composition of Deposits

The following table sets out the composition of each category of deposits by currency of denomination that exceeded 10% of average total deposits at December 31, 2017, 2016 and 2015.

	Year ended December 31,					
	2017		2016		2015	
	Average balance	Average nominal rate	Average balance	Average nominal rate	Average balance	Average nominal rate
	(in thousands of Pesos, except percentages)					
Deposits in domestic bank offices by local depositors						
Non-interest-bearing checking accounts						
Average						
Pesos	6,721,317	0.0%	6,541,551	0.0%	4,766,849	0.0%
Dollars	2,762,491	0.0%	601,764	0.0%	99,828	0.0%
Total	**9,483,808**	**0.0%**	**7,143,315**	**0.0%**	**4,866,677**	**0.0%**
Savings accounts						
Average						
Pesos	8,988,542	0.0%	6,189,649	0.1%	4,622,839	0.1%
Dollars	3,840,462	0.1%	1,237,333	0.1%	286,579	0.1%
Total	**12,829,004**	**0.1%**	**7,426,982**	**0.1%**	**4,909,418**	**0.1%**
Special checking accounts						
Average			—	—	—	—
Pesos	4,139,446	15.3%				
Dollars	1,178,635	0.3%	—	—	—	—
Total	**5,318,081**	**12.0%**	—	—	—	—
Time deposits						
Average						
Pesos	12,567,532	15.4%	11,645,642	26.4%	8,952,849	24.8%
Dollars	1,325,298	0.31%	806,650	1.3%	337,459	0.1%
Total	**13,892,830**	**12.1%**	**12,452,292**	**24.7%**	**9,290,308**	**24.0%**
Deposits in domestic bank offices by foreign depositors						
Non-interest-bearing checking accounts						
Average						
Pesos	23		67		51	
Dollars	—		—		—	
Total	**23**		**67**		**51**	
Savings accounts						
Average						
Pesos	2,782		2,735		1,416	
Dollars	7,739		1,601		315	
Total	**10,521**		**4,336**		**1,731**	
Time deposits						
Average						
Pesos	372		450		331	
Dollars	—		—		—	
Total	**372**		**450**		**331**	

Maturity of Deposits

The following table sets forth information regarding the maturity of our deposits exceeding Ps.100,000 at December 31, 2017.

	At December 31, 2017 (in thousands of Pesos)
Time Deposits	
Within 3 months	13,936,903
After 3 months but within 6 months	4,715,336
After 6 months but within 12 months	71,206
Over 12 months	190
Total Time Deposits(1)	**18,723,635**

(1) Only principal. Excludes the CER and UVA adjustment.

Short-term Borrowings

The table below shows our short-term borrowings as of the dates indicated.

	At December 31,					
	2017		2016		2015	
	Amount	Annualized Rate	Amount	Annualized Rate	Amount	Annualized Rate
	(in thousands of Pesos, except percentages)					
International banks and Institutions:						
Total amount outstanding at the end of the reported period	2,778,102	3.3%	671,668	3.0%	128,188	4.2%
Average during period	692,553	3.5%	200,863	3.5%	125,731	2.8%
Maximum monthly average	1,770,080		634,370		264,735	
Financing received from Argentine financial institutions:						
Total amount outstanding at the end of the reported period	232,856	20.6%	940,258	28.5%	618,775	31.9%
Average during period	746,603	22.8%	1,023,259	30.1%	398,927	28.8%
Maximum monthly average	1,637,914		1,212,061		585,775	
Other(1)						
Total amount outstanding at the end of the reported period	2,608,214	0.0%	2,233,734	0.0%	1,709,103	0.0%
Average during year	2,618,507	0.0%	1,898,011	0.0%	1,477,502	0.0%
Maximum monthly average	2,886,849		2,167,350		1,988,276	
Unsubordinated Corporate Bonds						
Total amount outstanding at the end of the reported period	795,647	26.2%	1,172,341	24.6%	831,848	28.9%
Average during year	503,994	29.1%	1,146,906	29.7%	599,742	26.3%
Maximum monthly average	1,733,866		1,390,135		831,848	

(1) Includes mainly collections and other transactions on behalf of third parties, miscellaneous (payment orders abroad) and social security payment orders pending settlement.

Return on Equity and Assets

The following table presents certain selected financial information and ratios for the dates indicated.

	Year ended December 31,		
	2017	2016	2015
	(in thousands of Pesos, except percentages)		
Net Income	2,437,059	1,311,304	674,109
Average total assets(1)	69,599,142	41,467,412	26,961,165
Average shareholders' equity	9,580,785	4,986,499	2,094,750
Shareholders' equity at the end of the period	15,144,798	6,931,551	2,373,710
Net income as a percentage of:			
Average total assets	3.5%	3.2%	2.5%
Average shareholders' equity	25.4%	26.3%	32.2%
Declared cash dividends	243,706	65,500	25,162
Dividend payout ratio	10.0%	5.0%	3.7%
Average shareholders' equity as a percentage of average total assets	13.8%	12.0%	7.8%

(1) Calculated on a daily basis.

Minimum Capital Requirements

Our main subsidiary, the Bank, is required to satisfy minimum capital requirements. The following table sets forth the Bank and CCF's consolidated minimum capital requirements set by the Superintendency as of the dates indicated.

	Year ended December 31,		
	2017	2016	2015
		(in thousands of Pesos)	
Calculation of excess capital:			
Allocated to assets at risk	4,710,391	3,178,270	2,082,489
Allocated to Bank premises and equipment, intangible assets and equity investment assets	191,549	172,154	102,252
Market risk	121,155	45,385	30,741
Interest rate risk	—		
Public sector and securities in investment account	131,109	78,472	16,739
Operational Risk	1,016,501	713,227	512,948
Required minimum capital under Central Bank regulations	**6,170,705**	**4,187,508**	**2,745,169**
Basic net worth	9,903,099	5,706,639	2,597,534
Complementary net worth	913,256	778,885	662,679
Deductions	(386,192)	(338,671)	(291,653)
Total capital under Central Bank regulations	**10,430,163**	**6,146,853**	**2,968,560**
Excess capital	**4,259,458**	**1,959,345**	**223,391**
Credit Risk Weighted Assets(1)	60,939,300	39,678,311	25,248,691
Risk Weighted Assets(1)	75,301,392	49,168,958	34,314,613
Selected capital and liquidity ratios:			
Regulatory capital/risk weighted assets	13.9%	12.5%	8.7%
Tier 1 Capital / Risk Weighted assets	12.6%	10.9%	6.7%
Average shareholders' equity as a percentage of average total assets	10.5%	11.2%	9.5%
Total liabilities as a multiple of total shareholders' equity	8.2x	7.8x	10.9x
Cash as a percentage of total deposits	18.2%	22.6%	28.5%
Liquid assets as a percentage of total deposits(2)	42.4%	27.0%	32.6%

(1) Risk Weighted Assets includes operational risk weighted assets, market risk weighted assets, and credit risk weighted assets. Operational risk weighted assets and market risk weighted assets are calculated by multiplying their respective required minimum capital under Central Bank regulations by 12.5. Credit Risk Weighted Assets is calculated by applying the respective credit risk weights to our assets, following Central Bank regulations.

(2) Liquid assets include cash and securities issued by the Central Bank (LEBACs and NOBACs).

As of December 31, 2017, the Bank's Tier 1 capital ratio on a consolidated basis with CCF was 12.6%, compared to 10.9% as of December 31, 2016. Including the funds retained at the holding company (Grupo Supervielle) level after the follow-on equity offering of Grupo Supervielle, which are available for further capital injections into its subsidiaries, the consolidated pro-forma Tier 1 capital ratio as of December 31, 2017 was 18.4%. The bank's Tier1 ratio coincides with CET 1 ratio.

As of December 31, 2017, the Bank's total capital ratio on a consolidated basis with CCF was 13.9% compared to 12.5% as of December 31, 2016. Including the funds retained at the holding company (Grupo Supervielle) level after the follow-on equity offering of Grupo Supervielle, which are available for further capital injections into its subsidiaries, the consolidated pro-forma total capital ratio as of December 31, 2017 was 19.6%.

Item 5. Operating and Financial Review and Prospects

Item 5.A Operating Results

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set forth in "Forward-looking Statements," "Item 3.D Risk Factors," and the matters set forth in this annual report generally.

This discussion should be read in conjunction with our audited consolidated financial statements which are included elsewhere in this annual report.

Financial Presentation

Our audited consolidated financial statements are prepared in accordance with Argentine Banking GAAP. Argentine Banking GAAP differs in certain significant respects from U.S. GAAP and from Argentine GAAP. Note 35 to our audited consolidated financial statements provides a description of the principal differences between Argentine Banking GAAP and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of net income and shareholders' equity as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015.

On February 12, 2014, the Central Bank, through Communication "A" 5541, established the general guidelines towards conversion to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for preparing financial statements of the entities under its supervision with the temporary exception of paragraph 5.5 "Impairment" of IFRS 9 "Financial Instruments" (IFRS as issued by the IASB as adopted by the Central Bank). Note 33 to our audited consolidated financial statements provides a description of the principal differences between Argentine Banking GAAP and IFRS, as they relate to us, and a reconciliation to IFRS of shareholders' equity as of December 31, 2017 and January 1, 2017 and of net income for the year ended December 31, 2017.

Our segment disclosure for the years ended December 31, 2017, 2016 and 2015 is presented on a basis that corresponds with our internal reporting structure and is consistent with the manner in which our Board of Directors regularly evaluates the components of our operations in deciding how to allocate resources and in assessing the performance of our business.

We measure the performance of each of our business segments primarily in terms of net income (i.e., net revenues—or financial income and service fee income, net of financial expenses and service fee expenses—after deducting loan loss provisions and administrative costs directly attributable to the segment). Net income excludes the financial expenses incurred by Grupo Supervielle at the holding level in connection with its funding arrangements (although substantially all the proceeds of such arrangements have been contributed as capital to the subsidiaries through which the segments are operated), as well as transactions between segments, which are reflected under "Adjustments."

We operate our business along the following segments:

- *Retail Banking*: Through the Bank, we offer our retail customers a full range of financial products and services, including personal loans, deposit accounts, purchase and sale of foreign exchange and precious metals and credit cards, among others.

- *Corporate Banking*: Through the Bank, we offer large corporations, medium-sized companies and small businesses a full range of products, services and financial assessment including factoring, leasing, foreign trade finance and cash management.

- *Treasury*: The Treasury Segment is primarily responsible for the allocation of the Bank's liquidity according to the needs and opportunities of the retail, corporate banking and treasury segments. The Treasury Segment implements the Bank's financial risk management policies, manages the Bank's trading desk, distributes treasury products, such as debt securities, and develops businesses with wholesale financial and non-financial clients.

- *Consumer Finance*: Through CCF and Tarjeta, we offer credit card services and loans to the middle and lower-middle-income sectors. Through an exclusive agreement with Walmart Argentina, our offer of products includes consumer loans, credit cards and insurance products.

- *Insurance*: Supervielle Seguros began issuing its first insurance policies in October 2014 starting with a few non-credit related insurance products, such as protected bag insurance and personal accident insurance. By the end of 2015, it began issuing credit-related policies substantially growing its business since then, partly through the growth of the loans and credit card portfolio balances and partly through the migration of some of the portfolios previously booked in a third party insurance company. A Central Bank resolution issued in March, 2016 and effective September 1, 2016, prohibits financial institutions from charging individuals any fee and/or charge associated with credit related insurance policies. This resolution also specifies that financial institutions must purchase life insurance on debit balances or alternatively, self-insure the risk of death and permanent total disability of their clients. As a result, since September 1, 2016, both the Bank and CCF are self-insured against these risks and only contract new credit related insurances for mortgages loans. We intend to continue to expand this business and launch new insurance products previously offered to our customers by other insurance companies..

- *Asset Management & Other Services*: We also offer a a variety of other services, including mutual fund products through Supervielle Asset Management and non-financial products and services through Espacio Cordial. Until March 31, 2017, we offered microcredit financing through Cordial Microfinanzas. On March 31, 2017, we and the Bank sold our shares of Cordial Microfinanzas to Ciudad Microempresas.

The Argentine Economy and Financial System

Introduction

According to recent International Monetary Fund ("IMF") estimates, the world economy is estimated to have grown by 3.6% in 2017, an improvement over the 3.2% growth recorded in 2016. This greater economic expansion is the result of an estimated growth of 4.6% in emerging market countries and 2.2% in developing market countries, and occurred in a context of accelerated growth in world trade (4.2% compared to 2.4% in 2017 and 2016, respectively).

After the change of administration in Argentina in late 2015, several corrective measures were put in place with respect to the Argentine economy. In 2017, the administration introduced further structural financial and economic reforms. The first measures adopted included the tax amnesty implemented by late 2016. The Argentine Central Bank continued implementing its inflation goals and, despite failing to reach the goal initially proposed by the Ministry of Finance in 2016, managed to materially reduce the inflation rate.

The Argentine Economy

Beginning in December 2001 and for most of 2002, Argentina experienced one of the most severe crises in its history which nearly left its economy at a standstill and deeply affected its financial sector. Between 2004 and 2009, the Argentine economy and the financial sector recovered considerably. Since 2009, the Argentine economy has shown increased volatility, with years of practically no growth (2009, 2012 and 2014), and years of strong (2010 and 2011) or slow (2013) growth.

In January 2007, the INDEC, which is the only institution in Argentina with the statutory authority to produce official nationwide statistics, modified the methodology used to calculate certain of its indices. On January 8, 2016, the Macri administration issued Decree No. 55/2016 declaring a state of administrative emergency with respect to the national statistical system and the INDEC until December 31, 2016. During this state of emergency, the INDEC suspended the publication of certain statistical data until it completed a reorganization of its technical and administrative structure to be capable of producing sufficient and reliable statistical information. Following the implementation of certain methodological reforms and the adjustment of macroeconomic statistics on the basis of these reforms, on June 15, 2016, the INDEC published the INDEC Report, including revised GDP data for the years 2004 through 2015. As of the date of this annual report, the INDEC has resumed publishing certain data, including inflation rates, GDP, foreign trade, poverty and balance of payment statistics among others.

The table below includes certain economic indicators in Argentina for the years indicated:

	December 31,											
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
GDP real growth (%)**	8.0	9.0	4.1	(5.9)	10.1	6.0	(1.0)	2.4	(2.5)	2.6	(2.2)	2.9(4)
Primary fiscal balance (excludes interest) (as a % of GDP)	2.9	2.5	2.5	1.2	1.4	0.2	(0.2)	(0.7)	(0.9)	(2.7)	(4.3)*	3.9
Total public debt (as a % of GDP)**	70.6	62.1	53.8	55.4	43.5	38.9	40.4	43.5	44.7	53.5	54.2	53.7(2)
Trade balance (in million U.S.$)**	12,393	11,273	12,577	16,886	11,382	9,020	12,008	1,521	3,178	(2,969)	2,124	(8,471)
Total deposits (as a % of GDP)**	23.3	22.4	20.1	15.8	22.4	20.8	22.2	22.2	21.1	22.8	23.5	23.1(6)
Loans to the private sector (as a % of GDP)	10.4	11.9	11.2	8.4	11.8	13.2	14.2	14.7	12.9	13.7	13.1	15.4(6)
Unemployment rate-end year- (%)	8.7	7.5	7.3	8.4	7.3	6.7	6.9	6.4	6.9	5.9(3)	7.6	7.2(5)
Inflation in consumer prices — Dec./Dec. - CPI INDEC (%)	9.8	8.5	7.2	7.7	10.9	9.5	10.8	10.9	23.9	26.9(1)	41.0(1)	24.8
Average nominal exchange rate (in Ps. Per U.S.$)	3.07	3.12	3.16	3.73	3.91	4.13	4.55	5.48	8.12	9.27	14.78	16.57

Source: INDEC, Central Bank and City of Buenos Aires.

(1) Based on most recent publicly available information published by the City of Buenos Aires. See "*Item 3.D—Risk Factors—If the current levels of inflation continue, the Argentine economy and our financial position and business could be adversely affected*."
(2) As of June 30, 2017
(3) As of September 30, 2015.
(4) For the fiscal year 2017.
(5) As of December 31, 2017.
(6) Annual estimate of GDP for 2017
** These figures are calculated in accordance with the latest methodological reforms and adjustments for macroeconomic statistics as of the date of this annual report.
*** These figures are calculated in accordance with the latest methodological reforms and the adjustments for macroeconomic statistics as of the date of this annual report. It does not include funds transferred from the Central Bank and from the Treasury.
n/a means not available.

In 2013, Argentina's real GDP grew 2.4% as compared to 2012, as domestic demand in 2013 helped to offset weak demand for Argentina's exports.

In 2014, Argentina's GDP contracted by 2.5% as compared to 2013, reflecting the impact of the deceleration of growth in developing economies on Argentina's exports, growing uncertainty in the financial sector and fluctuations in foreign exchange rates.

In 2015, Argentina's GDP increased by 2.5%, reflecting a recovery in consumption due to an improvement in the labor market and investment. GDP growth in 2015 was primarily driven by a 3.8% increase in gross investment, resulting from a 5.2% increase in total durable equipment of production and a 2.3% increase in construction, as well as a 4.0% increase in total consumption due to a 6.8% increase in public sector consumption and a 3.5% increase in private sector consumption.

In 2016, Argentina's GDP decreased 2.2%. Imports of goods and services increased by 5.7% while investments in durable equipment for production decreased by 5.1%. Exported goods and services, however, increased by 3.7%.

In 2017, Argentina's GDP recovered by 2.9%, recording 0.6%, 3.0%, 3.8% and 3.9% year-on-year growth rates for the four quarters of the year, respectively.

During 2016, the Macri administration introduced structural reforms in the financial and economic sectors. It was a transitional year in which macroeconomic corrections were made, such as the agreement reached with Argentina's holdout creditors and the return of the Argentine government to the international debt market, the elimination of duties, the normalization of the INDEC, the adoption of energy efficiency measures and the universalization of benefits. The Central Bank adopted monetary measures that supported macroeconomic changes by strengthening the position of international reserves and by using a system of inflation targets. During 2017, the outcome of the mid-term legislative elections paved the way for the structural and social security reform law, which provides for a change in the calculation of pensions and for the possibility that employees work for an additional five years beyond the pension eligibility age. In addition, a tax agreement between the federal government and all provinces (except for San Luis) and the City of Buenos Aires was entered into to reduce taxation, and the Tax Reform Law was passed by Congress in the last session of 2017. Further, utility rates were adjusted, allowing the government to materially reduce subsidies. On December 27, 2017, the Central Bank adopted the inflation targets set by the Ministry of the Treasury for the next three years, including targets of 15% for 2018, 10% for 2019 and 5% by the end of 2020, adjusting the pace of reduction announced in 2017 by one year.

Foreign Trade and Foreign Exchange Market

During 2017, the trade balance recorded a U.S.$8.5 billion deficit, compared to a U.S.$2.0 billion surplus in 2016. While exports remained stable compared to 2016, imports increased by 19.7%. Exports recorded reductions in all sectors except for industrial manufactured goods, which grew by 9.1%. Imports grew in all sectors, except for fuel, which recorded a 3% drop. The imports of vehicles increased by 40%.

International reserves of the Central Bank grew by U.S.$15.7 billion, ending 2017 at U.S.$55.1 billion.

The Nominal Exchange Rate ended 2017 at Ps.18.80 to U.S.$1.00, an 18.4% increase from December 31, 2016. While the Central Bank did not directly intervene in the exchange market in any significant manner during most of the year, it did influence the Peso/U.S. dollar exchange value by the end of the year by reducting in the interest rates of medium term Letras del Banco Central ("LEBAC"), which encouraged a demand for US dollars.

Labor Market

In 2017, wages in Argentina increased by 27.5% as a result of a 26.5% increase in the total number of registered employees and the 31.5% increase of the private sector non-registered employees. The wages of private sector registered employees grew by 27.3% and those of the public sector grew by 25.0%. In all cases, wages grew above inflation.

The unemployment rates of the first, second, third and fourth quarters of 2017 stood at 9.2%, 8.7%, 8.3% and 7.2%, respectively, averaging 8.4% in 2017. There was a slight decrease of 40 basis points in the average unemployment rate of the fourth quarter of 2017 in comparison with that of the fourth quarter of 2016.

Fiscal Balance

In February 2017, the Minister of the Treasury, Nicolás Dujovne, announced fiscal account targets for 2017 to 2019, which include primary deficit goals of a 1% reduction per year in the fiscal deficit: 4.2% of GDP in 2017, 3.2% of GDP in 2018 and 2.2% of GDP in 2019. The primary deficit goal of 1.2% in 2020 was announced in December 2017. According to the Ministry of the Treasury, the fiscal deficit for 2017 was 3.9% of GDP, exceeding the proposed objectives. To reduce the fiscal deficit, the government increased utilities rates, mainly of electricity and gas. A new Pension Law and a Tax Reform Law passed in December 2017 provide, among other things, for a reduction in income tax rates for companies that reinvest their profits and changes to the income tax treatment applicable to financial income, and reduction of employer contributions. Changes will be deployed over five years. During 2017, fiscal revenues increased by 23.0%, while expenses fiscal increased by 22.0%. Reduction in economic subsidies ((22)% since December 2016), in particular in the energy sector, contributed to fulfilling the fiscal targets of 2017.

The government managed to secure funding in domestic and international debt markets, issuing bonds both in Pesos and in foreign currency, while the country risk (measured by J.P. Morgan's EMBI index + Arg.) strongly fell 103 basis points from 453 by late 2016 to 350 by late 2017. This reduction came along with a spread reduction from 91 basis points at the end of 2016 to only 22 basis points by the end of 2017 in Emerging Risk (measured by J.P. Morgan's EMBI index + Arg.).

Inflation

Argentina has faced and continues to face inflationary pressures. From 2011 to date, Argentina experienced increases in inflation as measured by CPI and WPI that reflected the continued growth in the levels of private consumption and economic activity (including exports and public and private sector investment), which applied upward pressure on the demand for goods and services.

On January 8, 2016, based on its determination that the INDEC had failed to produce reliable statistical information, particularly with respect to CPI, GDP and foreign trade data, as well as poverty and unemployment rates, President Macri declared a state of administrative emergency for the national statistical system and the INDEC until December 31, 2016. The INDEC suspended publication of certain statistical data pending reorganization of its technical and administrative structure to recover its ability to produce reliable statistical information. The INDEC published official CPI figures published by the City of Buenos Aires and the Province of San Luis for reference for the first four months of 2016. In June 2016, the INDEC began publishing an official inflation rate using its new methodology for calculating the CPI.

According to the available public information based on data from the City of Buenos Aires, CPI grew 38.0% in 2014, 26.9% in 2015, 41.0% in 2016 and 26.1% in 2017, while according to the data of the Province of San Luis, CPI grew 31.9% in 2013, 39.0% in 2014, 31.6% in 2015, 31.4% in 2016 and 24.3% in 2017.

The INDEC reported an increase of 4.2% in CPI for May 2016, while the CPI measured by the Argentine Congress reported an increase of 3.5%. Based on the most recent information published by the INDEC, the CPI for the months of July, August, September, October, November and December 2016 registered variations of 2.0%, 0.2%, 1.1%, 2.4%, 1.6% and 1.2%, respectively, compared to the respective prior month. According to INDEC's CPI, inflation was 16.9% for the period from May to December 2016.

On July 11, 2017, the INDEC started to publish a national CPI (the "National CPI"). The National CPI is based on a survey conducted by INDEC and several provincial statistical offices in 39 urban areas encompassing each of the Republic's provinces. Results are not reported by the provinces, but on a national level and for six statistical regions: the Greater Buenos Aires Metropolitan area (which is the CPI that resumed publication in June 2016), the Cuyo region, the Northeast region, the Northwest region, the Central (Pampeana) Region and the Southern (Patagonia) region. The inflation rate for June, July, August, September and October, November and December 2017 and January and February

2018 published by the INDEC using the National CPI methodology was 1.2%, 1.7%, 1.4%, 1.9%, 1.5 %, 1.4%, 3.1%, 1.8% and 2.4%, respectively. For the period of January through December 2017, accumulated inflation using the National CPI was 24.6%. In the past, the Argentine government has implemented programs to control inflation and monitor prices for essential goods and services, including attempts to freeze the price of certain supermarket products, and price support arrangements agreed between the Argentine government and private sector companies in several industries and markets that did not address the structural causes of inflation and failed to reduce inflation. Adjustments approved by the Argentine government in electricity and gas tariffs, as well as the increase in the price of gasoline have been passed through to prices, creating additional inflationary pressures.

The National CPI is prepared in accordance with current international standards and classifies individual consumption by purpose, previously used in the preparation of the former CPI. The adoption of the National CPI brings Argentina's statistical practice in line with the OECD guidelines as well as the methodology followed by the statistical divisions of several international organizations, including the United Nations, World Bank, International Monetary Fund, Economic Commission for Latin America and the Caribbean, and the Inter-American Development Bank.

According to the INDEC, in 2017, inflation was 24.8%, above the inflation rate target by the currency authority, which was between 12% to 17%. On December 27, 2017, the Central Bank adopted the inflation targets set by the Ministry of the Treasury for the next three years, including targets of 15% for 2018, 10% for 2019 and 5% by the end of 2020, adjusting the pace of reduction announced in 2017 by one year. In the past, the Argentine government implemented programs to control inflation and monitor prices for essential goods and services, including attempts to freeze the prices of certain supermarket products, and price support arrangements agreed between the Argentine government and private sector companies in several industries and markets.

During periods of high inflation, effective wages and salaries tend to fall and consumers adjust their consumption patterns to eliminate unnecessary expenses. The increase in inflationary risk may erode macroeconomic growth and further limit the availability of financing, causing a negative impact on our operations. See "*Item 3.D—Risk Factors—Risks Relating to Argentina—If the current levels of inflation continue, the Argentine economy and our financial position and business could be adversely affected*."

Inflation increases also have a negative impact on our administrative expenses, in particular our payroll and social security charges.

The Financial System

In 2015, total deposits increased by Ps.375.0 billion, representing a 38.3% increase from 2014, as reported by the Central Bank. Public sector deposits increased by Ps.33.6 billion in 2015, representing a 13.1% increase from 2014. Non-financial private sector deposits increased by Ps.337.3 billion in 2015, representing a 47.2% increase from 2014, primarily driven by a Ps.263.5 billion increase, or a 40.7% increase in Peso deposits. Further, in 2015, foreign currency deposits increased by Ps.78.8 billion or 101.8%. In terms of Peso deposits, the most significant were time deposits, which increased by Ps.159.0 billion or 56.1% from 2014, followed by savings accounts, registering a Ps.57.7 billion increase or 32.8% increase from 2014, and checking accounts, which increased by Ps.42.0 billion or 25.2% from 2014.

The Central Bank reported that total loans increased by Ps.245.6 billion in 2015, representing a 36.9% increase from 2014. Non-financial private sector loans increased by Ps.223.9 billion or 37.1% from 2014. This increase was mainly due to an increase in loans denominated in Pesos, which grew by Ps.208.5 billion or 37.0% from 2014, while foreign currency loans increased by Ps.10.5 billion or 37.0%. The total amount of Peso loans increased in almost every category. With respect to loans to businesses, overdrafts increased by Ps.21.9 billion or 33.7% and secured loans increased by Ps.54.6 billion or 39.5%. With respect to consumer credit, credit card loans increased by Ps.65.7 billion or 54.2% and personal loans grew by Ps.44.0 billion or 37.4%. Finally, mortgages and pledge loans each registered an increase of Ps.7.4 billion, representing an increase of 15.4% and 22.6%, respectively.

In 2016, total deposits increased by Ps.613.1 billion, representing a 45.2% increase from 2015, as reported by the Central Bank. Public sector deposits increased by Ps.145.4 billion in 2016, representing a 50.2% increase from 2015. Non-financial private sector deposits increased by Ps.463.4 billion in 2016, representing a 44.0% increase from 2015, primarily driven by a Ps.243 billion increase, or a 26.7% increase in Peso deposits and by Ps.231.3 billion in 2016, representing a 44.0% increase in foreign currency deposits. In terms of Peso deposits, the most significant were savings

accounts, registering a Ps.97.5 billion increase or 41.8% increase from 2015 followed by checking accounts, which increased by Ps.80.2 billion or 38.6% from 2015 and time deposits, which increased by Ps.54.6 billion or 12.3% from 2015.

The Central Bank reported that total loans increased by Ps.257.0 billion in 2016, representing a 28.3% increase from 2015. Non-financial private sector loans increased by Ps.266.2 billion or 32.5% from 2015. This increase was mainly due to an increase in foreign currency loans, which grew by Ps.105.2 billion or 272.6% from 2015, while loans denominated in local currency increased by Ps.147.3 billion or 19.2%. The total amount of Peso loans increased in almost every category. With respect to loans to businesses, overdrafts increased by Ps.14.5 billion or 16.6% and secured loans increased by Ps.9.2 billion or 4.8%. With respect to consumer credit, credit card loans increased by Ps.46.7 billion or 24.6% and personal loans grew by Ps.60.1 billion or 37.3%. Finally, mortgages and pledge loans each registered an increase of Ps.5.7 and Ps.13.1 billion, representing an increase of 10.4% and 32.7%, respectively.

In 2017, total deposits increased by Ps.477.4 billion, representing a 24.3% increase from 2016, as reported by the Central Bank. Public sector deposits increased by Ps.19.6 billion in 2017, representing a 4.5% increase from 2016. Non-financial private sector deposits increased by Ps.452.5 billion in 2017, representing a 29.8% increase from 2016, primarily driven by a Ps.294.8 billion increase, or a 25.5% increase in Peso deposits and by Ps.182.9 billion increase, or a 47.2% increase in foreign currency deposits. In terms of Peso deposits, the most significant were savings accounts, registering a Ps.144.9 billion increase or 43.8% increase from 2016 followed by time deposits, which increased by Ps.107.2 billion or 21.5% from 2016 and checking accounts, which increased by Ps.29.8 billion or 10.3% from 2016.

The Central Bank reported that non-financial private sector loans increased by Ps.546.7 billion or 51.7% from 2016. This increase was mainly due to an increase in foreign currency loans, which grew by Ps.134.1 billion or 93.3% from 2016, while loans denominated in local currency increased by Ps.413.3 billion or 45.2%. The total amount of Peso loans increased in every category. With respect to loans to businesses, overdrafts increased by Ps.18.2 billion or 17.9% and secured loans increased by Ps.88.2 billion or 43.9%. With respect to consumer credit, credit card loans increased by Ps.56.4 billion or 23.8% and personal loans grew by Ps.130.7 billion or 59.1%. Finally, mortgages and pledge loans each registered an increase of Ps.68.8 and Ps.35.1 billion, representing an increase of 112.6% and 65.8%, respectively.

Throughout 2016, the new authorities of the Central Bank pursued monetary stability through a monetary policy with inflation targets, financial stability focused on the development and the deepening of the domestic financial system and the adoption of measures that promote bankarization, financial inclusion, and the use of electronic means of payment.

Beginning in January 2017, the Central Bank implemented a scheme of inflation targets with annually decreasing objectives, originally until 2019, which uses the 7-day repo reference rate as the anchor of its inflation targeting regime. The Central Bank determined a “rates corridor”, defined by the spread between active and passive repo rates, from which the monetary policy rate is derived. The inflation target range for 2016 was between 20.0%-25.0% and for 2017 it was set between 12.0%-17.0%. In 2017, however, inflation failed to subside as expected, and the monetary policy rate was increased to quicken the pace of deceleration and minimize the impact of the upcoming adjustments to regulated prices (electricity and gas). On December 27, 2017, the Central Bank adopted the inflation targets set by the Ministry of the Treasury for the next three years, including targets of 15% for 2018, 10% for 2019 and 5% by the end of 2020, adjusting the pace of reduction announced in 2017 by one year.

According to the Central Bank, ROAA was 3.0% in 2017, as compared to 3.7% in 2016, and ROAE for the financial system was 24.9% in 2017, as compared to 29.7% in 2016. Further, the Central Bank indicated that the interest rate margin decrease was 10.4% of assets in 2017, as compared to 11.4% of assets in 2016. Net income from services represented 3.6% of assets in 2017, as compared to 3.8% of assets in 2016. Loan loss provisions resulting from the increase in private loan delinquencies totaled 1.0% of assets in 2017, as compared to 0.8% of assets in 2016.

The following table shows average loans to the private sector in Argentina calculated on a daily basis:

	Year ended December 31,			Change December 31,	
	2017	2016	2015	2017/2016	2016/2015
	(in millions of Pesos)			(in percentages)	
Loans					
Overdrafts	111,454.8	101,672.3	80,424.9	9.6%	26.4%
Promissory notes	226,346.0	179,359.5	153,542.2	26.2%	16.8%
Mortgage loans	82,527.2	55,750.3	49,973.0	48.0%	11.6%
Automobile and other secured loans	69,654.1	43,695.2	35,310.8	59.4%	23.7%
Personal loans	281,342.9	184,777.1	137,856.6	52.3%	34.0%
Credit cards	242,480.7	194,295.1	137,645.7	24.8%	41.2%
U$S loans	206,525.9	92,786.4	35,206.3	122.6%	163.6%
Others	42,836.6	36,678.8	43,141.8	16.8%	(15.0)%

Source: Central Bank.

The following table shows the average deposits from the private sector in Argentina calculated on a daily basis:

	Year ended December 31,			Change December 31,	
	2017	2016	2015	2017/2016	2016/2015
	(in millions of Pesos)			(in percentages)	
Deposits					
Checking accounts	434,781.2	340,292.6	290,072.2	27.8%	17.3%
Savings accounts	359,059.8	255,201.8	202,278.1	40.7%	26.2%
Time deposits	693,892.0	581,081.0	452,483.5	19.4%	28.4%
Private sector	1,603,057.3	1,170,012.2	832,231.7	37.0%	40.6%

Source: Central Bank.

The following table shows the average BADLAR rate calculated on a daily basis:

	Year ended December 31,		
	2017	2016	2015
BADLAR Rate	23.25%	19.88%	27.25%
TM20	23.69%	NA	NA

Source: Central Bank.

Argentine Financial System Statistics from 2005 to 2017.

The following table shows the 2005 to 2017 evolution of major balance sheet items for the financial system:

	December 31,												
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	(in millions of Pesos)												
Assets	221,962	258,384	297,963	346,762	387,381	510,304	628,381	790,026	1,004,775	1,340,548	1,847,314	2,645,673	3,468,783
Liabilities	195,044	225,369	261,143	305,382	339,047	452,752	558,264	699,205	883,086	1,172,335	1,620,451	2,348,461	3,067,587
Shareholders' equity	26,918	33,014	36,819	41,380	48,335	57,552	70,117	90,820	121,689	168,213	226,863	297,212	401,196
Capital, contributions, reserves	37,440	36,859	37,930	38,571	39,538	41,204	44,587	59,395	73,219	89,307	126,264	212,157	311,814
Retained earning	(10,522)	(3,845)	(1,172)	2,809	8,797	16,348	25,530	31,426	48,471	78,907	100,600	85,055	89,382
Loans	84,171	103,668	132,157	154,719	169,868	230,127	332,317	433,925	563,344	649,206	886,046	1,136,954.6	1,691,214
Non-financial public sector	25,836	20,874	16,772	17,083	20,570	25,907	31,346	39,951	48,438	51,470	75,254	52,25	37,738
Financial sector	2,450	4,962	5,030	4,793	4,052	5,018	9,263	10,299	13,049	10,729	13,199	26,426	44,306
Non-financial private sector	55,885	77,832	110,355	132,844	145,247	199,202	291,708	383,674	501,857	604,062	819,174	1,085,655	1,655,049
Provisions	(4,930)	(3,728)	(4,089)	(4,744)	(5,824)	(6,232)	(7,173)	(9,596)	(13,117)	(17,054)	(21,581)	(27,952)	(45,879)
Deposits	136,492	170,898	205,550	236,217	271,853	376,344	462,517	595,764	752,422	979,388	1,355,353	1,969,029	2,445,998
Non-financial public sector	34,019	45,410	48,340	67,151	69,143	115,954	129,885	163,691	202,434	256,996	291,104	441,890	457,657
Non-financial private sector	100,809	123,431	155,048	166,378	199,278	257,595	328,463	427,857	544,331	720,645	1,062,590	1,521,687	1,981,988

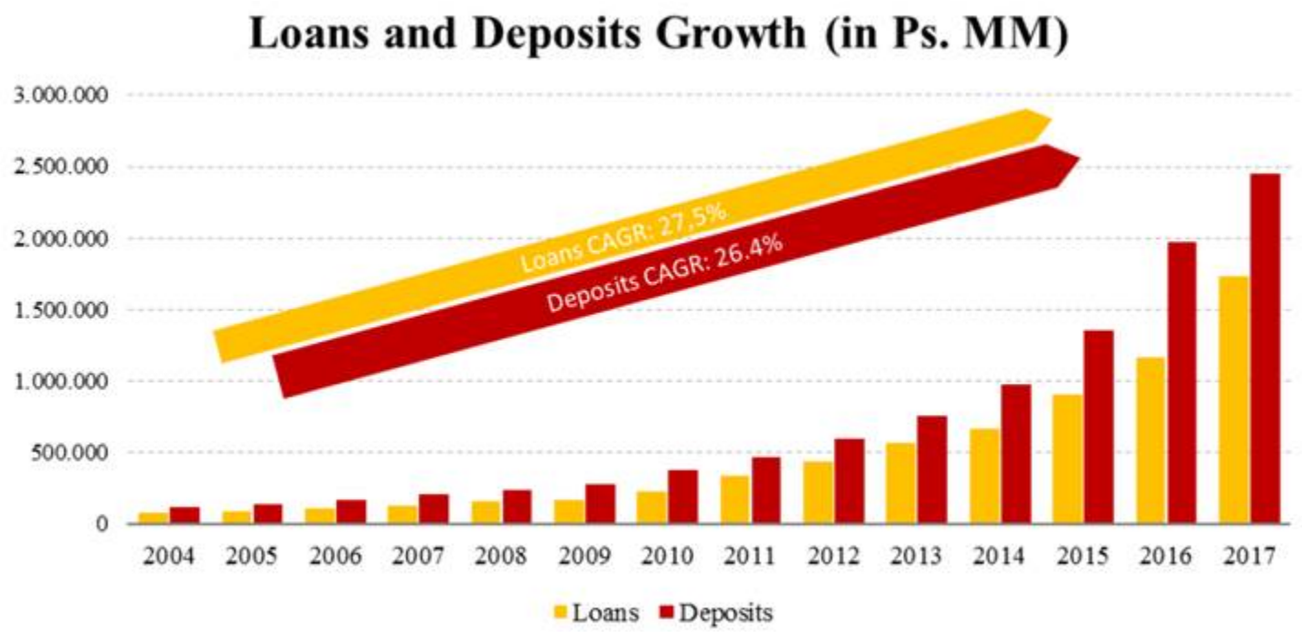
Source: Central Bank

The table below shows the evolution of the number of financial institutions in the system:

	December 31,												
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Banks	71	72	67	67	66	64	64	65	66	65	62	63	62
Public banks	13	12	12	12	12	12	12	12	12	12	13	13	13
Private banks	58	60	55	55	54	52	52	53	54	53	49	50	49
Private argentine capital banks	34	35	33	33	32	32	31	33	34	33	32	33	33
Foreign capital domestic banks	12	13	12	12	12	11	12	11	11	11	10	10	9
Foreign financial institution branch banks	11	11	9	9	9	9	9	9	9	9	7	7	7
Financial companies	16	16	16	15	15	14	14	14	15	15	15	14	14
Credit unions	2	2	2	2	2	2	2	2	1	1	1	1	1
Total financial institutions	89	90	85	84	83	80	80	81	82	81	78	78	77

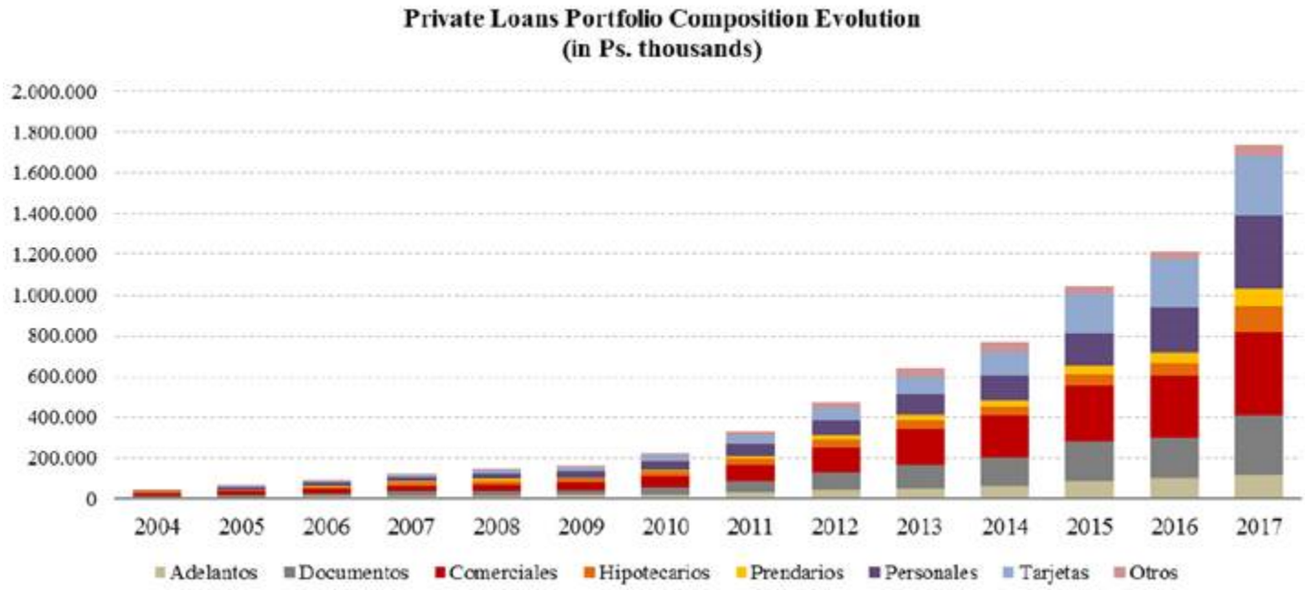
Source: Central Bank

The graph below shows the evolution of loans and deposits growth in Argentina:



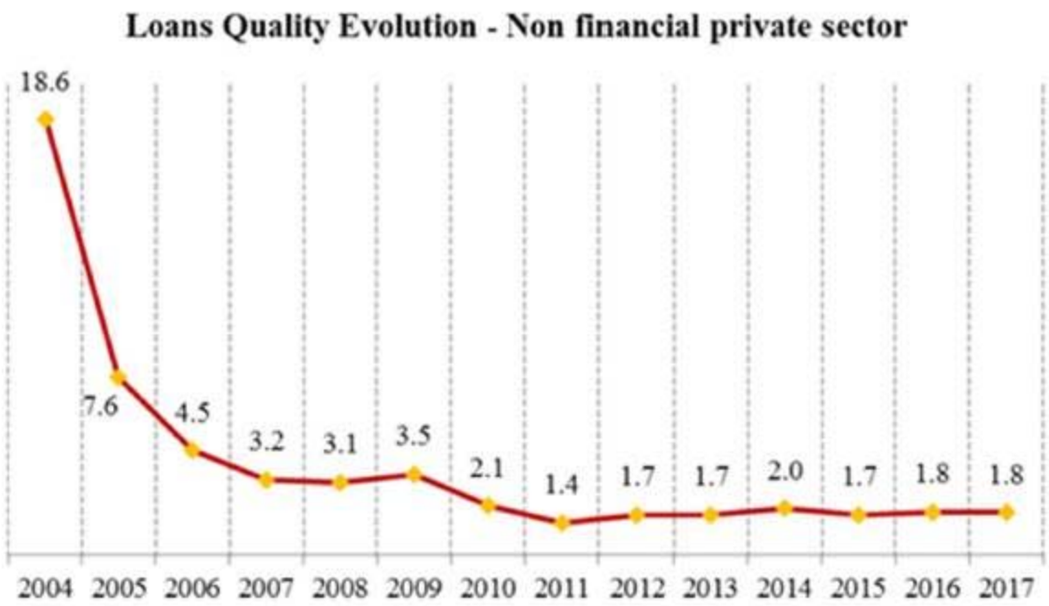
Source: Central Bank

The graph below shows the evolution of the private loans portfolio composition in Argentina:



Source: Central Bank

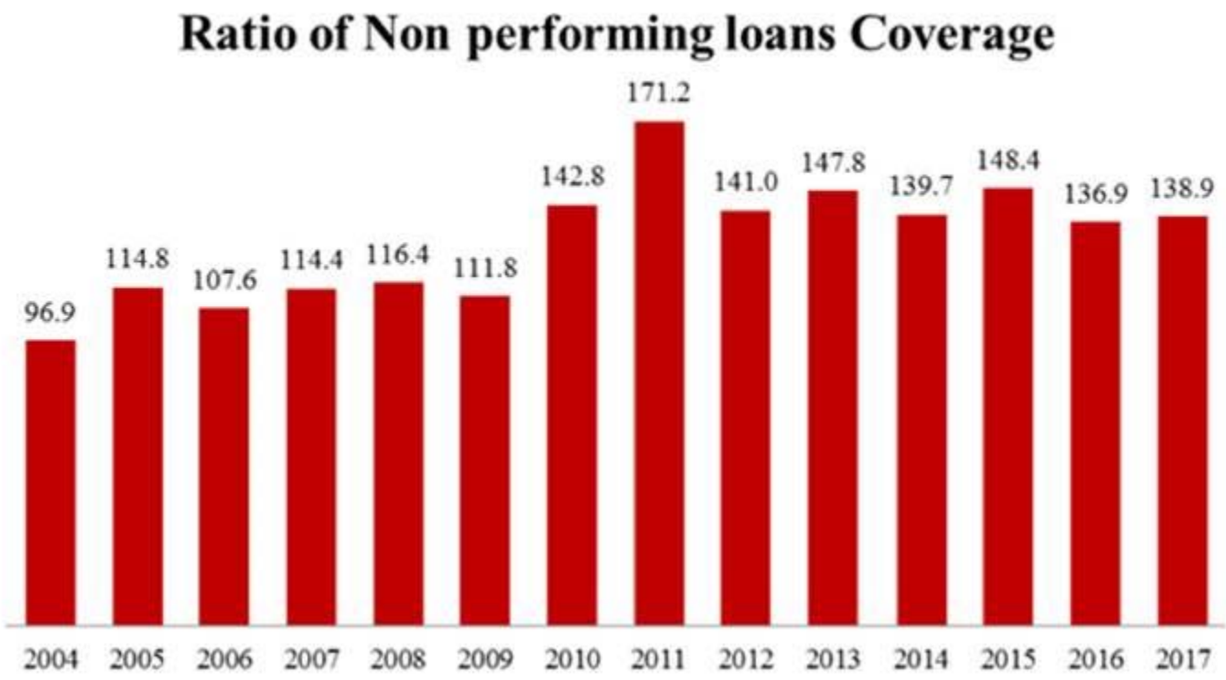
The graph below shows the evolution of non-performing loan ratios in Argentina:



Source: Central Bank

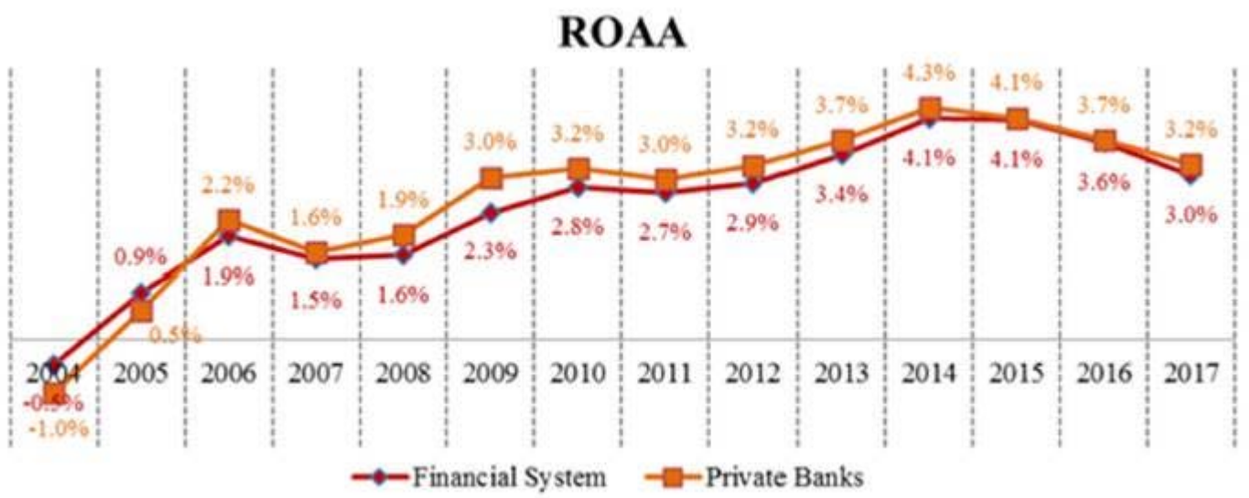
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The following graph shows the evolution of non-performing loans coverage, measured as allowances over non-performing loans:

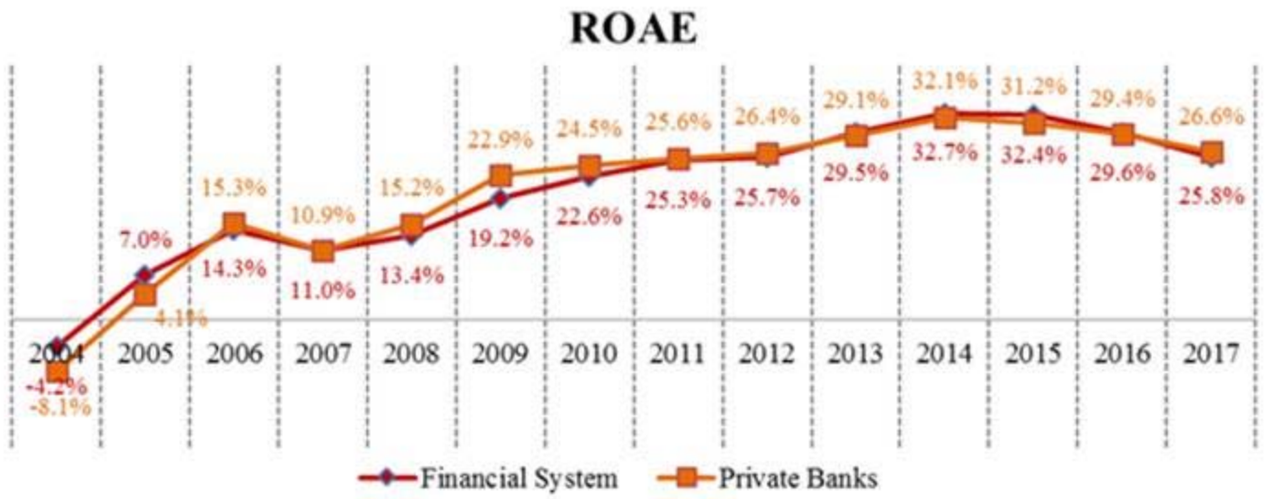


Source: Central Bank

The following graphs show the evolution of ROAA and ROAE in Argentina:



Source: Central Bank



Source: Central Bank

The following tables show market share of Argentine banks in terms of assets, loans and deposits as of December 31, 2017 according to the Central Bank:

Market Share of Assets	
Banco de la Nación Argentina S.A.	20.5%
Banco Santander Río S.A.	9.6%
Banco de la Provincia de Buenos Aires	8.8%
Banco de Galicia y Buenos Aires S.A.	8.6%
BBVA Banco Francés S.A.	6.4%
Banco Macro S.A.	6.1%
HSBC Bank Argentina S.A.	3.6%
Banco de la Ciudad de Buenos Aires	3.3%
ICBC S.A.	3.2%
Credicoop Cooperativo Limitado	3.0%
Banco Patagonia S.A.	2.7%
Banco Supervielle SA	**2.6%**
Citibank N.A.	2.0%
Banco de la Provincia de Córdoba S.A	1.9%
Banco Hipotecario S.A.	1.7%

Market Share of Loans	
Banco de la Nación Argentina S.A.	13.9%
Banco Santander Río S.A.	9.8%
Banco de la Provincia de Buenos Aires	9.8%
Banco de Galicia y Buenos Aires S.A.	9.4%
BBVA Banco Francés S.A.	7.3%
Banco Macro S.A.	7.2%
HSBC Bank Argentina S.A.	3.9%
Banco de la Ciudad de Buenos Aires	3.8%
ICBC S.A.	3.6%
Banco Patagonia S.A.	3.3%
Banco Supervielle SA	**3.0%**
Credicoop Cooperativo Limitado	2.7%
Banco de la Provincia de Córdoba S.A	1.9%
Banco Hipotecario S.A.	1.9%
Nuevo Santa Fe	1.6%

Market Share of Deposits	
Banco de la Nación Argentina S.A.	23.2%
Banco de la Provincia de Buenos Aires	10.6%
Banco Santander Río S.A.	9.6%
Banco de Galicia y Buenos Aires S.A.	8.2%
BBVA Banco Francés S.A.	6.3%
Banco Macro S.A.(1)	5.4%
Credicoop Cooperativo Limitado	3.6%
Banco de la Ciudad de Buenos Aires	3.6%
HSBC Bank Argentina S.A.	3.5%
Banco Patagonia S.A.	2.8%
ICBC S.A.	2.7%
Banco Supervielle SA	**2.5%**
Banco de la Provincia de Córdoba S.A	2.3%
Nuevo Santa Fe	1.5%
Citibank N.A.	1.4%

Source: Central Bank.

With respect to the distribution network, as of December 31, 2017, the financial system had 4,497 branches, 6,358 self-service terminals and 14,707 ATMs, with coverage throughout Argentina.

The table below shows the distribution of the network by jurisdiction as of December 31, 2017.

Jurisdiction	Branches	ATMs	Self-Service Terminals
City of Buenos Aires	843	2,534	1,575
Buenos Aires	1,449	4,578	1,766
Catamarca	22	84	19
Córdoba	437	1,518	450
Corrientes	77	267	52
Chaco	65	317	53
Chubut	69	258	82
Entre Ríos	132	475	182
Formosa	26	129	14
Jujuy	34	189	76
La Pampa	73	172	26
La Rioja	27	105	24
Mendoza	173	494	261
Misiones	65	287	103
Neuquén	80	276	84
Río Negro	75	254	118
Salta	69	328	134
San Juan	40	186	73
San Luis	51	175	70
Santa Cruz	48	169	52
Santa Fe	477	1,224	912
Santiago del Estero	54	230	41
Tucumán	87	367	145
Tierra del Fuego	24	91	46
Total	**4,497**	**14,707**	**6,358**

Presentation of Financial Statements in Pesos. Inflation.

Historically, inflation in Argentina has played a significant role in influencing the economic conditions in Argentina and, in turn, the operations and financial results of companies operating in Argentina, such as Grupo Supervielle.

Argentina has faced and continues to face inflationary pressures. From 2011 to date, Argentina experienced increases in inflation as measured by the wholesale price index WPI that reflected the continued growth in the levels of private consumption and economic activity (including exports and public and private sector investment), which applied upward pressure on the demand for goods and services.

During periods of high inflation, effective wages and salaries tend to fall and consumers tend to accelerate their consumption patterns and also eliminate unnecessary expenses. The increase in inflationary risk may erode macroeconomic growth and further limit the availability of financing, causing a negative impact on our operations.

However, the government expects to reduce the current level of inflation promoting monetary stability and introducing a program for the systematic and sustainable lowering of inflation. WPI decreased to 19% from 35% in 2017.

IAS 29 requires that financial statements of any entity whose functional currency is the currency of a hyperinflationary economy, be stated in terms of the measuring unit current at the end of the reporting period. IAS 29 does not establish a set inflation rate beyond which an economy is deemed to be experiencing hyperinflation. However, hyperinflation is commonly understood to occur when changes in price levels are close to or exceed 100% on a cumulative basis over the last three years, along with other several macroeconomic-related qualitative factors.

Despite the high inflation rates in Argentina in recent years, we conducted an analysis pursuant to the criteria set forth in IAS 29 and we have determined that Argentina does not qualify as a hyperinflationary economy for any of the years included in our audited consolidated financial statements included in this annual report. Once we have completed our transition to IFRS, if we determine that Argentina qualifies as a hyperinflationary economy, we may need to restate our audited consolidated financial statements and other financial information. In making our determination, we considered the lack of objective data available regarding the CPI; the existence of other qualitative and quantitative indicators, such as the program established by the Argentine Central Bank to foster monetary stability that aims to induce a systematic and sustainable low inflation rate, the alternative WPI, according to which the inflation rate was below 100% in the three-year cumulative period ended December 31, 2017; and that the market has evidenced a strong downward trend in inflation rates during December 2017. We believe that our analysis and conclusion is consistent with that of most public entities in Argentina. We reassess inflation data periodically to determine whether this conclusion continues to be applicable. See “Item 3.D. Risk Factors—Risks Relating to Argentina—If the high levels of inflation continue, the Argentine economy may be considered hyperinflationary for purposes of IAS 29, which could have an impact on our audited consolidated financial statements and other financial information, and we may need to adjust or restate our audited consolidated financial statements and other information.”

Notwithstanding the foregoing, certain macroeconomic indicators have experienced a significant annual variation, a fact that must be considered when evaluating and interpreting our results of operations and financial condition as reflected in our audited consolidated financial statements included in this annual report. See “Item 3.D. Risk Factors—Risks Relating to Argentina—Economic and political instability in Argentina may adversely and materially affect our business, results of operations and financial condition.”

The following table shows the rate of inflation, as measured by the variations in the WPI and the CPI, according to INDEC and the evolution of the CER index used to adjust the principal of certain of our assets and liabilities, for the periods indicated. The accuracy of the measurements of INDEC is in doubt, and the actual CPI and WPI for periods prior to January 2016 could be substantially higher than those indicated by INDEC. On January 8, 2016, Decree No. 55/2016 was issued by the Argentine government declaring a state of administrative emergency on the national statistical system and on the official agency in charge of the system, the INDEC, until December 31, 2016. Following the declared emergency, the INDEC ceased publishing statistical data until it rearranged its technical and administrative structure. During the implementation of these reforms, however, INDEC used official CPI figures and other statistics published by the Province of San Luis and the City of Buenos Aires. Despite these expected reforms, there is uncertainty as to whether official data will be sufficiently corrected and within what time period such data will be corrected, and what effect these reforms will have on the Argentine economy. According to the most recent publicly

available information based on data from the City of Buenos Aires, as shown in the second table below, CPI grew 26.6% in 2013, 38.0% in 2014, 26.9% in 2015, 41.0% in 2016 and 26.1% in 2017. According to the INDEC's CPI figures, inflation was 16.9% between May and December 2016. The INDEC reported a cumulative variation of the CPI of 24.8% for 2017, while the CPI measured by the Argentine Congress registered an increase of 24.6%. The CPI variation was of 1.8% for the month of January 2018, compared to the previous month. For information on INDEC figures see "Item 3.D. Risk Factors—Risks Relating to Argentina—Economic and political instability in Argentina may adversely and materially affect our business, results of operations and financial condition" and "Item 3.D. Risk Factors—Risks Relating to Argentina—If the current levels of inflation continue, the Argentine economy and our financial position and business could be adversely affected."

	Year ended December 31,		
	2017	2016	2015
		(in percentages)	
Price Indices:(1)			
WPI	18.8%	34.5%(***)	10.6%(*)
CPI	24.8%(**)	16.9(****)	11.9%(*)
Adjustment Index:			
CER	22.6%	35.72%	15.09%
UVA	21.15%	17.26%	—

(1) Source: INDEC.
(2) Source: Acquisition Value Unit (*Unidad de Valor Adquisitivo*) (the base value as of March 31, 2016 was Ps.14.05).
* Through October 31, 2015, the last day on which such information was reported by INDEC.
** Calculated based on the National CPI method used by INDEC, which replaced the previous CPI in February 2014.
*** The INDEC did not publish the WPI for the last two months of 2015, and resumed publishing WPI data in May 2016, reporting that the WPI grew 34.5% in 2016
**** The INDEC did not publish the CPI for the last two months of 2015, and resumed publishing CPI data in May 2016, reporting that the CPI grew 16.9% between April and December 2016

	Year ended December 31,			
	2017	2016	2015	2014
		(in percentages)		
Price Index:				
City of Buenos Aires CPI*	26.1%	41.0%	26.9%	38.0%

* Calculated based on the Macri administration's alternative CPI index based on data from the City of Buenos Aires.

Currency Composition of Our Balance Sheet

The following table sets forth our assets and liabilities denominated in Pesos, in Pesos adjusted by the CER and UVA and in foreign currency, at the dates indicated.

	As of December 31,		
	2017	2016	2015
		(in thousands of Pesos)	
Assets			
In Pesos	71,109,253	43,704,277	30,171,309
In Pesos, adjusted by CER and UVAs(1)	1,629,912	504	1,545
In Foreign Currency(2) (3)	21,232,113	10,501,261	2,872,963
Total Assets	**93,971,278**	**53,206,042**	**33,045,817**
Liabilities and Shareholders' Equity			
In Pesos, Unadjusted, Including Shareholders' Equity	75,837,484	43,192,571	30,177,605
In Pesos, Adjusted by CER and UVAs(1)	10,296	4,193	2,737
In Foreign Currency(3) (4)	18,123,498	10,009,278	2,865,475
Total Liabilities and Shareholders' Equity	**93,971,278**	**53,206,042**	**33,045,817**

(1) UVAs (*unidades de valor adquisitivo*) are inflation adjusted units introduced in September 2016.

(2) As of December 31, 2017, includes Ps.20,773.2 million in U.S. dollars, Ps.338.9 million in euros and Ps.120.1 million in other foreign currency. As of December 31, 2016, includes Ps.10,302.9 million in U.S. dollars, Ps.126.0 million in euros and Ps.72.3 million in other foreign currency. As of December 31, 2015, includes Ps.2,780.9 million in U.S. dollars, Ps.32.8 million in euros and Ps.59.3 million in other foreign currency.
(3) Converted into Pesos based on the reference exchange rates reported by the Central Bank for December 31, 2017 (U.S.$1.00 to Ps.18.7742), December 31, 2016 (U.S.$1.00 to Ps.15.8502) and December 31, 2015 (U.S.$1.00 to Ps.13.0050).
(4) As of December 31, 2017, includes Ps.17,822.4 million in U.S. dollars, Ps.299.7 million in euros and Ps.1.4 million in other foreign currency. As of December 31, 2016, includes Ps.9,875.7 million in U.S. dollars, Ps.132.4 million in euros and Ps.1.1 million in other foreign currency. As of December 31, 2015, includes Ps.2,836.7 million in U.S. dollars, Ps.27.5 million in euros and Ps.1.3 million in other foreign currency.

Critical Accounting Policies

In the preparation of our audited consolidated financial statements, we have relied on variables and assumptions derived from historical experience and various other factors that we deemed reasonable and relevant. Although we review these estimates and assumptions in the ordinary course of business, the presentation of our financial condition and results of operation often requires our management to make judgments regarding the effects of matters that are inherently uncertain on the carrying value of our assets and liabilities and, consequently, our results of operations.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact our audited consolidated financial statements.

In order to provide an understanding about how management forms its judgments about future events, including the variables and assumptions underlying the estimates, and the sensitivity of those judgments to different variables and conditions, we summarize our main critical accounting policies under Argentine banking GAAP.

Allowances for Loan Losses

The Bank and CCF record allowances for loan losses with respect to their portfolios in accordance with the rules established by the Central Bank. Under such regulations, the loan portfolio is divided into two classes: consumer and commercial. For consumer portfolio management, the minimum allowance for loan losses is calculated primarily based on past due status. For each of the classes, customers are allocated within one of six categories taking into consideration credit quality and the fulfillment of their obligations. Please see "*Item 4.B Business overview—Argentine Banking Regulation*." In addition, the quality of guarantee backing the relevant loan must be considered in each case.

Determining the loan loss reserve requires judgment and estimates from management. To classify its commercial loan portfolio, the Bank and CCF must consider the borrower's ability to repay the debt in terms of such borrower's estimated cash flow, the quality of its cash management, its present and projected financial situation, his or her payment history and ability to service debt, the borrower's internal information and control systems and inherent risks in the sector in which the borrower conducts business.

Tarjeta and Espacio Cordial maintain allowances for loan losses in accordance with their internal policies, which do not differ significantly from those established by the Central Bank. Until the date of its sale, Cordial Microfinanzas maintained allowances for loan losses in accordance with its internal policies, which did not differ significantly from those established by the Central Bank. For more information regarding the balances of the allowance for loan losses see Note 7 to our audited consolidated financial statements.

Allowances for Doubtful Accounts for Other Receivables from Financial Transactions and Miscellaneous Receivables

Our receivables from financial transactions and our miscellaneous receivables are exposed to losses due to uncollectible accounts. The allowance for doubtful accounts corresponding to financial transactions and miscellaneous receivables is determined on an account-by-account basis considering factors such as the borrower's financial condition, past payment history, guarantees and past-due status. Future adjustments to the allowances may be necessary if future economic conditions differ substantially from the assumptions used in the assessment for each period.

In the case of our securitized portfolio, allowances for loan losses with respect to securitizations are maintained at the trust level, pursuant to Central Bank regulations. We then record our participations in loan securitizations based on the trust's equity value. No additional allowances for participations in loan securitizations are required in our audited consolidated financial statements.

For more information regarding the balances of the allowance for doubtful accounts, see Note 13 to our audited consolidated financial statements.

Accrued Litigation

In the normal course of business, we are a party to lawsuits of various types. We disclose in our audited consolidated financial statements contingent liabilities with respect to existing or potential claims, lawsuits and other legal proceedings and record an accrual for litigation when it is probable that future costs will be incurred and these costs can be reasonably estimated. These accruals are based on the specific circumstances of each claim, the evolution of recent developments and the evaluation of our legal advisors. Changes to the accrual amounts may be needed if subsequent events differ substantially from the assumptions used in the assessment for each period. There were no changes to assumptions or methods used to establish accruals from year to year for litigation.

U.S. GAAP—Critical Accounting Policies

Additional information in connection with critical accounting policies for U.S. GAAP purposes is described as follows.

Allowance for Loan Losses

Under U.S. GAAP, the loan losses reserve should be in amounts adequate to cover inherent losses in the loan portfolio at the respective balance sheet dates. Specifically:

a) Loans considered impaired in accordance with ASC 310-10 are valued at the present value of the expected future cash flows discounted at the loan's effective contractual interest rate, except that as a practical expedient a creditor may measure impairment based on a loans observable market price or at the fair value of the collateral less estimated costs to sell if the loan is collateral dependent. Under ASC 310-10, a loan is considered impaired when, based on current information, it is probable that the borrower will be unable to pay contractual interest or principal payments as scheduled in the loan agreement. ASC 310-10 applies to all loans (including those restructured in a troubled debt restructuring involving amendment of terms), except large groups of smaller-balance homogeneous loans that are collectively evaluated for impairment, loans carried at the lower of cost or fair value, debt securities, and leases.

b) In addition, following ASC 450-20, the amount of losses incurred in the homogeneous loan pools is estimated based on the number of loans that will default and the loss in the event of default. Using modeling methodologies, the Group estimates the number of homogeneous loans that will default based on the individual loans' attributes aggregated into pools of homogeneous loans with similar attributes. This estimate is based on the Group's historical experience with the loan portfolio. The estimate is adjusted to reflect an assessment of environmental factors not yet reflected in the historical data underlying the loss estimates, such as changes in real estate values, local and national economies, underwriting standards and the regulatory environment. The probability of default on a loan is based on an analysis of the movement of loans with the measured attributes from either current or any of the delinquency categories to default over a twelve-month period.

Many factors can affect Grupo Supervielle's estimates of allowance for loan losses, including volatility of default probability, migrations and estimated loss severity.

A 10% decrease in the expected cash flows of significant impaired loans individually analyzed, could result in an additional impairment of approximately Ps.3.0 million.

A 10% increase in the historical loss ratios for loans collectively analyzed could result in an additional impairment of approximately Ps.196.0 million.

These sensitivity analyses do not represent management's expectations of the deterioration in risk ratings or the increases in loss rates but are provided as hypothetical scenarios to assess the sensitivity of the allowance for loan and lease losses to changes in key inputs. We believe the risk ratings and loss severities currently in use are appropriate and represent management's expectations about the credit risk inherent in its loan portfolio.

Determining the allowance for loan losses requires significant management judgments and estimates including, among others, identifying impaired loans, determining customers' ability to pay and estimating the fair value of underlying collateral or the expected future cash flows to be received. Actual events are likely to differ from the estimates and assumptions used in determining the allowance for loan losses.

Fair Value Hierarchy

ASC 820-10, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820-10 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

  Inputs include the following:

  a) Quoted prices for similar assets or liabilities in active markets;

  b) Quoted prices for identical or similar assets or liabilities in non-active markets;

  c) Pricing models whose inputs are observable for substantially the full term of the asset or liability; and

  d) Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means

- Level 3 — inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Determination of Fair Value

The Group identified and categorized different assets and liabilities measured at fair value in accordance with the requirements of FASB ASC 820.

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models that use primarily market-based or independently-sourced market parameters,

including interest rate yield curves, option volatilities and currency rates. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments include amounts to reflect counterparty credit quality, the Group's creditworthiness, liquidity and unobservable parameters that are applied consistently over time.

The Group believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Impairment of Assets Other Than Loans

Certain assets, such as goodwill and equity investments are subject to an impairment review. Asset impairment charges require considerable judgment and are recorded when market value declines below the carrying value, for declines other-than-temporary, or where the cost of the asset is deemed to not be recoverable.

Under U.S. GAAP, goodwill is not subject to amortization, but is subject to at least an annual assessment for impairment. The Group analyzes qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill.

Goodwill impairment exists when the fair value of the reporting unit to which the goodwill is allocated is not enough to cover the book value of its assets and liabilities and the goodwill. The fair value of the reporting unit is estimated using discounted cash flow techniques. The sustained value of the majority of the goodwill is supported ultimately by revenue from credit-card business, included in "Consumer Finance" reporting unit.

The evaluation methodology for potential impairment is inherently complex and involves significant management judgment in the use of estimates and assumptions. These estimates involve many assumptions, including the expected results of the reporting unit, an assumed discount rate and an assumed growth rate for the reporting unit.

The Group has reviewed goodwill for impairment as of December 31, 2017 and 2016 and no impairment was recorded.

Deferred Tax Asset Valuation Allowance

Under U.S. GAAP, FASB ASC 740 "Income Taxes," income taxes are recognized using the asset and liability method whereby deferred tax assets and liabilities are recorded for temporary differences between the financial reporting and their respective tax basis. Deferred tax assets are also recognized if it is more likely than not those assets will be realized.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recorded or settled. The effect of a change in tax rates is recognized in income statement in the period when enacted. A valuation allowance is recognized for that component of net deferred tax assets which is "more likely than not" that it will not be realized. Under this pronouncement, an enterprise must use judgment in considering the relative impact of negative and positive evidence to determine if a valuation allowance is needed or not.

Securitizations

The Group has securitized certain of its personal, pledge and credit card loans originated by the Bank and CCF on their behalf through the transfers of such loans to special purpose trusts which issues multiple classes of bonds and certificates of participation.

Under U.S. GAAP, FASB ASC 810 "Consolidation" addresses consolidation of variable interest entities, as defined in the rules, which have certain characteristics.

The methodology for evaluating trust and transactions under the VIE requirements includes the following two steps:

1) Determine whether the entity meets the criteria to qualify as a VIE and;

2) Determine whether the Group is the primary beneficiary of a VIE.

In performing the first step the significant factors and judgments that were considered in making the determination as to whether an entity is a VIE includes:

- The design of the entity, including the nature of its risks and the purpose for which the entity was created, to determine the variability that the entity was designed to create and distribute to its interest holders;
- The nature of the involvement with the entity;
- Whether control of the entity may be achieved through arrangements that do not involve voting equity;
- Whether there is sufficient equity investment at risk to finance the activities of the entity and;
- Whether parties other than the equity holders have the obligation to absorb expected losses or the right to received residual returns.

For each VIE identified, the Group performs the second step and evaluates whether it is the primary beneficiary of the VIE by considering the following significant factors and criteria:

- Whether the Group has the power to direct the activities that most significantly impact the VIE's economic performance and;
- Whether the Group absorb the majority of the VIE's expected losses or the Group receive a majority of the VIE's expected residual returns.

Under FASB ASC 810, financial trusts were considered variable interest entities. The Group was deemed to be the primary beneficiary of these trusts and, therefore, the Group included them in its consolidated financial statements.

Results of Operations for the Years Ended December 31, 2017, 2016 and 2015

We discuss below: (i) our results of operations for the year ended December 31, 2017 as compared with our results of operations for the year ended December 31, 2016; and (ii) our results of operations for the year ended December 31, 2016 as compared with our results of operations for the year ended December 31, 2015.

Guidelines Towards Conversion to IFRS

On February 12, 2014, the Central Bank, through Communication "A" 5541, established the general guidelines towards conversion to IFRS as issued by the International Accounting Standards Board (IASB) for preparing financial statements of the entities under its supervision with the temporary exception of paragraph 5.5 "Impairment" of IFRS 9 "Financial Instruments" (IFRS as issued by the IASB as adopted by the Central Bank).

According to such convergence process, IFRS have been adopted for the fiscal year beginning on January 1, 2018 and IFRS transition date pursuant to IFRS 1 "First-time Adoption of IFRS" was scheduled for January 1, 2017.

IFRS 1, First Time Adoption of International Financial Reporting Standards, is the guidance that is applied during preparation of a company's first IFRS-based financial statements. IFRS 1 was created to help companies transition to IFRS and provides practical accommodations intended to make first-time adoption cost-effective. It also provides application guidance for addressing difficult conversion topics.

The key principle of IFRS 1 is full retrospective application of all IFRS standards that are effective as of the closing balance sheet or reporting date of the first IFRS financial statements. IFRS 1 requires companies to (i) identify the first IFRS financial statements; (ii) prepare an opening balance sheet at the date of transition to IFRS; (iii) select accounting policies that comply with IFRS and to apply those policies retrospectively to all of the periods presented in the first IFRS financial statements; (iv) consider whether to apply any of the optional exemptions from retrospective application; (v) apply the mandatory exceptions from retrospective application; and (vi) make extensive disclosures to explain the

transition to IFRS. Exemptions provide limited relief for first-time adopters, mainly in areas where the information needed to apply IFRS retrospectively may be most challenging to obtain.

The Bank will present consolidated financial statements under IFRS as issued by the IASB, as adopted by the Central Bank for the first time in its consolidated financial statements for the year ended December 31, 2018, which will include comparative financial statements for the year ended December 31, 2017. The Bank will present unaudited consolidated interim financial statements under IFRS as issued by the IASB, as adopted by the Central Bank for the first time in its unaudited consolidated interim financial statements for the three months ended March 31, 2018, which will include comparative financial statements for the three months ended March 31, 2017. Note 33 to our audited consolidated financial statements provides a description of the principal differences between Argentine Banking GAAP and IFRS, as they relate to us, and a reconciliation to IFRS of shareholders' equity as of December 31, 2017 and January 1, 2017 and of net income for the year ended December 31, 2017. The figures shown in that note may be subject to change and may only be considered definitive when audited consolidated financial statements for fiscal year 2018 are released.

Results of Operations for the Years Ended December 31, 2017, 2016 and 2015

We discuss below: (i) our results of operations for the year ended December 31, 2017 as compared with our results of operations for the year ended December 31, 2016; and (ii) our results of operations for the year ended December 31, 2016 as compared with our results of operations for the year ended December 31, 2015.

Net Income

	Year ended December 31,			Change December 31,	
	2017	2016	2015	2017/2016	2016/2015
		(in thousands of Pesos)		(in percentages)	
Consolidated Income Statement					
Argentine Banking GAAP					
Financial Income	15,494,671	10,794,579	6,741,744	43.5%	60.1%
Financial Expenses(1)	(6,194,288)	(4,866,525)	(3,386,050)	27.3%	43.7%
Gross Financial Margin	9,300,383	5,928,054	3,355,694	56.9%	76.7%
Loan Loss Provisions	(1,820,169)	(1,057,637)	(543,844)	72.1%	94.5%
Services Fee Income	4,973,272	3,527,516	2,835,708	41.0%	24.4%
Services Fee Expense	(1,495,848)	(1,080,660)	(778,492)	38.4%	38.8%
Net Services Fee Income	3,477,424	2,446,856	2,057,216	42.1%	18.9%
Income from Insurance Activities	479,061	606,143	175,947	(21.0)%	244.5%
Administrative Expenses	(8,390,622)	(6,060,281)	(4,261,402)	38.5%	42.2%
Income from Financial Transactions	3,046,077	1,863,135	783,611	63.5%	137.8%
Miscellaneous Income	545,842	429,884	367,165	27.0%	17.1%
Miscellaneous Losses	(376,480)	(458,946)	(213,427)	(18.0)%	115.0%
Miscellaneous Income / (Loss), Net	169,362	(29,062)	153,738	682.8%	(118.9)%
Non-controlling Interest Result	(5,897)	(22,166)	(16,079)	73.4%	37.9%
Income before income tax	3,209,542	1,811,907	921,270	77.1%	96.7%
Income Tax	(772,483)	(500,603)	(247,161)	54.3%	102.5%
Net income for the period	**2,437,059**	**1,311,304**	**674,109**	**85.9%**	**94.5%**
Return on Average Assets(1)	3.5%	3.2%	2.5%		
Return on Average Shareholders' Equity(2)	25.4%	26.3%	32.2%		

(1) Includes losses related to NDF hedging transactions, which totaled Ps.0 million as of December 31, 2017 and Ps.0 million as of December 31, 2016 and Ps.228.2 million as of December 31, 2015.
(2) Net income, divided by average assets, calculated on a daily basis.
(3) Net income, divided by average shareholder equity, calculated on a daily basis.

The following table shows our yields on interest-earning assets and cost of funds:

	As of December 31,					
	2017		2016		2015	
	Average Balance	Rate	Average balance	Rate	Average balance	Rate
	(in thousands of Pesos, except rates)					
Interest-Earning Assets						
Investment Portfolio(1)	8,201,062	24,2%	3,993,113	31.4%	2,562,300	26.3%
Loans	42,831,384	29.4%	26,248,876	33.7%	17,654,501	32.5%
Other receivables from financial transactions(2)	1,643,903	23.9%	694,063	31.5%	303,044	17.7%
Interest-Bearing Liabilities						
Checking and Savings accounts	12,839,525	0.0%	7,431,318	0.1%	4,903,695	0.1%
Special checking accounts(3)	5,318,081	12.0%	—	0.0%	—	0.0%
Time deposits	13,893,201	16.6%	12,452,742	24.7%	9,287,475	24.0%
Borrowings from other financial institutions and unsubordinated negotiable obligations	7,963,979	23.4%	2,550,226	29.1%	1,651,911	25.6%
Subordinated loans and negotiable obligations	1,319,046	9.7%	1,285,162	10.0%	800,088	10.2%
Spread and Net Yield						
Interest spread, nominal basis		16.5%		16.8%		15.0%
Net interest margin`		19.1%		20.6%		18.1%

(1) Includes securities issued by our securitization trusts and held by us, instruments issued by the Central Bank (LEBACs, NOBACs, and BOPOMs) and other government and corporate securities.
(2) Includes overnight deposits and unlisted corporate bonds.
(3) Special checking accounts refers to checking accounts for institutions which are allowed to pay interest.

Net income for 2017 amounted to Ps.2.4 billion, as compared to a net income of Ps.1.3 billion in 2016.

ROAA and ROAE were 3.5% and 25.4%, respectively, for 2017, as compared to 3.2% and 26.3%, respectively, during 2016. For 2015, ROAA was 2.5% and ROAE was 32.2%. In the period ended December 31, 2017, ROAE reflected the temporary dilution that resulted from the capital raised in our follow-on equity offering on September 12, 2017 (including the subsequent exercise of the green shoe). This resulted in a Ps.5.6 billion increase in the shareholder's equity which fully impacted the fourth quarter of 2017, but only 15 days of the third quarter of 2017. Results in 2017 included (i) non-recurring net gains from the sale of Viñas del Monte and other non-strategic properties, and (ii) a Ps.50 million net loss due to impact of the appreciation of the Peso against the U.S. dollar between pricing and settlement of the Ps.4,768,170,000 global term note issued by the Bank in February 2017.

In 2016, ROAE reflected the temporary dilution that resulted from the capital raised in our IPO on May 19, 2016. Results in 2016 included a Ps.92.4 million net gain from the termination of the Supervielle Renta Inmobiliaria Financial Trust.

The following table sets forth net income by quarter for the four quarters in 2017 and 2016. In general, our net income in the second half of the year is higher than in the first half, mainly due to the seasonality of economic activity plus the effect of the monthly cumulative increase of our assets in nominal terms and the fact that the salary increases agreed upon between us and the banking employees' trade union during the second quarter are applied retroactively to the first quarter. This year, fourth quarter of 2017 reflects the 5.3% increase in salaries applied retroactively for the full year to catch up with 2017 inflation following the trigger clause included in the banking union 2017 wage increase agreement.

Quarter	(in millions of Pesos)
First Quarter 2016	174.7
Second Quarter 2016	167.9
Third Quarter 2016	436.4
Fourth Quarter 2016	532.3
First Quarter 2017	381.9
Second Quarter 2017	579.7
Third Quarter 2017	624.1
Fourth Quarter 2017	851.4

2017 Compared to 2016

During 2017, net income amounted to Ps.2.4 billion, a Ps.1.1 billion increase compared to net income of Ps.1.3 billion in 2016.

The main factors explaining the increase were:

- a Ps.3.4 billion increase in gross financial margin, to Ps.9.3 billion from Ps.5.9 billion,
- a Ps.1.0 billion increase in net services fee income, to Ps.3.5 billion from Ps.2.4 billion, and
- a net miscellaneous gain of Ps.169.4 million, as compared to a net miscellaneous loss of Ps.29.1 million.

These factors were partially offset by:

- a Ps.2.3 billion increase in administrative expenses, to Ps.8.4 billion from Ps.6.1 billion,
- a Ps.762.5 increase in loan loss provisions to Ps.1.8 billion from Ps.1.1 billion, reflecting the growth of the loan portfolio, a deterioration in asset quality mainly in the consumer finance segment as well as increased loan loss provisions required by the aging of delinquent loans as from previous quarters, and the 470-basis point increase in the coverage ratio to 91.8%,
- a Ps.271.9 increase in income tax, to Ps.772.5 million from Ps.500.6 million, and
- a Ps.127.1 million decrease in income from insurance activities, to Ps.479.1 million from Ps.606.1 million.

2016 Compared to 2015

During 2016, net income amounted to Ps.1.3 billion, a Ps.637.2 million increase compared to net income of Ps.674.1 million in 2015.

The main factors explaining the increase were:

- a Ps.2.6 billion increase in gross financial margin, to Ps.5.9 billion from Ps.3.4 billion,
- a Ps.389.6 million increase in net services fee income, to Ps.2.4 billion from Ps.2.1 billion, and
- a Ps.430.2 million increase in income from insurance activities, to Ps.606.1 million from Ps.175.9 million.

These factors were partially offset by:

- a Ps.1.8 billion increase in administrative expenses, to Ps.6.1 billion from Ps.4.3 billion,
- a Ps.513.8 million increase in loan loss provisions to Ps.1,1 billion from Ps.543.8 million,
- a Ps.253.4 million increase in income tax, to Ps.500.6 million from Ps.247.2 million, and
- a Ps.29.1 million loss in other income, compared to other net gains of Ps.153.7 million in 2015.

Financial Income

Our financial income was comprised of the following:

	Year ended December 31,			Change December 31,	
	2017	2016	2015	2017/2016	2016/2015
	(in thousands of Pesos)			(in percentages)	
Interest on loans to the financial sector	90,151	73,754	9,173	22.2%	704.0%
Interest on overdrafts	1,162,911	996,570	594,315	16.7%	67.7%
Interest on promissory notes	1,403,685	1,087,323	838,464	29.1%	29.7%
Interest on mortgage loans	109,801	8,998	10,014	1120.3%	(10.1)%
Interest on automobile and other secured loans	30,916	17,271	32,678	79.0%	(47.1)%
Interest on personal loans	6,104,346	3,631,979	2,144,410	68.1%	69.4%
Interest on corporate unsecured loans	1,076,056	819,097	561,635	31.4%	45.8%
Interest on credit cards loans	1,802,713	1,733,606	1,289,386	4.0%	34.5%
Interest on foreign trade loans	361,112	130,047	42,975	177.7%	202.6%
Interest on leases	454,851	359,588	207,411	26.5%	73.4%
Interest on other receivables from financial transactions	392,172	218,942	56,762	79.1%	285.7%
Income from government and corporate securities(1)	518,698	157,396	131,058	229.5%	20.1%
Income from participation in our securitization trusts(2)	148,627	362,242	282,553	(59.0)%	28.2%
Income from securities issued by the Central Bank(1)	1,318,422	734,096	257,274	79.6%	185.3%
Exchange rate differences of gold and foreign currency(3)	250,759	367,436	44,735	(31.8)%	721.4%
Other(4)	269,451	96,234	238,901	180.0%	(59.7)%
Total	**15,494,671**	**10,794,579**	**6,741,744**	**43.5%**	**60.1%**

(1) Includes interest and variations in fair value.
(2) Includes interest on and changes in the fair value of senior and subordinated bonds issued by our securitization trusts and held by us, as well as variations in the book value of participation certificates issued by such trusts. Income derived from participation certificates (but not from senior and subordinated bonds) is not subject to income tax, which is deducted at the financial trusts' level. Allowances for loan losses are also maintained at the trust level following Central Bank regulations.
(3) Includes exchange rate differences, both from foreign currency trading and from the net holdings of assets and liabilities.
(4) Includes premiums on repo transactions, which totaled Ps.180.1 million for the year ended December 31, 2017 and Ps.13.6 million for the year ended December 31, 2016.

The following table sets forth our yields on interest-earning assets:

	Year ended December 31,					
	2017		2016		2015	
	Average Balance	Average Nominal Rate	Average Balance	Average Nominal Rate	Average Balance	Average Nominal Rate
	(in thousands of Pesos, except percentages)					
Interest-Earning Assets						
Investment Portfolio						
Government and corporate securities	2,099,353	24.7%	763,096	23.4%	504,119	26.5%
Participation in our securitization trusts	818,852	18.2%	1,277,081	28.4%	1,348,974	21.0%
Securities issued by the Central Bank.	5,282,857	25.0%	1,952,936	37.1%	709,207	36.3%
Total Investment Portfolio	**8,201,062**	**24.2%**	**3,993,113**	**31.7%**	**2,562,300**	**26.3%**
Loans						
Loans to the financial sector	508,888	17.7%	240,611	30.7%	28,977	31.7%
Overdrafts	3,262,650	35.6%	2,509,796	39.7%	1,638,881	36.3%
Promissory notes(1)	6,411,891	21.9%	3,837,761	28.3%	3,177,646	26.4%
Mortgage loans	457,344	24.0%	40,766	22.1%	59,344	16.9%
Automobile and other secured loans	157,946	19.6%	78,980	21.9%	133,740	24.4%
Personal loans	12,443,671	49.1%	7,884,433	46.1%	5,170,131	41.5%
Corporate unsecured loans	4,041,754	26.6%	2,418,252	33.9%	1,769,763	31.7%
Credit cards loans	6,365,177	28.3%	5,544,763	31.3%	4,193,038	30.8%
Receivables from financial leases	1,963,819	23.2%	1,317,689	27.3%	837,151	24.8%
Total loans excl. Foreign trade and U.S. dollar loans	**35,613,140**	**34.4%**	**23,873,051**	**36.6%**	**17,008,671**	**33.4%**
Foreign Trade Loans and U.S. dollar loans	7,218,244	5.0%	2,375,825	5.5%	645,829	6.7%
Total Loans	**42,831,384**	**29.4%**	**26,248,876**	**33.7%**	**17,654,501**	**32.5%**
Other receivables from financial transactions	1,643,903	23.9%	694,063	31.5%	303,044	17.7%
Total Interest-Earning Assets	**52,676,349**	**28.4%**	**30,936,051**	**33.4%**	**20,519,845**	**31.5%**
Net repo transactions	(374,483)		262,985		145,246	
Total Interest-Earning Assets with Repo transactions	**52,301,866**		**31,199,036**		**20,665,090**	

(1) Consists of unsecured checks and accounts receivable deriving from factoring transactions.

Our financial income includes net income derived from our participation in financial trusts created in connection with our securitization transactions.

From time to time, each of the Bank and CCF and prior to 2013, Tarjeta as well transfer portions of their loan portfolio, mainly personal loans, to special purpose financial trusts that fund the purchase of these loans by issuing securities, most of which are sold to third parties, thereby creating an additional source of funding for operations. Before the IPO, loan securitization was part of our self-funded strategy. However, since the IPO we have reduced substantially the securitization made by the Bank, although we continued to follow this strategy at CCF.

In the case of the securitization transactions carried out by the Bank and CCF, the trustee typically issues senior bonds, subordinated bonds and participation certificates (equivalent to equity), and the Bank places these bonds in the Argentine capital markets. Generally, the Bank and CCF, as settlors of the trust, retain the balance of the subordinated bonds and the participation certificates that are not purchased by investors, as well as some senior bonds. The Bank and CCF generally retain servicing rights with respect to the loan portfolio transferred to the financial trusts. The payment obligations of these securities are secured by the trust assets consisting of the portfolio of the loans transferred and any reserved fund established by the Bank or CCF for such purpose. We have no exposure to such trusts beyond the senior and subordinated debt and the participation certificates that we hold.

For more information regarding our securitization transactions see "*Item 5.B Liquidity and Capital Resources—Funding—Securitization Transactions*."

2017 Compared to 2016

Financial income in 2017 totaled Ps.15.5 billion, a 43.5% increase from the Ps.10.8 billion recorded in 2016. This increase was primarily the result of an increase in average interest-earning assets (including repo transactions) following the IPO and the follow-on equity offering in September 2017 and Ps.173.2 million increase in other financial income to Ps.269.5 million from Ps.96.2 million recorded in 2016.

The average balance of our interest-earning assets totaled Ps.52.7 billion in 2017, representing a 70.3% increase from Ps.30.9 billion in 2016. This increase was mainly a result of (i) a 49.2% increase in the average balance of our total loan portfolio excluding foreign trade and U.S. dollar loans to Ps.35.6 billion in 2017 from Ps.23.9 billion in 2016, (ii) a 203.8% increase in the average foreign trade and U.S. dollar loan portfolio to Ps.7.2 billion in 2017, from Ps.2.4 billion in 2016, (iii) a 105.4% increase in the average balance of our total investment portfolio to Ps.8.2 billion in 2017, from Ps. 4.0 billion in 2016, and (iv) a Ps.173.2 million increase in other financial income.

The increase in the average balance of our total loan portfolio (excluding foreign trade loans and U.S. dollar loans) was mainly explained by the following changes in our balance sheet. First, the average balance of personal loans increased by 57.8%, representing the increase in the average balance of personal loans when deducting therefrom the portfolio of personal loans that was securitized during 2017 and 2016, as applicable. The average amount of securitized personal loans was higher during 2017 when compared to 2016. If no personal loans had been securitized during 2017 and 2016, the increase in the average balance of personal loans would have been 80.5%, which is higher than the estimated 52.3% average increase recorded by the Argentine financial system in the same period. In addition to the increase in our average balance of personal loans, our total loan portfolio was also impacted by a 67.1%, or Ps.2.6 billion, increase in promissory notes, a 67.1%, or Ps.1.6 billion, increase in corporate unsecured loans, a 49.0%, or Ps.646.1 million, increase in receivables from financial leases, a 1,021.9%, or Ps.416.6 million increase in mortgages, a 30.0%, or Ps.752.9 million, increase in overdrafts and a 14.8%, or Ps.820.4 million, increase in credit cards.

The 203.8%, or Ps.4.8 billion, increase in the average balance of our foreign trade loans and U.S. dollar loans outperformed industry growth and represented 13.7% of the total average loan portfolio.

The 105.4% increase in the average balance of our total investment portfolio was primarily due to increases in the average balances of the following securities after the IPO and our follow-on equity offering, which provided us with additional liquidity: (i) securities issued by the Central Bank, which increased to Ps.5.3 billion in 2017, from Ps.2.0 billion in 2016 and (ii) other government and corporate securities, which increased to Ps.2.1 billion in 2017, from Ps.763.1 million in 2016.

The 80.5% increase in the average balance of our personal loans in 2017 was driven by growth both in the consumer finance segment and in the Retail Segment and reflects a higher level of contribution of these types of loans to securitization trusts compared with the same period of 2016. The growth in both segments was mainly due to the issuance by CCF of financial trusts to fund loan growth. The average amount of securitized personal loans was higher during 2017 when compared to 2016. Nevertheless, as of December 31, 2017, the total amount of securitized personal loan portfolio was lower than the balance registered as of December 31, 2016.

The average yield on interest-earning assets was 28.4% in 2017, a 500 basis point decrease from 33.4% recorded in 2016. The average interest rate on total loans (excluding foreign trade loans and U.S. dollar loans) decreased to 34.4% in 2017 from 36.6% in 2016, driven by lower average interest rates in corporate segment products and credit cards, which was partially offset by higher average interest rates on personal loans. Lower average interest rates on corporate segment products is the result of declining market interest rates, which directly impact corporate segment rates. Average BADLAR decreased 520 basis points in 2017 compared to 2016.

An increase in foreign trade and U.S. dollar-denominated loans, promissory notes and receivables from financial leases reflect the growth achieved in our corporate segment portfolio since the IPO and follow-on equity offering. The IPO, the follow-on equity offering and subsequent capital contributions to the Bank allowed it to have a higher

capital base to increase its loans to its corporate customers. The increase in the average balance of personal loans was driven by growth both in the consumer finance segment and in the retail segment.

The average yield on our total investment portfolio decreased 746 basis points to 24.2% in 2017, driven by decreased yields on securities issued by the Central Bank due to lower interest rates in Peso-denominated instruments. In 2016, the increase in yield of participation in our securitization trusts registered a net gain from the termination of the Supervielle Renta Inmobiliaria Financial Trust. This was partially offset by higher returns on government and corporate securities.

2016 Compared to 2015

Financial income in 2016 totaled Ps.10.8 billion, a 60.1% increase from the Ps.6.7 billion recorded in 2015. This increase was primarily the result of an increase in the average balance of our interest-earning assets due to the deployment of the capital raised in the IPO in May 2016, an increase of 195 basis points in the average yields of such assets after the removal by the Central Bank authorities in mid-December 2015 of interest rates caps and floors that had been in place during 2015 and the net gain on the termination of the Supervielle Renta Inmobiliaria Financial Trust. For an explanation of the termination of the Supervielle Renta Inmobiliaria Financial Trust and the related net gains, see "*Item 4.D Property, Plants and Equipment.*"

The average balance of interest-earning assets totaled Ps.30.9 billion in 2016, representing a 50.8% increase from Ps.20.5 billion in 2015. This increase was mainly a result of (i) a 40.4% increase in the average balance of our total loan portfolio (excluding our foreign trade and U.S. dollar loan portfolio) to Ps.23.9 billion in 2016, from Ps.17.0 billion in 2015, (ii) a 267.9% increase in the average balance of our foreign trade and U.S. dollar loan portfolio to Ps.2.4 billion in 2016, from Ps.645.8 million in 2015 and (iii) a 55.8% increase in the average balance of our total investment portfolio increasing to Ps.4.0 billion in 2016 from Ps.2.6 billion in 2015.

The increase in the average balance of our total loan portfolio (excluding foreign trade loans and U.S. dollar loans) was mainly explained by: (i) a 52.6% increase in the average balance of personal loans (compared to a 34% increase of those loans registered by the Argentine financial system), (ii) a 32.2% increase in the average balance of credit card loans, (iii) a 36.6% increase in the average balance of corporate unsecured loans, (iv) a 53.1% increase in the average balance of overdrafts (compared to a 26.5% increase registered by the Argentine financial system) and (v) a 57.4% increase in the average balance of receivables from financial leases.

The 267.9% increase in the average balance of foreign trade loans and U.S. dollar loans reflects the growth achieved in our corporate segment portfolio since the IPO.

The 55.8% increase in the average balance of our total investment portfolio was primarily due to a 175.4% increase in the average balance of our holdings of Central Bank securities due to the investment of a portion of the IPO proceeds, and a 51.4% increase in the average balance of our holdings of government and corporate securities, which represent 2% of our total average interest earning assets.

The 52.6% increase in the average balance of personal loans in 2016 was driven by growth both in the consumer finance segment and in the retail segment and reflects a lower level of contribution of these loans to securitization trusts in 2016 compared to 2015. Had the pace of securitization remained even, the increase in the average balance of personal loans in 2016 would have been approximately 27%. This 27% is lower than the estimated 34% average increase recorded by Argentine financial system in the same period.

The average yield on interest-earning assets was 33.4% in 2016, a 195 basis point increase from 31.5% in 2015. The average interest rate on total loans (excluding foreign trade loans and U.S. dollar loans) increased to 36.6% in 2016 from 33.4% in 2015, reflecting an increase in the average interest rate on personal loans and overdrafts, and a higher incidence of personal loans and overdrafts in our loan portfolio, which bear a higher interest rate than other assets in the average portfolio.

The average nominal rate on our investment portfolio (which includes our income from participations in our securitization trusts) increased to 31.4% in 2016 from 26.3% in 2015, primarily due to an increase in the average

nominal rate on participations in our securitization trusts and further impacted by the net gain on the termination of the Supervielle Renta Inmobiliaria Financial Trust. For an explanation of the termination of the Supervielle Renta Inmobiliaria Financial Trust and the related net gains, see "*Item 4.D Property, Plants and Equipment.*"

Financial income for 2016 includes a Ps.367.4 million gain from exchange rate differences of gold and foreign currency, compared to a gain of Ps.44.7 million from such exchange rate differences in 2015 (excluding gains related to NDF hedging transactions).

Other financial income decreased by 59.7% to Ps.96.2 million in 2016 from Ps.238.9 million in 2015, as the results for the year 2015 included particular hedging transactions of Ps.228.2 million, entered into to protect our capital against an expected devaluation of the Peso in the fourth quarter of 2015, which materialized in December 2015.

Financial Expenses

Our financial expenses were composed of the following:

	Year ended December 31,			Change December 31,	
	2017	2016	2015	2017/2016	2016/2015
	(in thousands of Pesos)			(in percentages)	
Interest on savings accounts	3,702	4,639	4,830	(20.2)%	(4.0)%
Interest on special checking accounts	637,696	—	—	100.0%	0.0%
Interest on time deposits	2,308,058	3,070,847	2,224,748	(24.8)%	38.0%
Interest on other liabilities from financial transactions	1,651,228	359,126	266,760	359.8%	34.6%
Interest on financing from the financial sector	208,869	382,588	156,915	(45.4)%	143.8%
Interest on subordinated loans and negotiable obligations	128,237	128,027	81,282	0.2%	57.5%
Other(1)	1,256,498	921,297	651,515	36.4%	41.4%
Total	**6,194,288**	**4,866,525**	**3,386,050**	**27.3%**	**43.7%**

(1) Includes mainly turnover tax and payments to the deposit guarantee fund.

The following table shows our cost of funds:

	Year ended December 31,					
	2017		2016		2015	
	Average Balance	Average Nominal Rate	Average Balance	Average Nominal Rate	Average Balance	Average Nominal Rate
	(in thousands of Pesos, except percentages)					
Interest-bearing liabilities						
Special Checking Accounts	**5,318,081**	**12.0%**	**—**	**0.0%**	**—**	**0.0%**
Ps. Time Deposits	4,139,446	15.3%	—	0.0%	—	0.0%
Foreign Exchange Time deposits	1,178,635	0.3%	—	0.0%	—	0.0%
Time Deposits	**13,893,202**	**16.6%**	**12,452,742**	**24.7%**	**9,287,475**	**24.0%**
Ps. Time Deposits	12,567,904	18.3%	11,646,092	26.3%	8,950,016	24.8%
Foreign Exchange Time deposits	1,325,298	0.6%	806,650	1.3%	337,459	0.8%
Borrowings from other financial institutions and unsubordinated negotiable obligations	**7,963,979**	**23.4%**	**2,550,226**	**29.1%**	**1,651,911**	**25.6%**
Subordinated loans and negotiable obligations	**1,319,046**	**9.7%**	**1,285,162**	**10.0%**	**800,088**	**10.2%**
Total interest-bearing liabilities	**28,494,308**	**17.3%**	**16,288,130**	**24.2%**	**11,739,473**	**23.3%**
Low & Non-Interest Bearing Deposits						
Savings accounts	**12,839,525**	**0.0%**	**7,431,318**	**0.1%**	**4,903,695**	**0.1%**
Ps. Savings Accounts	8,991,324	0.0%	6,192,384	0.1%	4,616,801	0.1%
Foreign Exhnage Savings Accounts	3,848,201	0.0%	1,238,934	0.1%	286,894	0.1%
Demand Deposits	**9,483,831**		**7,143,382**		**4,866,728**	
Ps. Checking Accounts	6,721,340		6,541,618		4,766,900	
Foreign Exchange Checking Accounts	2,762,491		601,764		99,828	
Special Checking Accounts	**—**		**1,749,023**		**1,117,708**	
Ps. Special Checking Accounts	—		1,749,023		1,117,708	
Foreign Exchange Special Checking Accounts	—		—		—	
Total low & non interest-bearing deposits	**22,323,356**		**14,574,700**		**9,770,423**	
Total Interest-bearing liabilities & low & non-interest bearing deposits	**50,817,664**	**9.7%**	**30,862,830**	**12.8%**	**21,509,896**	**12.7%**

The following table sets forth interest bearing deposits by denomination:

	Year ended December 31,								
	2017			2016			2015		
	Average Balance	Interest Paid	Average Nominal Rate	Average Balance	Interest Paid	Average Nominal Rate	Average Balance	Interest Paid	Average Nominal Rate
	(in thousands of Pesos, except percentages)								
Savings accounts									
Pesos	8,991,324	(2,569)	0.0%	6,192,384	(3,899)	0.1%	4,616,801	(4,556)	0.1%
Dollars	3,848,201	(1,133)	0.0%	1,238,934	(740)	0.1%	286,894	(274)	0.1%
Total	**12,839,525**	**(3,702)**	**0.0%**	**7,431,318**	**(4,639)**	**0.1%**	**4,903,695**	**(4,830)**	**0.1%**
Special checking accounts									
Pesos	4,139,446	(633,945)	15.3%	—	—	0.0%	—	—	0.0%
Dollars	1,178,635	(3,751)	0.3%	—	—	0.0%	—	—	0.0%
Total	**5,318,081**	**(637,696)**	**12.0%**	**—**	**—**	**0.0%**	**—**	**—**	**0.0%**
Time deposits									
Pesos	12,567,904	(2,299,676)	18.3%	11,646,092	(3,060,566)	26.4%	8,950,016	(2,221,941)	24.8%
Dollars	1,325,298	(8,382)	0.2%	806,650	(10,282)	1.3%	337,459	(2,807)	0.8%
Total	**13,893,202**	**(2,308,058)**	**16.6%**	**12,452,742**	**(3,070,848)**	**24.7%**	**9,287,475**	**(2,224,748)**	**24.0%**
Total by currency									
Pesos	25,698,673	(2,936,190)	11.4%	17,838,476	(3,064,465)	17.2%	13,566,817	(2,226,497)	16.4%
Dollars	6,352,134	(13,266)	0.2%	2,045,584	(11,022)	0.5%	624,353	(3,081)	0.5%
Total Deposits	**32,050,807**	**(2,949,456)**	**9.2%**	**19,884,060**	**(3,075,487)**	**15.5%**	**14,191,170**	**(2,229,578)**	**15.7%**

2017 Compared to 2016

Financial expenses for 2017 totaled Ps.6.2 billion, a 27.3% increase from Ps.4.9 billion for 2016. This increase was attributable to a 74.9% increase in the average balance of our interest-bearing liabilities offset by a 700 basis points decrease in the average nominal rate and by a 53.2% increase in low or non-interest bearing deposits.

Other financial expenses in 2017 totaled Ps.1.3 billion, compared to Ps.921.3 million in 2016. This was mainly due to the increase in turnover tax expense resulting from higher financial income and the cost of forward transactions carried out to balance the foreign exchange position partially offset by a reduction in the monthly contribution rate that banks are required to pay to fund the Deposits Guarantee Fund.

Average balance of our interest-bearing liabilities in 2017 totaled Ps.28.5 billion, compared to Ps.16.3 billion in 2016. This increase was mainly due to (i) a Ps.5.3 billion average balance of interest-bearing special checking accounts which mainly grew since January 2017 when the Central Bank allowed banks to pay interest on the amounts deposited in these accounts, and a (ii) 212.3% increase to Ps.8.0 billion, in the average balance of our borrowings from other financial institutions and medium-term negotiable obligations reflecting the issuance of a Ps.4,768,170,000 global term note by the Bank in February 2017 along with medium-term bonds issuances in the local capital markets by both the Bank and CCF.

Average balance of our low or non-interest-bearing deposits in 2017 totaled Ps.22.3 billion, compared to Ps.14.6 billion in 2016. This increase was mainly due to (i) a 72.8% increase to Ps.12.8 billion in the average balance of savings accounts, and (ii) a 32.8% increase to Ps.9.5 billion in non-interest bearing checking accounts.

Out of our total average interest-bearing deposits of Ps.32.0 billion in 2017, Ps.6.4 billion were U.S. dollar-denominated deposits and Ps.25.7 billion were Peso-denominated, compared to Ps.2.0 billion and Ps.17.8 billion, respectively, in 2016.

Out of our total average non-interest-bearing deposits of Ps.9.5 billion for 2017, Ps.2.8 billion were U.S. dollar-denominated deposits and Ps.6.7 billion were Peso-denominated, compared to Ps.601.8 million and Ps.6.5 billion, respectively, in 2016.

The average rate paid on interest-bearing liabilities and low or non-interest-bearing deposits for 2017 was 9.7%, 310 basis points below the 12.8% average rate for 2016. For 2017, Peso-denominated time deposits accrued interest at an average rate of 18.3%, 800 basis points below the 26.3% average interest rate accrued in 2016, which is consistent with the decrease in the average BADLAR in 2017 compared with 2016. In 2017, U.S. dollar-denominated time deposits accrued interest at an average rate of 0.6%, 70 basis points below the 1.3% average interest rate accrued in 2016.

Our average balance of borrowings from other financial institutions and unsubordinated negotiable obligations in 2017, was Ps.8.0 billion, compared to Ps.2.6 billion in 2016. The average cost of borrowings from other financial institutions and unsubordinated negotiable obligations decreased 570 basis points to 23.4% in 2017, from 29.1% in 2016. This was partially offset by a 53.2% increase in the average balance of our low cost savings accounts and non-interest-bearing checking accounts.

Our average balance of subordinated loans and subordinated negotiable obligations in both 2017 and 2016 was Ps.1.3 billion. The average rate of subordinated negotiable obligations (denominated in U.S. dollars or U.S. dollar linked) was 9.7% in 2017, compared to 10.0% in 2016.

2016 Compared to 2015

Financial expenses for 2016 totaled Ps.4.9 billion, a 43.7% increase from Ps.3.4 billion for 2015. This increase was attributable to a 43.5% increase in the average balance of interest-bearing liabilities and low or non-interest bearing deposits, (including a 49.2% increase in low cost savings accounts and non-interest bearing checking accounts) and a 10 basis points increase in the average nominal rates of total interest-bearing liabilities and low or non-interest bearing deposits.

Other financial expenses in 2016 totaled Ps.921.3 million, compared to Ps.651.5 million in 2015. This increase was mainly due to an increase in turnover tax to Ps.698.5 million in 2016 from Ps.431.9 million in 2015, and increase on premium on forward transactions to Ps.124.7 million from Ps.36.5 million. These increases were partially offset by a decrease in monthly payments to the deposit guarantee fund from 0.060% to 0.015% of the monthly average of the daily deposits balance to Ps.87.6 million, compared to Ps.180.7 million in 2015, pursuant to Communication “A” 5943, as amended and supplemented by Communication “A” 6462.

Average balance of interest-bearing liabilities and low or non-interest bearing deposits totaled Ps.30.9 billion, compared to Ps.21.5 billion in 2015. This increase was mainly due to: (i) a 49.2% increase in the average balance of low and non-interest bearing deposits to Ps.14.6 billion from Ps.9.8 billion, (ii) a 34.1% increase in the average balance of time deposits (primarily Peso-denominated time deposits), to Ps.12.5 billion from Ps.9.3 billion (the average balance of Pesos time deposits increased by 30.1% to Ps.11.6 billion and the average balance of U.S. dollar time deposits increased by 139.0% to Ps.806.7 million) (iii) a 54.4% increase in borrowings from other financial institutions and the issuance of unsubordinated negotiable obligations to Ps.2.6 billion from Ps.1.7 billion. The increases in low or non-interest bearing deposits together with lower increases in time deposits, reflects our ability to reduce certain high-interest bearing liabilities through the utilization of the IPO proceeds.

Out of our total average interest-bearing deposits of Ps.19.9 billion for 2016, Ps.2.0 billion were U.S. dollar-denominated deposits and Ps.17.8 billion were Peso-denominated, compared to Ps. 624.4 million and Ps.13.6 billion, respectively, in 2015.

Out of our total average non interest-bearing deposits of Ps.7.1 billion for 2016, Ps.601.8 million were U.S. dollar-denominated deposits and Ps.6.5 billion were Peso-denominated, compared to Ps.99.8 million and Ps.4.8 billion respectively in 2015.

The average rate paid on interest-bearing liabilities and low or non-interest bearing deposits was 12.8%, 10 basis points above the 12.7% average rate for 2015. Peso-denominated time deposits accrued interest at an average rate of 26.3%, 150 basis points above the 24.8% average interest rate accrued in 2015, which is consistent with the increase in the average BADLAR rate during 2016. U.S. dollar-denominated time deposits accrued interest at an average rate of 1.3%, 50 basis points above the 0.8% average interest rate accrued in 2015. Our average balance of borrowings from other financial institutions and unsubordinated negotiable obligations in 2016 was Ps.2.6 billion, compared to Ps.1.7 billion in 2015. The average cost of borrowings from other financial institutions and unsubordinated negotiable obligations increased 350 basis points to 29.1% from 25.6% in 2015. This was partially offset by a 49.2% increase in the average balance of low or non-interest bearing deposits.

Our average balance of subordinated loans and subordinated negotiable obligations in 2016 was Ps.1.3 billion, compared to Ps.800.1 million in 2015. The average rate of subordinated negotiable obligations (denominated in U.S. dollars or U.S. dollar linked) was 10.0% and 10.2% for 2016 and 2015, respectively.

Gross Financial Margin

2017 Compared to 2016

Gross financial margin for 2017 amounted to Ps.9.3 billion and the net interest margin was 19.1%, compared to Ps.5.9 billion and 20.6%, respectively, for 2016. Net financial margin ratio stood at 17.8% in 2017 compared to 19.2% in 2016.

Average interest spread for 2017 was 16.5%, compared to 16.8% for 2016.

This performance is further explained by the following factors: (i) higher average volumes in the loan portfolio surpassing the 42.1% growth in total loans to the private sector, (ii) the increase in average volumes of receivables from financial transactions due to the temporary investment of a portion of the funds from our equity follow-on to accelerate the use of tax loss carry-forwards from previous fiscal-years, (iii) higher volumes on trading investments, (iv) the reduction in cost of funds following the 520 basis points decrease in the average BADLAR rate to 20.6% in 2017 due to the strong retail deposit franchise (low or non-interest-bearing deposits increased 53.1%) and the utilization of follow-on proceeds rather than interest-bearing deposits to partially fund loan growth. These increases were partially offset by a reduction in interest earned on assets.

In addition, certain extraordinary events explain this performance: (i) non-recurring net gains from the sale of Viñas del Monte and other non-strategic properties and (ii) a Ps.50 million net loss due to impact of the appreciation of the Peso against the U.S. dollar between pricing and settlement of the Ps.4,768,170,000 global term note issued by the Bank in February 2017. In 2016, gross financial margin included a Ps.128.1 million gains from the termination of the Supervielle Renta Inmobiliaria Financial Trust.

The table below provides further information about NIM breakdown corresponding to the investment portfolio, loan portfolio excluding Foreign Trade and U.S.$ loans, and the loan portfolio.

	Year ended December 31,	
	2017	2016
	(in percentages)	
Net Interest Margin breakdown		
Total NIM	19.1%	20.6%
Ps. NIM	21.8%	22.4%
U.S.$ NIM	6.8%	5.5%
Loan Portfolio NIM	20.0%	21.0%
Ps. NIM	23.9%	23.1%
U.S.$ NIM	3.1%	0.7%
Investment Portfolio NIM	14.8%	18.9%
Ps. NIM	13.0%	18.8%
U.S.$ NIM	22.8%	23.2%

(1) Includes mainly U.S. dollar-denominated financial leases.

	Interest Rates	
	2017	2016
BADLAR Interest Rate (eop)	23.3%	19.9%
BADLAR Interest Rate (avg)	20.6%	25.8%
TM20 (eop)	23.7%	NA
TM20 (avg)	21.4%	NA

NIM decreased 150 basis points year on year, with loan portfolio NIM decreasing 100 basis points. By contrast Pesos loan portfolio NIM increased 80 basis points, while higher share of U.S. dollar denominated loans within the loan and investment portfolios, explained part of the decrease.

2016 Compared to 2015

Gross financial margin for 2016 amounted to Ps.5.9 billion and the net interest margin was 20.6%, compared to Ps.3.4 billion and 18.1%, respectively, for 2015.

The improvement of gross financial margin for 2016 was mainly due to: (i) a 50.8% increase in the average balance of interest earning assets while average interest bearing liabilities including low or non-interest bearing deposits rose 42.5%, or Ps.9.4 billion (including a 49.2% increase or Ps.4.8 billion in low cost savings accounts and non-interest bearing checking accounts) and (ii) 195 basis points increase in the average interest rate earned on assets while interest paid on interest bearing liabilities and low or non-interest bearing deposits increased 10 basis points.

This performance is further explained by the following factors: (i) higher average volumes in the loan portfolio due to the deployment of the capital raised in IPO in May 2016, (ii) the removal by the Central Bank authorities in mid-December 2015 of interest rates caps and floors that had been in place during most of 2015, (iii) the replacement of certain high-interest bearing liabilities with IPO proceeds, (iv) a reduction commencing April 7, 2016, in the monthly contribution rate banks are required to pay to fund the Deposits Guarantee Fund from 0.06%, to 0.015% returning to the original monthly average of the daily deposits balance and (v) a Ps.128.1 million income from the termination of the Supervielle Renta Inmobiliaria Financial Trust. For an explanation of the termination of the Supervielle Renta Inmobiliaria Financial Trust and the related net gains, see "*Item 4.D Property, Plants and Equipment.*" This was partially offset by (i) a significant rise in the BADLAR rate and the consequent increase in cost of funds, mainly for the consumer finance business, and (ii) higher regulatory reserve requirements set by the Central Bank in June 2016, up 3% for time deposits and 5% for current accounts.

Loan Loss Provisions

2017 Compared to 2016

Loan loss provisions totaled Ps.1.8 billion in 2017, a 72.1% increase compared to Ps.1.1 billion in 2016, mainly due to (i) an increase in the loan portfolio, including an increase in non-performing loans, (ii) our decision to increase our non-performing loan coverage ratio to 91.8% in December 2017 from 87.1% and (iii) the deterioration in the quality of assets mostly in the consumer finance segment. Asset quality deterioration in the consumer finance segment was due to salary adjustments resulting from collective bargaining agreements below the annual inflation rate in 2017 along with increases in public services tariffs, which impacted the population segment's disposable income.

While higher delinquency rates experienced in the first months of the year are typically expected to improve throughout the year as the beginning of the year salary bargaining agreements catch up with inflation improving consumers' disposable income and their ability to pay their bills, this behavior has been changing since 2016 and improvement has not been as fast as in previous years, changing the pattern and seasonality observed in prior years. Salary adjustments resulting from collective bargaining agreements below the annual inflation rate in 2016, along with increases in public services tariffs in 2016 and 2017, impacted the disposable income of the population in the Consumer Finance Segment causing consumer sentiment to lag behind economic recovery as consumers remain more cautious about resilient inflation levels and higher tariffs. In turn, consumers in this segment are repaying loans at a slower pace.

Notwithstanding the above, these increases come along with a higher gross intermediation margin in the Consumer Finance Segment.

The percentage of the irregular loan portfolio in both 2016 and 2017 was 2.8%. NPL ratios improved in the retail segment and remained stable in the corporate segment. Combined, these segments accounted for 88.0% of the total loan portfolio as of December 31, 2017.

The consumer finance segment NPL ratio increased to 15.4% in December 2017 from 10.7% in 2016 mainly as a result of an increase in the personal loans NPL ratio to 21.4% as of December 31, 2017 from 14.6% as of December 31, 2016.

Retail loans showed an NPL ratio of 2.6% as of December 31, 2017, decreasing from 3.7% as of December 31, 2016. This was mainly driven by a decrease in the personal loans NPL ratio to 2.5% in December 2017, from 3.7% in December 2016, along with a 30 basis points decrease in the credit cards NPL ratio to 3.4% in December 2017.

2016 Compared to 2015

Loan loss provisions totaled Ps.1.1 billion in 2016, a 94.5% increase compared to Ps.543.8 million in 2015, mainly due to the growth of the loan portfolio and the deterioration in asset quality experienced in the second quarter of 2016, mostly in our Consumer Finance Segment when the business was impacted by the challenging and volatile economy which resulted in a significant contraction of consumers' disposable income. The increase in the allowance of loan losses due to this deterioration was partially offset by the increase in the Corporate loan portfolio which has lower delinquency rates. Allowances as a percentage of non-performing loans decreased to 87.1% from 89.7% in the previous year. The NPL ratio decreased to 2.8% in 2016 from 3.2% in 2015 due to the growth of the Corporate Loan portfolio. In March 2016, the Bank changed its write-off policy, in the retail segment moving to write-off at 270 days delinquency from 360 days.

Asset quality in the consumer finance customers deteriorated in the second quarter of 2016 although our conservative credit scoring standards remained unchanged. This segment was impacted in that quarter by the challenging and volatile economy which significantly contracted consumers' disposable income. The increases in public service tariff and in transportation fares caused a spike in inflation in April and May 2016, while unions' salary increase agreements were delayed towards the end of the quarter, which impacted consumers' ability to pay their loan installments.

In an effort to mitigate the seasonal increase in delinquency rates in the first half of every year, which then tends to decline as salary bargaining agreements catch up with inflation, we quickly strengthened our collection practices and implemented preventive actions while maintaining our conservative credit scoring standards. As a result, lagged delinquency in 2016 began to decrease in July but remained at a higher level than the previous year. Lagged delinquency measures the real delinquency of the portfolio, without taking into account disbursements made in recent months. The delinquency on any one bucket is matched with the portfolio that originated such delinquency. Thus, the delinquency ratio for the portfolio in the 30-180 delinquency bucket as of December 2017, is calculated using in the denominator the portfolio outstanding as of June 2017.

The following tables show the changes in our loan loss provisions for the periods indicated:

	Year ended December 31,			Change December 31,	
	2017	2016	2015	2017/2016	2016/2015
	(in thousands of Pesos)			(in percentages)	
Balance at the beginning of the year	**920,208**	**638,648**	**429,358**	**44.1%**	**48.7%**
Provisions charged to income	**1,820,169**	**1,057,637**	**543,844**	**72.1%**	**94.5%**
Write-offs and reversals(1)	(1,194,018)	(776,077)	(334,554)	53.9%	132.0%
Other adjustments	**23,575**	—	—	100.0%	0.0%
Balance at the end of year	**1,569,934**	**920,208**	**638,648**	**70.6%**	**44.1%**
Percentage of provisions net of write-offs and reversals	1.5%	1.1%	1.2%		

Provisions charged to income

	Year ended December 31,			Change December 31,	
	2017	2016	2015	2017/2016	2016/2015
	(in thousands of Pesos)			(in percentages)	
Promissory notes(2)	63,519	58,557	2,228	8.5%	2,528.2%
Unsecured corporate loans	37,305	34,929	31,089	6.8%	12.4%
Overdrafts	40,755	67,737	27,392	(39.8)%	147.3%
Mortgage loans	14,253	2,348	58	507.0%	3,948.3%
Automobile and other secured loans	3,499	1,512	941	131.4%	60.7%
Personal loans	1,091,171	542,792	265,770	101.0%	104.2%
Credit cards loans	403,312	231,421	185,849	74.3%	24.5%
Foreign Trade Loans	59,942	67,737	1,820	(11.5)%	3,621.8%
Other financings	46,363	14,943	8,507	210.3%	75.7%
Other receivables from financial transactions	42,750	11,453	5,957	273.3%	92.3%
Receivables from financial leases	17,300	24,208	14,233	(28.5)%	70.1%
Total	**1,820,169**	**1,057,637**	**543,844**	**72.1%**	**94.5%**
Write-offs and reversals					
Promissory notes	(22,167)	(40,049)	(6,858)	(44.7)%	484.1%
Unsecured corporate loans	(13,019)	(39,488)	(4,403)	(67.0)%	796.8%
Overdrafts	(23,682)	(32,948)	(10,895)	(28.1)%	202.4%
Mortgage loans	—	—	(294)	0.0%	(100.0)%
Automobile and other secured loans	(1,098)	(2,636)	(2,608)	(58.3)%	1.1%
Personal loans	(759,000)	(372,784)	(186,248)	103.6%	100.2%
Credit cards loans	(311,091)	(254,072)	(108,206)	22.4%	134.8%
Foreign Trade Loans	—	—	—	0.0%	0.0%
Other financings	(19,208)	(14,393)	(3,852)	33.5%	273.6%
Other receivables from financial transactions	(38,893)	(7,291)	(5,234)	433.4%	39.3%
Receivables from financial leases	(5,860)	(12,416)	(5,956)	(52.8)%	108.5%
Total	**(1,194,018)**	**(776,077)**	**(334,554)**	**53.9%**	**132.0%**

(1) Consists of decreases in the allowance for loan losses when the loan for which the allowance was created is no longer in our balance sheet because it has been written-off, or because it has been collected, in which case the allowance is reversed. Loans are always 100% provisioned before being written off.
(2) Consists of unsecured checks and accounts receivable deriving from factoring transactions.

Troubled debt restructured loans, which typically have a higher probability of delinquency, did not represent a significant share of our total loan portfolio and, therefore, did not have a material impact on our total allowances for loan losses in these periods.

Net Services Fee Income

Our net services fee income was comprised of:

	Year ended December 31,			Change December 31,	
	2017	2016	2015	2017/2016	2016/2015
	(in thousands of Pesos)			(in percentages)	
Income from					
Deposit Accounts	1,434,344	925,300	683,888	55.0%	35.3%
Loan Related	182,025	151,331	125,625	20.3%	20.5%
Credit and Debit Cards	1,514,963	1,188,288	772,865	27.5%	53.8%
Insurances	231,572	234,573	399,790	(1.4)%	(41.3)%
Check Administration Commission	252,491	178,644	122,601	41.3%	45.7%
Safe Deposit Box	128,431	91,062	74,760	41.0%	21.8%
Receivables from financial leases	126,741	78,213	67,369	62.0%	16.1%
Financial agent for the Province of San Luis(1)	671	49,888	72,839	(98.7)%	(31.5)%
Payments to retirees	30,544	27,892	25,572	9.5%	9.1%
Mutual funds management	204,818	139,941	80,234	46.4%	74.4%
Foreign transactions commissions	173,535	123,036	69,547	41.0%	76.9%
Other	693,137	339,348	340,618	104.3%	(0.4)%
Total income(2)	**4,973,272**	**3,527,516**	**2,835,708**	**41.0%**	**24.4%**
Expenses from					
Commissions paid**(3)**	768,386	532,282	450,857	44.4%	18.1%
Turnover tax	375,447	274,927	129,857	36.6%	111.7%
Promotions related to credit cards	257,715	212,730	148,882	21.1%	42.9%
Exports and foreign currency transactions	19,039	11,782	9,016	61.6%	30.7%
Other	75,261	48,939	39,880	53.8%	22.7%
Total expenses(2)	**1,495,848**	**1,080,660**	**778,492**	**38.4%**	**38.8%**
Net services fee income	**3,477,424**	**2,446,856**	**2,057,216**	**42.1%**	**18.9%**

(1) On January 17, 2017, the Province of San Luis notified Banco Supervielle of its decision to terminate, as of February 28, 2017, the Amended Financial Agency Agreement. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations.*"
(2) Includes fees related to securitization transactions, foreign trade and miscellaneous commissions, among others.
(3) Includes marketing costs, ATM insurance and charges related to payment services and credit and debit cards, among others.

2017 Compared to 2016

Net services fee income totaled Ps.3.5 billion in 2017, a 42.1% increase compared to Ps.2.4 billion in 2016.

The increase in our services fee income was driven mainly by (i) an increase in deposit account commissions, (ii) an increase in income from credit and debit cards and (iii) an increase in other fees. These increases were partially offset by a decrease in fees paid to us for services provided as financial agent for the Province of San Luis.

Service charges on deposit accounts are comprised principally of maintenance and transaction fees on checking and savings accounts. These fees increased to Ps.1.4 billion in 2017 from Ps.925.3 million in 2016, as a result of the increase in the volume of checking accounts and savings accounts, products packages, as well as an increase in fees charged per account after the deregulation of the commissions by the Central Bank.

Credit and debit card fees increased to Ps.1.5 billion in 2017, from Ps.1.2 billion in 2016, reflecting higher business volumes as well as an increase in fee pricing of certain items (excluding MDR (as defined below)) as per current Central Bank regulations, which offset the reduction in credit card and debit card merchant discounted rates ("MDR"). MDR are commissions charged by the issuer of credit and debit cards on the amount of credit and debit card transactions. The maximum MDR for 2017 was 2.0%, compared to 3% for 2016, and the maximum debit card sales commissions for 2017 was 1.0%, compared to 1.5% for 2016.

On March 21, 2016, the Central Bank eliminated prior authorization requirements to charge fees for new products and other fee increases. As part of a transition schedule, a 20.0% increase in all banking charges was authorized starting on June 1, 2016. Since September 2016, further increases in banking charges may be implemented without requiring the prior authorization of the Central Bank.

Pursuant to Communication "A" 6212, effective as of April 1, 2017, the Central Bank issued a program to gradually reduce MDR on an annual basis. In this regard, the maximum MDR for 2017 was 2.0%, declining 1.85% since January 1, 2018 and dropping to 1.65%, 1.50% and 1.30% in 2019, 2020 and 2021 and after, respectively. The maximum debit card sales commissions for 2017 was 1.0%, and has been 0.90% since January 1, 2018, declining to 0.80%, 0.70% and 0.60%, in 2019, 2020 and 2021 and after, respectively.

Other commissions increased to Ps.693.1 million in 2017, from Ps.339.3 million in 2016, mainly due to higher commissions charged on health plans and higher sales of products offered by Espacio Cordial.

During 2017, our check administration commissions increased to Ps.252.5 million compared to Ps.178.6 million during 2016. This increase was mainly due to an increase in our level of activity.

Insurance fees decreased to Ps.231.6 million in 2017 from Ps.234.6 million in 2016. The following regulations issued by the Central Bank have impacted on this decrease in insurance fees: (i) Communication "A" 5795 issued on August 21, 2015, reinforcing regulations prohibiting financial institutions from charging fees and commissions related to insurance products purchased by clients as accessories of other financial services. As of November 13, 2015, financial institutions are prohibited from receiving fees from insurance companies as the result of the sale of such insurance products. (ii) Communication "A" 5927 issued by Central Bank on March 21, 2016, and effective as of September 1, 2016, prohibits financial institutions from charging clients charges resulting from credit-related insurance policies. This regulation also states that financial institutions must purchase life insurance on debit

balances or alternatively, self-insure the risk of death or permanent disability of their clients. Since then, both the Bank and CCF self-insure these risks and only contract new credit-related insurances for mortgages loans.

Financial agent fees charged to the Province of San Luis declined to Ps.671.0 thousand in 2017 from Ps.49.9 million in 2016. On October 10, 2016, the Bank relinquished its right to receive an "agency" fee from the Province of San Luis, followed by the termination by the Province of San Luis of the Financial Agency Agreement, effective as from February 28, 2017.

Services fee expense increased 38.4%, to Ps.1.5 billion in 2017 from Ps.1.1 billion in 2016, primarily due to (i) higher commissions paid due to higher business volume, (ii) a 36.6%, or Ps.100.5 million increase in turnover tax, and (iii) a 21.1%, or Ps.45.0 million increase in promotions related to credit cards issued by the bank and CCF.

2016 Compared to 2015

Net services fee income totaled Ps.2.4 billion in 2016, a 18.9% increase compared to Ps.2.1 billion in 2015.

The increase in our services fee income was driven mainly by an increase in income from credit and debit cards and deposit account commissions and was partially offset by a decrease in insurance fees.

Service charges on deposit accounts are comprised principally of maintenance and transaction fees on checking and savings accounts. These fees increased to Ps.925.3 million in 2016 from Ps.683.9 million in 2015, as a result of the increase in the volume of checking accounts and savings accounts, bundling of products as well as an increase in fees charged per account, following the fees deregulation by the Central Bank.

Credit and debit card fees increased to Ps.1.2 billion in 2016 from Ps.772.9 million for 2015, mainly due to increased activity in the use of credit cards, as well as an increase in fee pricing. On March 21 2016, the Central Bank eliminated prior authorization requirements to charge fees for new products and other fee increases. As a transition, a 20% increase in all banking charges was authorized starting June 1, 2016, and eliminated from September onwards.

Insurance fees decreased to Ps.234.6 million in 2016 from Ps.399.8 million in 2015, primarily as a result of the following regulatory changes introduced by the Central Bank:

- Central Bank Communication ''A'' 5795 issued on August 21, 2015 reinforcing regulations that prohibit financial institutions from charging fees and commissions related to insurance products that financial services customers purchase as accessories to financial services, regardless of whether it is a customer request or a condition set by the financial institution to access the financial service. As a result, since November 13, 2015, financial institutions may not receive remunerations or profits from such insurance products or receive remunerations or profits, directly or indirectly, from insurance companies with respect to such products.

- Central Bank resolution issued in March, 2016 and effective September 1, 2016, prohibiting financial institutions from charging individuals any fee and/or charge associated with credit related insurance policies. This resolution also specifies that financial institutions must purchase life insurance on debit balances or alternatively, self-insure the risk of death and permanent total disability of their clients. As a result, since September 1, 2016 Banco Supervielle and CCF self-insure these risks and no longer contract new credit related insurances.

Financial Agent fees charged to the Province of San Luis declined to Ps.49.9 million in 2016 from Ps. 72.8 million in 2015. In the third quarter of 2016, Banco Supervielle relinquished its right to receive an "agency" fee from the Province of San Luis for any services rendered as financial agent of the Province commencing July 1, 2016.

Services fee expense increased 38.8%, to Ps.1.1 billion in 2016 from Ps.778.5 million in 2015, primarily due to higher commissions paid, an increase in expenses and promotions related to credit cards of the Bank and higher turnover taxes.

Income from insurance activities

This line item includes insurance premiums, net of insurance reserves and production costs, from our insurance company's operations. Supervielle Seguros began issuing its first policies in October 2014 starting with a few non-credit related insurance products, such as protected bag insurance and personal accident insurance. By year end 2015, it began issuing credit-related policies substantially growing its business since then, partly through the growth of the loans and credit card portfolio balances and partly through the migration of some of the portfolio previously booked in a third party insurance company. However, due to the regulatory matters described in the "Net Service Fee Income" section, since September 1, 2016 both Banco Supervielle and CCF are self-insuring against these risks and and only contract new credit related insurances for mortgages loans.

Administrative Expenses

The following table sets forth the components of our administrative expenses:

	Year ended December 31,			Change December 31,	
	2017	2016	2015	2017/2016	2016/2015
	(in thousands of Pesos, except percentages)				
Personnel expenses	5,475,680	3,859,525	2,767,111	41.9%	39.5%
Directors' and statutory auditors' fees	80,862	73,894	59,475	9.4%	24.2%
Other professional fees(1)	426,204	286,507	186,586	48.8%	53.6%
Advertising and publicity	272,769	226,350	165,413	20.5%	36.9%
Taxes(2)	615,896	452,081	268,520	36.2%	68.4%
Depreciation of premises and equipment	118,594	81,558	56,637	45.4%	44.0%
Amortization of other intangibles	128,875	111,284	92,431	15.8%	20.4%
Other(3)	1,271,742	969,082	665,229	31.2%	47.5%
Total	**8,390,622**	**6,060,281**	**4,261,402**	**38.5%**	**42.2%**

(1) Includes audit, legal and other professional services.
(2) Includes tax on debits and credits, safety and hygiene tax and stamp tax.
(3) Includes leases, security service expenses, maintenance, insurance, electricity, among others.

2017 Compared to 2016

In 2017, administrative expenses totaled Ps.8.4 billion, a 38.5% increase compared to Ps.6.1 billion recorded in 2016. This increase was primarily due to an increase in personnel expenses, which grew by 41.9% to Ps.5.5 billion in 2017, from Ps.3.9 billion in 2016, and non-personnel expenses, which grew by 32.5% in 2017 to Ps.2.9 billion from Ps.2.2 billion in 2016.

Personnel administrative expenses amounted to Ps.5.5 billion in 2017, reflecting a 41.9% increase from the Ps.3.9 billion recorded in 2016. This increase was due to (i) a 23.5% increase in the average salary of the Bank's personnel, resulting from the collective bargaining agreement between Argentine banks and the labor union reached in the first quarter of 2017, this agreement determined a 19.5% increase for expected inflation during 2017, an additional increase of approximately 4.0% as a recognition of inflation during 2016; (ii) a 5.3% additional rise in the average salary applied retroactively since January 2017, as catch up for 2017 inflation and (iii) salary increases, (not at the same level as the banking labor union) implemented at CCF, Tarjeta, Supervielle Seguros, SAM and Espacio Cordial during last twelve months.

The number of the our employees increased to 5,320 as of December 31, 2017, from 4,982 as of December 31, 2016. See "*Item 6. Directors, Senior Management and Employees—Employees—Compensation*."

Non-personnel administrative expenses amounted to Ps.2.9 billion in 2017, reflecting a 32.5% increase from the Ps.2.2 billion recorded in 2016. This increase was mainly associated with (i) an increase in taxes reflecting higher taxes on real estate, security service expenses and maintenance as well as higher tax charge on debit and credit accounts, (ii) an increase in other professional fees (including audit, legal and other professional fees) to Ps.426.2 million in 2017 from Ps.286.5 million in 2016, and (iii) a 31.2%, or Ps.302.7 million increase in other expenses

including leases, security service expenses, maintenance, insurance and electricity, among others, which amounted to Ps.1.3 billion in 2017.

2016 Compared to 2015

In 2016, administrative expenses totaled Ps.6.1 billion, a 42.2% increase compared to Ps.4.3 billion recorded in 2015. This increase was primarily due to an increase in personnel expenses, which grew by 39.5% to Ps.3.9 billion in 2016 from Ps. 2.8 billion in 2015. This increase was mainly the result of the combination of (i) an increase in average salary of 33.0% for the Bank's personnel, in line with the collective bargaining agreement between Argentine banks and the labor union and salary increases by our other subsidiaries during 2016, but with lower increases than the banking labor union, (ii) the payment of an extraordinary amount in December 2016 under the agreement reached between Argentine banks and the labor unions and the payment of higher performance bonuses in connection with higher loan origination.

The number of our employees increased to 4,982 in 2016 from 4,843 in 2015 due to the growth of our subsidiaries, mainly the Bank. See "*Item 6. Directors, Senior Management and Employees—Employees—Compensation*."

Non-personnel administrative expenses amounted to Ps.2.2 billion in 2016, reflecting a 47.3% increase from the Ps.1.5 billion recorded in 2015. This increase was mainly associated with an increase in taxes to Ps. 452 million in 2016 from Ps. 269 million in 2015, reflecting higher turnover tax and a one-time tax charge on debit and credit account transfers on the IPO proceeds and an increase in other professional fees (including audit, legal and other professional fees) to Ps.286.5 million in 2016 from Ps.186.6 million in 2015.

Other expenses, including leases, security service expenses, maintenance, insurance and electricity, among others, amounted to Ps.969 million in 2016 reflecting a 47.5% increase from the Ps. 665 million recorded in 2015.

Miscellaneous Income/(Loss), Net

2017 Compared to 2016

We had miscellaneous income, net of Ps.169.4 million for 2017, compared to miscellaneous loss, net of Ps.29.1 million in 2016. This was due to the sale of non-core properties and lower expenses related to the agreement with the ANSES related to senior citizen payments.

2016 Compared to 2015

We had miscellaneous loss, net of Ps.29.1 million for 2016, compared to miscellaneous gains, net of Ps.153.7 million in 2015. This decrease was mainly due to higher charges derived from the agreement with the ANSES related to senior citizen payments and was partially offset by higher loan recovery and disaffected provisions (provisions reversed or disaffected due to the recovery or payment of the past due loan). Additionally, other income included a non-recurring Ps.85.9 million gain from the sale of non-core properties in the Province of Mendoza.

Income Tax

The corporate income tax rate in Argentina for fiscal years 2017, 2016 and 2015 was 35%. As per the Central Bank's accounting regulations until December 2017, Grupo Supervielle did not recognize deferred tax credits or liabilities in its main subsidiaries (the Bank and CCF). Accordingly, the effective tax rate could vary from quarter to quarter not only for non-taxable income or non-deductible expenses, but also due to the timing in which those results are recognized for tax purposes. As per the tax reform passed by Congress in December 2017, the corporate tax rate will be 30% for fiscal years 2018 and 2019 and 25% starting in fiscal year 2020. In addition, through the adoption of International Financial Reporting Standards effective January 1, 2018, we will start recording income tax recognizing deferred tax assets and liabilities, which should result in an effective tax rate closer to the statutory tax rate.

Additionally, as income tax is paid by each subsidiary on an individual basis, tax losses in one legal entity cannot be offset by tax gains in another legal entity. For example, at the holding company, financial expenses could not be

offset with taxable income while having debt securities outstanding and no material source of taxable income. Income from proceeds from equity offerings temporarily retained at the holding company, may allow Grupo Supervielle to more than offset financial expenses paid through this vehicle and use tax credits still existing from previous years, which in turn are expected to lower the effective tax rate.

2017 Compared to 2016

The income tax charge in 2017 was Ps.772.5 million compared to Ps.500.6 million charged in 2016. The increase was due to an increase in pre-tax income, which was partially offset by a lower effective tax rate due to the deduction of higher provisions for loan losses. The effective tax rate could vary in interim periods not only for non-taxable income or non-deductible expenses, but also due to the time during which those results are recognized for tax purposes.

2016 Compared to 2015

The income tax charge for 2016 was Ps.500.6 million compared to Ps.247.2 million charged in 2015. The increase was due to higher pre-tax income, and the increase in the effective tax rate (which is equal to income tax charge divided by pre-tax income). This increase was mainly the result of having fewer financial trusts effective during 2016, which pay income tax at the trust level and reduce the income tax paid at the company level.

On December 14, 2016, the Bank acquired at market price, all of the properties from the Supervielle Renta Inmobiliaria Financial Trust, using their franchise value, for a total amount of Ps.329.8 million. Subsequently, the Supervielle Renta Inmobiliaria Financial Trust was terminated and the securities were paid back to its holders including the gain on sale of those properties as they were valued at historical acquisition cost. As we had relevant holdings in the securities issued by the Supervielle Renta Inmobiliaria Financial Trust, we recognized a gain in income from our participation in securization trusts of Ps.137.7 million, a turnover tax of Ps.9.6 million in financial expenses and income tax of Ps.35.7 million. For an explanation of the termination of the Supervielle Renta Inmobiliaria Financial Trust and the related net gains, see "*Item 4.D Property, Plants and Equipment.*"

Argentine Banking GAAP and U.S. GAAP Reconciliation

Our audited consolidated financial statements are prepared in accordance with Argentine Banking GAAP, which differ in certain significant respects from U.S. GAAP. Note 35 to our audited consolidated financial statements included elsewhere in this annual report provides a description of the significant differences between Argentine Banking GAAP and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of net income and shareholders' equity as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015.

The principal differences between Argentine Banking GAAP and U.S. GAAP as they relate to us, are the following:

- the accounting for loan origination fees and expenses;
- differences in the accounting of business combinations;
- the accounting for computer software obtained or developed for internal use;
- the accounting for loan loss reserves;
- the accounting for transfers of financial assets;
- the accounting for certain investments in marketable securities;
- the accounting for vacations;
- the accounting for derivative instruments;

- the accounting of customers loyalty programs;
- the accounting for deferred income taxes;
- the accounting of financial guarantees;
- the accounting of special termination arrangements;
- the accounting of credit card loans-imputed interest; and
- the effect on non-controlling interest of the foregoing reconciling items.

Net income under Argentine Banking GAAP for the years ended December 31, 2017 and 2016 was approximately Ps.2,437.1 million and Ps.1,311.3 million, respectively, as compared to net income of approximately Ps.1,697.5 million and Ps.1,025.9 million, respectively, under U.S. GAAP.

Shareholders' equity under Argentine Banking GAAP as of December 31, 2017 and 2016 was Ps.15.1 billion and Ps.6.9 billion, respectively, as compared to Ps.13.9 billion and Ps.6.5 billion, respectively, under U.S. GAAP.

See Note 35 to our audited consolidated financial statements as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 for a discussion of these differences, the effect on our results of operations and financial position and certain other disclosures required under U.S. GAAP.

Results by Segments

Our results by segments for the years ended December 31, 2017, 2016 and 2015 are shown in Note 35.e) to our audited consolidated financial statements.

The table below sets forth information regarding the results of our retail banking, corporate banking, treasury, consumer finance, insurance and asset management & other services business segments for the years ended December 31, 2017, 2016 and 2015.

	As of December 31, 2017 (in thousands of Pesos)							
	Retail Banking	Corporate Banking	Bank Treasury	Consumer Finance	Insurance	Asset Mgmt & Other Services	Adjustments	Consolidated Total
Financial income	6,186,492	3,719,565	2,261,049	3,032,272	96,017	49,354	149,922	15,494,671
Financial expenses	(1,816,992)	(449,607)	(3,017,638)	(1,370,932)	(1,789)	(1,071)	463,741	(6,194,288)
Distribution of Income (Expenses) for Treasury Funds(1)	1,172,277	(2,313,053)	1,140,776	—	—	—	—	—
Gross financial margin	**5,541,777**	**956,905**	**384,187**	**1,661,340**	**94,228**	**48,283**	**613,663**	**9,300,383**
Services Fee Income	2,835,892	806,289	64,768	1,284,466	—	561,712	(579,855)	4,973,272
Services Fee Expenses	(1,177,104)	(102,617)	(22,818)	(625,461)	—	(8,411)	440,563	(1,495,848)
Net Service Fee Income	**1,658,788**	**703,672**	**41,950**	**659,005**	**—**	**553,301**	**(139,292)**	**3,477,424**
Income from Insurance Activities	—	—	—	—	375,443	—	103,618	479,061
Net Revenue	**7,200,565**	**1,660,577**	**426,137**	**2,320,345**	**469,671**	**601,584**	**577,989**	**13,256,868**
Loan Loss Provisions	(737,284)	(153,312)	(3,642)	(924,499)	—	—	(1,432)	(1,820,169)
Direct costs	(3,934,851)	(359,172)	(116,792)	(1,149,235)	(154,366)	(264,494)	(28,260)	(6,007,170)
Indirect costs	(1,599,491)	(546,087)	(237,874)	—	—	—	—	(2,383,452)
Income from financial transactions	**928,939**	**602,006**	**67,829**	**246,611**	**315,305**	**337,090**	**548,297**	**3,046,077**
Miscellaneous Income / (Expenses)	98,907	28,591	1,451	16,939	1,184	3,220	19,070	169,362
Non-controlling interests result	—	—	—	—	—	—	(5,897)	(5,897)
Income Before Income Tax	**1,027,846**	**630,597**	**69,280**	**263,550**	**316,489**	**340,310**	**561,470**	**3,209,542**
Income tax	(346,827)	(92,381)	(21,534)	(84,110)	(110,875)	(116,756)	—	(772,483)
Net income	681,019	538,216	47,746	179,440	205,614	223,554	561,470	2,437,059

(1) These amounts are calculated based on the funds that segments use or provide and net to zero in the consolidation process.

	As of December 31, 2016 (in thousands of Pesos)							
	Retail Banking	Corporate Banking	Bank Treasury	Consumer Finance	Insurance	Asset Mgmt & Other Services	Adjustments	Consolidated Total
Financial income	4,482,498	2,920,526	1,589,736	1,769,292	52,916	119,960	(140,349)	10,794,579
Financial expenses	(1,916,534)	(374,446)	(1,703,934)	(1,028,048)	(1,066)	(50,284)	207,787	(4,866,525)
Distribution of Income (Expenses) for Treasury Funds(1)	1,307,621	(1,918,789)	611,168	—	—	—	—	—
Gross financial margin	3,873,585	627,291	496,970	741,244	51,850	69,676	67,438	5,928,054
Services Fee Income	2,306,782	559,866	46,545	931,082	—	261,703	(578,462)	3,527,516
Services Fee Expenses	(996,626)	(63,472)	(9,113)	(433,721)	—	(1,150)	423,422	(1,080,660)
Net Service Fee Income	1,310,156	496,394	37,432	497,361	—	260,553	(155,040)	2,446,856
Income from Insurance Activities	—	—	—	—	476,349	—	129,794	606,143
Net Revenue	5,183,741	1,123,685	534,402	1,238,605	528,199	330,229	42,192	8,981,053
Loan Loss Provisions	(550,715)	(153,078)	(9,265)	(338,869)	—	(5,710)	—	(1,057,637)
Direct costs	(2,790,068)	(213,622)	(94,259)	(839,258)	(139,227)	(228,613)	8,840	(4,296,207)
Indirect costs	(1,188,127)	(399,202)	(176,745)	—	—	—	—	(1,764,074)
Income from financial transactions	654,831	357,783	254,133	60,478	388,972	95,906	51,032	1,863,135
Miscellaneous Income / (Expenses)	(130,372)	24,500	(2,973)	8,177	—	93,990	(22,384)	(29,062)
Non-controlling interests result	—	—	—	—	—	—	(22,166)	(22,166)
Income Before Income Tax	524,459	382,283	251,160	68,655	388,972	189,896	6,482	1,811,907
Income tax	(161,897)	(45,109)	(88,258)	(973)	(136,570)	(65,123)	(2,673)	(500,603)
Net income	362,562	337,174	162,902	67,682	252,402	124,773	3,809	1,311,304

(1) These amounts are calculated based on the funds that segments use or provide and net to zero in the consolidation process.

	As of December 31, 2015 (in thousands of Pesos)							
	Retail Banking	Corporate Banking	Bank Treasury	Consumer Finance	Insurance	Asset Mgmt & Other Services	Adjustments	Consolidated Total
Financial income	2,917,135	1,906,335	693,726	1,050,944	22,840	71,084	79,680	6,741,744
Financial expenses	(1,514,611)	(350,635)	(921,029)	(529,309)	(320)	(30,609)	(39,537)	(3,386,050)
Distribution of Income (Expenses) for Treasury Funds(1)	664,487	(1,119,721)	455,234	—	—	—	—	—
Gross financial margin	**2,067,011**	**435,979**	**227,931**	**521,635**	**22,520**	**40,475**	**40,143**	**3,355,694**
Services Fee Income	1,953,001	391,853	23,891	573,838	—	126,596	(233,471)	2,835,708
Services Fee Expenses	(581,199)	(41,309)	(6,126)	(272,132)	—	(1,047)	123,321	(778,492)
Net Service Fee Income	**1,371,802**	**350,544**	**17,765**	**301,706**	**—**	**125,549**	**(110,150)**	**2,057,216**
Income from Insurance Activities	—	—	—	—	130,607	—	45,340	175,947
Net Revenue	**3,438,813**	**786,523**	**245,696**	**823,341**	**153,127**	**166,024**	**(24,667)**	**5,588,857**
Loan Loss Provisions	(299,135)	(72,108)	—	(166,326)	—	(6,275)	—	(543,844)
Direct costs	(2,076,291)	(158,438)	(57,676)	(638,493)	(68,183)	(141,958)	(84,853)	(3,056,186)
Indirect costs	(812,083)	(272,994)	(120,139)	—	—	—	—	(1,205,216)
Income from financial transactions	**251,304**	**282,983**	**67,881**	**18,522**	**84,944**	**17,791**	**60,186**	**783,611**
Miscellaneous Income / (Expenses)	12,610	73,601	5,117	47,893	91	75,023	(60,597)	153,738
Non-controlling interests result	—	—	—	—	—	—	(16,079)	(16,079)
Income Before Income Tax	263,914	356,584	72,998	66,415	85,035	92,814	(16,490)	921,270
Income tax	(42,137)	(68,139)	(21,711)	(6,734)	(30,953)	(33,285)	(44,202)	(247,161)
Net income	**221,777**	**288,445**	**51,287**	**59,681**	**54,082**	**59,529**	**(60,692)**	**674,109**

(1) These amounts are calculated based on the funds that segments use or provide and net to zero in the consolidation process.

Below is a discussion of our results of operations by segments for the years ended December 31, 2017, 2016 and 2015.

Retail Banking

Net income attributable to the Retail Banking segment in 2017 was Ps.681.0 million, a 87.8% increase from the Ps.362.6 million in 2016, which in turn was Ps.140.8 million or 63.5% higher than the Ps.221.8 million in 2015. The increase in 2017 resulted mainly from (i) a 43.1% or Ps.1.7 billion increase in gross intermediation margin, (ii) a 26.6% or Ps.348.6 million increase in net services fee income and (iii) net miscellaneous income of Ps.98.9 million

compared to net miscellaneous loss of Ps.130.4 million in 2016. This was partially offset by a 39.1% or Ps.1.6 million increase in administrative expenses and a 33.9% or Ps.186.6 million increase in loan loss provisions.

Net revenues attributable to the Retail Banking segment in 2017 were Ps.7.2 billion, a 38.9% increase from the Ps.5.2 billion in 2016, which in turn was Ps.1.7 billion or 50.7% higher than the Ps.3.4 billion in 2015. The increase in 2017 is mainly explained by (i) a 43.1% growth in gross financial margin, as a consequence of the combination of increases in loan volumes and interest rates on personal loans and mortgages, coupled with lower cost deposits, and (ii) a 26.6% increase in net services fee income, due to higher fees on credit and debit cards reflecting higher business volumes as well as an increase in fee pricing which more than offset the reduction in credit card and debit card discount rates. The maximum MDR in the fourth quarter of 2017 was 2.0%, and the maximum debit card sales commissions in the fourth quarter of 2017 was 1.0%.

Loan loss provisions amounted to Ps.737.3 million in 2017, Ps.186.6 million higher than the Ps.550.7 million in 2016, which in turn was Ps.251.6 million higher than the Ps.299.1 million in 2015. The increase in loan loss provisions in 2017 is mainly explained by the growth in the loan portfolio and an increase in the coverage ratio.

Direct costs increased 41.0% or Ps.1.1 billion to Ps.3.9 billion in 2017, compared to Ps.2.8 billion in 2016, which was in turn 34.4% higher or Ps.713.8 million than in 2015. The increase in 2017 was due to higher personnel and operational expenses, as a consequence of vendors' and unions' adjustment of rates and salaries to inflation.

In 2017, the retail banking segment's loan portfolio totaled approximately Ps.21.3 billion (U.S.$1.1 billion), and Ps.21.9 billion (U.S.$1.2 billion) including the securitized loan portfolio. Retail loans posted an NPL ratio of 2.6% in 2017, improving from 3.7% in 2016. This was mainly driven by a decrease in the Personal Loans NPL ratio to 2.5% along with a 30 basis points decrease in the credit cards NPL ratio to 3.4%. In March 2016, the Bank changed its write-off policy, moving to write-off at 270 days delinquency from 360 days.

In 2017, retail deposits amounted to Ps.37.9 billion (U.S.$2.0 billion), a 45.8% increase from the Ps.26.0 billion in 2016. In 2017, retail deposits represented 67.0% of total deposits.

As of December 31, 2017, the Bank maintained approximately 2.5 million savings accounts and 88,000 checking accounts. In 2017, the Bank also serviced more than 791,000 product bundles for senior citizens, over 173,000 Plan Sueldo ("Payroll") accounts and more than 49,000 product bundles for high net worth customers.

The following graph shows the total loan portfolio (with and without the securitized portfolio) breakdown of the Retail Banking segment for each of the quarters indicated.



Corporate Banking

Net income attributable to the corporate banking segment in 2017, was Ps.538.2 million, Ps.201.0 million higher than Ps.337.2 million in 2016, which in turn was Ps.48.7 million higher than Ps.288.4 million in 2015. The increase in 2017 resulted mainly from (i) higher gross intermediation margin (52.5% or Ps.329.6 million), (ii) a 41.8% or Ps.207.3 million increase in net service fee income, (iii) miscellaneous income of Ps.28.6 million compared to a Ps.24.5 million income in 2016 and (iv) loan loss provisions of Ps.153.3 million as compared to Ps.153.1 million in 2016. This was partially offset by (i) a 47.7% or Ps.292.4 million increase in administrative expenses to support business growth and (ii) a 104.8% or Ps.47.3 million increase in income tax.

Net revenues attributable to the corporate banking segment in 2017 were Ps.1.7 billion, 47.8% or Ps.536.9 million higher than Ps.1.1 billion in 2016, which in turn was 42.9% or Ps.337.2 million higher than Ps.786.5 million in 2015. The increase in 2017 was primarily due to the 52.5% increase in gross financial margin reflecting (i) higher loan volume and (ii) a 41.8% growth in net services fee income, largely driven by deposit account commissions and check administration commission.

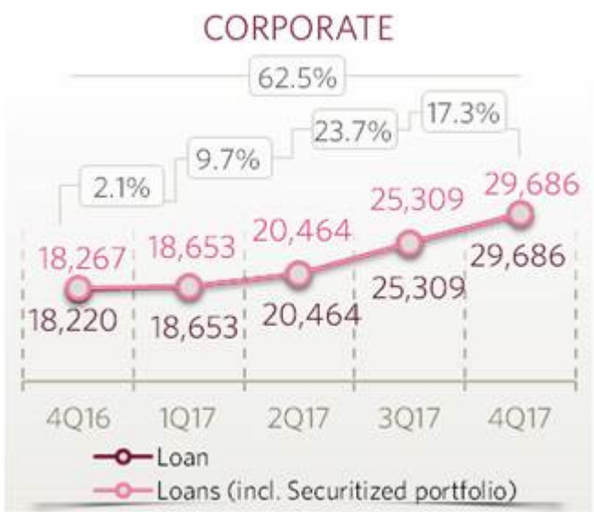
Loan loss provisions amounted to Ps.153.3 million in 2017, as compared to Ps.153.1 million recorded in 2016, which in turn was 112.3% higher than the Ps.72.1 million recorded in 2015.

Direct costs increased 68.1% or Ps.145.6 million to Ps.359.2 million in 2017, compared to Ps.213.6 million in 2016, which in turn was 34.8% higher compared to Ps.158.4 million in 2015. The increase in 2017 was due to higher personnel and operational expenses, as a consequence of vendors' and unions' adjustment of rates and salaries to inflation.

In 2017, the corporate banking segment's loan portfolio (including loans and receivables from financial leasing) totaled approximately Ps.29.7 billion (U.S.$1.6 billion), as we leveraged our higher capital base to increase the average loan size per client. Including the securitized portfolio, total loans amounted to Ps.29.7 billion (U.S.$1.6 billion), a 62.5% increase compared to 2016.

The corporate banking segment's total deposits in 2017 amounted to Ps.5.0 billion (U.S.$264.2 million), a 68.5% increase from Ps.3.0 billion in 2016 to fund loan growth together with the utilization of the funds received from the equity offering. Corporate deposits decreased to 8.8% of total deposits in 2017 from 21.0% in 2016.

The following graph shows the total loan portfolio (with and without the securitized portfolio) breakdown of the corporate banking segment for each of the quarters indicated.



Treasury

Net income attributable to the Treasury Segment in 2017 was Ps.47.7 million, Ps.115.2 million lower than the Ps.162.9 million recorded in 2016, which in turn was Ps.111.6 million higher than the Ps.51.3 million recorded in

2015. The 70.7% decline in net income in 2017 is explained by a 22.7% or Ps.112.8 million decrease in gross intermediation margin and a 30.9% or Ps.83.7 increase in administrative expenses while net service fee income increased 12.1% or a Ps.4.5 million.

Net revenues attributable to the treasury segment in 2017 were Ps.426.1 million, Ps.108.3 million lower than the Ps.534.4 million recorded in 2016, which in turn was Ps.288.7 million higher than the Ps.245.7 million recorded in 2015. This decrease in 2017 was due to the 22.7% decrease in gross financial margin driven by a year-end negative mark-to-market of a LEBAC time deposit from the holding company in the Bank. This negative impact in the Treasury segment nets out in the consolidated financial statements of the holding company as a result of corresponding a positive mark-to-market impact at the holding company. In addition, in 2016 net income registered a net gain from the termination of the Supervielle Renta Inmobiliaria Financial Trust.

The treasury segment's government and corporate securities portfolio amounted to Ps.15.3 billion in 2017, a 578.8% increase from Ps.2.2 billion recorded in 2016 reflecting higher holdings of securities issued by the Central Bank. Direct costs amounted to Ps.116.8 in 2017, compared to Ps.94.3 million in 2016, compared to Ps.57.7 million in 2015.

Consumer Financing

Net income attributable to the consumer financing segment in 2017 was Ps.179.4 million, Ps.111.8 million higher than the Ps.67.7 million in 2016, which in turn was Ps.8.0 million higher than the Ps.59.7 million recorded in 2015. The increase in 2017 was mainly driven by the 87.3% increase in net revenues, which in turn offset higher loan loss provisions following the asset quality deterioration in this segment and the increase the coverage ratio in the non-performing loan portfolio to 65.2% as of December 31, 2017 compared with 58.6% as of December 31,2016.

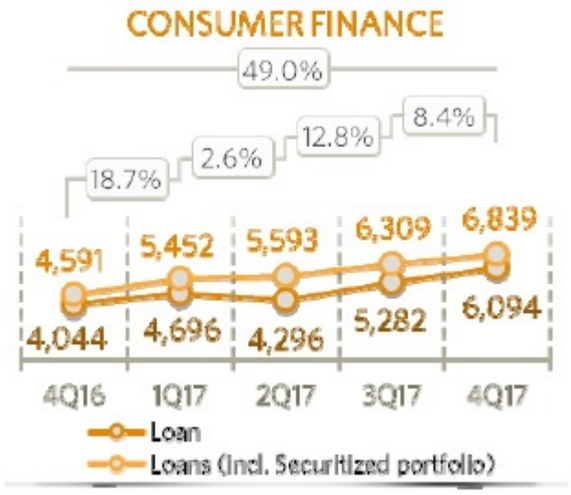
Net revenues attributable to the consumer finance segment in 2017 were Ps.2.3 billion, Ps.1.1 billion higher than the Ps.1.2 billion in 2016, which in turn was Ps.415.3 million higher than the Ps.823.3 million recorded in 2015. Annual increases of 124.1% in gross intermediation margin and 32.5% in net service fee income were the main drivers behind the growth in net revenues in 2017.

Loan loss provisions amounted to Ps.924.5 million in 2017, Ps.585.6 million higher than the Ps.338.9 million in 2016, which was in turn Ps.172.5 million higher than the Ps.166.3 million for 2015. The increase in 2017 was due to the growth of the loan portfolio, which included an increase in non-performing loans, (ii) our decision to increase our non-performing loan coverage ratio from 58.6% in 2016 to 65.2% in 2017 and (iii) the deterioration in asset quality due to salary adjustments resulting from collective bargaining agreements below the annual inflation rate in 2017 along with increases in public services tariffs both in 2016 and 2017, which impacted the consumers' disposable income.

Direct costs increased 36.9% or Ps.310.0 million to Ps.1.1 billion in 2017, compared to Ps.839.3 million in 2016, which in turn were 31.4% higher than the Ps.638.5 million recorded in 2015. The increase in 2017 was due to higher personnel and operational expenses as a consequence of vendors' and unions' adjustment of rates and salaries to inflation.

The consumer financing segment's loan portfolio totaled approximately Ps.6.1 billion (U.S.$324.6 million) at December 31, 2017. Including the securitized loan portfolio, total loans amounted Ps.6.8 billion (U.S.$364.3 million) increasing 49.0% in 2017, from Ps.4.6 billion registered in 2016.

The following graph shows the total loan portfolio (with and without the securitized portfolio) breakdown of the consumer dinancing segment for each of the quarters indicated.



Insurance

Net income attributable to the insurance segment in 2017 was Ps.205.6 million, compared to Ps.252.4 million in 2016 and Ps.54.1 million in 2015.

Net revenues attributable to the insurance segment in 2017 were Ps.469.7 million, compared to Ps.528.2 million in 2016 and Ps.153.1 million in 2015. Supervielle Seguros began issuing its first policies in October 2014 starting with a few non-credit related insurance products, such as protected bag insurance and personal accident insurance. By the end of 2015, it began issuing credit-related policies substantially growing its business since then, partly through the growth of the loans and credit card portfolio balances and partly through the migration of some of the portfolios previously booked in a third party insurance company. However, since September 1, 2016, both Banco Supervielle and CCF are self-insuring these risks and and only contract new credit related insurances for mortgages loans. We intend to continue to expand this business and launch new insurance products previously offered to our customers by other insurance companies.

Income from insurance activities amounted to Ps.375.4 million in 2017, compared to Ps.476.3 million in 2016 and Ps.130.6 million in 2015.

Direct costs were Ps.154.4 million in 2017, compared to Ps.139.2 million in 2016 and Ps.68.2 million in 2015.

Asset Management & Other Services

Until March 31, 2017, we offered microcredit financing through Cordial Microfinanzas. On March 31, 2017, we and the Bank sold our shares of Cordial Microfinanzas to Ciudad Microempresas.

Net income attributable to the asset management & other services segment in 2017 was Ps.223.6 million, Ps.98.8 million higher than the Ps.124.8 million recorded in 2016, which was in turn Ps.65.2 million higher than the Ps.59.5 million recorded in 2015.

Net revenues attributable to the asset management & other services segment in 2017 were Ps.601.6 million, Ps.271.4 million or 82.2% higher than Ps.330.2 million in 2016, which was in turn 99% higher than Ps.166.0 million in 2015.

The increase in net revenues in 2017 was mainly driven by the increase in net services fee income, which amounted to Ps.553.3 million in 2017, 112.4% higher than the Ps.260.6 million recorded in 2016, which in turn was 107.5% higher than the Ps.125.6 million recorded in 2015. The increase in service fee income in 2017 was mainly driven by increased volume in mutual fund management and in Espacio Cordial fee income. This increase reflects the successful cross-selling initiatives to leverage our compelling financial product offering both through the asset management business and the non-financial products and services sold by Espacio Cordial.

Direct costs increased 15.7% or Ps.35.9 million in 2017, compared Ps.228.6 million in 2016, which in turn increased 61.0% or Ps.86.7 million compared to Ps.142.0 million in 2015. The increase in 2017 and 2016 was mainly due to inflation and an increase in salaries due to an increase in the number of employees. See "*Item 4.B Business Overview*."

Adjustments

Financial expenses and other results incurred by Grupo Supervielle at the holding level, and transactions between segments, are not allocated to any particular segment for internal reporting purposes, and are disclosed under "Adjustments" to reconcile the total of each line item with the amounts appearing in our statement of income. Inter-segment transactions offset each other and do not impact total direct earnings on a consolidated basis. Other results not allocated to segments totaled gains of Ps.561.5 million in 2017, gains of Ps.3.8 million in 2016, and losses of Ps.60.7 million in 2015.

Financial income of Grupo Supervielle at the holding level in 2017 were higher than in 2016 mainly due to the investment of the funds retained at the holding level after the IPO in May 2016.

Financial expenses of Grupo Supervielle at the holding level in 2017 were lower than in 2016 mainly due to a significant decrease in the amount outstanding of debt.

Below we present a summary of items recorded by Grupo Supervielle at the holding level, as well as by Sofital, excluding inter-segment transactions, as of December 31, 2017 and 2016:

	As of December 31, 2017		As of December 31, 2016	
	(in thousands of Pesos)			
	Grupo Supervielle	Sofital	Grupo Supervielle	Sofital
Financial income	642,305	2,024	188,345	399
Financial expenses	(26,045)	—	(129,642)	(69)
Gross financial margin	**616,260**	**2,024**	**58,703**	**330**
Services Fee Income	62,906	—	45,941	—
Services Fee Expenses	3,145	—	—	—
Net Service Fee Income	**59,761**	**—**	**45,941**	**—**
Net Revenue	**676,021**	**2,024**	**104,644**	**330**
Loan Loss Provisions	—	(1,432)	—	—
Direct costs	(125,255)	(1,615)	(63,912)	(681)
Income from financial transactions	**550,766**	**(1,023)**	**40,733**	**(351)**

Consolidated Assets

The structure and main components of our consolidated assets as of the dates indicated were as follows:

	As of December 31,					
	2017		2016		2015	
	Amount	%	Amount	%	Amount	%
	(in thousands of Pesos, except percentages)					
Cash and due from banks	11,129,475	11.8%	8,166,132	15.3%	6,808,591	20.6%
Investment Portfolio						
Government and corporate securities	1,734,409	1.8%	945,991	1.8%	240,635	0.7%
Participation in our securitization trusts	570,207	0.6%	631,251	1.2%	1,371,889	4.2%
Securities issued by the Central Bank	13,611,627	14.5%	1,414,053	2.7%	691,246	2.1%
Loans and financing portfolio	60,054,796	63.9%	38,037,051	71.5%	22,293,826	67.5%
Other assets (1)	6,870,764	7.3%	4,011,564	7.5%	1,639,630	5.0%
Total	**93,971,278**	**100.0%**	**53,206,042**	**100.0%**	**33,045,817**	**100.0%**

(1) Includes mainly other receivables from financial transactions, equity investments, miscellaneous receivables, bank premises and equipment, miscellaneous assets, and intangible assets.

Of our Ps.94.0 billion total assets as of December 31, 2017, Ps.92.3 billion, equivalent to 98.2% of the total, corresponded to the Bank and CCF. As of December 31, 2017, our total direct exposure to the non-financial public sector amounted to Ps.1.8 billion. Our exposure to the non financial public sector is primarily composed of our holdings of government securities, which as of December 31, 2017 amounted to Ps.1.7 million.

Item 5.B Liquidity and Capital Resources

Our main source of liquidity is the Bank's deposit base. The Bank, CCF and Tarjeta also securitize portions of their loan portfolios to generate liquidity for their operations. CCF also receives deposits and interbank calls and issues short-term debt securities in the Argentine capital markets for financing. Additionally, long-term financing and capital contributions enable us to cover most of our liquidity requirements.

Consolidated Cash Flows

The table below summarizes the information from our consolidated statements of cash flows for the three years ended December 31, 2017, 2016 and 2015, which is also discussed in more detail below:

	Year ended December 31,		
	2017	2016	2015
		(in thousands of Pesos)	
Funds at the beginning of the financial year	**9,688,554**	**7,616,502**	**4,046,180**
Funds provided by (used in) Operating activities	**6,961,692**	**(294,347)**	**2,449,838**
Government and corporate securities	1,811,290	(947,998)	744,287
Net increase in loans	(10,134,238)	(5,136,826)	(568,136)
Net increase in deposits	17,593,799	9,105,413	4,612,863
Net operating income from services	4,014,670	3,156,633	2,138,642
Administrative expenses	(7,537,254)	(5,340,482)	(3,608,264)
Other	1,213,425	(1,131,087)	(869,554)
Funds provided by (used in) investing activities	**(4,099,484)**	**(477,264)**	**(188,834)**
Net payments in bank premises and equipment and miscellaneous assets	(320,981)	(458,733)	(184,545)
Payments for purchases of equity interests in other companies	33,112	(21)	—
Other	(3,811,615)	(18,510)	(4,289)
Funds provided by financing activities	**11,869,581**	**2,387,086**	**870,687**
Funds provided (used in) by unsubordinated negotiable obligations	5,288,294	371,069	638,722
Funds (used in) subordinated negotiable obligations	(1,058,813)	(123,811)	(74,684)
Funds provided by (used in) banks and international entities	1,871,168	(1,116,049)	330,650
Capital increase	5,841,688	3,301,137	—
Payment of dividends	(65,500)	(25,503)	(7,385)
Other	(7,256)	(19,757)	(16,616)
Effect of exchange rate on cash and cash equivalents	**1,001,522**	**456,577**	**438,631**
Funds at the end of the financial year	**25,421,865**	**9,688,554**	**7,616,502**

Management believes that cash flows from operations and available cash and cash equivalent balances will be sufficient to fund our financial commitments and capital expenditures for 2018.

Cash Flows from Operating Activities

2017 Compared to 2016

In 2017, operating activities provided Ps.7.0 billion of net cash, compared to Ps.294.3 million of net cash used in 2016. Net increase in loans amounted to Ps.10.1 billion in 2017, compared to an increase of Ps.5.1 billion in 2016. Net operating income from services increased to Ps.4.0 billion in 2017 from Ps.3.2 billion in 2016. Net increase in deposits amounted to Ps.17.6 billion in 2017, compared to a net increase of Ps.9.1 billion in 2016. Administrative expenses increase to Ps.7.5 billion in 2017, compared to Ps.5.3 billion in 2016. Our holding of marketable securities provided Ps.1.8 billion in 2017 compared to Ps. 948.0 million used in 2016.

2016 Compared to 2015

In 2016, operating activities used Ps.2.4 billion of net cash, compared to Ps.2.3 billion of net cash provided in 2015. Net increase in loans increased to Ps.6.7 billion in 2016 from Ps.683.9 million in 2015. Net operating income from services increased to Ps.2.2 billion in 2016 from Ps.1.8 billion in 2015. Net increase in deposits increased to Ps.9.1 billion in 2016 from Ps.4.6 billion in 2015. Administrative expenses increased to Ps.4.9 billion in 2016 compared to Ps.3.4 billion in 2015 and our holding of marketable securities used Ps.918.4 million in 2016 from Ps.787.8 million provided in 2015.

Cash Flows from Investing Activities

2017 Compared to 2016

In 2017, we used Ps.4.1 million of net cash in our investing activities, compared to Ps.477.0 million of net cash used in 2016. In 2017, funds used in investing activities were partially offset by the sale of four office units and parking spaces located at Avenida L. N. Alem 1035, the sale of a non-core property for Ps.30.2 million and, to a lesser extent, the sale of Cordial Microfinanzas in the first quarter of 2017. While in 2016, funds used in investing activities were mainly explained by the acquisition at market price all of the properties from the financial trust, given their franchise value, for a total amount of Ps.329.8 million.

2016 Compared to 2015

In 2016, we used Ps.477.3 million of net cash in our investing activities, compared to Ps.188.8 million of net cash used in 2015. The increase in investment activities in 2016 is primarily explained by the increase in payments for bank premises, equipment and miscellaneous assets to Ps.458.7 million in 2016 (the Bank acquired at market price, all of the properties from the financial trust, given their franchise value, for a total amount of Ps.329.8 million), compared to the Ps.184.5 million in 2015 (including the acquisition for a total of Ps.165 million of four office units and parking spaces located at Avenida L. N. Alem 1035 and Ps.85.9 million from the sale of properties not related to our core business in the Province of Mendoza).

For an explanation of the acquisition of the properties from the financial trust and the subsequent cancellation of the trust, see "*Item 4.D Property, Plants and Equipment.*"

Cash Flows from Financing Activities

2017 Compared to 2016

In 2017, net cash provided by financing activities totaled Ps.11.9 billion compared to Ps.2.4 billion of net cash provided for financing activities in 2016.

In 2017, funds used to make payments under unsubordinated negotiable obligations totaled Ps.5.3 billion due to the placement of the Ps.4,768,170,000 global bond, compared to Ps.371.1 million used for financing activities in 2016. Funds used to make payments under subordinated negotiable obligations totaled Ps.1.1 billion in 2017, compared to Ps.123.8 million used for financing activities in 2016. Funds borrowed from foreign financial institutions to increase

our financing with respect to foreign exchange related loans totaled Ps.1.9 million in 2017, compared to Ps.1.1 million used in 2016.

2016 Compared to 2015

In 2016, net cash provided by financing activities totaled Ps.2.4 billion compared to Ps.870.7 million of net cash provided for financing activities in 2015. In 2016, funds used to make payments on our unsubordinated negotiable obligations totaled Ps.371.1 million compared to Ps.638.7 million that were used for financing activities in 2015; we used Ps.123.8 million to make payments under subordinated negotiable obligations compared to Ps.74.7 million used for financing activities in 2015; and funds used by banks and international entities totaled Ps.1.1 billion compared to Ps.330.7 million provided in 2015.

Funding

Deposits

Our major source of funding is the Bank's significant deposit base comprised of checking and savings accounts and time deposits. The following table presents the composition of our consolidated deposits as of December 31, 2017, 2016 and 2015:

	As of December 31,		
	2017	2016	2015
		(in thousands of Pesos)	
From the non-financial public sector	6,171,661	2,587,253	1,182,559
% of deposits	10.9%	7.2%	5.0%
From the financial sector	15,702	9,326	250,981
% of deposits	0.0%	0.0%	1.1%
From the non-financial private sector and foreign residents			
Checking accounts	5,679,805	4,361,405	3,042,376
% of deposits	10.1%	12.1%	12.8%
Savings accounts	18,239,186	10,783,229	6,465,123
% of deposits	32.3%	30.0%	27.3%
Special checking accounts	11,339,808	2,422,708	1,288,573
% of deposits	20.1%	6.7%	5.4%
Time deposits	13,014,886	11,677,322	10,034,025
% of deposits	23.0%	32.5%	42.3%
Investment accounts	255,000	375,000	664,900
% of deposits	0.5%	1.0%	2.8%
Others	1,328,837	3,510,701	567,477
% of deposits	2.4%	9.8%	2.4%
Interest and differences in exchange rates payable	442,142	170,920	220,563
% of deposits	0.8%	0.5%	0.9%
Total	**56,487,027**	**35,897,864**	**23,716,577**

2017 Compared to 2016

Total deposits increased 57.4% in 2017. The Bank's deposits from the non-financial public sector increased 138.5% to represent 11% of our total deposits as of December 31, 2017. As of December 31, 2017, CCF had deposits of Ps.704.8 million.

As a result of the importance of our sizeable deposit network franchise, retail branch deposits plus senior citizen deposits continued to represent a high share of total deposits. As of December 31, 2017, retail branch deposits plus senior citizen deposits represented 53.8% of total deposits compared to 59.6% as of December 31, 2016.

Total deposits from the private sector increased 51.0% in 2017, above the 26.7% increase in deposits from the private sector in the Argentine financial system as a whole in 2017. Private sector deposits in savings accounts, time deposits, checking accounts and special checking accounts increased 69.1%, 11.5%, 30.2% and 368.1% respectively, in 2017.

As of December 31, 2017, savings accounts denominated in Pesos, which represented 68% of total savings accounts (excluding special checking accounts) increased 67.4% when compared to savings accounts denominated in Pesos as of December 31, 2016. The remaining 32% was represented by U.S. dollar-denominated savings accounts, which increased 73.7% when compared to savings accounts denominated in U.S. dollars.

2016 Compared to 2015

Total deposits increased 51.4% in 2016 accompanying higher loan origination due to the capital deployment after the IPO. The Bank's deposits from the non-financial public sector increased 118.8%, to represent 7.2% of our total deposits as of December 31, 2016.

As a result of the importance of our sizeable deposit network franchise, retail deposits continued to represent a high portion of total deposits. As of December 31, 2016, retail deposits represented 60% of total deposits compared to 54% as of December 31, 2015.

Total deposits from the private sector increased 49.4% in 2016, above the 43.9% increase in deposits from the private sector in the Argentine financial system as a whole. Private sector deposits grew in savings accounts and time deposits, which increased 70.3% and 16.4%, respectively, in 2016.

The performance in private sector deposits was due to (i) 179.2% increase in sight deposits denominated in U.S. dollars, mainly resulting from the first tranche of the Tax Amnesty Program which totaled the equivalent amount of Ps.2.7 billion as of December 2016, or near U.S.$170 million, compared to Ps.90 million, or U.S.$6 million as of September 2016, (ii) 70.3%**,** or Ps.5.5 billion increase in savings accounts, (iii) 43.4%, or Ps.1.3 billion in checking accounts, and (iv) 16.4%, or Ps.1.6 billion in time deposits.

As of December 31, 2016, savings accounts denominated in Ps., which represent 78% of total savings accounts, increased 45.8% compared to 2015. The remaining 22% was represented by U.S. dollar denominated savings accounts, which increased 239.4%.

Securitization Transactions

In 2017, the Bank and CCF transferred loans to securitization trusts in an aggregate amount of Ps.2.5 billion and these trusts issued trust securities for an aggregate amount of Ps.2.5 billion. As of December 31, 2017, CCF and the Bank held shares in trusts through senior debt securities and certificates of participation for Ps.45.1 million and Ps.466.6 million, respectively.

As a result of these securitizations, CCF and the Bank retained interests in the trusts through senior bonds and participation certificates in the amount of Ps.45.1 million and Ps.466.6 million as of December 31, 2017, respectively. CCF and the Bank retained interests in the trusts through senior bonds, subordinated bonds and participation certificates in the amount of Ps.100.6 million, Ps.0 million and Ps.530.6 million as of December 31, 2016 and Ps.509.7 million, Ps.36.3 million and Ps.707.0 million as of December 31, 2015, respectively.

Our holdings of participation certificates issued by trusts in Pesos are valued at their equity value estimated at the end of each fiscal year, following each trust's audited consolidated financial statements. Our holdings of debt securities issued by trusts are valued based on principal plus accrued interest. Each trust records allowances for loan losses for the securitized loan portfolio in accordance with Central Bank regulations. Although historically we have not experienced losses on our participation certificates in, or subordinated debt securities issued by, financial trusts created to securitize loans, we cannot assure you that we will not incur such losses in the future.

Financings

Grupo Supervielle - Global Corporate Notes

At our ordinary and extraordinary shareholders' meeting held on April 19, 2016, our shareholders approved the creation of a new global notes program for the issuance of short, medium and/or long-term notes of up to a total outstanding amount of Ps. 1,000,000,000 (or its equivalent in other currencies).

As of December 31, 2017, Grupo Supervielle had one series of notes outstanding under its short, medium and/or long-term global notes program. This series was our Series XIII Peso-denominated notes due January 31, 2019. These notes were issued on January 31, 2014 in the aggregate principal amount of Ps. 23.1 million. The Series XIII notes earn interest at a floating rate of BADLAR — Private Banks plus 6.25%. As of December 31, 2017, Ps.22.9 million was outstanding under the notes.

The proceeds from the placement of the notes were used in accordance with Article 36 of the Law of Negotiable Obligations for the payment of financial liabilities and working capital needs in Argentina.

Bank —Peso-denominated Notes

At the Bank's April 15, 2016 ordinary shareholders' meeting, the Bank's shareholders voted to increase its Peso-denominated global notes program from Ps.750.0 million to Ps.2.0 billion (or its equivalent in foreign currency).

On October 12, 2016, the Bank issued unsubordinated "Series VI" notes in an aggregate principal amount of Ps.422.0 million at a floating rate of BADLAR — Private Banks plus 3.50% that were repaid in October 2017.

Bank — Foreign currency-denominated Notes

On November 11, 2010, the Bank issued 11.375% U.S.$50 million "Series I" subordinated notes due November 11, 2017. Interest payments on the Series I notes are payable twice a year. These notes are governed by New York law. On November 13, 2017, the notes matured and were repaid in full.

On August 20, 2013, the Bank issued 7.0% U.S.$22.5 million "Series III" subordinated notes due August 20, 2020. Interest payments on the Series III notes are payable biannually and payments commenced on February 20, 2014. These notes are governed by Argentine law. As of December 31, 2017, the Series III notes were recorded in the "Subordinated Negotiable Obligations" line item in an amount outstanding of Ps.431.7 million.

On November 18, 2014, the Bank issued 7.0% U.S.$13.4 million "Series IV" subordinated notes due November 18, 2021. Interest payments on the Series IV notes are payable biannually and payments commenced on May 18, 2015. These notes are governed by Argentine law. As of December 31, 2017, the Series IV notes were recorded in the "Subordinated Negotiable Obligations" line item in an amount outstanding of Ps.254.2 million.

On November 15, 2016, the Bank issued 3.5% Ps.269.1 million "Series VII" unsubordinated notes due November 17, 2017. Interest payments on the Series VII notes are payable biannually and payments commenced on February 17, 2017. These notes are governed by Argentine law. On November 17, 2017, the notes matured and were repaid in full.

Global Program for the Issuance of Medium Term Securities for up to U.S.$2.3 billion (previously, U.S.$800 million)

On September 22, 2016, the Bank's general ordinary and extraordinary shareholders' meeting approved the creation of a global program for the issuance of notes for an outstanding maximum amount of U.S.$800,000,000. The program was authorized by the CNV on November 24, 2016, through Resolution No. 18,376.

On November 23, 2016, the Bank issued Series "A" notes issued for Ps. 4.8 billion at a BADLAR plus 450 basis points interest rate due 2020, with interest payable on a quarterly basis. As of December 31, 2017, the abovementioned notes were recorded in the "Other receivables from financial transactions — Unsubordinated Notes" line item in an amount of Ps.4.7 billion.

On November 29, 2017, the Bank issued Series "B" notes issued for Ps.629.0 million at a TM20 plus 325 basis points interest rate due 2019, with interest payable on a quarterly basis. As of December 31, 2017, the abovementioned notes were recorded in the "Other receivables from financial transactions — Unsubordinated Notes" line item in an amount of Ps.625.3 million.

On November 29, 2017, the Bank issued Series "C" notes issued for Ps.659.7 million at a BADLAR plus 425 basis points interest rate due 2021, with interest payable on a quarterly basis. As of December 31, 2017, the

abovementioned notes were recorded in the "Other receivables from financial transactions — Unsubordinated Notes" line item in an amount of Ps.655.8 million.

On February 14, 2018, the Bank issued two new series of notes under the program, in accordance with the following:

(i) "Series D" notes in an aggregate principal amount of Ps.748.9 million at a quarterly rate of BADLAR Private Banks Rate plus a nominal annual 3.50% due August 14, 2019. However, during the first interest payment period, the series D notes will pay a minimum annual interest rate of 26.75%.

(ii) "Series E" notes in an aggregate principal amount of Ps.1.6 billion at a quarterly interest rate of BADLAR Private Banks Rate plus a nominal annual 4.05% due February 14, 2023. However, during the first, second, and third interest payment periods, the series E notes will pay a minimum annual interest rate of 26.25%.

On March 6, 2018, the Bank's shareholders' meeting resolved, among other things, to increase the amount of the program from U.S.$800.0 million (or its equivalent in other currencies) to U.S.$2.3 billion (or its equivalent in other currencies) and to modify the program's general terms and conditions to allow specifically for the issuance within its framework of series of notes denominated in UVI or in UVA.

Bank - Foreign Trade Programs

On April 25, 2007, we entered into a trade facility with the IFC for a maximum amount of U.S.$10 million, which entitles us to request IFC guarantees to secure certain of our trade-related obligations and trade-related obligations of third parties, such as stand-by letters of credit. In May 2014, the amount under the facility was increased to U.S.$20 million and in November 2015 it was increased again to U.S.$30 million. As of December 31, 2017, our obligations, including principal and interests, under this facility totaled U.S.$19.3 million.

In addition, on May 27, 2009, we entered into an Issuing Bank Agreement and a Confirming Bank Agreement with the Inter-American Development Bank, under the IDB's Trade Finance Facilitation Program for a maximum amount of U.S.$10 million. Pursuant to these agreements, we may request IDB credit guarantees and confirm IDB credit guarantees received by third parties. In September 2012, the amount under the facility was increased to U.S.$15 million. Our aggregate current exposure under the facilities may not exceed U.S.$15 million, which will be used to cover the risks inherent in the confirmation of letters of credit, promissory notes, bid performance bonds and other similar instruments used in foreign trade operations. As of December 31, 2017, there were no operations with coverage of the IDB under the Issuing Bank Agreement.

Obligations under the Issuing Bank Agreement and the Confirming Bank Agreement include the preparation of reports at regular intervals and abiding by certain financial ratios related to solvency, credit risk, restricted assets, and exposure to foreign currency and interest rate risk.

CCF — Notes

As of December 31, 2017, CCF had the following series of notes outstanding under its Ps.500 million Global Program:

	Date of issuance	Currency	Amount outstanding as of issuance date	Amount outstanding as of December 31, 2017 (in thousands of Pesos)	Rate	Maturity date
Series XI	October 25, 2016	Pesos	200,000,000	200,000	Floating + 3.57% (BADLAR Private Banks)	April 25, 2018
Series XIII	December 23, 2016	Pesos	151,428,571	151,429	Floating + 4% (BADLAR Private Banks Rate)	June 23, 2018

	Date of issuance	Currency	Amount outstanding as of issuance date	Amount outstanding as of December 31, 2017 (in thousands of Pesos)	Rate	Maturity date
Series XIV	May 11, 2017	Pesos	558,000,000	555,396	Floating + 3.50% (BADLAR - Private Banks)	May 11, 2019
Series XV	August 24, 2017	Pesos	413,500,000	411,410	Floating + 3.75% (BADLAR - Private Banks)	February 23, 2019
Series XVI	November 22, 2017	Pesos	535,500,000	532,308	Floating + 4.25% (TM20)	November 22, 2019

As of December 31, 2017, we held in our portfolio negotiable obligations: (i) Class XI issued by CCF for the amount of Ps.200 million, (ii) Class XIII issued by CCF for the amount of Ps.151.4 million, (iii) Class XIV issued by CCF for the amount of Ps.555.4 million, (iv) Class XV issued by CCF for the amount of Ps.411.4 million and (v) Class XVI issued by CCF for the amount of Ps.532.3 million.

As of December 31, 2017, outstanding unsubordinated negotiable obligations of CCF totaled Ps.1.9 billion.

CCF — Syndicated Loans

On June 22, 2015, CCF entered into a loan contract called "Syndicated Loan IV" with the banks set forth in the table below for Ps.110.0 million bearing interest at a floating rate of BADLAR — Private Banks + 5.5 basis points. The loan was paid in December 12, 2016, after 12 installments. Interest payments are made monthly. Banco de Servicios y Transacciones S.A. is administrative agent under this loan.

Bank	Share of Syndicated Loan (Pesos)
Banco de Servicios y Transacciones S.A.	22,500,000
Banco de la Ciudad de Buenos Aires	30,000,000
BACS Banco de Crédito y Securitización S.A.	20,000,000
Banco Mariva S.A.	15,000,000
Banco Industrial S.A.	10,000,000
Banco Sáenz	7,500,000
Banco Meridian S.A.	5,000,000

On May 18, 2016, CCF entered into a loan contract called "Syndicated Loan V" with the banks set forth in the table below for Ps.335.0 million bearing interest at a floating rate of BADLAR — Private Banks + 5.5 basis points. On April 3, 2017, the loan was repaid in full. Banco Santander Río S.A. was administrative agent under this loan.

Bank	Share of Syndicated Loan (Pesos)
Banco Santander Río S.A	100,000,000
Banco de la Pampa S.E.M.	15,000,000
Banco de la Provincia de Córdoba S.A.	30,000,000
Banco Hipotecario S.A.	60,000,000
BACS Banco de Crédito y Securitización S.A.	30,000,000
Banco de San Juan S.A	20,000,000
Banco Macro S.A.	100,000,000

Consolidated Capital

The table below shows information on our shareholders' equity as of the dates indicated.

	Year ended December 31,		
	2017	2016	2015
	(in thousands of Pesos, except percentages)		
Shareholders' equity	15,144,798	6,931,551	2,373,710
Average shareholders' equity(1)	9,580,785	4,986,499	2,094,750
Shareholders' equity as a percentage of total assets	16.1%	13.0%	7.2%
Average shareholders' equity as a percentage of average total assets	13.8%	12.0%	7.8%
Total liabilities as a multiple of total shareholders' equity	5.2x	6.7x	12.9x
Tangible shareholders' equity(2) as a percentage of Total Tangible Assets	15.8%	12.6%	6.5%

(1) Calculated on a daily basis.
(2) Tangible shareholders' equity represents shareholders' equity minus intangible assets.

The table below shows information on the Bank and CCF's consolidated computable regulatory capital, and minimum capital requirements as of the dates indicated.

	As of December 31,		
Total Capital	**2017**	**2016**	**2015**
Tier 1 Capital			
Paid in share capital common stock	744,386	638,283	456,140
Share premiums	4,647,818	2,058,921	8,064
Disclosed reserves and retained earnings	3,173,755	2,248,406	1,630,958
Non-controlling interests	78,582	32,743	14,199
100% of results	1,088,388	531,223	358,898
50% of positive results	170,170	197,063	129,275
Sub-Total: Gross Tier I Capital	**9,903,099**	**5,706,639**	**2,597,534**
Deduct:			
All Intangibles	312,589	281,112	249,375
Pending items	40,798	30,693	23,488
Other deductions	32,805	26,866	18,790
Total Deductions	**386,192**	**338,671**	**291,653**
Sub-Total: Tier I Capital	**9,516,907**	**5,367,968**	**2,305,881**
Tier 2 Capital			
General provisions/general loan-loss reserves 50%	588,073	389,142	221,563
Subordinated term debt	325,183	389,743	441,116
Sub-Total: Tier 2 Capital	**913,256**	**778,885**	**662,679**
Total Capital	**10,430,163**	**6,146,853**	**2,968,560**
Credit Risk weighted assets(1)	**60,939,300**	**39,678,311**	**25,248,691**
Risk weighted assets(2)	**75,301,392**	**49,168,958**	**34,314,613**
Tier 1 Capital / Risk weighted assets	**12.6%**	**10.9%**	**6.7%**
Regulatory Capital / Risk weighted assets	**13.9%**	**12.5%**	**8.7%**

(1) Credit risk weighted assets is calculated by applying the respective credit risk-weights to our assets, following Central Bank regulations. It does not include market risk or operational risk.
(2) Risk weighted assets is calculated by multiplying the operational risk and market risk by 12,5 and adding the credit risk weighted assets.

Capital Expenditures

In the course of our business, our capital expenditures are mainly related to infrastructure and organizational and IT system development. In general terms, our capital expenditures are not significant when compared to our total assets.

We expect that capital expenditures in 2018 will be related to infrastructure, IT systems development and properties. We anticipate to fund such capital expenditures with cash flow from operating activities.

Item 5.C Research and Development, patents and licenses, etc.

Other than our technology program, we do not have any significant policies or projects relating to research and development, and we own no patents or licenses. See "*Item 4.B Business Overview—Technology*" in our 2016 Form 20-F.

Item 5.D Trend Information

We believe that the macroeconomic environment and the following trends in the Argentine financial system and in our business have affected and will, for the foreseeable future, continue to affect our results of operations and profitability. Our continued success and ability to increase our value to our shareholders will depend upon, among other factors, economic growth in Argentina and the corresponding growth of the market for long-term private sector lending and access to financial products and services by a larger segment of the population.

The analysis should be read in conjunction with the discussion in "*Item 3.D Risk Factors*" and taking into consideration that the Argentine economy has been historically volatile, which has negatively affected the volume and growth of several sectors, including the financial system.

Related to Argentina

The economic and financial environment going forward in Argentina is expected to be significantly influenced by the presidential elections held on November 22, 2015, which resulted in Mr. Mauricio Macri being elected President of Argentina. The Macri administration is expected to adjust longstanding fiscal and monetary policies that have resulted in recurrent public sector deficits, inflation and pervasive foreign exchange controls and limited foreign investment. Sustainable economic growth and improved employment in the short and medium term will depend upon the manner in which the above-mentioned issues are addressed and may develop adversely if the issues are not addressed adequately.

A negative growth performance of the Brazilian economy (Brazil is Argentina's main trade partner) may have a negative impact on Argentine exports and the overall level of economic and industrial activity (particularly with respect to the automotive industry). The international financial environment may also result in a devaluation of regional currencies and exchange rates, including the Peso, which would likely also cause volatility in Argentina.

Going forward, our ability to maintain positive nominal growth rates will remain a challenge for as long as the current level of foreign exchange controls and restrictions affecting capital flows remain in place.

Related to the Argentine Financial System

We expect that the financial system will continue growing, strongly supported by an increase of savings into bank deposits to be used for loans to the private sector, with positive real interest rates intended to encourage savings over consumption. These greater savings will be used mainly for loans to finance production and this will materially increase investment rates at country level which will allow a sustained long-term growth.

On December 17, 2015, the Central Bank repealed regulations related to interest rate ceilings for personal loans, pledge loans and credit card loans and minimum interest rates on time deposits. As of the date of this annual report, interest rates for personal loans, pledge loans and credit card loans and time deposits may be freely agreed upon

among financial institutions and their customers. For more information, see "*Item 4.B Business overview—Argentine Banking Regulation—Liquidity and Solvency Requirements—Interest rate and fee regulations*."

Financial institutions are expected to continue working to improve efficiency and keep administrative expenses under control.

Related to Us

We expect the level of activity of all of our subsidiaries to reflect any improvement in the economic context.

We intend to maintain prudent financial risk management policies and to continue improving our operating efficiency.

We will pursue increased optimization and diversification of the Bank's deposit base, in particular by giving priority to new demand savings and deposit accounts. The Bank will also seek to increase loan volumes in the retail banking market by offering innovative products and services tailored to the needs of different socioeconomic and income segments, in particular high net worth and upper-middle-income individuals, senior citizens, entrepreneurs and small businesses. Our corporate banking will remain focused on SMEs and large-sized companies, prioritizing secured lending and maintaining a diversified corporate loan portfolio by continuing to limit exposure to each company.

Our consumer financing segment will seek to increase loans and credit cards volumes through its main channels, Walmart Argentina and Hipertehuelche. Supervielle Seguros will seek to continue growing and introducing new products. Espacio Cordial is expected to continue offering its products and services to more of the Bank's customers and increasing the number of products and services it offers. SAM will seek to continue growing in terms of assets under management and in terms of its funds family.

We will also continue seeking opportunities to further increase our business through acquisitions of banking and insurance assets.

Guidelines Towards Conversion to IFRS

On February 12, 2014, the Central Bank, through Communication "A" 5541, established the general guidelines towards conversion to IFRS as issued by the International Accounting Standards Board (IASB) for preparing financial statements of the entities under its supervision.

According to such convergence process, IFRS have been adopted for the fiscal year beginning on January 1, 2018. IFRS transition date pursuant to IFRS 1 "First-time Adoption of IFRS" was scheduled for January 1, 2017.

In accordance with our consolidated financial statements as of December 31, 2017, the estimated effect that the conversion to IFRS will have on our reported equity is a decrease of approximately 4.8%. See Note 33 to our consolidated financial statements.

The figures shown in that note may be subject to change and may only be considered definitive when audited financial statements for fiscal year 2018 are released.

Item 5.E Off-balance sheet arrangements

Our off-balance sheet risk mainly arises from the Bank's activities.

In the normal course of its business, the Bank is a party to financial instruments with off-balance sheet risk which are entered into in order to meet the financing needs of its customers. These instruments expose us to credit risk in addition to the amounts recognized on our consolidated balance sheets. These financial instruments include stand-by letters of credit and guarantees granted.

We also have off-balance sheet commercial commitments arising from our lease agreements for our administrative buildings and offices (including our headquarters), branches, senior citizens dedicated branches, sales and collection centers and storage properties. See "*Stand-by Letters of Credit and Guarantees Granted*" and "*Commitments under Lease Agreements sections*" in Item 5.F.

Item 5.F Contractual Obligations

The table below identifies the principal amounts of our main on-balance sheet contractual obligations, their currency of denomination, remaining maturity and interest rate and the breakdown of payments due, as of December 31, 2017

			Amounts due by period(1)				
	Maturity	Annual Interest Rate	Less than 1 year	1 - 3 years	3 - 5 years	After 5 years	Total at December 31, 2017
			(in thousands of Pesos)				
Deposits	2018-2019		**60,796,603**	**373**	**—**	**—**	**60,796,976**
Central Bank	2018		**6,514**	**—**	**—**	**—**	**6,514**
International banks and institutions			**2,803,801**	**5,409**	**—**	**—**	**2,809,210**
Short Term Financial Loans (U.S.$)	2016		2,803,801	5,409	—	—	2,809,210
Medium Term Financial Loans (U.S.$)	2017		—	—	—	—	—
Financing received from Argentine financial institutions			**353,416**	**350,049**	**207,718**	**—**	**911,183**
Short Term Financial Loans (Pesos)	2018	27.0%	131,719	—	—	—	131,719
Long Term Financial Loans (Pesos)	2014-2022	19.0%-27.0%	221,697	350,049	207,718	—	779,464
Unsubordinated corporate bonds			**3,010,018**	**9,913,653**	**621,265**	**—**	**13,544,936**
Negotiable Obligation (Pesos) Class XIII	2019	BADLAR + 6,25%	—	26,214	—	—	26,214
Negotiable Obligation (Pesos) Class VI	2018	BADLAR + 3.5%	534,885	—	—	—	534,885
Negotiable Obligation (Pesos) Class A	2020	BADLAR + 4.50%	1,323,167	6,754,733	—	—	8,077,900
Negotiable Obligation (Pesos) Class B	2019	BADLAR + 3.25%	166,685	795,685	—	—	962,370
Negotiable Obligation (Pesos) Class C	2021	BADLAR + 4.25%	181,431	583,276	621,265	—	1,385,972
Negotiable Obligation (Pesos) Class XI	2018	BADLAR + 3.57%	226,747	—	—	—	226,747
Negotiable Obligation (Pesos) Class XIII	2018	BADLAR + 4.00%	172,005	—	—	—	172,005
Negotiable Obligation (Pesos) Class XIV	2019	BADLAR + 3.50%	149,265	632,019	—	—	781,284
Negotiable Obligation (Pesos) Class XV	2019	BADLAR + 3.75%	111,645	441,641	—	—	553,286
Negotiable Obligation (Pesos) Class XVI	2019	BADLAR + 4.25%	144,189	680,085	—	—	824,274
Subordinated loan			**47,889**	**518,330**	**270,253**	**—**	**836,473**
	2017	Fixed 7%	47,889	518,330	270,253	—	836,473
Others			**2,911,748**	**—**	**—**	**—**	**2,911,748**
Total			**69,929,990**	**10,787,814**	**1,099,236**	**—**	**81,817,040**

(1) Reflects penalties payable to the Central Bank in connection with the Bank's clients' bounced checks.

Stand-by Letters of Credit and Guarantees Granted

Stand-by letters of credit and guarantees granted are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Guarantees granted are surety guarantees in connection with transactions between two parties.

We use the same credit policies in issuing stand-by letters of credit and making guarantees as we do for granting loans. In the opinion of our management, our outstanding commitments do not represent unusual credit risk.

The contractual amount of these instruments represents the maximum possible credit risk should the counterparty draw down the commitment or we fulfill our obligation under the guarantee, and the counterparty subsequently fails to perform according to the terms of the contract. Most of these commitments and guarantees expire without the counterparty drawing on the credit line or a default occurring or without being drawn. As a result, the total contractual amount of these instruments does not represent our future credit exposure or funding requirements. Further, certain commitments, primarily related to consumer financing are cancelable, upon notice, at our option.

The following table sets forth the maximum potential amount of future payments under stand-by letters of credit and financial guarantees.

	Amounts Due by Period				
	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years	Total at December 31, 2017
	(in thousands of Pesos)				
Guarantees	326,314	749,338	676	330,944	1,407,272
Stand-by letters of credit and acceptances	172,988	—	—	—	172,988
Total Off Balance Sheet	**499,302**	**749,338**	**676**	**330,944**	**1,580,260**

Commitments under Lease Agreements

Our commitments under our lease agreements are mainly rental payments. We can terminate lease agreements at any time at low or no cost at our option.

The following table sets forth the maximum potential amount of future payments under our lease agreements.

	Amounts Due by Period				
	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years	Total As December 31, 2017
	(in thousands of Pesos)				
Lease commitments	225,024	354,493	98,370	45,620	723,507
Total commercial commitments	**225,024**	**354,493**	**98,370**	**45,620**	**723,507**

Item 5.G Safe Harbor

See the discussion at the beginning of this annual report under the heading “Forward-Looking Statements” for forward-looking statement safe harbor provisions.

Item 6. Directors, Senior Management and Employees

Board of Directors

According to our bylaws, our Board of Directors may be composed of a minimum of three and a maximum of nine directors, and the shareholders may also appoint an equal or lesser number of alternate directors. As of the date of this annual report, our Board of Directors is composed of eight directors. There are no alternate directors. All of our directors reside in Argentina.

Directors and their alternates, if any, are appointed for a term of two years by our shareholders during the annual ordinary shareholders’ meeting. Directors may be reelected. Alternate directors replace directors in the order in which they were elected. Our Board of Directors is currently composed of eight members, half of whom are elected annually in staggered elections. Pursuant to section 257 of the Argentine Corporate Law, the directors maintain their positions until the following annual ordinary shareholders’ meeting where directors are appointed. See “*Description of Bylaws and Capital Stock—Election of Directors.*”

The latest election relating to our Board of Directors took place at the ordinary and extraordinary shareholders' meeting held on April 24, 2018, in accordance with Article Nine of our bylaws as amended at the extraordinary shareholders' meeting held on October 7, 2015, and as described in "*Description of Bylaws and Capital Stock—Election of Directors*." The amendment to Article Nine of our bylaws was approved by means of Resolution No.18,024 of the CNV, and registered with the IGJ on July 5, 2016.

During the first meeting after directors have been appointed, they must appoint a chairman and vice-chairman of the board, or, if considered appropriate, a first vice-chairman and a second vice-chairman. The vice-chairman, or, if applicable, the first vice-chairman, would automatically replace the chairman in the event that the chairman is absent, resigns, deceases or faces any other impediment to serve as chairman, and the second vice-chairman, if applicable, would replace the first vice-chairman. In the absence of any of these directors or chairmen, the Board of Directors may appoint who will serve as chairman or chairmen. The chairman of the board may cast two votes in the case of a tie. These provisions were incorporated by amendment to Article Nine of our bylaws and approved at our ordinary and extraordinary shareholders' meeting held on April 19, 2016.

The Board of Directors functions and acts upon the majority vote of its members present at its meetings either physically or via any form of audio and visual simultaneous communication.

The following table sets forth the composition of our Board of Directors as of the date of this annual report:

Name	Title	Date of first appointment to the Board(1)	Date of expiration of current term(3)	Occupation	Date of Birth
Julio Patricio Supervielle	Chairman of the Board	June 9, 2008(2)	December 31, 2018	Business Management	December 13, 1956
Jorge Oscar Ramírez	First Vice-Chairman of the Board	April 15, 2011	December 31, 2018	Certified Public Accountant	June 26, 1961
Emérico Alejandro Stengel	Second Vice-Chairman of the Board	July 13, 2010	December 31, 2019	Industrial Engineer	December 17, 1962
Laurence Nicole Mengin de Loyer	Director	March 23, 2010	December 31, 2019	Business Management	May 5, 1968
Atilio Dell'Oro Maini	Director	September 28, 2011	December 31, 2018	Lawyer	February 13, 1956
Richard Guy Gluzman	Director	April 15, 2011	December 31, 2018	Business Management	July 11, 1953
María Gabriela Macagni	Director	October 7, 2015	December 31, 2019	Chemical Engineer	January 13, 1964
Jorge Luis Mocetti	Director	April 27, 2017	December 31, 2019	Lawyer	September 28, 1960

(1) With the exception of Julio Patricio Supervielle, the respective date of appointment to the Board of each director is also the date on which each director first joined Grupo Supervielle.
(2) Julio Patricio Supervielle held positions within the Board since March 21, 2000, but as of 2008 has served on our board continuously.
(3) Notwithstanding the expiration date stated above, pursuant to section 257 of the Argentine Corporate Law, the directors maintain their positions until the following annual ordinary shareholders' meeting where directors are appointed.

There are no family relationships between the abovementioned current members of our Board of Directors.

The following are academic and professional backgrounds of the members of the board. The business address of each of the members of the Board is Bartolomé Mitre 434, 5th floor, Buenos Aires, Argentina.

Julio Patricio Supervielle received a degree in Business Administration from Universidad Católica Argentina and holds a master's degree from The Wharton School of the University of Pennsylvania. He attended the Global CEO Program organized by Wharton, IESE and CEIBS. He joined the family business in the year 1986 where he held several positions at Banco Banex S.A., including: General Manager, Director, and Chairman. He currently serves as Chief Executive Officer of Grupo Supervielle; Chairman of the Boards of Directors of Grupo Supervielle, Banco Supervielle, CCF and Tarjeta.

Jorge Oscar Ramírez is a certified public accountant, with a degree from the Universidad de Buenos Aires. He also holds an Executive Management Program degree (PADE) from ESE, the Business School of the Universidad de Los Andes, in Santiago, Chile. From 1981 to 1985, he worked in the International Capital Markets division of Banco Nacional de Desarrollo in Argentina (National Development Bank). He subsequently joined the First National Bank of Boston (later BankBoston) where he served as a lending officer and team leader in the Corporate Banking Division (1985 1989), then as an Investment Banking Officer, Senior Investment Banker and Managing Director of Boston Investment Group (BIGSA), the investment banking arm of First National Bank of Boston (1989 1995). From 1995 to 1997 he served as the Country Manager for First National Bank of Boston in Uruguay, and at the end of 1997, he served in the same capacity in Chile. In late 2000, he assumed regional responsibilities as Regional President for the Andean Region which included Chile, Peru, Colombia and Panama. In 2003, he returned to Argentina as CEO of BankBoston. In 2004, he assumed Regional responsibilities as Regional President for Argentina and Uruguay. Mr. Ramirez left BankBoston in December 2005 after the announcement of its sale to Standard Bank of South Africa. From May 2006 to January 2011, he was a partner of Prisma Investment S.A., a financial advisory firm in Argentina. He served on the Board of Directors of Alpargatas SAIC, the Argentine subsidiary of Alpargatas Brazil; of ALICO, the life insurance subsidiary in Argentina of AIG, later sold to Metlife, and of Sigdopack Argentina, a subsidiary of the Chilean Sigdo Koppers Group. He is also a founding partner of Fondos Online (fol.cl), an online brokerage house in Chile founded in 2009. He is currently First Vice-Chairman of the Boards of Directors of Banco Supervielle and Grupo Supervielle, Chairman of the Board of Directors of Supervielle Seguros, Vice-Chairman of the Board of Directors of Espacio Cordial and a member of the Board of Directors of CCF.

Emérico Alejandro Stengel obtained his degree in industrial engineering from Universidad de Buenos Aires and holds an MBA from The Wharton School of the University of Pennsylvania. He served as corporate banking officer at Citibank and Banco Santander. Subsequently, he became Partner of Booz Allen Hamilton, a global management consultancy, where he worked with multinacional and large corporations locally, in Latin America, the United States and Europe on strategy, corporate governance, organization and operations. He led several strategic integration and operations enhancement projects in the financial services industry. Later he was appointed CEO of Los Grobo Agropecuaria, a leading agribusiness company that won the National Quality Award under his office. In 2010 he joined the Board of Directors of Grupo Supervielle and currently serves as Second Vice-Chairman of Grupo Supervielle and the Bank; Chairman of Sofital S.A.F. e I.I. and Espacio Cordial, First Vice-Chairman of CCF and Vice-Chairman of Supervielle Seguros and Tarjeta.

Laurence Nicole Mengin de Loyer graduated from McGill University in Canada with an undergraduate degree in Business Administration and a master's degree in Business Administration. She started her career in New York City at the Mergers and Aquisitions Division for Banque Nationale de Paris. Afterwards, in Paris, she joined the Apparel Division of Sara Lee Corporation, where she held a number of financial positions in different business units including Financial Analyst, Financial Controller, Chief Financial Officer and European Controller. When Sara Lee Corporation sold its European Apparel Division in 2006, she served as Group Controller of the newly created stand-alone business with responsibilities in the reorganization, financial control, definition and implementation of exit strategies for the private equity fund. In 2008, as a result of her move to Argentina, she volunteered as Vice-President and Treasurer of a not-for-profit organization dedicated to integrating newly-arrived foreigners to Argentina. In 2009, she joined Banco Supervielle S.A. as Deputy Manager of the Administration Department until her nomination to the Board of Grupo Supervielle in March 2010. She currently serves as a Director of Grupo Supervielle.

Atilio Dell-Oro Maini is a lawyer, with degrees in Political Science and Agricultural Production. In 1984, he joined the law firm Cárdenas, Cassagne & Asociados and was made Partner in 1990. He worked in New York City as a Foreign Associate at the law firm White & Case in 1987 and Simpson, Thatcher & Bartlett from 1988-1989. In 1997, he worked at the London-based global law firm Linklaters & Paines. He also completed the Program of Instruction for Lawyers at Harvard Law School. In 2003, he joined the law firm Cabanellas • Etchebarne • Kelly as a Senior Partner of the Banking and Capital Markets divisions. He has extensive experience advising banks and other financial entities, corporations and governments with respect to all types of international and domestic banking and financial transactions. He is a Professor at the Master's in Business Law program at Universidad de San Andrés, as well as a member of the Bar Association of the city of Buenos Aires. As of the date of this annual report, he serves as a member of the Boards of Directors of Banco Supervielle, Grupo Supervielle and Tarjeta, and Vice-Chairman of the Boards of Directors of Sofital, CCF and Espacio Cordial.

Richard Guy Gluzman received a degree in Law from Nanterre University in Paris and a master's degree in Business Administration from the ESSEC University in Paris. From 1978 to 1995, he worked in France holding various managerial positions in several technological companies (Burroughs S.A., Digital Equipment Corporation, Wang S.A. and JBA S.A.). His career in Argentina started in 1995, when he joined Coming S.A. (France Telecom & Perez Companc Group) as General Manager until 1997. From 1997 through 1999, he served as a member of Globalstar S.A.'s Board of Directors. From 1998 through 2000, he was at the helm of Diveo Broadband Networks S.A. as General Manager and then, from 2000 to 2006, he was a Director of Pegasus Capital, a private equity fund. As of the date of this annual report, he serves as Independent Director of Grupo Supervielle. In previous years he served as First Vice-Chairman of the boards of directors of the Bank, CCF and as Vice-Chairman of the Board of Directors of Tarjeta, Sofital and Viñas del Monte.

María Gabriela Macagni graduated with a degree in chemical engineering from Instituto Tecnológico de Buenos Aires (ITBA) and received postgraduate specialization in business management at Harvard Business School and Stanford Business School. She began her career as a consultant for Accenture. Subsequently, she joined Citibank Argentina where she worked as an Investment Banking officer and was responsible for the structuring of both local and international debt issue transactions. Beginning in 2002, she led the Corporate Bank Restructuring Unit. Afterwards, she joined the Board of Citibank Argentina, supervising Strategic Planning and Business Development areas. Since late 2011, she has served as a Director of Endeavor Argentina, an organization supporting high impact entrepreneurs in scaling their businesses, both in Argentina and globally. She is also a member of the Graduate Council at ITBA. In 2015, she was appointed Director of Grupo Supervielle.

Jorge Luis Mocetti graduated as a lawyer from Universidad de Buenos Aires' Law School. He also attended the Executive Human Recources Program organized by Stephen Ross School at Michigan University (Ann Arbor) and other Executive Programs at Duke University and Ashridge UK. He held Senior business and Human Rescources positions at The Nielsen Company, both in Latin America and Europe, as Country Manager, Senior Vice-President and Director. He also held director positions at Scotiabank and Telecom Argentina. He is a member of the Executive Committee of Axion Energy. He is a lecturer for postgraduate courses at Universidad de San Andrés. He currently serves as a Director of Grupo Supervielle S.A

Duties and Liabilities of Directors

Directors have the obligation to perform their duties with the loyalty and the diligence of a prudent business person. Under Section 274 of the Argentine Corporate Law, directors are jointly and severally liable to the company, the shareholders and third parties for the improper performance of their duties, for breaching any law or the bylaws or regulations, if any, and for any damage to these parties caused by fraud, abuse of authority or gross negligence. The following are considered integral to a director's duty of loyalty: (i) the prohibition on using corporate assets and confidential information for private purposes; (ii) the prohibition on taking advantage, or allowing another to take advantage, by action or omission, of the business opportunities of the company; (iii) the obligation to exercise board powers only for the purposes for which the law, the corporation's bylaws or the shareholders' or the Board of Directors' resolutions were intended; and (iv) the obligation to take strict care so that acts of the board do not go, directly or indirectly, against the company's interests. A director must inform the Board of Directors and the supervisory committee of any conflicting interest he or she may have in a proposed transaction and must abstain from voting thereon.

In general, a director will not be held liable for a decision of the Board of Directors, even if that director participated in the decision or had knowledge of the decision, if (i) there is written evidence of the director's opposition to the decision and (ii) the director notifies the Supervisory Committee of that opposition. However, both conditions must be satisfied before the liability of the director is claimed before the Board of Directors, the supervisory committee or the shareholders or relevant authority or the commercial courts.

Section 271 of the Argentine Corporate Law allows directors to enter into agreements with the company that relate to such director's activity and under arms' length conditions. Agreements that do not satisfy any of the foregoing conditions must have prior approval of the Board of Directors (or the supervisory committee in the absence of board quorum), and must be notified to the shareholders at a shareholders' meeting. If the shareholders reject the agreement, the directors or the members of the supervisory committee, as the case may be, shall be jointly and severally liable for any damages to the company that may result from such agreement. Agreements that do not

satisfy the conditions described above and are rejected by the shareholders are null and void, without prejudice to the liability of the directors or members of the supervisory committee for any damages to the company.

The acts or agreements that a company enters into with a related party involving a relevant amount shall fulfill the requirements set forth in Section 72 and 73 of Law No. 26,831. Under Section 72, the directors and syndics (as well as their ascendants, descendants, spouses, brothers or sisters and the companies in which any of such persons may have a direct or indirect ownership interest) are deemed to be a related party. A relevant amount is considered to be an amount which exceeds 1% of the net worth of the company as per the latest balance sheet. The Board of Directors or any of its members shall require from the audit committee a report stating if the terms of the transaction may be reasonably considered adequate in relation to normal market conditions. The company may resolve with the report of two independent evaluating firms that shall have informed about the same matter and about the other terms of the transaction. The Board of Directors shall make available to the shareholders the report of the audit committee or of the independent evaluating firms, as the case may be, at the main office on the business day after the board's resolution was adopted and shall communicate such fact to the shareholders of the company in the respective market bulletin. The vote of each director shall be stated in the minutes of the Board of Directors approving the transaction. The transaction shall be submitted to the approval of the shareholders of the company when the audit committee or both evaluating firms have not considered the terms of the transaction to be reasonably adequate in relation to normal market conditions. In the case where a shareholder demands compensation for damages caused by a breach of Section 73, the burden of proof shall be placed on the defendant to prove that the act or agreement was in accordance to the market conditions or that the transaction did not cause any damage to the company. The transfer of the burden of proof shall not be applicable when the transaction has been approved by the Board of Directors with the favorable opinion of the audit committee or the two evaluating firms or if the transaction has been approved by the ordinary shareholders' meeting without the decisive vote of the shareholder in respect of which the condition of a related party is met or has an interest in the act or contract at issue.

Causes of action may be initiated against directors if so decided at a meeting of the shareholders. If a cause of action has not been initiated within three months of a shareholders' resolution approving its initiation, any shareholder may start the action on behalf and on the company's account. A cause of action against the directors may be also initiated by shareholders who object to the approval of the performance of such directors if such shareholders represent, individually or in the aggregate, at least 5% of the company's capital stock.

Except in the event of a mandatory liquidation or bankruptcy, shareholder approval of a director's performance, or express waiver or settlement approved by the shareholders' meeting, terminates any liability of a director vis-à-vis the company, provided that shareholders representing at least 5% of the company's capital stock do not object and provided further that such liability does not result from a breach of law or the company's bylaws.

Under Argentine law, the Board of Directors is in charge of the company's management and administration and, therefore, makes any and all decisions in connection therewith, as well as those decisions expressly provided for in the Argentine Corporate Law, the company's bylaws and other applicable regulations. Furthermore, the board is generally responsible for the execution of the resolutions passed in shareholders' meetings and for the performance of any particular task expressly delegated by the shareholders.

Meetings, Quorum, Majorities

Our Board of Directors must hold a minimum of one regularly scheduled meeting every three months. Meetings must also be convened when called by any member of the Board of Directors. The quorum for a Board of Directors' meeting is the majority of its members. The Board of Directors will pass resolutions by the affirmative vote of the majority of members present. Pursuant to our bylaws our directors may participate in a meeting of the Board of Directors by means of a communication system that provides for a simultaneous transmission of sound, images and words. If we make a public offer of our stock, directors participating by such means count for quorum purposes and the board will pass resolutions by the affirmative vote of the majority of members present either physically or by means of such communication system.

Incentive-based Retirement Plan for Senior Management and Directors

In December 2016, Grupo Supervielle approved an incentive-based retirement plan, which replaced certain existing compensation mechanisms. Members of our senior management and Board of Directors will be entitled to receive cash payments over time under the plan if certain performance targets are met. 50% of the funds contributed by us to the plan will be released to individual plan accounts once the performance targets have been met, subject to compliance with waiting periods mandated by Argentine legislation. The remaining 50% will vest after an additional twelve-month waiting period. We will monitor the eligibility and participation of the members as the program develops and expect to contribute approximately U.S.$3.6 million per year to the program. The program was approved for a one-year period and can be cancelled or renewed every year.

The initial program covered up to 70 members of Supervielle's senior management team and Board of Directors. In 2018, this program was renewed for another one-year period. The program currently covers up to 90 members of our senior management and Board of Directors.

Independence Criteria of Directors

In accordance with the provisions of Section 4, Chapter I, Title XII "*Transparencia en el Ámbito de la Oferta Pública*" and Section 11, Chapter III, Title II *"Órganos de Administración y Fiscalización, Auditoría Externa*" of the CNV Rules, we are required to report to the shareholders' meeting, prior to vote the appointment of any director, the status of such director as either "independent" or "non-independent." At present, Julio Patricio Supervielle, Jorge Oscar Ramirez, Atilio Dell'Oro Maini and Emérico Alejandro Stengel and are non-independent, whereas Richard Guy Gluzman, Laurence Nicole Mengin de Loyer, María Gabriela Macagni and Jorge Mocetti are independent members of our board according to the criteria established by the CNV. See "*Audit Committee*" for further details about independence requirements of the members of our Audit Committee.

Corporate Governance

We have adopted a Corporate Governance Code to put into effect corporate governance best practices, which are based on strict standards regarding transparency, efficiency, ethics, investor protection and equal treatment of investors. The Corporate Governance Code follows the guidelines established by the CNV and the Central Bank. We have also adopted a Code of Ethics and an Internal Conduct Code, each designed to establish guidelines with respect to professional conduct, morals and employee performance.

Officers

Our management is comprised of our CEO, Julio Patricio Supervielle, who reports to the Board of Directors, our Chief Operating Officer ("COO"), José Luis Panero, who is in charge of ensuring that the different companies in the group function in a coordinated manner, with synergy and efficiency, applying the strategic guidelines defined for each business unit, and our chief financial officer ("CFO"), Alejandra Naughton, who is in charge of the financial and accounting division. Both report to the CEO. Also our Chief of Legal Affairs and AML, Sergio Gabai, our Chief Credit Officer, Pablo Di Salvo, who is in charge of our global credit division, our Chief of Human Resources, Santiago Batlle, our Chief of IT and Operations, Marcelo Vivanco and our Chief of Central Services & Supply Management, Claudia Andretto all of them reporting to the COO,

Also reporting to the Board of Directors are the CRO, Javier Conigliaro, and the Internal Audit Manager, Leandro Conti.

Name	Office	Profession	Date of Birth
Julio Patricio Supervielle	Chief Executive Officer	Business Administration	December 13, 1956
José Luis Panero	Chief Operating Officer	Economics	December 29, 1964
Alejandra Naughton	Chief Financial Officer	Economics	September 22, 1962
Sergio Gabai	Chief of Legal Affairs and AML	Lawyer	April 26, 1967
Javier Conigliaro	Chief Risk Officer	Economist	November 16, 1964

Pablo Di Salvo	Chief Credit Officer	Business Administration	June 19, 1964
Santiago Batlle	Chief of Human Resources	Lawyer	April 16, 1973
Marcelo Vivanco	Chief Officer of Technology & Operations	Psychology and System Analysis	January 9, 1962
Claudia Andretto	Chief of Central Services & Supply Management	Economist	May 8, 1960

The CEO has five main responsibilities: (i) creating value for shareholders by monitoring the business units, (ii) bringing innovation to the provision of financial services, (iii) making sure that we deliver high quality and cost competitive services, (iv) leveraging key resources to provide support for the business units and (v) planning and executing acquisitions and alliances that fit into the corporate strategy.

The COO of Grupo Supervielle reports to the CEO and Chairman of Grupo Supervielle. His main responsibility is to ensure sustainable results in each of the companies of Grupo Supervielle as well as synergies and efficiencies inside the company. He is responsible for encouraging and coaching the CEO's of each of our companies in order to pursue each of the strategic and business plans. As part of his role, the COO is responsible for the coordination of the different group support functions in order to guarantee not only cost efficiency but also alignment to group strategy.

The CFO directs and oversees the finance, controlling, accounting and investor relations divisions. The finance division is responsible for capital planning and funding strategies. The controlling division is responsible for continuous evaluations of short-term and long-term strategic financial objectives, preparing financial trends analyses and analyses of forecasts, budgets and costs. The accounting division monitors compliance with generally accepted accounting principles and applicable federal, state and local regulations and laws, and rules for financial and tax reporting. The investor relations division is responsible for preparing and providing financial information to, and coordinating with, regulatory bodies and both domestic and international investors and analysts.

The Chief of Legal Affairs and AML is in charge of ensuring that each of our businesses complies with internal policies and procedures within the legal framework established by regulatory authorities and with the applicable contractual requirements. In addition, the Chief of Legal Affairs and AML provides legal advice to Grupo Supervielle and each of its subsidiaries regarding business development, the prevention of legal risk and conflict resolution.

The CRO is responsible for developing and implementing an appropriate framework for the administration of overall risks that allows for the identification, evaluation, monitoring and mitigation of credit risk, financial risk (including market risk, interest rate risk and liquidity risk), as well as operational risks (including reputation risk) for each of our businesses.

The Chief Credit Officer is responsible for defining and putting into practice our global credit risk policies across all business units. The Chief Credit Officer utilizes common risk assessments and information collection platforms across all business units. He also maximizes the value we offer clients by facilitating the transit of clients across business units through credit policies designed specifically for upward sales and cross sales. In addition, the Chief Credit Officer maximizes penetration into different socio-economic segments through inclusive credit policies, while ensuring that pricing is consistent with risk levels. The Chief Credit Officer also manages and controls procedures related to credit risk and collection and recoveries for the purpose of safeguarding our assets, minimizing losses related to defaults and maximizing the protection of our businesses' rights and interests.

The Chief of Human Resources is responsible for the design and implementation of human capital strategies. The human resource manager is in charge of global human resource policies across all business units. He functions as a strategic partner of top management to ensure that we attract and retain the talent necessary to achieve business growth. The Chief of Human Resources's main strategies are: consolidating our talent pool, developing a sustainable organization focused on clients and with competitive remuneration packages, spreading the Supervielle culture, which breeds innovation, work ethic, empowerment and merit recognition and maintaining high morale among employees.

The following are academic and professional backgrounds of our management members:

José Luis Panero has been appointed Chief Operating Officer (COO) in June 2016. He previously was the Bank's Chief Executive Officer since April 2009. He received a degree in Economics from Universidad Nacional de Córdoba and a Master's degree in Finance awarded by CEMA. In 2009, he also completed the General Manager Program (GMP 7) at Harvard Business School. From 1988 through 2002 he held several positions at Banco Suquía, including Planning and Capital Markets Manager. From 2002 through 2007, he worked at Banco Banex as Financial Manager and since the merger with the Bank Mr. Panero served as Head of the Finance and Capital Markets department until April 2009 and Deputy CEO from 2006 to 2009. He is currently a member of the Boards of Directors of Banco Supervielle, CCF, Sofital and Supervielle Seguros.

Alejandra Naughton has been Chief Financial Officer of Grupo Supervielle since September 2011. She holds a degree in Economics from the Universidad de Buenos Aires and a post graduate degree in Project Management from Universidad de Belgrano. She attended the CFO Executive Program at the University of Chicago Booth School of Business. She has taken courses at the Bank of England in London, where she was awarded the Expert in Finance and Management Accounting and Expert in Corporate Governance degrees; at the Federal Reserve Bank of New York where she was conferred the Expert in Management and Operations degree and at the International Monetary Fund where she was awarded the Expert in Safeguards Assessment degree. From 1994 to 2007 she served on the Central Bank's staff in several senior positions, including that of Deputy General Manager (2003 to 2007) and Argentine Representative to the Governance Network at the Basle based Bank for International Settlements (Switzerland). During the years 2007 and 2008 she worked as a Consultant to the International Monetary Fund. As of the date of this annual report, she is also Chief Finance Officer at the Bank. She also acts as alternate director of ByMA.

Sergio Gabai has been Chief of Legal Affairs and AML of Grupo Supervielle since May 2012. A graduate of the Universidad de Buenos Aires as an Attorney-at-Law, he also holds a Master's degree in Economics and Insurance Law from the Universidad Católica Argentina and a Ph.D. in Management from University of Navarra's IESE Business School. He attended the Management Program for Lawyers at Yale University and participated of the Effective Leadership Program at Universidad Austral — IAE. He also attended the Innovation Program at Universidad de San Andrés and the Finance and Operative Efficiency Program at Wharton School. From 1998 through 2000, he was the Legal Affairs Assistant Manager at Bank Boston. From 2000 through 2007 he was in charge of BBVA Banco Francés Legal Services for the Banking Business Department. He also serves as Director of SAM, and as Alternate Syndic for Sofital, Tarjeta and Supervielle Seguros.

Javier Conigliaro has been Chief Risk Officer of Grupo Supervielle since July 2016. Previously he served as Chief Risk Officer of Banco Supervielle from 2012 through 2016. With over 29 years of experience in the risk industry within financial institutions, Mr. Conigliaro is an economist with graduate studies from the University of Buenos Aires, he attended the Executive Education Program in Risk Management at Kellogg School of Management & PRMIA and the Management Development Program at Universidad Austral — IAE School of Business. Previous to his experience in Banco Supervielle, Mr. Conigliaro was the Head of Corporate Risk in Société Générale Argentina, a credit risk senior analyst in SocGen New York and in Beal WestLB Argentina.

Pablo Di Salvo was appointed as Chief Credit Officer at Grupo Supervielle in September 2017. He received a degree in business administration from the Universidad Católica Argentina, and attended the Executive Development Program at Universidad Austral Business School. He held positions in credit risk at Banco Itaú Argentina and served as Credit Risk Manager at Banco Supervielle. He has worked in various positions with BankBoston Argentina, both in the credit risk and commercial teams, including Latam Credit Risk Manager and Corporate Team Leader. From 2003 to 2008, he was Head of Credit Risk at BankBoston Chile. He also held positions as Credit Risk Manager at American Express Argentina. He has over 30 year of experience in the financial services industry.

Santiago Enrique Batlle graduated from Universidad Católica de La Plata as an Attorney at Law and received his Master's degree in Business Administration Management from the School of Business and Management at IAE Universidad Austral. He also received a postgraduate degree in Human Resources from Universidad Argentina de la Empresa. He participated in the Senior Management Program at IAE Universidad Austral and other programs at Stanford, London Business School and Michigan University. From July 2000 to 2004, he served as Labor Relations

Manager at Bank Boston NA, and from 2005 to March 2007 he served as their Human Resources Executive Director. From April 2007 to December 2010, he was Human Resources Executive Director at Standard Bank Argentina. He has served as Human Resources Head of Grupo Supervielle and Banco Supervielle since February 2011. He was appointed an alternate director of the Boards of Directors of Banco Supervielle and CCF. Such designations are pending of authorization by the Central Bank in agreement with Communication "A" 6304 of such regulator.

Marcelo Vivanco has been the Chief of IT and Operations since February 2017 and prior to his appointment, he has been the Chief of IT since September 2016. He obtained an MBA from the Universidad del Salvador, a degree in System Analysis from Universidad CAECE and a degree in Psychology. He served as Director of Systems and Technology at Lojack Corporation and as Chief Technology Officer at Banco Comafi and La Ley Editorial (Thompson Group). At Banco Santander Río and Banco Galicia he served as Development Manager.

Claudia Andretto has been the Chief of Central Services and Supply Management since Februrary 2017. Previously she served as Head of Operations since 2008. She holds a degree in Economics from the Universidad de Buenos Aires and participated on the Advanced Regional Management and Leadership Program at IAE. From 1982 through 1994, she worked at Banco Roca where she led the Organization and Methods Department. From 1994 through 1998, she worked at Exprinter Banco S.A. From 1999 through 2001, she worked at Banco San Luis as Product Leader. In 2001, she took office as Banco Banex Organization Manager and remained in that position until 2007. After the merger with the Bank, she continued heading the same department at the Bank until 2008, when she was appointed Head of Operations.

For the biography of Mr. Julio Patricio Supervielle see "*—Board of Directors*."

Supervisory Committee

We have a monitoring body called the supervisory committee ("Supervisory Committee"). Our Supervisory Committee consists of three syndics and three alternate syndics appointed by the shareholders at our annual ordinary shareholders' meeting. The syndics and their alternates are elected for a period of one year, and any compensation paid to our syndics must have been previously approved at an ordinary shareholders' meeting. The term of office of the members of the Supervisory Committee expires on the annual ordinary shareholders' meeting to consider our financial statements as of December 31, 2018.

Pursuant to the Argentine Corporate Law, only lawyers and accountants admitted to practice in Argentina and domiciled in Argentina or civil partnerships composed of such persons may serve as syndics in an Argentine *sociedad anónima*, or limited liability corporation.

The primary responsibilities of the Supervisory Committee are to monitor the compliance with Argentine Corporate Law, the bylaws, its regulations, if any, and the shareholders' resolutions, and to perform other functions, including, but not limited to: (i) attending shareholders' and Board of Directors' meetings, (ii) calling extraordinary shareholders' meetings when deemed necessary and ordinary and special shareholders' meetings when not called by the Board of Directors, (iii) monitoring the company's corporate records and other documents, and (iv) investigating written complaints of shareholders. In performing these functions, the Supervisory Committee does not control our operations or assess the merits of the decisions made by the Board of Directors.

The following chart shows the members of our Supervisory Committee appointed by the annual ordinary and extraordinary shareholders' meeting held on April 24, 2018. According to Technical Resolution No. 15 of the Argentine Federation of Professional Counsel of Economic Sciences and Section III, Chapter III of Title II of the CNV Rules, all of our syndics and alternate syndics are independent.

Name	Office	Beginning Date of Office	Profession	Date of Birth
Enrique José Barreiro	Syndic	June 8, 2009	Public Accountant	December 5, 1945
Carlos Alberto Asato	Syndic	June 8, 2009	Public Accountant	January 15, 1948

Valeria Del Bono Lonardi	Syndic	April 24, 2018	Lawyer	September 6, 1965
Carlos Enrique Lose	Alternate Syndic	June 8, 2009	Public Accountant	October 2,1943
Roberto Aníbal Boggiano	Alternate Syndic	June 8, 2009	Public Accountant	September 1,1955
Carlos Alfredo Ojeda	Alternate Syndic	May 17, 2010	Public Accountant	January 15,1944

The following are academic and professional backgrounds of the Supervisory Committee members:

Enrique José Barreiro. He received a degree in Public Accounting from Universidad Nacional de Lomas de Zamora. From 1969 until May 2000, he worked at Banco Tornquist/Credit Lyonnais, where he held the position of Assistant Accountant for five years. From June 2000 through June 2007, he held the position of Assistant Accountant and General Accountant at Banco San Luis/Banco Banex S.A. He currently serves as Syndic of Grupo Supervielle, the Bank, CCF, Tarjeta, Espacio Cordial, Sofital S.A.F.e I.I. and Supervielle Seguros S.A.

Carlos Alberto Asato. He graduated from Universidad de Buenos Aires's School of Economic Sciences as a Public Accountant. From October 1969 to March 1998, he held several positions at Banco Quilmes, including Department Head. Since 1983, he has been managing his own accounting and tax consultancy firm, Carlos Asato y Asociados. He also renders services as an external consultant in finance, tax and costs to Estudio Bruno Matarazzo y Asociados S.A. He is also a lecturer for the Public Accounting, Administration and Foreign Trade programs at Universidad del Museo Social Argentino. He currently serves as Syndic of Grupo Supervielle, the Bank and Sofital S.A.F. e I.I.

Valeria Del Bono Lonardi. She is a lawyer from from Universidad de Buenos Aires' Law School (1994), and attended other professional specialization courses, including the International Criminal Update Program at Universidad Austral (2009). She joined Salvi Law Firm in 1995 and since then has been dedicated to the counseling and practice of criminal law. Her professional specialization is mainly based on the dogmaticalness of criminal offenses, with permanent assistance to insurance companies and independent professionals; the elaboration of strategies and proposals of technical defenses in the framework of oral and public trials and the advice on the prevention of corporate fraud, particularly to banking and financial entities. She is a member of the Bar Association of Buenos Aires and of the Bar Association of San Isidro.

*Carlos Enrique Lose***.** He received a degree of Public Accountant from the Universidad de Buenos Aires' School of Economics. He worked for several years in the Audit Department of an important audit firm, and later dedicated to providing business advice. He was a lecturer at the Universidad de Buenos Aires' School of Economics and has lectured courses at both public and private professional institutions. He is a founding partner of Bermúdez, Lose & Asociados. He has published different Works with specialized journals and is a co-author of the book *Normas de Presentación de Estados Contables de Sociedades por Acciones*. He currently serves as an Alternate Syndic of Grupo Supervielle, CCF and Espacio Cordial.

Roberto Aníbal Boggiano. He is a public accountant graduated from the Universidad de Buenos Aires' School of Economics. He attended post-graduate seminars on planning and corporate taxation. Mr. Boggiano has worked at several companies, including Celulosa Jujuy S.A., where he was as an analyst accountant assistant, general accountant and chief of planning from 1978 to 1994; Sert S.A., where he served as the administrative manager from 1994 to 1995; and Estudio Carlos Asato y Asociados, where he was in charge of corporate taxation and advising from 1995 to 2011. He was also an Alternate Syndic of Fiorito Factoring S.A. He currently serves as an Alternate Syndic of Grupo Supervielle and the Bank.

Carlos Alfredo Ojeda. He is a public accountant who graduated from the Universidad de Buenos Aires' School of Economics. He was an Internal Audit Manager of the International Division of Gillette Company until 1977, and worked in Argentina, Brazil, Chile and Peru. He was a partner of a major local audit firm until 1995. He is a consultant on audit and corporate issues and has an active participation in management and control aspects of corporations in various industries. He has lectured at Universidad de Buenos Aires, including courses on Financial Planning and Budget Control and Audit and Management Control. He was also a speaker at various seminars and

courses in his areas of specialty. He is a co-author of *Auditoría — Técnica y Práctica* and *Normas para la Presentación de Estados Contables de Sociedades por Acciones*. He is also a contributor to the publication *Doctrina Societaria y Concursal*. He currently serves as an Alternate Syndic for Grupo Supervielle.

Pursuant to Article 13 ter of our bylaws, and according to the provisions of Section 79 of Law No. 26,831, an extraordinary shareholders' meeting may vote to eliminate our Supervisory Committee by meeting the requirements of applicable laws, including Article 79 of Decree No. 1023/2013.

Compensation of Directors, Management and Supervisory Committee

Our shareholders fix our directors' compensation, including their salaries and any additional wages arising from the directors' permanent performance of any administrative or technical activity. Compensation of our directors is regulated by the Argentine Corporate Law and the CNV regulations. Any compensation paid to our directors must have been previously approved at an ordinary shareholders' meeting. Section 261 of the Argentine Corporate Law provides that the compensation paid to all directors and syndics in a year may not exceed 5.0% of net income for such year, if the company is not paying dividends in respect of such net income. The Argentine Corporate Law increases the annual limitation on director compensation to up to 25.0% of net income based on the amount of dividends, if any, that are paid. In the case of directors that perform duties at special committees or perform administrative or technical tasks, the aforesaid limits may be exceeded if a shareholders' meeting so approves, such issue is included in the agenda, and is in accordance with the regulations of the CNV. In any case, the compensation of all directors and members of the supervisory committee requires shareholders' ratification at an ordinary shareholders' meeting.

We have not entered into employment contracts with the members of our Board of Directors. We have assigned certain executive and technical-administrative functions to some of our directors. As of the date of this annual report, neither we, nor any of our affiliates, have entered into any agreement that provides for any benefit or compensation to any director after expiration of his or her term.

The aggregate compensation paid to our directors (including compensation paid to members of our Audit Committee, Anti-Money Laundering and Anti-Terrorist Financing Committee, Risk Management Committee, Credit House Limit Committee, Ethics, Compliance and Corporate Governance Committee, Human Resources Committee and Disclosure Committee), management and members of our Supervisory Committee in 2017 was approximately Ps.73.8 million, Ps.90.9 million and Ps.1.3 million, respectively.

Audit Committee

Pursuant to Law No. 26,831 and its implementing regulations, we are required to have an audit committee consisting of at least three members of our Board of Directors with experience in business, finance, accounting, banking and audit matters. Under CNV regulations, at least a majority of the members of the audit committee must be independent directors.

Our audit committee is composed of no fewer than three independent members designated by our Board of Directors, who are independent under Rule 10A-3 under the Exchange Act ("Rule 10A-3") and applicable NYSE standards.

Our audit committee is composed of three members who are financially literate, and one, Laurence Nicole Mengin de Loyer, is a financial expert.

We will take the necessary measures to ensure that independent alternate members are available in order to fill possible vacancies. A quorum for a decision by the audit committee will require the presence of a majority of its members and matters will be decided by the vote of a majority of those present at the meeting. A chairman of the committee must be appointed during the first meeting after members of the committee have been appointed. The chairman of the committee may cast two votes in the case of a tie. Pursuant to our bylaws, audit committee members may participate in a meeting of the committee by means of a communication system that provides for a simultaneous transmission of sound, images and words, and members participating by such means count for quorum

purposes and the committee will pass resolutions by the affirmative vote of the majority of members present either physically or by means of such communication system. If the committee holds meetings by means of such communication system, it must comply with the same requirements applicable to Board of Directors' meetings held in such way. Decisions of the audit committee will be recorded in a special corporate book and will be signed by all members of the committee who were present at the meeting. Pursuant to Section 17 Chapter III Title II of the CNV Rules, the audit committee must hold at least one regularly scheduled meeting every three months.

Pursuant to Law No. 26,831, the audit committee, among other things:

- advises on the Board of Directors' proposal for the designation of external independent accountants and ensure their independence;
- oversees our internal control mechanisms and administrative and accounting procedures and assesses the reliability of all financial and other relevant information filed with the CNV and other entities to which we report;
- oversees our information policies concerning risk management;
- provides the market with complete information on transactions in which there may be a conflict of interest with members of our various corporate bodies or controlling shareholders;
- advises on the reasonableness of fees or stock option plans for our directors and managers proposed by the Board of Directors;
- advises on our fulfillment of legal requirements and the reasonableness of the terms of the issuance of shares or other instruments that are convertible into shares in cases of capital increase in which pre-emptive rights are excluded or limited;
- verifies the fulfillment of any applicable rules of conduct; and
- issues grounded opinions on related-party transactions under certain circumstances and file such opinions with regulatory agencies as required by the CNV in the case of possible conflicts of interest.

Additionally, the audit committee is required to prepare an annual working plan and present it to the Board of Directors and the Supervisory Committee. Members of the board, members of the Supervisory Committee and external independent accountants are required to attend the meetings of the audit committee if the audit committee so requests it, and are required to grant the audit committee full cooperation and information. The audit committee is entitled to hire experts and counsel to assist it in its tasks and has full access to all of our information and documentation.

The following chart shows the current membership of our Audit Committee according to the resolution passed at the Board of Directors' meeting held on April 28, 2017.

Name	Position	Profession	Status(1)
Laurence Nicole Mengin de Loyer	Director, Chairlady of the Committee	Business Management (Financial Expert)	Independent
María Gabriela Macagni	Director	Chemical Engineer	Independent
Richard Guy Gluzman	Director	Lawyer	Independent
Leandro Conti	Head of Internal Audit	Accountant	Permanent Invitee and Secretary of the Committee

(1) Pursuant to Rule 10A-3.

Anti-Money Laundering and Anti-Terrorist Finance Committee

We have an anti-money laundering and anti-terrorist finance committee consisting of two members of our Board of Directors. Decisions of the Anti-Money Laundering and Anti-Terrorist Finance Committee are recorded in a special corporate book and signed by all members of the committee who were present at the meeting.

Among its duties, the anti-money laundering and anti-terrorist finance committee must:

- oversee the adequacy, appropriateness and effectiveness of our internal control systems to ensure the reasonableness, reliability, adequacy and transparency of our consolidated financial statements, financial and accounting information and our consolidated financial statements and information;
- maintain an understanding of and ensure timely and appropriate responses regarding compliance with applicable rules and matters related to money laundering, conduct in the securities markets, data protection, reporting requirements and enforcement actions;
- ensure that the Code of Ethics and Internal Conduct Code comply with current rules and regulations,
- maintain an understanding of procedures to ensure that they are complete and up-to-date and approve such procedures to then bring them before the Board of Directors for its consideration and approval;
- advise Grupo Supervielle on its financial, reputational, legal and operative risks, and oversee compliance with policies designed to mitigate these risks;
- evaluate and improve the quality of Grupo Supervielle's customer service, risk control and operations;
- ensure the proper intervention of the Board of Directors with respect to the approval of decisions adopted by the committees when required by corporate governance rules and to oversee compliance with these rules;
- oversee the maintenance of adequate internal controls by each of Grupo Supervielle's subsidiaries to minimize risk through the consolidation of best practices with respect to each of the businesses; and
- oversee the compliance with current applicable anti-money laundering rules and ensure that Grupo Supervielle and its subsidiaries are in compliance with best practices related to anti-money laundering; and ensure that the anti-money laundering and anti-terrorist finance committee has a rapporteur member with knowledge relating to anti-money laundering and anti-terrorism finance who from time to time presents a report to the anti-money laundering and anti-terrorist finance committee regarding the state and relevant facts relating to each of Grupo Supervielle's subsidiaries.

Additionally, the anti-money laundering and anti-terrorist finance committee must prepare an annual working plan and present it to the Board of Directors and the Supervisory Committee. Members of the board, members of the Supervisory Committee and external independent accountants must attend the meetings of the anti-money laundering and anti-terrorist finance committee if the committee so requests it, and must grant the anti-money laundering and anti-terrorist finance committee full cooperation and information. The anti-money laundering and anti-terrorist finance committee is entitled to hire experts and counsel to assist it in its tasks and has full access to all of our information and documentation.

The following table sets forth the members of the anti-money laundering and anti-terrorist finance committee.

Name	Position
Emérico Alejandro Stengel	Director, Chairman of the Committee, Responsible Officer before FIU(1)
Atilio Dell'Oro Maini	Director, Alternate Responsible Officer before FIU(1)
Juan Cuccia	Head of AML, Rapporteur Member

(1) FIU: Financial Information Unit (Unidad de Información Financiera)

Risk Management Committee

The risk management committee is composed of two of our directors and members of the management team, and of our main subsidiaries.

Our risk management committee performs the following functions:

- develops strategies and policies for the management of credit risk, market risk, interest rate risk, liquidity risk, operational risk and other risks that could affect us, makes sure our strategies and policies are in line with regulations and best practices and oversees their correct implementation and enforcement and defines Grupo Supervielle's risk appetite and tolerance and the global risk profile for the approval of the Board of Directors;
- approves limits relating to the management of credit risk, market risk, interest rate risk and liquidity risk, and monitors the evolution of key indicators relating to operational risk, which includes a map of risks used by the trading desk for trading operations and the map of risks for investment operations at a consolidated level;
- periodically monitors the risks that Grupo Supervielle faces and the application of strategies and policies designed to address such risks;
- defines the general criteria for pricing risk;
- evaluates the adequacy of capital with respect to Grupo Supervielle's risk profile;
- defines policy and the methodological framework for performing stress tests with respect to risk management, approves scenarios for conducting individual stress tests for particular and general risks, evaluates and discusses the results of the stress tests that are presented and recommends contingency plans to address such risks, utilizes the results of the stress tests for the consideration of establishing or revising the limits and brings all of the results of the tests to the Board of Directors for approval;
- designs effective information channels and systems for the Board of Directors related to risk management;
- ensures that ours subsidiaries' management compensation plans incentivize a prudent level of each risk;
- approves risk management quantitative models and monitors the effectiveness of such models; and
- remains aware of the memos and rules related to risk published by each regulatory agency that regulates any of our subsidiaries, as well as understands the repercussions that the application of such memos or rules could have on our operations.

The following table sets forth the members of the risk management committee.

Name	Position
Julio Patricio Supervielle	Chairman of the Board, Chairman of the Committee
Jorge Oscar Ramírez	Director
Emérico Alejandro Stengel	Director
José Luis Panero	Chief Operating Officer (COO)
Alejandra Naughton	Chief Financial Officer (CFO)
Javier Conigliaro	Chief Risk Officer (CRO)
Pablo Di Salvo	Chief Credit Risk Officer (CCRO), Permanent Invitee

Hernán Oliver	Head of Global Markets of Banco Supervielle, Permanent Invitee
Sabrina Roiter	Credit Risk and Business Continuity Manager of Banco Supervielle, Permanent Invitee
Fernando Bodasiuk	Financial Risks Manager of Banco Supervielle, Permanent Invitee

Credit House Limit Committee

The Credit House Limit committee is composed of at least three members of our Board of Directors, one of whom is the Chairman of the Board. The CEO of the Bank, the CCRO and the Bank's heads of Retail Banking and/or Corporate Banking and/or Global Markets, are also members. The CCRO acts as chairman of the committee.

The Credit House Limit Committee is the highest authority in our and our subsidiaries' credit risk decision-making structure with respect to assessing situations in which any credit approval limit is exceeded.

Our Credit House Limit committee performs the following functions:

- Approves credit policies and each of our subsidiaries' credit approval limits.
- Reviews and establishes credit risk limits for our subsidiaries relating to facilities, duration, guarantees, special circumstances and environmental risks in connection with financing projects.
- Confirms the credit policies approved by the Board of Directors of each of our subsidiaries.
- Oversees the performance of each of our subsidiaries' credit committees.

A quorum is established when more than half of the committee's members are present and requires the presence of the chairman of the committee and at least two directors. A quorum of the majority of members present at the assembly is required to make any decision, and each of the directors may veto such decision. In the case of a tie, our CEO will have the deciding vote.

The following table sets forth the members of the Credit House Limit committee.

Name	Position
Julio Patricio Supervielle	Chairman of the Board
Jorge Oscar Ramírez	Director
Emérico Alejandro Stengel	Director
Nerio Peitiado	CEO of Banco Supervielle
Javier Martínez Huerga	Chairman of the Committee, CCRO of Banco Supervielle
Germán Magnoni	Head of Corporate Banking of Banco Supervielle
Hernán Oliver	Head of Global Markets of Banco Supervielle
Beatriz de la Torre	Head of Retail Banking of Banco Supervielle

When the agenda for the meeting relates to policy, the Chief Risk Officer and Head of Credit Risk of Institutional Relations must join the committee as voting members.

Ethics, Compliance and Corporate Governance Committee

The ethics, compliance and corporate governance committee monitors the implementation and enforcement of the corporate governance code for Grupo Supervielle and its subsidiaries, and the execution of the Ethics and Compliance Program. The ethics, compliance and corporate governance committee makes sure that we and our subsidiaries comply with the guidelines established by the CNV Rules, the Capital Markets Law *(Ley de Mercado de Capitales)* and the Communication "A" 5201 of the Central Bank. Among its duties, the ethics, compliance and

corporate governance committee monitors the structure of our Board of Directors and committees and establishes the basic objectives that the Board of Directors and management must follow with respect to their activities and businesses.

The ethics, compliance and corporate governance committee periodically evaluates the operations and compliance levels of the Board of Directors and each of the existing committees, and may issue recommendations to improve efficiency. It also organizes annual training sessions with assistance from the Human Resources Manager. The ethics, compliance and corporate governance committee defines the policies and governing proceedings as to the Ethics and Compliance Program and is also in charge of engaging with local regulators (such as the CNV, Central Bank, ByMA, MAE and IGJ), international regulators and enforcing agencies, and ensuring compliance with each recommendation or proposal issued by them. The corporate governance committee also makes recommendations to our Board of Directors regarding how to comply with applicable guidelines established by the Basel accords.

The following table sets forth the members of the corporate governance committee.

Name	Position
Atilio Dell'Oro Maini	Director, Chairman of the Committee
Laurence Nicole Mengin de Loyer	Director
María Gabriela Macagni	Director
José Luis Panero	Chief Operating Officer (COO)
Moira Almar	Compliance Officer
Sergio Gabai	Chief of Legal Affairs and AML, Invitee Member
Javier Conigliaro	Chief Risk Officer (CRO), Invitee Member
Leandro Conti	Head of Internal Audit of Banco Supervielle, Invitee Member

Human Resources Committee

The human resources committee approves and monitors our compensation policies. The committee helps create compensation policies and job performance evaluation systems.

Our human resources committee performs the following functions:

- brings to the Board of Directors proposals for nominations of the directors of Group Supervielle and its subsidiaries and all other officials that the Board of Directors appoints;
- proposes to the Board of Directors compensation policies for the directors;
- carries out an annual report regarding director compensation policies and submits its conclusions and recommendations to the Board of Directors;
- gathers information about the periodic evaluations of the staff of Group Supervielle and its subsidiaries;
- determines the search method for directors, whether through a third party from an external consulting firm that specializes in human resources or directly; and
- approves any external consulting firm that specializes in human resources.

The following table sets forth the members of the human resources committee.

Name	Position
Julio Patricio Supervielle	Chairman of the Board, Chairman of the Committee
Richard Guy Gluzman	Director
María Gabriela Macagni	Director

Jorge Luis Mocetti	Director
Santiago Batlle	Chief Human Resources Officer, Secretary of the Committee, Permanent Invitee

Disclosure Committee

The disclosure committee is responsible for the following tasks:

- supervise our system of controls and disclosure procedures to ensure (i) that the information required to be made known to the public (directly or through regulatory bodies) is recorded, processed, summarized and reported accurately and in a timely manner.

- evaluate the effectiveness of disclosure controls and procedures to determine the need or desirability of making changes to those controls and procedures in relation to the preparation of the next periodic reports.

- review of any information related to a material fact that must be submitted to the Argentine Securities and Exchange Commission, Buenos Aires Stock Exchange, Mercado Abierto Electrónico S.A., Securities and Exchange Commission, New York Stock Exchange, the Argentine Central Bank, the Superintendency of Insurance, and any other regulatory body with which it interacts and which relates to (i) mandatory reports; (ii) press release containing financial information, information on significant or material transactions; (iii) publication of relevant facts, (iv) oral communication and written correspondence for dissemination to shareholders and investors; and (v) any other relevant piece of information that should be communicated.

- propose to the Board the policy for the management of confidential information and control its compliance, particularly that related to legal persons.

The following table sets forth the members of the disclosure committee.

Name	Position
Jorge Oscar Ramírez	Director, Chairman of the Committee
Laurence Nicole Mengin de Loyer	Director
Atilio Dell'Oro Maini	Director
José Luis Panero	Chief Operating Officer (COO)
Alejandra Naughton	Chief Financial Officer (CFO)
Javier Conigliaro	Chief Risk Officer (CRO)
Sergio Gabai	Chief of Legal Affairs and AML
Ana Bartesaghi	Treasurer and Investor Relations Officer (IRO), Secretary of the Committee
Leandro Conti	Head of Internal Audit of Banco Supervielle
Mariano Biglia	Head of Accountancy of Banco Supervielle

Banco Supervielle S.A.'s Board of Directors

Our main subsidiary, the Bank, is managed by its Board of Directors, which is currently comprised of seven members. As of the date of this annual report, the shareholders present at any annual ordinary meeting may determine the size of the Board of Directors, provided that there shall be no less than three and no more than nine directors, and appoint an equal or lesser number of alternate directors. Any director so appointed will serve for two years. The elections of the Bank's Board of Directors are staggered. As of the date of this annual report, one half of the members of the Bank's Board of Directors are elected each year. While directors generally serve two-year terms, in the event of an increase or decrease in the number of directors serving on the Bank's board, the shareholders' are authorized to appoint directors for a period of less than two years. Directors may be reelected and will remain on their duties until their replacements take their positions.

On July 19, 2010, the Board of Directors approved a revised version of the Bank's corporate governance model, which contains most of the recommendations made by the Central Bank and CNV regarding corporate governance.

Such model provides guidelines regarding decision-making by our Board of Directors, as well as certain guidelines for the committees reporting to the Board of Directors. This corporate governance model may change in the future in consideration of the recommended guidelines in Communication "A" 5201, approved by the Central Bank on May 9, 2011. Among other things, the model incorporates provisions to the Board of Directors' regulations, such as:

- The Board of Directors shall meet on a monthly basis in order to discuss policies, strategic issues and business, and other customary issues such as provisions, budgetary divergences, portfolios, etc.

- The Board of Directors shall meet on a quarterly basis in order to analyze: (i) operational risks and regulatory compliance, (ii) prevention of money laundering and financing of terrorism, (iii) auditing, (iv) information technology, (v) human resources, (vi) credit risks, and (vii) implementation of the Bank's strategic plan.

The following table sets forth information about the members of the Bank's Board of Directors, which is currently comprised of seven members:

Name	Title	Year of Election to the Board	Date of Expiration of Term (until the shareholders' meeting that will consider the financial statements as of)	Date of Birth
Julio Patricio Supervielle	Chairman of the Board	2005	December 31, 2019	December 13, 1956
Jorge Oscar Ramírez	First Vice-Chairman of the Board	2016	December 31, 2019	June 26, 1961
Emérico Alejandro Stengel	Second Vice-Chairman of the Board	2010	December 31, 2018	December 17, 1962
Atilio Dell'Oro Maini	Director	2011	December 31, 2019	February 13, 1956
José Luis Panero	Director	2017	December 31, 2018	December 29, 1964
Santiago Batlle	Alternate Director	2017	December 31, 2018	April 16, 1973

Richard Guy Gluzman resigned from the position of Director and First Vice-Chairman of the Board on April 27, 2017.

All of the appointed directors were approved to be members of the Board of Directors as required by Central Bank regulations, with the exception of Santiago Batlle, whose designation as alternate director is pending authorization, in agreement with Communication "A" 6304 of the Central Bank.

In accordance with Section 11, Chapter III, Title II of the CNV Rules, all directors have the status of non-independent directors, with the exception of Carlos Martín Noel, who holds the status of independent director.

Set forth below is a brief biographical description of Carlos Martín Noel and Santiago Batlle. For biographical description of José Luis Panero, see "—*Offices*" and for biographical descriptions of the rest of the Bank's directors, see "—*Board of Directors*."

Santiago Enrique Batlle was appointed Chief Human Resources Officer of Grupo Supervielle in 2011. Previously, from 2007 to 2010 he served as Chief Human Resources Officer at Standard Bank. From 1997 through 2007, his career at Bank Boston climbed up to Chief Human Resources Officer. He has a degree as an Attorney at Law from the Universidad Católica de La Plata, an MBA from IAE Business School and an Executive Degree in Strategy for Results from London Business School. He attended the HR Executive Program from Ross School of Business and obtained a Human Resources Post Degree from the Universidad Argentina de la Empresa. He was appointed an alternate director of the Boards of Directors of Banco Supervielle and CCF. Such designations are pending of authorization by the Central Bank in agreement with Communication "A" 6304 of such regulator.

Carlos Martín Noel resigned to his position as Director of the Board on April 19, 2018.

Banco Supervielle S.A.'s Senior Management

The Bank's senior management is in charge of the implementation and execution of its overall short term and strategic objectives and reports to the CEO. The following table sets forth certain relevant information on the Bank's current executive officers and its senior management as of the date of this annual report:

Name	Position	Date of Birth	Year of Appointment
Nerio Peitiado	Chief Executive Officer	January 12, 1965	2016
Germán Magnoni	Head of Corporate Banking	September 24, 1969	2012
Beatriz Edith de la Torre	Head of Retail Banking	July 1, 1961	2016
Pablo Di Salvo	Chief Credit Officer	June 19, 1964	2017
Hernán Oliver	Head of Global Markets	June 2, 1973	2009
Alejandra Naughton	Chief Finance Officer	September 22, 1962	2012
Sergio Gabai	Chief of Legal Affairs and AML	April 26, 1967	2012
Javier Conigliaro	Chief Risk Officer	November 16, 1964	2016
Marcelo Vivanco	Chief Technology Officer & Operations	January 9, 1962	2016
Claudia Andretto	Chief of Central Services & Supply Management	May 8, 1960	2008
Leandro Conti	Head of Internal Audit	February 16, 1972	2007
Santiago Batlle	Chief Human Resources Officer	April 16, 1973	2011

Set forth below are brief biographical descriptions of the members of the Bank's senior management.

Nerio Peitiado was appointed CEO of Banco Supervielle in 2016. He received a degree in Business and Administration from the Universidad de Buenos Aires and a Master's degree in Business and Administration from the University of Texas. From 1994 through 1999 he was an associate at McKinsey & Co. From 1999 through 2004 he held the position of General Manager at Formatos Eficientes (EKI). From 2004 through 2005 he was General Manager at Valle de las Leñas. From 2005 to August 2009 he was General Director at Entertainment Depot. From 2009 to 2016, he was Head of Retail Banking of the Bank. As of the date of this annual report, he serves as Vice-Chairman of SAM and as an Alternate Director of Supervielle Seguros.

Germán Magnoni has been the Bank's Head of Corporate Banking since 2012. He graduated as a Public Accountant at the Universidad de Morón. He holds a Master's degree in Business Administration from CEMA. He took part of the Banking Management Program at UTDT and the Advanced Management Program at IAE. He was in charge of the Leasing Department at Banco Supervielle until 2012. At Societé Générale Argentina he led the office of Large Corporations and Fiduciary Business. Before that, he worked for seven years in Corporate Sales at Banco Río (Santander).

Beatriz de la Torre has been Head of Retail Banking since November 2016. She has over 30 years of industry experience. Prior to her appointment, she served as Senior Advisor for Banco de la Nación Argentina. Previously, she was Head of Retail Banking at Itaú Argentina from 2009 to 2015. She was also Retail Banking Manager at Standard Bank Argentina, formerly Bank Boston, from 2005 to 2009 and held several Retail Banking and Technology Managerial positions at BankBoston and Deutsche Bank. She holds a degree in systems from Universidad Tecnológica Nacional and attended the Executive Development Program at Universidad Austral Business School. She has over 30 years of experience in the financial services industry.

Hernán Oliver has been the Bank's Head of Global Markets since May 2009. He holds a degree in Economics from the Universidad Católica Argentina as well as a Master's degree in Finance from CEMA. Over the 1996 - 1997 period, he worked at Bank of America. From 1997 to 2002, he served as Finance Department Senior Trader at Banco General de Negocios. He then worked at Banco Finansur Finance Department until 2004, when he was hired as the Head of the Trading Desk at Banco Banex (at present Banco Supervielle). He has also been appointed as Alternate Director of Mercado Abierto Electrónico, the most important electronic securities and foreign currency trading market in Argentina.

Leandro Conti has been the Bank's Head of Internal Audit since September 2007. He graduated from the Universidad Nacional de La Plata as a Public Accountant and attended the Advanced Management Program at the IAE Business School and he also holds the CIA (Certified Internal Auditor) certification conferred by the Institute of Internal Auditors. In the period 1997 through 2006, his career progressed at Price Waterhouse and Co. S.R.L up to the Audit Manager position. From 2006 to 2007, he held the position of Audit Manager at Banco Santa Cruz S.A.

For the biographies of Mr. Pablo Di Salvo, Ms. Alejandra Naughton, Mr. Sergio Gabai, Mr. Santiago Enrique Batlle and Mr. Marcelo Vivanco and Ms. Claudia Andretto. See "—*Officers*."

Committees Reporting to Banco Supervielle S.A.'s Board of Directors

In accordance with Central Bank regulations, the Bank has several committees under the supervision of our Board of Directors: the Audit Committee (Communication "A" 2525), the Information Technology Committee (Communication "A" 4609) and the Committee on Control and Prevention of Money Laundering and Financing of Terrorism (Communications "A" 4363 and "A" 4459). In addition, the Bank also has a Risk Management Committee. Each of the Bank's Board committees has its own code of regulation. Each committee must report to the Board on a periodical basis and submit an annual report.

Banco Supervielle S.A.'s Audit Committee

The audit committee is formed by at least two members of the Bank's Board of Directors and its internal audit manager. The Board of Directors appoints the members of the audit committee for a term of two or three years. The CEO is invited to attend the meetings.

The audit committee is responsible for assisting the Board of Directors in the supervision of the consolidated financial statements, controlling compliance with policies, processes, procedures and rules set forth for each of the Bank's business areas and for evaluating and approving the corrective measures proposed by the internal audit area.

The following table sets forth the members of the audit committee:

Name	Position
Jorge Ramirez	Chairman
Emérico Alejandro Stengel	Director
Leandro Conti	Member - Secretary
Richard Guy Gluzman	Permanent Guest
Maria Gabriela Macagni	Permanent Guest
Laurence Nicole Mengin de Loyer	Permanent Guest

Banco Supervielle S.A.'s Information Technology Committee

The Information Technology Committee is formed by nine members, appointed by the Board of Directors. This committee must have among its members at least one director and the Head of Information Technology and Operations. The following table sets forth the members of the Information Technology Committee.

The information technology committee is responsible, among other things, for the following activities: (i) controlling the adequate operation of the information technology environment and its efficiency; (ii) taking notice of the information technology and systems plan and reviewing it; (iii) periodically evaluating such plan and the level of compliance with it; (iv) reviewing reports related to information technology; and (v) maintaining an adequate dialogue with the external auditing division of the Superintendency:

Name	Position
Julio Patricio Supervielle	Chairman
Nerio Peitiado	Member
Leandro Conti	Member
Marcelo Vivanco	Member

Fabián Romero	Member
Marcelo Talamona	Member
Federico Casuscelli	Member
Gabriel Grande	Member
Esteban Lus Bietti	Member
Richard Guy Gluzman	Permanent Guest
Julieta Montes	Guest

Banco Supervielle S.A.'s Committee on the Control and Prevention of Money Laundering and Financing of Terrorism

The committee on the control and prevention of money laundering and financing of terrorism is formed by six members, two of which are permanent guests. The Board of Directors appoints the members of the control and prevention of money laundering and financing of terrorism committee for a term of 2 or 3 years.

The committee on the control and prevention of money laundering and financing of terrorism analyzes the general policies and strategies with respect to control and prevention of money laundering and financing of terrorism developed by the senior management and submits such policies and strategies, together with its recommendations, to the Board of Directors in order to get its approval. In addition, this committee is responsible for the application of the general policies and strategies approved by the Board of Directors, approving the internal procedures necessary to assure compliance with the legal framework and policies effective over such areas, promoting the implementation of such policies and controlling compliance.

The following table sets forth certain relevant information on the members of the committee on control and prevention of money laundering and financing of terrorism:

Name	Position
Emérico Alejandro Stengel	Director
Atilio Dell'Oro Maini	Director
Nerio Peitiado	Member
Sergio Gabai	Member
Juan Cuccia	Member — Secretary
Pablo Schweitzer	Assistant Secretary

Banco Supervielle S.A.'s Risk Management Committee

The Risk Management Committee sets forth policies and limits to financial risks (including market risk, credit risk, liquidity risk, interest rate risk, exchange risk and other risks) and submits to the Board of Directors the appropriate proposals. Furthermore, this committee supervises the degree of correlation between the risks assumed and the risk profile set forth by the Board of Directors, and analyzes and approves investment and funding policies.

The following table sets forth the members of the Risk Management Committee:

Name	Position
Julio Patricio Supervielle	Chairman
Jorge Ramírez	Member
Emérico Alejandro Stengel	Member
Nerio Peitiado	Member
Pablo Di Salvo	Member
Alejandra Naughton	Member
Hernán Oliver	Member
Javier Conigliaro	Member — Secretary
Sabrina Roiter	Member
Fernando Bodasiuk	Member
Laurence Loyer	Permanent Guest

Juan Lombardini	Permanent Guest
Ana Bartesaghi	Permanent Guest
Leandro Conti	Permanent Guest

Banco Supervielle S.A.'s Credit Committee

The Bank's credit committee is formed by two directors and the Bank's CEO, Chief Credit Officer, the Head of Corporate Banking and certain Corporate Banking Officers. The Chairman of the Risk Committee of Grupo Supervielle is a permanent invitee to their meetings.

Banco Supervielle S.A.'s other management committees

The Bank has other management committees, such as the Executive Committee, formed by the CEO and the Senior managers, the Assets and Liabilities Committee, the Retail Banking Credit Committee and the Operational and Reputational Risk Committee.

Management of Our Other Subsidiaries

The senior management of our other subsidiaries is in charge of the implementation and execution of those subsidiaries' overall short-term and strategic objectives and reports to the respective CEOs of those companies. The CEO of CCF and Tarjeta is Carlos Depalo, the CEO of SAM is Guillermo Guichandut, the CEO of Supervielle Seguros is Diego Squartini, and the CEO of Espacio Cordial is Juan Martin Monteverdi.

Set forth below are brief biographical descriptions of the CEOs of our other subsidiaries.

Carlos Depalo has been Chief Executive Officer of CCF since 2011. He graduated from Universidad de Buenos Aires as a Public Accountant and attended the Advanced Management Program at The IAE Business School. Between 2004 and 2011 he worked at GE Money (General Electric) serving as Sales & Marketing Director. During 2004 he held the position of Alternative Channels Manager at Banco Comafi. From 2001 to 2003, he served as Business Planning Manager at Orígenes AFJP. From 1996 to 2001 he held Business Management positions at Banco Río (Santander).

Guillermo Guichandut has served as CEO of SAM since 2005. He received a degree in public accounting from Universidad Nacional de la Plata, and has completed a masters in Banking Management at the Universidad del CEMA. He is currently an Adjunct Professor of financial mathematics in the Economics department of the Universidad Nacional de la Plata. He is a member of the Executive Committee of the Argentine Chamber of Mutual Funds and President of its Communication Commission. Mr. Guichandut has vast experience in the financial sector, having worked at Bank of Boston and Banco Société Générale Argentina until his appointment as General Manager at SAM in 2005.

Diego Squartini has been Chief Executive Officer of Supervielle Seguros since 2013. He obtained a degree in Economics and a Master's degree in Business Management from Universidad Nacional de Cuyo. He also attended the Leadership Program at Universidad Austral. From 2010 to 2013, he served as Regional Manager at Banco Supervielle. From 2004 to 2010 he was the Financial Manager at Banco Regional de Cuyo. From 2000 to 2004, he worked as Corporate Business Manager and from 1995 to 2000 as Branch Manager, also at Banco Regional de Cuyo.

Juan Martin Monteverdi has been Chief Executive Officer of Cordial Servicios since April 2014. He studied Business Management at the Universidad Nacional de Quilmes and took courses in Management, Leadership and Sales at IAE Business School and Universidad Austral. From June 2011 to April 2014 he was the Branch Network Manager at Banco Supervielle. From July 2009 to July 2011 he was the Territorial Manager for Retail Banking and since 2006 he held several managerial positions also at Banco Supervielle.

Employees

We had 5,320 employees at December 31, 2017, 4,982 employees at December 31, 2016 and 4,843 employees at December 31, 2016.

At the holding company we had 10 employees at December 31, 2017 and 6 employees at December 31, 2016 and 6 employees at December 31, 2015. At December 31, 2017, 2016 and 2015 the Bank had 3,835, 3,522 and 3,398 employees, respectively. At December 31, 2017, 65.8% of the Bank's employees were members of a national union in which membership is optional. The Bank has not experienced any significant conflicts with this union. All management positions in the Bank are held by non-union employees. At December 31, 2017, the Bank's employees were under collective bargaining agreement No. 18/75, which regulates labor contracts of financial entities, while the Bank's managers were covered by general contractual labor laws. However, senior management, as is the case for all other banks in Argentina, is not under a union's supervision with respect to remuneration and other labor conditions and follows the applicable regulation in this respect.

The Bank currently does not maintain any pension or retirement program for its employees. In order to incentivize the performance of its employees, the Bank implemented several incentive payment plans for its employees linked to performance and results.

At December 31, 2017, 2016 and 2015, CCF had 501, 703 and 701 employees, respectively. At December 31, 2017, 42.3% of CCF's employees were under the collective bargaining agreement *Convenio Colectivo de Empleados de Comercio No.130/75* (*Convenio de Comercio*), which regulates labor contracts of non-banking, financial institutions. The remaining 57.7% of employees, all managers and some senior analysts, were covered only by general contractual labor laws. In addition, at December 31, 2017, 0.6% of CCF's employees were members of the Commerce Employees Union (*Sindicato de Empleados de Comercio*).

At December 31, 2017, 2016 and 2015, Tarjeta had 739, 487 and 479 employees, respectively. At December 31, 2017, 92.3% of Tarjeta's employees were under the collective bargaining agreement *Convenio Colectivo de Empleados de Comercio No.130/75* (*Convenio de Comercio*). The remaining 7.7% of employees, all managers and some senior analysts, were covered by general contractual labor laws.

At December 31, 2017, and 2016 SAM had 12 employees and 11 in December 31, 2015. Employees of SAM are not unionized and are covered only by general contractual labor laws. SAM currently does not maintain any pension or retirement program for its employees. SAM incentivizes employee performance through several incentive payment plans linked to performance and results.

At December 31, 2017, 2016 and 2015, Espacio Cordial had 132, 120 and 113 employees, respectively. At December 31, 2017, 100% of Espacio Cordial's employees were under the collective bargaining agreement No. 18/75, which regulates labor contracts of financial entities, including the Bank's. In addition, at December 31, 2017, 68.9% of Espacio Cordial's employees were union members.

At December 31, 2017, Supervielle Seguros had 91 employees. At December 31, 2017, 12 out of 91 of its employees were union members from the *Sindicato del Seguro de la República Argentina*. At December 31, 2017, 89 out of 91 employees were under the collective bargaining agreement No. 264/95 *Convenio Colectivo de Empleados de Seguros y Reaseguros*.

Grupo Supervielle has grown significantly since 2001. As of December 31, 2017, Grupo Supervielle had 5,320 employees, as compared to December 31, 2001, when the Bank (operating under the name Banco San Luis S.A., Banco Comecial Minorista) had 515 employees.

Compensation

Labor relations in Argentina are governed by specific legislation, such as labor Law No. 20,744 and Collective Bargaining Law No. 14,250, which, among other things, dictate how salary and other labor negotiations are to be conducted. Every industrial or commercial activity is regulated by a specific collective bargaining agreement that groups together companies according to industry sectors and by trade unions. While the process of negotiation is standardized, each chamber of industrial or commercial activity negotiates the increases of salaries and labor benefits with the relevant trade union of such commercial or industrial activity. In the banking sector, salaries are established on an annual basis through negotiations between the chambers that represent the banks and the banking employees' trade union. The National Labor Ministry mediates between the parties and ultimately approves the annual salary increase to be applied in the banking activity. Parties are bound by the final decision once it is approved by the labor authority and must observe the established salary increases for all employees that are represented by the banking union and to whom the collective bargaining agreement applies.

For the past ten years, negotiations have taken place during the first half of the year.

In addition, each company is entitled, regardless of union-negotiated mandatory salary increases, to give its employees additional merit increases or variable compensation schemes.

Item 7. Shareholders and Related Party Transactions

Item 7.A. Major Shareholders

As of April 24, 2018, we had 456,722,322 outstanding shares of common stock, consisting of 126,738,188 Class A shares and 329,984,134 Class B shares, all with a par value of Ps.1.00 per share. Each share of our common stock represents the same economic interests, except that holders of our Class A shares are entitled to five votes per share and holders of our Class B shares are entitled to one vote per share. As of March 28, 2018, we had approximately 5,560 holders of record of our shares.

The table below sets forth information concerning the ownership of our Class A and Class B shares as of April 26, 2018. We are not aware of any other shareholder or holder of ADSs that beneficially owns 5.0% or more of any voting class of our securities.

Shareholder Name	Class A Shares 5 votes	Class B Shares 1 Vote	Total Shares	Percentage of Capital Stock	Total Votes	Percentage of Votes
Julio Patricio Supervielle	126,738,188	37,030,422	163,768,610	35.85737%	670,721,362	69.60036%
Capital World Investors(1)	—	26,397,070	26,397,070	5.77968%	26,397,070	2.73921%
Other	—	266,556,642	266,556,642	58.36295%	266,556,642	27.66043%
Total:	**126,738,188**	**329,984,134**	**456,722,322**	**100.00%**	**963,675,074**	**100.000%**

(1) Based on a Schedule 13G filed by Capital World Investors on February 8, 2018. Held in the form of ADSs.

An in-kind capital contribution by Mr. Julio Patricio Supervielle of 7,672,412 non-endorsable ordinary registered shares of Sofital S.A.F. e I.I. to Grupo Supervielle was approved at a shareholders' meeting of Grupo Supervielle dated April 27, 2017. The capitalization of such capital contribution was approved by the CNV and registered by the IGJ on February 28, 2018.

As of April 20, 2018, we have identified 43 record holders of our ADSs (each representing the right to receive five Class B shares) in the United States, and no record holders of our Class B shares in the United States. The record holders of our ADSs located in the United States, in the aggregate, held, as of April 20, 2018 approximately 53.2 million of our ADSs, representing approximately 94.5% of our ADSs and 80.6% of our Class B shares.

Share Ownership of Banco Supervielle S.A.

As of April 24 2018, the Bank had 744,386,351 outstanding shares of common stock, consisting of 930,371 Class A shares and 743,455,980 Class B shares, all with a par value of Ps.1.00 per share. Each share of the Bank's common stock represents the same economic interests, except that holders of its Class A shares are entitled to five votes per share and holders of Class B shares are entitled to one vote per share.

The following table sets forth information regarding the ownership of the Bank's Class A and Class B shares as of April 24, 2018:

Shareholder Name	Class A Shares 5 votes	Class B Shares 1 Vote	Total Shares	Percentage of Capital Stock(1)	Total Votes	Percentage of Votes
Grupo Supervielle S.A.(2)	830,698	719,516,097	720,346,795	96.77%	723,669,587	96.73%
Sofital S.A.F.e.I.I.(3)	49.667	23,131,588	23,181,255	3.11%	23,379,923	3.13%
Other Shareholders	50,006	808,295	858,301	0.12%	1,058,325	0.14%
Total:	**930,371**	**743,455,980**	**744,386,351**	**100%**	**748,107,835**	**100%**

(1) Percentages in the chart have been adjusted by rounding. It is possible that such percentages do not represent arithmetic aggregations of the figures used for its calculation.

(2) Grupo Supervielle is a financial services holding company organized under the laws of Argentina of which Julio Patricio Supervielle owns 35.86% of the capital stock, with a 69.60% of total voting rights.

(3) Sofital is a corporation organized under the laws of Argentina of which Grupo Supervielle owns 96.8% and Espacio Cordial owns 3.2%.

Item 7.B Related Party Transactions

Other than as set forth below, we are not a party to any material transactions with, and have not made any loans to any (i) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by us; (ii) associates (*i.e.*, an unconsolidated enterprise in which we have a significant influence or which has significant influence over us); (iii) individuals owning, directly or indirectly, an interest in our voting power that gives them significant influence over us, as applicable, and close members of any such individual's family (*i.e.*, those family members that may be expected to influence, or be influenced by, that person in their dealings with us, as applicable); (iv) key management personnel (*i.e.*, persons that have authority and responsibility for planning, directing and controlling our activities, including directors and senior management of companies and close members of such individual's family); or (v) enterprises in which a substantial interest is owned, directly or indirectly, by any person described in (iii) or (iv) over which such a person is able to exercise significant influence nor are there any proposed transactions with such persons. For purposes of this paragraph, this includes enterprises owned by our directors or major shareholders that have a member of key management in common with us, as applicable. In addition, "significant influence" means the power to participate in the financial and operating policy decisions of the enterprise, but means less than control. Shareholders beneficially owning a 10% interest in our voting power are presumed to have a significant influence on us.

Management Services

To the extent that there are no conflicts of interest, we lend management services to our subsidiaries, the Bank, Tarjeta, SAM, Sofital, CCF and Espacio Cordial. Our services include: financial and commercial advisory services, fiscal planning and optimization, defining auditing policies, developing and evaluating upper management, elaborating annual budgets, planning and developing complementary activities and defining the mission of related companies and policies related to social responsibility. These services are provided pursuant to agreements that provide that our subsidiaries will indemnify us for any claim, damage, liability, tax, cost and expense incurred or suffered by us in connection with financial transactions in which such subsidiaries were engaged. The management's fees are equal to the ordinary and extraordinary costs incurred plus a mark-up of 20% plus 21% VAT. If the services to be provided are of an extraordinary nature, we have the right to additional compensation, the amount of which shall be determined in each case.

The following table sets forth information regarding fees received from our subsidiaries and related parties for our management services for the year ended December 31, 2017.

	Year ended December 31, 2017 (in thousands of Pesos, plus VAT)
Bank	Ps. 48,180
Tarjeta	156
Cordial Microfinanzas	42
SAM	473
Sofital	103
Viñas del Monte	5
CCF	4,764
Espacio Cordial	264
Total.	**53,987**

Operator Services Agreement with the Bank

In March 2016, we entered into an agreement with the Bank pursuant to which the Bank will provide accounting, administrative, legal and treasury services to us. We will pay the Bank Ps.32.000 (plus 21% VAT) per month for such services. In addition, we will pay the Bank Ps.8.000 (plus 21% VAT) per month for institutional services. The Bank's services include, among others: accounting records of daily transactions and closing entries, preparation of financial statements, management of accounting records, management of institutional relations, structuring and management of funding instruments, liquidity investment operations management, maintenance of our corporate records, management of compliance with disclosure requirements, registration of corporate acts and compliance with information requirements. The term of the agreement is one year and may be renewed automatically at maturity for equal and successive periods. This agreement was renewed automatically and it is in force as of the date of this annual report.

Trademark Licenses

In 2013, we signed agreements with Espacio Cordial, CCF and Cordial Microfinanzas granting them licenses to use certain of our trademarks (including our trademarks for "Cordial," "Cordial Servicios," "Cordial.com," "Cordial Servicios Pensados para vos," "Cordial mucho más que efectivo," "Cordial Negocios," "Cordial Negocios un impulso para tus proyectos"). We granted these trademark licenses to these subsidiaries to enhance the marketing of certain their products and services related to insurance, health, tourism, credit cards and loans, among others. Pursuant to these agreements, we received fees from these companies in 2017 in a total amount of Ps.4.5 million.

Financial Loans

Some of our directors and the directors of the Bank have been involved in certain credit transactions with the Bank as permitted by Argentine law. The Argentine Corporate Law and the Central Bank's regulations allow directors of a limited liability company to enter into a transaction with such company if such transaction follows prevailing market conditions. Additionally, a bank's total financial exposure to related individuals or legal entities is subject to the regulations of the Central Bank. Such regulations set limits on the amount of financial exposure that can be extended by a bank to affiliates based on, among other things, a percentage of a bank's RPC.

The Bank is required by the Central Bank to present to its Board of Directors, on a monthly basis, the outstanding amounts of financial assistance granted to directors, controlling shareholders, officers and other related entities, which are transcribed in the minute books of the Board of Directors. The Central Bank establishes that the financial assistance to directors, controlling shareholders, officers and other related entities must be granted on an equal basis with respect to rates, tenor and guarantees as loans granted to the general public.

The financial assistance granted to our directors, officers and related parties by the Bank was granted in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other non-related parties, and did not involve more than the normal risk of collectability or present other unfavorable features.

The following table presents the aggregate amounts of total consolidated financial exposure of the Bank to related parties, the number of recipients, the average amounts and the single largest exposures as of the end of the periods indicated.

	As of December 31,		
	2017	2016	2015
		(in thousands of Pesos)	
Aggregate total financial exposure	428,758	281,620	207,787
Number of recipient related parties	76	78	79
(a) individuals	68	69	70
(b) companies	8	9	9
Average total financial exposure	5,642	3,611	2,630
Single largest exposure	336,110	79,709	73,499

Irrevocable Capital Contributions and Share Transfers

Following the approval at the Shareholders' Meeting of April 27, 2017, Julio Patricio Supervielle made a capital contribution to Grupo Supervielle in the form of 7,672,412 of newly-issued Sofital shares. As a result of the capital increase, a total of 7,494,710 new Class B shares were subscribed as follows: on July 18, 2017, 4,321,208 were issued to Mr. Julio Patricio Supervielle in return for the in-kind contribution, representing 57.66% of the total capital increase, and 3,173,502 Class B shares were issued to existing shareholders of Grupo Supervielle who exercised their preemptive and accretion rights with respect to the capital increase, representing 42.34% of the total capital increase.

On February 17, 2017, we and the Bank made capital contributions to CCF for Ps.100.0 million. On March 22, 2017, CCF held an Extraordinary Shareholders' meeting by which it resolved to accept such contributions for increase the capital stock in the amount of Ps.19.3 million increasing it from Ps.104.4 million to Ps.123,7 million, and issue 19,348,722 ordinary, non-endorsable nominative shares with a nominal value of Ps. 1 each and entitled to one vote per share.

On March 27, 2017, we made capital contributions to the Bank for Ps.95.0 million.

On July 24, 2017, we and the Bank made an irrevocable capital contribution in advance of future capital increases to CCF for an amount of Ps.2.5 million and Ps.47.5 million, respectively.

On September 20, 2017, we, the Bank and CCF made an irrevocable capital contribution in advance of future capital increases to Tarjeta for an amount of Ps.131.3 million, Ps.15.0 million and Ps.3.8 million, respectively.

On November 24, 2017, we made a capital contribution to the Bank for an amount of Ps.2.6 billion. On same date, the Bank. held an ordinary shareholders' meeting by which it resolved to accept such contributions and increase the capital stock in the amount of Ps.105.5 million with a paid in capital from Ps.2.5 billion.

On December 13, 2017, we and the Bank made an irrevocable capital contribution in advance of future capital increases to CCF for an amount of Ps.30 million and Ps.570 million, respectively.

On January 16, 2018, we and the Bank made a capital contribution in advance of future capital increases to CCF for an amount of Ps.19.0 million and Ps.361.0 million respectively. On January 24, 2018, CCF held an ordinary shareholders' meeting by which it resolved to accept the contributions received on July 24, 2017, December 12, 2017 and January 16, 2018, and increase the capital stock in the amount of Ps.56.751 million with a paid in capital from Ps.973.243.

On March, 19, 2018, we, the Bank and CCF made a capital contribution to Tarjeta for an amount of Ps.262.5 million, Ps.30.0 million and Ps.7.5 million, respectively.

On April, 19, 2018, the shareholders' meeting of the Bank approved the capitalization of the capital contriubtion commited by us for an amount of Ps.861 million.

Item 7.C Interests of experts and counsel

Not applicable.

Item 8. Financial Information

Item 8.A. Consolidated Statements and Other Financial Information.

See Item 18 and our audited consolidated financial statements as of and for the three years ended December 31, 2017 included in this annual report.

Legal Proceedings

As of the date of this annual report, we are not a party to any legal or administrative proceedings for which the outcome is likely to have a material adverse effect on our results of operations.

The Bank and CCF are party to proceedings relating to collection efforts and other legal or administrative actions initiated in the normal course of business, including certain class actions initiated against a number of banks and financial companies, including ours, by public and private organizations in connection with alleged overcharging on products and interest rates, among others.

Although the provisions regarding class actions held in the Argentine National Constitution and the Consumer Protection Law are currently considered to be insufficient and in need of completion, the Argentine Supreme Court has, nonetheless, admitted class actions, as is the case with lawsuits against financial entities related to "collective interests," as long as certain procedural requirements are met.

The class action lawsuits involving the Bank and CCF are related to alleged overcharging on life insurance, interest rates and administrative charges, fees on the sale price of foreign currency, administrative charges on savings accounts, consumer loans and credit cards, and interest rates in factoring operations, as well as the inadequacy of the contingency risk charge on checking accounts. These types of class actions were brought against every financial entity in Argentina. Some of these lawsuits have been settled by the parties out of court. These settlements have typically involved an undertaking by the financial institution to adjust the fees and charges.

Our subsidiaries are not parties to any legal proceedings, the outcome of which is likely to have a material adverse effect on their respective results of operations.

Dividends

In accordance with Argentine Corporate Law, our bylaws and CNV regulations, we may make one or more declarations of dividends with respect to any year, including anticipated dividends, out of our distributable net income *(ganancias líquidas y realizadas)* as reflected in our consolidated balance sheet, or consolidated special interim balance sheet in case of anticipated dividends.

Declaration and payment of dividends to all holders of each class of our shares (Class A, Class B shares and preferred shares (to the extent any such shares are outstanding)), to the extent funds are legally available, is determined by all of our shareholders with voting rights (*i.e.*, our Class A and Class B shareholders) at the annual ordinary shareholders' meeting. At such annual ordinary shareholders' meeting, our Class A shares will be entitled to five votes each and our Class B shares will be entitled to one vote each. It is the responsibility of our Board of Directors to make a recommendation to our shareholders with respect to the amount of dividends to be distributed. The Board of Directors' recommendation will depend on a number of factors, including but not limited to, our operating results, cash flow, financial condition, capital position, legal requirements, contractual and regulatory requirements, and investment and acquisition opportunities. As a general rule, the Board of Directors will favor efficient use of capital in its recommendation-making process. Thus, the Board will recommend reinvesting earnings when there are investment opportunities or it will recommend distributing dividends when there is excess capital.

However, shareholders are ultimately entitled to overrule the recommendation of the Board of Directors through the affirmative vote of the absolute majority of the present votes at an ordinary shareholders' meeting.

The Board of Directors may also decide and pay anticipated dividends. In such instance, each individual director and member of the Supervisory Committee will be jointly and severally liable for the payment of such dividends if our retained earnings for the year for which such dividends were paid is insufficient to cover the payment of such dividends.

Dividends are distributed on a pro rata basis according to the number of common shares held by the shareholder. All shares of our capital stock rank *pari passu* with respect to the payment of dividends, regardless of class. Under CNV regulations, cash dividends must be paid to the shareholders within 30 days of their approval. In the case of stock dividends, shares are required to be delivered within three months of our receipt of notice of authorization by the CNV for the public offering of such shares. The right of shareholders to demand payment of dividends shall toll three years after the date on which we first make them available to shareholders. Any dividends that are not claimed during this period are deemed extraordinary gains by us.

In accordance with Argentine law, our bylaws and CNV regulations, we are required to allocate to our legal reserve 5% of our yearly income, plus or minus the results of prior years, until our legal reserve equals 20% of our adjusted capital stock. Under Argentine Corporate Law and our bylaws, our yearly net income (as adjusted to reflect changes in prior results) is allocated in the following order: (i) to comply with the legal reserve requirement; (ii) to pay the accrued fees of the members of the Board of Directors and Supervisory Committee; (iii) to pay dividends on preferred stock, which shall be applied first to pending and unpaid accumulated dividends; and (iv) the remainder of the net income for the year may be distributed as additional dividends on preferred stock, if any, or as dividends on common stock, or may be used for voluntary or contingent reserves, or as otherwise decided by our shareholders at the annual ordinary shareholders' meeting.

Holders of ADSs will be entitled to receive any dividends payable in respect of our underlying Class B shares. We will pay cash dividends to the ADS depositary in U.S. dollars abroad, although we reserve the right to pay cash dividends in Pesos in Argentina if so required by applicable foreign exchange regulations in place at the time of payment. The ADS deposit agreement provides that the depositary will convert cash dividends received by the ADS depositary in Pesos to U.S. dollars: if so permitted by, and subject to the limits set forth in, applicable foreign exchange regulations in place at such time and, after deduction or upon payment of fees and expenses of the ADS depositary and deduction of other amounts permitted to be deducted from such cash payments in accordance with the ADS deposit agreement (such as for unpaid taxes by the ADS holders in connection with personal asset taxes or otherwise), will make payment to holders of the ADSs in U.S. dollars. If dividend payments cannot be made in U.S. dollars outside of Argentina, the transfer outside of Argentina of any funds collected by foreign shareholders in Pesos in Argentina may be subject to certain restrictions. Although the transfer of funds abroad by local companies to pay annual dividends only to foreign shareholders based on approved and fully audited consolidated financial statements does not require formal approval by the Central Bank, however, the decrease in availability of U.S. dollars in Argentina in the past years led the Argentine government to impose informal restrictions that consisted of de facto measures restricting local residents and companies from purchasing foreign currency through the MLC to make payments abroad, such as dividends, among others. The Macri administration has since eliminated most of the foreign exchange restrictions in place, but, in the future, the Argentine government or the Central Bank could reintroduce exchange controls and impose restrictions on capital transfers abroad by our shareholders. See "*Item 10.D Exchange Controls*" and "*Item 3.D Risk Factors*."

We are a holding company, and in addition to certain management fees we collect from some of our subsidiaries, our main source of cash to pay dividends are the dividends we receive from our subsidiaries. We therefore depend on the results of operations, cash flow and distributable income of our operating subsidiaries, principally the Bank.

We and our subsidiaries are subject to contractual, legal and regulatory requirements affecting our ability to pay dividends.

In particular, pursuant to Central Bank Communication "A" 6464, as amended and supplemented, dividend distributions shall be admitted as long as none of the following circumstances apply:

(i) the financial institution is not subject to a liquidation procedure or the mandatory transfer of assets by the Central Bank in accordance with sections 34 or 35 *bis* of the FIL;

(ii) the financial institution is not receiving financial assistance from the Central Bank;

(iii) the financial institution is in compliance with its reporting obligations to the Central Bank;

(iv) if the average minimum cash reserve is lower than the amount of cash required by the latest reported position or the pro forma position after making the dividend payment; and/or

(v) if the financial institution did not comply with the applicable Additional Capital Margins (as defined below).

Financial institutions that comply with all of the above mentioned conditions may distribute dividends up to an amount equal to: (i) the positive balance of the account "unappropriated earnings" (resultados no asignados) at the end of the fiscal year, plus (ii) voluntary reserves for future payments of dividends, minus (iii) voluntary reserves and mandatory statutory reserves registered as of that date and other items, such as (a) 100% of the debit balance of each of the items recorded under "Other accumulated comprehensive income", (b) the result from the revaluation of property, plant, equipment and intangible assets and investment properties, (c) the net positive balance of the book-value and the market-value of certain public debt securities and Central Bank notes that the financial institution owns that are not marked to market, (d) unrecorded adjustments of asset value informed by the Superintendency or mentioned by external auditors on their report, and (e) individual exemptions for asset valuation granted by the Superintendency. In addition, pursuant to Central Bank Communication "A" 5827, as of January 1, 2016, financial entities are required to establish a capital margin in addition to their minimum capital requirements, for the purpose of accumulating their own resources, which they will be able to use if they incur losses. The higher the use of such marginal amounts, the higher the percentage of profits that financial entities will be required to withhold in order to restore that margin. See "*Item 4.B Business overview—Argentine Banking Regulation—Liquidity and Solvency Requirements—Requirements Applicable to Dividend Distribution*."

Although distribution of dividends by the Bank has been authorized by the Central Bank at times, no assurance can be given that in the future the Central Bank will not limit the Bank's ability to distribute dividends approved by its shareholders at the annual ordinary shareholders' meeting or that such authorization will be for the full amount of dividends that the Bank may distribute pursuant to applicable regulation.

We are required to pay personal assets tax corresponding to Argentine and foreign individuals and foreign entities for the holding of our shares at December 31 of each year. We pay this tax on behalf of our shareholders, whenever applicable, and are entitled, pursuant to the Personal Assets Tax Law, to seek reimbursement of such paid tax from the applicable shareholders in various ways, including by withholding dividends. See "*Item 10.E Taxation—Material Argentine Tax Considerations—Personal assets tax*."

Over the past five years, we received dividend payments in cash from SAM for 2016, 2015, 2014, 2013 and 2012 of Ps.73.0, Ps.77.5; Ps.17.1 million, Ps.16.1 million and Ps.9.0 million, respectively, Ps.7.0 million from Tarjeta Automatica in 2015, Ps. 23.1 million and Ps.42.3 million from Espacio Cordial in 2016 and 2015 respectively and Ps.6.5 million from Sofital in 2015. We received dividend payments in cash from Supervielle Seguros for the period ended on June 30, 2017, June 30, 2016 and June 30, 2015 of Ps. 150.0 million, Ps.76.8 million and Ps.4.8 million, respectively. We did not receive dividend payments from the Bank and our other subsidiaries. However, we received a distribution of dividends in the form of Bank shares for 2012 for an amount equal to Ps.97.4 million.

Grupo Supervielle paid dividends to its shareholders for 2016, 2015, 2014, 2013, 2012 and 2011 totaling approximately Ps.65.5, Ps.25.2 million, Ps.7.4 million, Ps.8.3 million, Ps.8.7 million and Ps.24.4 million, respectively.

On February 19, 2018, our Board of Directors proposed a distribution of dividends in cash for the 2017 fiscal year of Ps.243.7 million. On April 24, 2018, our ordinary shareholders' meeting approved the dividend payment for the 2017 fiscal year in the amounts of Ps.243.7 million.

Item 8.B Significant Changes

Not applicable.

Item 9. The Offer and Listing

The following table sets forth, for the periods indicated, the annual high and low market prices for the Class B Shares on the ByMA and the ADSs on the NYSE.

	ByMA Ps. per Class B Share		NYSE U.S.$ per ADS	
Year	High	Low	High	Low
2016(1)	47.50	31.85	15.40	11.20
2017	112.90	40.59	30.08	13.36

The following table sets forth, for the periods indicated, the annual high and low market prices for the Class B Shares on the ByMA and the ADSs on the NYSE.

	ByMA Ps. per Class B Share		NYSE U.S.$ per ADS	
Period	High	Low	High	Low
2016				
Second Quarter(1)	37.90	31.85	12.88	12.10
Third Quarter	46.00	37.45	15.40	12.55
Fourth Quarter	47.50	39.00	15.26	11.20

	ByMA Ps. per Class B Share		NYSE U.S.$ per ADS	
Period	High	Low	High	Low
2017				
First Quarter	53.10	40.90	17.00	13.40
Second Quarter	59.71	49.87	18.26	16.32
Third Quarter	86.00	58.07	24.69	16.94
Fourth Quarter	112.90	82.20	30.08	23.41

	ByMA Ps. per Class B Share		NYSE U.S.$ per ADS	
Period	High	Low	High	Low
2018				
First Quarter	134.90	112.00	33.01	28.26

The following table sets forth, for the periods indicated, the annual high and low market prices for the Class B Shares on the ByMA and the ADSs on the NYSE.

	ByMA Ps. per Class B Share		NYSE U.S.$ per ADS	
Period	High	Low	High	Low
2017				
October	94.00	83.65	27.01	23.89
November	97.75	82.20	27.67	23.41
December	112.90	90.60	30.08	26.38
2018				
January	128.70	112.00	33.01	29.40
February	134.90	112.00	32.59	28.26
March	125.70	116.50	30.84	28.40
April(2)	126.50	109.00	31.21	26.55

(1) Values available for our Class B Shares and ADS from May 19, 2016, the first trading day on the ByMA and NYSE, respectively.
(2) From April 1 through April 26, 2018.

C. *Markets.*

On May 18, 2016, we completed our IPO. Since May 19, 2016, our ADSs representing Class B shares have been trading on the NYSE under the symbol 'SUPV.' Our Class B shares are currently traded on the ByMA (MERVAL since May 2016, ByMA since April 2017) and MAE (since May 2016) under the symbol 'SUPV.'

On December 29, 2016, the CNV approved the constitution of ByMA as a new stock market, formed by a spin-off of certain assets of the MERVAL relating to its stock market operations and capital contributions of the Buenos Aires Stock Exchange. Following such authorization, and effective April 17, 2017, the listing of all securities listed on MERVAL have been automatically transferred to ByMA, as successor of MERVAL's activities. Additionally, the delegation of powers granted by MERVAL to the Buenos Aires Stock Exchange will apply to ByMA and, thus, the Buenos Aires Stock Exchange will continue to carry out the activities referred to in paragraphs b), f) and g) of Article 32 of the Law No. 26,831 on account of ByMA, including the authorization, suspension and cancelling of the listing or trading of securities and acting as arbitration court of such market for all matters concerning listed companies' relationship with shareholders and investors.

D. *Selling Shareholders*

Not applicable.

E. *Dilution*

Not applicable.

F. *Expenses of the issue*

Not applicable.

Item 10. Additional Information

Item 10.A. Share capital

Not applicable.

Item 10.B. Memorandum and articles of association

Corporate Purpose

Our bylaws set forth in Article 4 that our corporate purpose is to carry out financial activities, within or outside of Argentina, either on our own account, or on account of a third party or associated with a third-party, by providing capital, in cash or otherwise, to other existing or newly created companies, assuming their control or not (with the limitations set forth in Section 30 and related sections of the Argentine Corporate Law), or to individuals, as well as stock trading, shares, debentures and all types of securities, the issuance of guarantees, constitution or transfer of secured loans, whether real or not, excluding transactions provided under the Financial Institutions Law and any other law that requires public bidding. We may exercise mandates, representations, agencies and commissions for all transactions related to financial activity and manage assets and businesses of corporations, persons or entities located in Argentina or abroad. To that extent, and according to our bylaws, we have full legal capacity to acquire rights, incur obligations and exercise any kind of acts not prohibited by law or by our bylaws.

Rights, Preferences and Restrictions of Each Class of Common Shares

Our Class A shares are entitled to five votes each and our Class B shares are entitled to one vote each during shareholders' meetings, as established in subsection (a) of Article Six of our bylaws.

However, Class A shares are entitled to only one vote with regard to certain issues detailed in the last paragraph of Article 244 of the Argentine Corporate Law, such as: (i) change of our corporate structure; (ii) our early dissolution; (iii) our relocation abroad; (iv) a fundamental change in our corporate purpose; or (v) total or partial recapitalization of our statutory capital after a loss. The provisions set forth in Article 244 of the Argentine Corporate Law will not apply to the surviving entity in a merger or a split-up. Also, under Article 284 of the Argentine Corporate Law, Class A shares are entitled to only one vote in the election of syndics.

Upon request from a shareholder of Class A shares, our Board of Directors must convert all or part of such shareholder's Class A shares into Class B shares at an exchange rate of one Class B share per one Class A share. Before making the exchange, the Board will verify that there are no restrictions that prohibit or limit the exchange (subsection b) of Article Six of the bylaws.

A two thirds vote by our Class A shares is required, regardless of the percentage of capital they represent, in order for us to duly resolve a merger with another company, our voluntary dissolution, our relocation abroad, and the fundamental change in our corporate purpose (subsection d) of Article Six of the bylaws.

Any person who directly or indirectly acquires through any means or title Class B shares, or any of our stock convertible into Class B shares, in an amount which gives that person control over more than 3% of all Class B shares, must inform us of this within five days (5) of completing the acquisition which causes them to exceed this 3% threshold (subsection e) of Article Six of our bylaws.

The provisions of subsection (f) of Article Six of our bylaws authorize the total or partial redemption of fully paid-in shares, which must be made on the terms provided in Article 223 of the Argentine Corporate Law (including the condition that the shareholders' meeting set a fair price with respect to the shares to be redeemed) and such other terms as may be determined by our Board of Directors. This partial or total redemption must be approved by the affirmative vote of the absolute majority of the present votes at an extraordinary shareholders' meeting.

Preferred Shares

Preferred shares may only be issued with the prior approval by a shareholders' general meeting.

The Argentine Corporate Law and our bylaws permit our shareholders to authorize the issuance of preferred shares and determine their rights during a general shareholders' meeting. These preferred shares may be entitled to accumulated and non-accumulated fixed dividends, with or without additional participation.

Holders of preferred shares may also have other privileges, such as in the event of liquidation. Holders of preferred shares may also have a right to vote. Additionally, if holders of preferred shares are not paid dividends they shall be entitled to vote. Regardless of dividend payments, preferred shares shall also have a right to vote with respect to special issues, such as a change in our corporate structure, a merger into another company (where we are not the surviving company and the surviving company does not trade on an exchange), early liquidation, our relocation abroad, total or partial recapitalization of our statutory capital after a loss and a fundamental change in our corporate purpose as it is described in our bylaws.

Shareholders' Liability

Shareholders' liability for the losses of a company is limited to the value of the shareholder's shareholdings in the company. According to the Argentine Corporate Law, however, shareholders who have a conflict of interest with the company with respect to certain matters and who do not abstain from voting on such matters may be held liable for damages to the company, provided that their votes were necessary for the adoption of the relevant decision. In addition, shareholders who voted in favor of a resolution that is subsequently declared void by a court as contrary to Argentine laws or a company's bylaws (or regulations, if any) may be held jointly and severally liable for damages to such company, other shareholders or third parties resulting from such resolution. See also "*Item 3.D Risk Factors —Risks Relating to Our Class B Shares and the ADSs—Our shareholders may be subject to liability for certain votes of their securities*."

Preemptive Rights and Accretion Rights

According to the Argentine Corporate Law and Article Six, (subsection c) of our bylaws, in the event of a capital increase, holders of common shares of any class have a preferential right, in proportion to the number of shares they hold, to subscribe to additional shares of the same class as those they own. Holders of preferred shares have a preemptive right to subscribe only with respect to the issuance of preferred shares. Preemptive rights will also be given to holders of common shares in the event of an issuance of preferred shares or convertible securities, but will not apply in the event of a conversion of such preferred shares or convertible securities.

According to Article 15 of our bylaws and Section 216 of the Argentine Corporate Law, no shares issued after our IPO may be entitled to multiple votes, except as permitted by applicable law.

According to Article 194 of the Argentine Corporate Law, shareholders who would have exercised their right to a preemptive subscription and who have indicated their intention to exercise their right to accrue will have the right to assume the preemptive subscription rights of shareholders who do not exercise their right, in proportion to the number of shares bought by said shareholders upon exercising their right to preemptive subscription. The right to a preemptive subscription must be exercised within 30 days of the announcement to shareholders that they can exercise their right. Such announcement must be published for a period of three days in the Official Gazette and in an Argentine newspaper of wide circulation. According to the Argentine Corporate Law, companies that are authorized by the CNV to make public offers of their securities may, upon authorization of an extraordinary shareholders' meeting held in the same place and manner as other shareholders' meetings, reduce this period to 10 days. Any shares which are not subscribed by shareholders pursuant to their preemptive subscription right or right to accrue may be offered to third parties.

Appraisal Rights

Whenever our shareholders approve:

- a merger or spin-off in which we are not the surviving corporation, unless the acquirer's shares are authorized for public offering or listed on any stock exchange;
- a transformation of our corporate legal status;
- a fundamental change in our corporate purpose;
- a change in our domicile outside Argentina;
- a voluntary termination of the public offering or listing authorization;
- a decision in favor of our continuation upon delisting or cancellation of our public offering authorization; or
- a total or partial recapitalization following a mandatory reduction of our capital or liquidation,

any shareholder that voted against such action or did not attend the relevant meeting may exercise appraisal rights, that is, the rights to withdraw and have its shares cancelled in exchange for the book value of its shares, determined on the basis of our latest balance sheet prepared, or that should have been prepared, in accordance with Argentine laws and regulations, provided that such shareholder exercises its appraisal rights within the time frame set forth below.

Appraisal rights must be exercised within five (5) days following the meeting at which the resolution was adopted in the event of a dissenting shareholder that voted against such resolution, or within 15 days following such meeting in the case of a dissenting shareholder that did not attend the meeting and who can prove that it was a shareholder at the date of the meeting. In the case of mergers or spinoffs involving an entity authorized to make public offering of its shares, appraisal rights may not be exercised if the shares to be received as a result of the transaction are listed in

any stock exchange. Appraisal rights are terminated if the resolution giving rise to such rights is overturned at another shareholders' meeting held within 60 days from the last day for our attending shareholders to exercise their appraisal rights.

Payment of appraisal rights must be made within one year of the date of the shareholders' meeting at which the resolution was adopted, except where the resolution that gave rise to such rights was to delist the capital stock of the company or to reject a public offering or listing proposal, in which case the payment period is reduced to 60 days from the meeting at which the resolution was adopted or from the publication of the notice informing the delisting or rejection of the public offering or listing of the capital stock.

Because of the absence of legal precedent directly on point, there is doubt as to whether holders of ADSs will be able to exercise appraisal rights either directly or through the depositary with respect to Class B shares in the form of ADSs.

Registration Requirements of Foreign Companies that Hold Class B Shares Directly

Under the Argentine Corporate Law, foreign companies that hold shares directly (and not as ADSs) in an Argentine company must register with the IGJ in order to exercise certain shareholder rights, including voting rights. The registration requires the filing of corporate and accounting documents in order to demonstrate that the foreign shareholder's principal activity is performed outside Argentina. Therefore, it will have to prove that it is entitled to conduct business in its place of incorporation and meets certain foreign assets requirements.

Liquidation Rights

In the case of our liquidation or dissolution, our assets will be applied to satisfy our outstanding liabilities and proportionally distributed first among our holders of preferred stock, if any, as per the terms of the preferred stock, if any. If any surplus remains, it will be proportionally distributed among holders of our common stock. Our liquidation will be carried out by the Board of Directors or by the liquidator or liquidators appointed by a shareholders' meeting, under the surveillance of the Supervisory Committee.

Meetings of Shareholders and Voting Rights

Notice of Meetings

Notices of shareholders' meetings are governed by the provisions of our bylaws, the Argentine Corporate Law and Law No. 26,831. Notice of shareholders' meetings must be published for five days in the Official Gazette, in an Argentine newspaper of wide circulation and in the publications of Argentine authorized markets in which the shares are listed and traded, at least 20 days but not more than 45 days prior to the date on which the meeting is to be held and must include information regarding the type of meeting to be held, the date, time and place of such meeting and the agenda. If a quorum is not available for such meeting, a notice for a second meeting, which must be held within 30 days from the date on which the first meeting was called, must be published for three days, at least eight days before the date of the second meeting. The above-described notices of shareholders' meetings may be effected simultaneously, in the case of ordinary meetings, in order for the second meeting to be held on the same day as the first meeting, one hour after, except in certain circumstances. Shareholders' meetings may be validly held without notice if all shares of our outstanding capital stock are present and resolutions are adopted by unanimous vote of such shares.

The quorum for an ordinary shareholders' meeting is the majority of the share capital entitled to vote. The quorum for an extraordinary meeting is at least 60% of the share capital entitled to vote. Shareholders may attend in person or by proxy. Directors, syndics, members of the Supervisory Committee, managers and our employees may not hold proxies in representation of shareholders. If the quorum is not achieved, meetings may be reconvened with lower quorum requirements. According to our bylaws, the quorum for the second meeting of an extraordinary meeting will be satisfied with any presence of shareholders. Decisions at an ordinary or extraordinary shareholders' meeting require the affirmative vote of the absolute majority of the present votes. In addition, pursuant to the provisions of Article Sixteen of our bylaws, as amended at our ordinary and extraordinary shareholders' meeting held on May 25,

2016, any amendment to subsection (g) of Article Six of our bylaws require the affirmative vote of the absolute majority of the present votes of Class B shareholders. Class B shares are entitled to one vote per share. Class A shares are entitled to five votes per share, except in those cases described below. The ordinary and extraordinary shareholders' meeting held on April 24, 2018 approved further amendments to subsection (g) of Article Six of our bylaws. However, as of the date of this annual report, these amendments have not been approved by the CNV and are pending registration before the IGJ, therefore, are not yet effective. Please see "*Item 10.B. Memorandum and articles of association—Corporate Governance*" for a description of these amendments.

The Argentine Corporate Law requires that certain resolutions, such as early dissolution, major changes in corporate purpose or the transfer of a company's legal domicile abroad, be decided by the majority of all outstanding shares and without allowing multiple votes per share, except in the case of the surviving entity in a merger or a split-up. Under Article 284 of the Argentine Corporate Law, Class A shares are entitled to one vote only in the election of syndics. Our bylaws require a two thirds vote by Class A shares, regardless of the percentage of capital they represent, in order for us to duly resolve a merger with another company, our voluntary dissolution, our relocation abroad, and the fundamental change in our corporate purpose (subsection d) of Article six of the bylaws).

Election of Directors

The board is made up of the number of members determined at the ordinary shareholders' meeting, between a minimum of three and a maximum of nine directors. The shareholders may appoint as many alternate directors as there are effective directors, and for the same term in order to cover any vacancy and in the order in which they were elected.

Board members are appointed at the annual ordinary shareholders' meeting.

Directors will be elected for a term of two years when the Board is composed of three to eight members, and for a term of three years when the Board is composed of nine members.

According to our bylaws, if our Board of Directors is composed of six or more members, their election will be staggered. If the ordinary shareholders' meeting appoints six, seven or eight directors, half of our board will be elected annually if there is an even number of members, and the whole number of directors calculated by dividing the total number of members of our board by half and rounding either up or down based, as appropriate in each alternating year, will be elected if there is an odd number of members. In such circumstances, the shareholders will decide which one of the new directors is appointed for a term of one or two years for the purposes of electing half of our Board. If nine directors are appointed, a third of our board will be elected annually. In such circumstances, the shareholders will decide which one of the new directors is appointed for a term of one, two or three years, for the purposes of electing a third of our Board. In each case at least three directors shall be elected at each ordinary shareholders' meeting.

Pursuant to section 257 of the Argentine Corporate Law, the directors maintain their positions until the following annual ordinary shareholders' meeting where directors are appointed.

Argentine Corporate Law reserves the right to cumulative voting in order to elect up to one third of the directors to fill vacancies of the Board of Directors, sharing such part with candidates voted for by means of the plural system. Cumulative voting is a system designed to protect non-controlling interests results, as it gives rise to the possibility, but does not ensure, that non-controlling interests results will be able to elect some of their candidates to the Board of Directors. Such system works by multiplying the number of votes corresponding to the members that are taking part in the proceeding by the number of contemplated vacancies, which cannot exceed one third of the vacancies. The larger the number of vacancies, the greater the possibility that minority groups or shareholders will win positions in the Board of Directors.

Mandatory Tender Offer Regime

We are subject to the mandatory tender offer rules set forth in Law No. 26,831. These rules provide that in certain circumstances an OPA with respect to some or all of our outstanding shares must be launched. The circumstances include situations in which anyone intends to purchase, either directly or indirectly, for cash, either individually or collectively, either in one act or in a series of successive acts during a period of 90 consecutive days, a number of voting shares, subscription rights or stock options, convertible negotiable securities or similar securities which together with that person's existing holdings could, directly or indirectly, entitle such person to subscribe, purchase

or convert voting shares, shares entitled to or that once exercised grant the right to a "significant share" in the voting capital stock of a publicly traded company.

In such circumstances, the OPA must be launched by the prospective purchaser within 10 days of having made the decision to participate in such purchase.

Such obligation is not applicable in cases where the acquisition would not trigger a change of control of the company. It also does not apply in cases where there is a change of control as a consequence of a corporate reorganization or as a consequence of mere redistributions of shares among companies of the same group.

Concept of a "Significant Share"

The regulations establish a duty to effect an offer with respect to part or all of the outstanding shares of the company depending on the percentage of the voting capital stock to be acquired. The regulations provide for the following duties relating to the OPA:

- Whenever the goal is to acquire a holding equal to or greater than 15% of the voting capital stock or of the company votes, the offer must be made for a number of securities that would enable the purchaser to acquire at least 50% of the voting capital stock of the affected company.

- Whenever an entity already has a holding equal to or greater than 15% of the voting capital stock or the votes of the company, but less than 51% of such rights, and the intention is to increase such shareholding in the affected company's capital stock at least 6% during a twelve-month period, the offer shall be made on the number of securities representing at least 10% of the voting capital stock of the affected company.

- Whenever a holding equal to or greater than 51% of the voting capital stock or the votes of the company is sought, the offer shall be made for the number of securities that would enable the purchaser to obtain 100% of the voting capital stock of the affected company. The application of this stipulation shall have priority over the stipulations discussed in the preceding paragraphs.

Determination of the OPA Price in the Case of a Change in Control

The price shall be determined by the offeror with the following exceptions:

- If the purchaser has purchased other securities related to the offering within the 90 days prior to the announcement of the offer, the price cannot be lower than the highest price the purchaser paid in such transactions.

- If the purchaser has obtained firm sale commitments from the controlling shareholder or other shareholders entitled to take part in the public offering, the price cannot be lower than the price provided for in such commitments.

In order to determine the price, the purchaser shall also consider the following criteria, according to the CNV Rules: (i) book value of the shares; (ii) valuation of the target company according to discounted cash flows (DCF) or other applicable valuation criteria applicable to comparable business; and (iii) average price of the shares for the last six months before the "offer." Based on certain interpretations of Law No. 26,831 and the CNV Rules, there is no certainty as to whether the average price of the shares for the last six months before the "offer" should be considered as a minimum price. The price may be challenged by both the CNV and any offeree shareholder.

Subsection (g) of Article Six of our bylaws, as amended at the ordinary and extraordinary shareholders' meeting held on May 25, 2016, provides that if an OPA on our shares takes place, there may be no difference in the price to be offered for common shares, regardless of the class of shares. In addition, if there is an OPA triggered by a change of control, the price to be offered cannot be lower than the highest price that the offeror, acting individually or with its affiliates and/or other persons, paid or agreed to pay for our common shares regardless of the class of shares,

during the 180 days prior to the date of the offer (inclusive of such date). The ordinary and extraordinary shareholders' meeting held on April 24, 2018 approved further amendments to subsection (g) of Article Six of our bylaws. However, as of the date of this annual report, these amendments have not been approved by the CNV and are pending registration before the IGJ, therefore, are not yet effective. Please see "*Item 10.B. Memorandum and articles of association—Corporate Governance*" for a description of these amendments.

Penalties for Breach

Without prejudice to the penalties established by the CNV, Law No. 26,831 provides that purchases in violation of such regime will be declared irregular and ineffective for administrative purposes by the CNV and cause the auction of the shares acquired in violation of the applicable regulation, without prejudice to the penalties that may correspond.

Tender Offer Regime in the Case of a Voluntary Withdrawal from the Public Offering and Listing System in Argentina

Law No. 26,831 and CNV regulations also established that when a company whose shares are publicly offered and listed in Argentina agrees to withdraw voluntarily from the public offering and listing system in Argentina, it must follow the procedures provided for in the CNV's regulations and it must likewise launch an OPA for its aggregate shares or subscription rights or securities convertible into shares or stock options under the terms provided for in such regulation. It is not necessary to extend the public offering to those shareholders that voted for the withdrawal at the shareholders' meeting.

The acquisition of one's own shares must be made with liquid and realized profits or with free reserves, whenever paid up in full, and for the amortization or disposition thereof, within the term set forth in Section 221 of the Argentine Corporate Law and the company must present the CNV with evidence that it has the necessary solvency to effect such purchase and that the payment for the shares will not affect its solvency.

According to Section 98 of Law No. 26,831 the price offered in the case of a voluntary withdrawal from the public offering and listing system in Argentina should be equitable and take into account the following relevant criteria:

- The equity value of the shares, taking into account a special financial statement for the withdrawal from the public offering system or listing;
- The value of the company, in accordance with discounted cash flow criteria and ratios applicable to comparable businesses or companies;
- The company's liquidation value;
- Average quotation prices on the stock exchange where the shares are listed during the six month period immediately preceding the withdrawal application, regardless of the number of sessions necessary for such negotiation; and
- The consideration offered before, or the placement of the new shares, in the event that a public offering has been made with regard to the same shares or if new shares have been issued, if applicable, during the last year, to be counted as of the date of the agreement for the withdrawal application.

Under no circumstances can the price offered be lower than the price indicated in the fourth bullet above.

Mandatory or Voluntary Tender Offer in the Case of Near-total Control

If a shareholder or group of shareholders holds, directly or indirectly, 95% or more of the outstanding capital stock of a publicly traded Argentine company, any minority shareholder may request that the controlling shareholder launch an OPA for all outstanding shares of such company. In addition, a person that holds, directly or indirectly, 95% or more of the outstanding capital stock of a publicly traded Argentine company may issue a unilateral declaration of its intention to purchase all outstanding shares of such company within six months following the date of acquisition of near-total control and withdraw the company from public offering and its shares from listing and

trading. The price offered should be an equitable price, following the criteria set forth in Law No. 26,831, but in no case may it be lower than the average trading price of such shares during the six-month period preceding the OPA application.

Shareholder Claims

Pursuant to article 46 of Law No. 26.831, companies whose shares are listed on any authorized market (including the ByMA), such as we intend our shares to be, are subject to the jurisdiction of the arbitration court of such authorized market for all matters concerning such companies' relationship with shareholders and investors, without prejudice to the right of shareholders and investors to submit their claims to the courts of the City of Buenos Aires.

Corporate Governance

We comply with the Argentine Corporate Law, the Law No. 26,831 and CNV rules and corporate governance regulations.

Our bylaws were amended at the extraordinary shareholders' meeting held on October 7, 2015. Such amendment was approved by means of Resolution No.18,024 of the CNV dated April 19, 2016 and was registered before the IGJ. In addition, the extraordinary shareholders' meetings held on April 19, 2016 and May 5, 2016 approved several amendments to our bylaws and an amended and restated text of our bylaws (*texto ordenado*), which were approved by the CNV and registered before the IGJ.

The ordinary and extraordinary shareholders' meetings held on April 27, 2017 and April 24, 2018 approved further amendments to our bylaws and an amended and restated text of our bylaws *(texto ordenado)*, which are currently subject to approval by the CNV and pending registration before the IGJ and, therefore, are not yet effective.

The shareholders' meeting held on April April 27, 2017, amended Article Five, subsection (g) of Article Six and Article Sixteen of our bylaws. The latter two provisions were further amended by the shareholders' meeting held on April 24, 2018.

Article Five of our bylaws, as amended on April 27, 2017, provides that the capital stock of the Company may be increased through an ordinary shareholders' meeting decision up to five-fold of the amount at that time pursuant to article 188 of Argentine Law No. 19,550, being liable to register any capital increase resolution in public deed. As long as the Company is authorized to place a public offering of its shares, the capital stock: (a) will result from each subscription of the last approved capital stock increase and the capital evolution will be included in the Company's financial statements; (b) pursuant to article 188 of of Argentine Law No. 19,550, may be increased through ordinary shareholders' meeting without any limitation whatsoever and without being compelled to amend by-laws. Upon each increase, features of those shares to be issued will be defined in virtue of such increase, and the Board of Directors may be assigned the power to issue such shares, at different times, as deemed convenient within the two-year period from such shareholders' meeting date, as well as the definition of payment terms and conditions of such shares. As long as the Company is authorized to place a public offering of its shares, the shareholders' meeting may pass the issuance of options to be issued or securities convertible in shares and assign the Board of Directors the definition of such issuance terms and conditions, rights to be granted, price fixing of options and shares resulting from such options, as well as any other issue susceptible to be assigned pursuant to all regulations in force.

Subsection (g) of Article Six of our bylaws, as amended on April 24, 2018, provides that upon a tender offer of any shares of the Company, the price to be tendered per common share shall be the same for all classes of shares. In addition, upon a tender offer in case of a change of control, the fair price to be tendered shall not be lower than the highest price paid or agreed to be paid by the offeror, whether acting individually or jointly with any affiliates and or otherwise, per common share of any class of the Company during the 180 calendar days prior to, and including, the date of the offer. The procedure to carry out the tender offer must be done in accordance with the Capital Markets Law and with the CNV Rules.

Article Sixteen of our bylaws, as amended on April 24, 2018, provides that quorum and majority requirements for shareholders' meetings shall be governed by Sections 243 and 244 of Argentine Law No. 19,550, according to the class of shareholders' meeting, whether it is a first- or second-call meeting and the matters to be transacted thereat, except for the quorum at second-call extraordinary shareholders' meetings, which shall be deemed validly constituted whichever the number of voting shares present. Further, any amendment to subsection (g) of Article Six described above shall be valid if also approved by the absolute majority of votes of Class B shareholders present at the meeting.

Item 10.C Material contracts

No material contracts outside the ordinary course of business have been entered into during the last 2 years.

Item 10.D Exchange Controls

In January 2002, with the approval of the Public Emergency Law, Argentina declared a public emergency situation in its social, economic, administrative, financial and foreign exchange matters and authorized the Argentine Executive Branch to establish a system to determine the foreign exchange rate between the Peso and foreign currencies and to issue foreign exchange-related rules and regulations. The Public Emergency Law ceased to be in effect on December 31, 2017. Within this context, on February 8, 2002, through Decree No. 260/2002, the Argentine Executive Branch established (i) the MLC through which all foreign exchange transactions in foreign currency must be conducted, and (ii) that foreign exchange transactions in foreign currency must be conducted at the foreign exchange rate to be freely agreed upon among contracting parties, subject to the requirements and regulations imposed by the Central Bank.

On June 9, 2005, through Decree No. 616/2005, the Argentine Executive Branch mandated that (i) all inflows of funds into the local foreign exchange market arising from foreign debts incurred by residents, both individuals or legal entities in the Argentine private sector, except for those concerning foreign trade financing and primary issuances of debt securities admitted to public offering and listed in authorized markets; and (ii) all inflows of funds by non-residents channeled through the MLC and aimed at being held in local currency, acquiring all types of financial assets or liabilities in the financial or non-financial private sector (except for foreign direct investments and primary issuances of debt securities and shares admitted to public offering and listed in authorized markets), and investments in securities issued by the public sector and acquired in secondary markets, should meet the following requirements: (i) such inflows of funds could only be transferred outside the local foreign exchange market at the expiration of a term of 365 calendar days as from the date of settlement of such funds into Pesos; (ii) the proceeds of such inflows of funds should be credited to an account in the local banking system; (iii) a non-transferable and non-interest-bearing deposit for 30% of the amount of the transaction should be kept in Argentina for a period of 365 calendar days, in accordance with the terms and conditions set forth in the applicable regulations (the "Deposit"); and (iv) the Deposit was to be denominated in U.S. dollars and held in Argentine financial institutions and it could not be used to guarantee or as collateral of any type of credit transactions. The requirements of Decree 616/2005 were subsequently eased, as detailed below.

On December 18, 2015, through Resolution No. 3/2015, the former Ministry of Treasury and Public Finance amended Executive Decree No. 616/2005, reducing (i) the Deposit percentage to 0% and (ii) the required period that the proceeds of any new financial indebtedness incurred by residents, held by foreign creditors and transferred through the MLC had to be kept in Argentina from 365 calendar days to 120 calendar days from the date of the transfer of the relevant amount. On January 5, 2017, pursuant to Resolution No. 1—E/2017 of the Ministry of Treasury, the mandatory stay period of 120 days was further reduced to 0 days.

On May 19, 2017, the Central Bank issued Communication "A" 6244 effective as of July 1, 2017 (amended by Communication "A" 6312 dated August 30, 2017), which structurally modified the exchange regulations in force, establishing a new foreign exchange regimen that significantly eased the access to the MLC. Communication "A" 6244 (as amended by Communication "A" 6312) has replaced all previous rules governing exchange transactions, the general exchange position and the provisions of Decree No. 616/05, while rules governing information and filing requirements were not replaced.

In addition, Communication "A" 6244 (as amended by Communication "A" 6312 and Communication "A" 6363) set forth:

1. The principle of freedom of exchange: Argentine and non-Argentine residents may freely access the MLC.

2. The obligation of carrying out any exchange transaction through an entity authorized by the Central Bank has been maintained.

3. Time restrictions to trade in the MLC for carrying out foreign exchange transactions have been eliminated.

4. The mandatory inflow and settlement of export proceeds through the MLC within the applicable term.

5. The obligation of Argentine residents to comply with the reporting regime, even though there has not been an income of funds to the MLC nor any future access through the transactions to be declared, is maintained.

Likewise, on November 10, 2017, the Central Bank repealed the requirement that proceeds from operations of exports of goods, services and raw materials, be repatriated and settled through the MLC.

Pursuant to Communication "A" 6401, dated December 26, 2017, a new reporting regime was created by means of which the "Review of Debt Securities and External Liabilities Issued by the Financial Sector and the Non-Financial Private Sector" established by Communication "A" 3602, and the "Survey on direct investments," established by Communication "A" 4237, were replaced by a unified report on direct investments and debt. Only Argentine residents (both legal entities or natural persons) whose flow of balance of foreign assets or debt during the previous calendar year reaches or exceeds the equivalent of U.S.$1 million in Pesos are required to report foreign holdings of (i) shares and other capital participations; (ii) debt; (iii) financial derivatives; and (iv) real estate, on an annual basis. Argentine residents whose flow or balance of foreign assets or debt reaches or exceeds the equivalent of U.S.$50 million in Pesos, shall comply with the report on a quarterly basis. On January 11, 2018, with the aim of providing more flexibility to the foreign exchange system and promoting competition, allowing the entrance of new players to the system, a free floating foreign exchange market was created by means of Decree No. 27/2018 replacing the MLC.

Within the new foreign exchange market, exchange operations will be carried out by financial entities and any other person authorized to by the Central Bank to engage in permanent or customary trade in the purchase and sale of foreign coins and banknotes, gold coins or bars and traveler's checks, money orders, transfers or similar operations in foreign currency.

By virtue of Communication "A" 6443 of the Central Bank, which entered into force on March 1, 2018, companies from any sector that operate in the foreign exchange market may operate as an exchange agency solely by registering via an electronic form entitled the "Registry of Exchange Operators" (*Registro de Operadores de Cambio*).

As of the date of this annual report, in accordance with current regulations, all individuals and legal persons, assets and other universities may operate freely in the MLC and foreign exchange transactions shall be carried out at the exchange rate freely agreed between the parties. All exchange and/or arbitrage operations must be carried out through financial or exchange entities authorized by the Central Bank, and must comply in all cases with the provisions applicable to each transaction. Transactions that do not fall within the scope of the foreign exchange regulations will be subject to the Foreign Exchange Regime Law.

Item 10.E Taxation

The following discussion contains a description of the principal Argentine and United States federal income tax consequences of the acquisition, ownership and disposition of our Class B shares or ADSs, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase our Class B shares or ADSs and is not applicable to all categories of investors, some of which may be subject to special rules, and does not specifically address all of the Argentine and Unites States federal income tax considerations applicable to any particular holder. This summary is based upon the tax laws of Argentina and the regulations thereunder and the tax laws of United States and the regulations thereunder as in effect on the date of this annual report, which are subject to change, possibly with retroactive effect, and to differing interpretations. Each prospective purchaser is urged to consult its own tax advisor about the particular Argentine and United States federal income tax consequences to it of an investment in our Class B shares or ADSs. This discussion is also based upon the representations of the depositary and on the assumption that each obligation in the deposit agreement among us, The Bank of New York Mellon, as depositary and the registered holders and beneficial owners of the ADSs, and any related documents, will be performed in accordance with its terms.

Material Argentine Tax Considerations

The following opinion of material Argentine tax matters is based upon the tax laws of Argentina and regulations thereunder as of the date of this annual report, and is subject to any subsequent change in Argentine laws and regulations which may come into effect after such date. This section is the opinion of the law firm of Errecondo, González & Funes insofar as it relates to matters of Argentine tax law. This opinion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a holder of such securities. No assurance can be given that the courts or tax authorities responsible for the administration of the laws and regulations described in this annual report will agree with this interpretation. Holders should carefully read "*Item 3.D Risk Factors—Risks Relating to Our Class B Shares and the ADSs—Changes in the Argentine tax laws may adversely affect the results of our operations and the tax treatment of our Class B shares and/or the ADSs*." Holders are encouraged to consult their tax advisors regarding the tax treatment of our Class B shares and ADSs as it relates to their particular situation.

Taxation on dividends

Pursuant to Law No. 26,893, dividends and other profits paid in cash or in kind —except for stock dividends—by companies and other entities incorporated in Argentina referred to in the Income Tax Law, Sections 69 (a)(1), (2), (3), (6) and (7), and Section 69(b), were subject to income tax at a 10% rate except for those beneficiaries that were domestic corporate taxpayers. Law No. 27,260 repealed this withholding tax as of July 23, 2016. Consequently, no withholding tax is to levied on dividends distributed to either Argentine or non-Argentine resident shareholders since then. This treatment applies only to dividends to be distributed at any time out of retained earnings accumulated until the end of the last fiscal year starting before January 1, 2018.

Likewise, the portion of those dividends exceeding the company's accumulated net taxable income (as determined by application of the Argentine Income Tax Law), if any, is subject to a 35% withholding tax on such excess (the "Equalization Tax"). For purpose of the Equalization Tax, the amount of accumulated net taxable income to be considered shall be determined by (1) deducting the income tax paid by the company, and (2) adding the dividends

and profits not subject to tax received as distributions from other corporations. If the distribution is in-kind, then the corporation must pay the tax to the Argentine tax authorities and will be entitled to seek reimbursement from the shareholders.

Dividends to be distributed out of earnings accrued in fiscal years starting on or after January 1, 2018, are to be subject to a tax treatment different from the one previously described, based on the recent enactment of a comprehensive tax reform -Law No. 27,430-, published in the Official Gazette on December 29, 2017, and generally effective since January 1, 2018.

Pursuant to Law No. 27,430, dividends and other profits paid in cash or in kind —except for stock dividends—by companies and other entities incorporated in Argentina referred to in the Argentine Income Tax Law (the "Income Tax Law"), Sections 69 (a)(1), (2), (3), (6), (7) and (8), and Section 69(b) out of retained earnings accumulated in fiscal years starting on or after January 1, 2018, will be subject to withholding tax at a 7% rate (on profits accrued during fiscal years starting January 1, 2018 to December 31 2019), and at a 13% rate (on profits accrued in fiscal years starting January 1, 2020 and onwards), provided that they are distributed to Argentine resident individuals and foreign shareholders. No dividend withholding tax applies if dividends are distributed to the aforementioned Argentine corporate entities required to assess the dividend withholding tax. In addition, the Equalization Tax is repealed. Holders are encouraged to consult a tax advisor as to the particular Argentine income tax consequences derived from any profit distributions we may make not only on our Class B shares but also on the ADSs.

Capital gains

The results derived from the transfer of shares and other equity interests, bonds and other securities of Argentine companies are subject to Argentine capital gains tax, regardless of the type of beneficiary who realizes the gains.

Capital gains obtained by Argentine corporate taxpayers (in general, entities organized or incorporated under Argentine law and local branches of non-Argentine entities) derived from the sale, exchange or other disposition of shares are subject to income tax at the corporate rate on net income. Recently, Law No. 27,430 decreased the corporate income tax rate from 35% to 30% for fiscal years beginning on January 1, 2018 to December 31, 2019, and to 25% for fiscal years beginning on January 1, 2020 and onwards.

Individual resident's capital gains tax

Law No 27,430 established that as from January 1, 2018, gains realized by Argentine resident individuals from the sale, transfer or disposition of shares, securities representing shares and certificates of deposit of shares are exempt from capital gains tax in the following cases: (i) when the shares are placed through a public offering authorized by the CNV, (ii) when the shares are traded in stock markets authorized by the CNV, under segments that ensure priority of price-time and interference of offers, or (iii) when the sale, exchange or other disposition of shares is made through an initial public offering and/or exchange of shares authorized by the CNV. For periods prior to 2018, it is currently under discussion the extent of the exemption (established by Law No. 26,893 and its implementing decree 2334/2013) applicable to the sale of shares and other securities through a stock exchange market, so as to determine whether it applies only sales of securities made in stock exchanges duly authorized by the CNV or in any stock exchanges.

Nonresident's capital gains tax

Pursuant to Law No. 26,893, capital gains obtained by non-Argentine residents from the sale, exchange or other disposition of shares and other equity interests, bonds and other securities of Argentine companies were subject to capital gains tax until December 30, 2017, even if those transactions were entered into between nonresidents.

Law No. 27,430 provides that the capital gains tax applicable to nonresidents for transactions entered into between September 23, 2013 and December 30, 2017, is still due. However, no taxes will be claimed to nonresidents with respect to past sales of Argentine shares or other securities traded in CNV's authorized markets (such as ADSs) as long as the cause of the non-payment was the absence of regulations stating the mechanism of tax collection at the time the transaction was closed. General Resolution (AFIP) 4.227, which will come into effect on April 26, 2018,

stipulates that the income tax should be paid to the AFIP under the following procedures: (i) in case the securities were sold through an Argentine stock exchange market, and the withholding has been made, then the withholder must pay the tax, (ii) in case the securities were sold but not through an Argentine stock exchange market and there is an Argentine buyer involved, then the Argentine buyer should pay the income tax; and (iii) when both the seller and the buyer were foreign beneficiaries and the sale was not performed through an Argentine stock exchange market, the person liable for the tax is the buyer and the payment shall be made through an international bank via wire transfer to the AFIP. The payment of capital gains tax applicable for transactions entered into before December 30, 2017 is due on June 11, 2018.

In turn, Law 27,430 and Decree 279/2018, maintain the 15% capital gains tax (calculated on the actual net gain or a presumed net gain equal to 90% of the sale price) on the disposal of shares or securities by nonresidents. However, nonresidents are exempt from the capital gains tax on gains realized from the sale of (a) Argentine shares in the following cases: (i) when the shares are placed through a public offering authorized by the CNV, (ii) when the shares were traded in stock markets authorized by the CNV, under segments that ensure priority of price-time and interference of offers, or (iii) when the sale, exchange or other disposition of shares is made through an initial public offering and/or exchange of shares authorized by the CNV; and (b) depositary shares or depositary receipts issued abroad, when the underlying securities are shares (i) issued by Argentine companies, and (ii) with authorization of public offering. The exemptions will only apply to the extent the foreign beneficiaries reside in, or the funds used for the investment proceed from, jurisdictions considered as cooperating for purposes of the exchange of tax information.

In addition, it is clarified that, from 2018 onward, gains from the sale of ADSs will be treated from Argentine sources.

In case the exemption is not applicable and, to the extent foreign beneficiaries do not reside in, or the funds do not arise from, jurisdictions not considered as cooperative for purposes of fiscal transparency, the gain realized from the disposition of shares would be subject to Argentine income tax at a 15% rate on the net capital gain or at a 13.5% effective rate on the gross price. In case such foreign beneficiaries reside in, or the funds arise from, jurisdictions not considerd as cooperative for purposes of fiscal transparency, a 35% tax rate on the the net capital cagin or at a 31.5% effective rate on the gross price should apply.

In such scenarios, according to General Resolution (AFIP) 4227, the income tax should be withheld and paid to the AFIP under the following procedures: (i) in case the securities were sold by a foreign beneficiary, through an Argentine stock exchange market, the custodian entity should withhold and pay the tax if it is involved in the payment process; if it is not involved in the payment process but there is an Argentine buyer involved, the Argentine buyer should withhold the income tax (ii) in case the securities were sold by a foreign beneficiary, but not through an Argentine stock exchange market and there is an Argentine buyer involved, the Argentine buyer should withhold the income tax; and (iii) when both the seller and the buyer are foreign beneficiaries and the sale is not performed through an Argentine stock exchange market, the person liable for the tax shall be the legal representative of the seller of the shares or securities being transferred or directly by the seller, in the event that there was no local legal representative. In this case, the payment shall be made through an international bank via wire transfer to the AFIP.

Holders are encouraged to consult a tax advisor as to the particular Argentine income tax consequences derived from the holding and disposing of ADSs or Class B Shares.

Personal assets tax

Argentine companies, such as us, have to assess and pay the personal assets tax corresponding to their shareholders that are Argentine individuals and non-Argentine resident persons. As of December 31, 2016, Law No. 27,260 lowered the rate to 0.25%, which is to be assessed on the proportional net worth value (valor patrimonial proporcional), of the shares as per the Argentine entity's last financial statements prepared under Argentine GAAP. Pursuant to the Personal Assets Tax Law, the Argentine company is entitled to seek reimbursement of such paid tax from the applicable Argentine domiciled individuals and/or foreign domiciled shareholders.

Pursuant to Law No. 27,260, Argentine companies that have properly fulfilled their tax obligations during the two fiscal year periods prior to the 2016 fiscal year and comply with certain other requirements may qualify for an

exemption on personal asset tax for the 2016, 2017 and 2018 fiscal years. The request for this tax exemption had to be filed before March 31, 2017. The Company has already filed this request and has been granted the exemption for the referred fiscal years. Notwithstanding, in the future, the Company may not be exempt from the payment of the personal assets tax.

Value added tax

The sale, exchange or other disposition of our Class B shares and ADSs, and the distribution of dividends in connection therewith, are exempted from the value added tax.

Tax on debits and credits on Argentine bank accounts

Credits to and debits from bank accounts held at Argentine financial institutions, as well as certain cash payments, are subject to this tax, which is assessed at a general rate of 0.6%. There are also increased rates of 1.2% and reduced rates of 0.075% that may apply in certain cases. Owners of bank accounts subject to the general 0.6% rate may consider 34% of the tax paid upon credits to such bank accounts and taxpayers subject to the 1.2% rate may consider 17% of all tax paid upon credits to such bank accounts as a credit against income tax or tax on presumed minimum income. When financial institutions governed by Law No. 21,526 make payments acting in their own name and on their own behalf, the application of this tax is restricted only to certain specific transactions. Such specific transactions include, among others, dividends or profits distributions.

Tax on minimum presumed income

Entities domiciled in Argentina are subject to this tax at the rate of 1% applicable over the total value of their taxable assets, to the extent it exceeds in the aggregate an amount of Ps.$200,000. Specifically, the law establishes that banks, other financial institutions and insurance companies will consider a taxable base equal to 20% of the value of taxable assets. This tax shall be payable only to the extent the income tax determined for any fiscal year does not equal or exceed the amount owed under the tax on minimum presumed income. In such case, only the difference between the tax on minimum presumed income determined for such fiscal year and the income tax determined for that fiscal year shall be paid. Any tax on minimum presumed income paid will be applied as a credit toward income tax owed in the immediately-following 10 fiscal years. Please note that shares and other equity participations in entities subject to tax on minimum presumed income are exempt from this tax. Pursuant to the Tax Amnesty Law, tax on minimum presumed income was repealed effective effective as of the fiscal year beginning on January 1, 2019.

Turnover tax

In addition, gross turnover tax could be applicable to Argentine residents on the transfer of shares and on the payment of dividends to the extent such activity is conducted on a regular basis within an Argentine province or within the City of Buenos Aires. However, under the Tax Code of the City of Buenos Aires, any transactions with shares, as well as the payment of dividends are exempt from gross turnover tax.

Holders of our Class B shares or ADSs are encouraged to consult a tax advisor as to the particular Argentine gross turnover tax consequences derived from holding and disposing of our Class B shares or ADS.

Stamp taxes

Stamp tax is a local tax that is levied based on the formal execution of public or private instruments.

Documents subject to stamp tax include, among others, all types of contracts, notarial deeds and promissory notes. Each province and the City of Buenos Aires have its own stamp tax legislation.

Stamp tax rates vary according to the jurisdiction and type of agreement involved. In certain jurisdictions, acts or instruments related to the negotiation of shares and other securities duly authorized for its public offering by the CNV are exempt from stamp tax. This does not apply to ADSs.

On January 2, 2018, Law No. 27,429 enforced a "Fiscal Consensus" signed between the National Executive Power and representatives of the Provinces and the City of Buenos Aires. Among other issues, the provinces assumed the commitment to apply tax rates not higher than those for each activity and period In the stamp tax, for certain acts and contracts, not higher than 0.75% as of January 1, 2019 with a gradual reduction until its complete elimination as of January 1, 2022.

Other taxes

There are no Argentine federal inheritance or succession taxes applicable to the ownership, transfer or disposition of our shares. The provinces of Buenos Aires and Entre Ríos establish a tax on free transmission of assets, including inheritance, legacies, donations, etc. Free transmission of our shares could be subject to this tax. In the case of litigation regarding the shares before a court of the City of Buenos Aires, a 3% court fee would be charged, calculated on the basis of the claim.

Tax treaties

Argentina has signed tax treaties for the avoidance of double taxation with several countries, although there is currently no tax treaty or convention in effect between Argentina and the United States.

THE ABOVE OPINION IS NOT INTENDED TO BE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OR DISPOSITION OF CLASS B SHARES OR ADSs. HOLDERS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES ARISING IN EACH PARTICULAR CASE.

United States Federal Income Tax Considerations

This summary describes certain U.S. federal income tax consequences for a U.S. holder (as defined below) of acquiring, owning and disposing of the Class B shares and ADSs (and to the extent provided under "Information Reporting and Backup Withholding" and "FATCA" below, investors other than U.S. holders). The discussion does not apply to certain classes of holders, such as persons that own or are deemed to own 10% or more of our voting stock or 10% or more of the total value of all classes of our stock, dealers in securities or currencies, traders that elect mark-to-market accounting for securities holdings, banks, financial institutions, insurance companies, tax-exempt organizations, entities treated as partnerships for U.S. federal income tax purposes (or a partner therein), persons who are liable for the alternative minimum tax, persons who acquired ADSs or Class B Shares underlying ADSs pursuant to the exercise of an employee stock option or otherwise as compensation, persons holding ADSs or Class B Shares underlying ADSs in connection with a trade or business conducted outside of the United States , persons holding the Class B shares or ADSs as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction, or persons that have a functional currency other than the U.S. dollar, all of which may be subject to rules that differ significantly from those described below. This discussion assumes that the Class B shares and ADSs are held as "capital assets" for U.S. federal income tax purposes.

This summary is based on the provisions of the Internal Revenue Code of 1986, as amended ("the Code"), Treasury regulations, administrative rulings and judicial authority, all as in effect as of this date. All of these laws and authorities are subject to change, possibly on a retroactive basis. You should consult your own tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of purchasing, owning and disposing of the Class B shares and ADSs in light of your particular circumstances.

For purposes of this summary, you are a U.S. holder if you are a beneficial owner of Class B shares or ADSs and you are, for U.S. federal income tax purposes, a citizen or resident of the United States, a U.S. domestic corporation, or otherwise subject to U.S. federal income tax on a net income basis with respect to income from the Class B shares and ADSs.

In general, if you are the beneficial owner of ADSs, you will be treated as the beneficial owner of the Class B shares represented by those ADSs for U.S. federal income tax purposes, and no gain or loss will be recognized if you exchange an ADS for the Class B shares represented by that ADS.

The following discussion generally assumes that we are not, and will not become, a passive foreign investment company ("PFIC"). See "*Dividends*" below for further discussion.

Dividends

Subject to the discussion below concerning passive foreign investment company status, the gross amount of distributions paid with respect to the Class B shares or ADSs (including the amount of any Argentine taxes withheld) will be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to you as dividends. The dividends will be treated as foreign-source income and will not be eligible for the dividends-received deduction generally available to U.S. corporations. Dividends paid in Pesos will be included in a U.S. holder's income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of a U.S. holder's receipt, or in the case of ADSs, the depositary's receipt of the dividend, regardless of whether the payment is in fact converted into U.S. dollars. If such a dividend is converted into U.S. dollars on the date of receipt, you generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. If such a dividend is not converted into U.S. dollars on the date of receipt, a U.S. holder generally will have a basis in the non-U.S. currency equal to its U.S. dollar value on that date. A U.S. holder generally will be required to recognize foreign currency gain or loss realized on a subsequent conversion or other disposition of such currency, which will be treated as U.S.-source ordinary income or loss.

Dividends received by certain non-corporate U.S. holders will generally be subject to taxation at reduced rates if the dividends are "qualified dividends." Subject to applicable limitations, dividends paid on the ADSs will be treated as qualified dividends if (i) the ADSs are readily tradable on an established securities market in the United States and (ii) the issuer was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a PFIC. The ADSs are listed on the NYSE and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. Based on our audited consolidated financial statements and current expectations regarding our income, assets, activities and relevant market data, we believe that we were not treated as a PFIC for U.S. federal income tax purposes with respect to our 2017 taxable year and we do not anticipate becoming a PFIC for our 2018 taxable year or the foreseeable future. However, because the rules for determining whether a company is a PFIC are not entirely clear when applied to foreign banks and because the composition of our income and assets will vary over time, there can be no assurance that we will not be a PFIC for any taxable year. If we were a PFIC for any taxable year, your tax consequences in owning, receiving distributions in respect of, and disposing of the Class B shares or ADSs could be materially and adversely affected. You should consult your tax advisors concerning the potential application of the PFIC rules, including any filing requirements if we were treated as a PFIC.

Because the Class B shares are not themselves listed on a U.S. exchange, dividends received with respect to the Class B shares or ADSs may not be treated as qualified dividends. U.S. holders of Class B shares or ADSs should consult their own tax advisors regarding the availability of the reduced dividend tax rate in the light of their own particular circumstances.

Dividends received by U.S. holders will generally constitute foreign source and "passive category" income for U.S. foreign tax credit purposes. Subject to limitations under U.S. federal income tax law concerning credits or deductions for foreign taxes, any Argentine taxes withheld from cash dividends on the Class B shares or ADSs will be treated as a foreign income tax eligible for credit against a U.S. holder's U.S. federal income tax liability if the tax is treated for U.S. federal income tax purposes as imposed on the U.S. holder (or at a U.S. holder's election, may be deducted in computing taxable income if the U.S. holder has elected to deduct all foreign income taxes for the taxable year). However, amounts withheld on account of the Argentine personal assets tax (as defined in *"—Material Argentine Tax Considerations*") will not be a foreign income tax eligible for credit against a U.S. holder's U.S. federal income tax liability. The rules with respect to foreign tax credits are complex and U.S. holders are

urged to consult their independent tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition

Upon a sale or other disposition of the Class B shares or ADSs, U.S. holders will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. dollar value of the amount realized on the disposition and the U.S. holder's tax basis, determined in U.S. dollars, in the Class B shares or ADSs. Generally, such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the Class B shares or ADSs were held for more than one year. A U.S. holder's ability to offset capital losses against ordinary income is limited. Long-term capital gain recognized by an individual U.S. holder may be taxable at a preferential rate. If an Argentine tax is withheld on the sale or other disposition of the Class B shares or ADSs, a U.S. holder's amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Argentine tax. See "*—Material Argentine Tax Considerations—Capital gains*" for a description of when a disposition may be subject to taxation by Argentina. This gain or loss will generally be U.S.—source gain or loss for foreign tax credit purposes. U.S. holders should consult their tax advisors as to whether the Argentine tax on gains may be creditable against the U.S. holder's U.S. federal income tax on foreign-source income from other sources.

Foreign Financial Asset Reporting

Certain U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Class B shares and ADSs) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders that fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Class B shares and ADSs, including the application of the rules to their particular circumstances.

Information Reporting and Backup Withholding

Dividends paid on and proceeds from the sale or other disposition of the Class B shares or ADSs that are made within the United States or through certain U.S.-related financial intermediaries generally will be subject to information reporting unless a U.S. holder is treated as an exempt recipient and may also be subject to backup withholding unless a U.S. holder (i) provides a correct taxpayer identification number and certifies that it is not subject to backup withholding or (ii) otherwise establishes an exemption from backup withholding. Backup withholding is not an additional tax. Any amounts withheld may be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided the holder timely furnishes the required information to the Internal Revenue Service ("IRS").

A holder that is a foreign corporation or a non-resident alien individual may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

FATCA

We have entered into an agreement with the IRS effective April 24, 2014, pursuant to which we have agreed to comply with certain due diligence, information reporting and withholding obligations pursuant to sections 1471 through 1474 of the Code, and the regulations promulgated thereunder (often referred to as the "Foreign Account Tax Compliance Act" or "FATCA"). Therefore, an investor considered to have a financial account that is a "U.S. account" maintained by us may be required to provide certain information regarding such investor (or relevant beneficial owner of the Class B shares or ADSs), including information and tax documentation regarding the identity of such investor as well as that of its direct and indirect owners, and we may be required to report this

information to the IRS. However, our equity is not a U.S. account. Stock or other equity or debt instruments issued by a financial institution is not treated as a U.S. account if such stock or other instrument is regularly traded on an established securities market. We expect that the Class B shares and ADSs will be so treated. Further, a U.S. account generally does not include an equity instrument in a financial institution, such as us, that is not an investment entity.

In addition, it is possible that under future guidance, payments on the Class B shares and ADSs may be subject to a withholding tax of up to 30% under rules applicable to foreign "passthru payments." Regulations implementing this rule have not yet been adopted or proposed and the IRS has indicated that any such regulations would not be effective prior to January 1, 2019 (or, if later, the date on which final regulations on this issue are published).FATCA is particularly complex and its application to Argentine financial institutions is uncertain at this time. Although we have registered with the IRS and believe that we are compliant with obligations imposed on us under FATCA, it is unclear to what extent we may be able to comply with FATCA in the future. Each holder of Class B shares or ADSs should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how FATCA might affect each holder in its particular circumstances.

Item 10.F Dividends and paying agents

Not applicable.

Item 10.G Statement by experts

Not applicable.

Item 10.H Documents on display

We file reports, including annual reports on Form 20-F, and other information with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers. You may read and copy any materials filed with the SEC at its public reference rooms in Washington, D.C., at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Foreign private issuers, like us, have been required to make filings with the SEC by electronic means since November 4, 2002. Any filings we make electronically are available to the public over the Internet at the SEC's web site at http://www.sec.gov/

Item 10.I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

Market risk is the risk of loss arising from fluctuations in financial markets variables, such as interest rates, foreign exchange rates and other rates or prices. This risk is a consequence of lending, trading and investments businesses and mainly consists of interest rate risk and foreign exchange risk.

Our market risk arises mainly from our capacity as a financial intermediary.

The Risk Management Committee is responsible for approving and amending our market risk policies.

The Risk Management Committee uses a risk map to explain, in detail, the trades that the trading desk is authorized to close and identifies the officers authorized to close those transactions. The risk map also describes the maximum terms for transactions, maximum amounts for the position in each product, the maximum amount of losses accepted ("stop loss"), the maximum expected loss (given a confidence interval) over a specific time period if the portfolio were held unchanged over that period (VaR limit) and the credit risk limits with all financial counterparties, and it is structured in a manner that establishes different investment amounts tied to our organizational chart, where the Treasury Manager has the highest authorized amount. Our Financial Risk Department conducts a daily control over compliance with the limits established in the risk map. In the event that an exception is needed, the trading desk

must apply for authorization from the CEO while maintaining the Asset & Liabilility Committee and the Risk Management Committee informed of all developments. In addition, the Risk Management Committee authorizes risk levels in terms of interest rate, foreign exchange rate, inflation and term imbalance risks. The Assets and Liabilities Committee is responsible for monitoring compliance with our market risk policies every two weeks.

In the course of its monthly meetings, our Board of Directors is advised of the full range of resolutions adopted by the Assets and Liabilities Committee, including: liquidity risk, market risk, foreign currency risk and interest rate risk management.

We evaluate, upgrade and improve market risk measurements and controls on a daily basis. In order to measure significant market risks (whether they arise in trading or non-trading portfolios), we use the value at risk methodology, or "VaR." This methodology is based on statistical methods that take into account many variables that may cause a change in the value of its portfolios, including interest rates, foreign exchange rates, securities prices, volatility and any correlation among them. VaR is an estimation of potential losses that could arise from reasonably likely adverse changes in market conditions. It expresses the maximum amount of loss expected (given a confidence interval) over a specified time period, or "time horizon," if that portfolio were held unchanged over that time period.

All VaR models, while forward looking, are based on past events and are dependent upon the quality of available market data. The quality of our VaR models is therefore continuously monitored. As calculated, VaR is an estimate of the expected maximum loss in the market value of a given portfolio over a ten day time horizon at a one tailed 99% confidence interval. We assume a ten day holding period and adverse market movements of 2.32 standard deviations as the standard for risk measurement and comparison. Additional information on our Risk Management is set forth in Note 23 to our audited consolidated financial statements.

The following table shows the five-day 99% confidence VaR for our combined trading portfolios in 2017, 2016 and 2015 (in thousands of Pesos):

	2017	2016	2015
Minimum	33,561	36,590	30,741
Maximum	128,835	111,622	59,350
Average	72,739	72,961	46,028
As of December 31,	81,986	45,385	30,741

The following chart shows the three-month 99% confidence interest rate risk VaR for our combined trading portfolios for 2017 (in thousands of Pesos)

Minimum	403,872
Maximum	591,639
Average	495,991
As of December 31, 2017	591,639

In order to take advantage of good trading opportunities, the Bank has sometimes increased risk; however, during periods of uncertainty, the Bank has also reduced it.

Interest Rate Risk

Central Bank Communication "A" 5580 did not impact our minimum capital requirements for interest rate risk and other related measures, not being part of the Pillar I capital requirements. Notwithstanding this fact, the Superintendency of Financial Institutions continues to review such risks and determines if there is a need for additional regulatory capital in case a predetermined threshold is surpassed or it finds clear evidence of an inappropriate management of this type of risk. See "*Item 4.B Business overview—Argentine Banking Regulation—Liquidity and Solvency Requirements—Limitations*."

We define Interest Rate Risk as the risk relating to changes in the entity's financial income and economic value as a result of fluctuations in the market's interest rates. The following are known factors that contribute to this risk:

- Differences in maturity and adjustment dates of assets, liabilities and off-balance sheet holdings;
- Foreseeability, evolution and volatility with respect to local interest rates, foreign interest rates and CET;
- The base risk arising out of an imperfect correlation when adjusting asset and liability rates for instruments with similar revaluation characteristics; and
- Implicit options for particular assets, liabilities and off-balance sheet commitments held by the entity.

The Bank and CCF employ a prudent interest rate risk strategy allowing them to uphold their commitments and maintain desired levels of revenue and capital, both in normal and adverse market conditions.

As of July 1, 2018, the Central Bank Communication "A" 6397 will be in force for the whole local banking system, in compliance with Basel's new document related to Interest Rate Risk in the Banking Book (IRRBB) (https://www.bis.org/bcbs/publ/d368.htm). The Bank and CCF will adapt their internal models to the requirements listed in that regulation.

Interest Rate Risk Management Model

The Bank and CCF include interest rate gaps in their interest rate risk management model. This approach analyzes mismatches between asset and liability interest rates between reevaluation periods with respect to balance sheet and off-balance sheet line-items. The result is a basic representation of the balance sheet structure that allows for the detection of interest rate risk concentrations within the different periods. This is also used to estimate the potential impact of interest rates falling outside of the financial margin (NIM-EaR method) and the entity's economic value (MVE-VaR method).

Every balance sheet and off-balance sheet line-item is classified according to its maturity. For asset/liability management accounts without maturity, an internal method of analysis is used to determine possible maturity and sensitivity.

The Asset and Liability Management Committee monitors interest rate risk management and each financial management team is in charge of executing it. The Risk Management team and Financial Planning team are in charge of monitoring compliance, enforcing risk management strategies and issuing periodic reports.

Interest Rate Risk Capital Requirement

The Bank and CCF evaluate their minimum capital requirements relating to interest rate risk through the MVE-EaR model, using a holding period of three months and a 99% confidence interval. This quantitative model factors in the economic capital required for our securitization risk. The following chart shows the three-month 99% confidence interest rate risk VaR for our combined trading portfolios for 2017, 2016 and 2015 (in thousands of Pesos):

	2017	2016	2015
Minimum	403,872	223,082	160,590
Maximum	591,639	461,509	221,237
Average	495,991	348,404	196,582
As of December 31,	591,639	373,404	184,564

The Bank and CCF's consolidated gap position refers to the mismatch of interest-earning assets and interest-bearing liabilities.

The following tables show the Bank and CCF's consolidated exposure to a positive interest rate gap, excluding CER adjusted securities:

	Remaining Maturity at December 31, 2017				
	0-1 Year	1-5 Years	5-10 Years	Over 10 Years	Total
	(in thousands of Pesos, except percentages)				
Interest-earning assets					
Investment Portfolio(1)	6,096,738	686,209	41,631	85	6,824,663
Loans to the non-financial public sector (2)	4,892	26,631	—	—	31,523
Loans to the private and financial sector (2)	38,455,834	15,547,415	1,707,001	—	55,710,250
Other assets	105,715	—	—	—	105,715
Receivables from financial leases	892,352	1,609,311	5,986	—	2,507,649
Total interest-earning assets	**45,555,531**	**17,869,566**	**1,754,618**	**85**	**65,179,800**
Interest-bearing liabilities					
Savings	27,929,157	—	—	—	27,929,157
Time deposits	17,891,418	300	—	—	17,891,718
Investment accounts	900,150	—	—	—	900,150
Subordinated notes	772,776	8,184,445	—	—	8,957,221
Liabilities with Argentine financial institutions	216,154	387,944	—	—	604,098
Liabilities with international banks and institutions	2,778,116	5,154	—	—	2,783,270
Total interest-bearing liabilities	**50,487,771**	**8,577,843**	**—**	**—**	**59,065,614**
Asset/liability gap	(4,932,240)	9,291,723	1,754,618	85	6,114,186
Cumulative asset/liability gap	(4,932,240)	4,359,483	6,114,101	6,114,186	
Cumulative sensitivity gap as a percentage of total interest-earning assets	4.3%	19.3%	20.8%	20.8%	

(1) Includes government securities, instruments issued by the Central Bank and participation in our securitization trusts.
(2) Loan amounts are stated before deducting allowances for loan losses. Non-accrual loans are included with loans as interest-earning assets.

The following two tables detail the Bank's consolidated exposure to an interest rate gap, including CER adjusted securities, which may differ from ordinary interest rate securities behavior. Although the Bank maintains a positive gap in CER adjusted securities with maturities over one year, it is not significant.

The table below shows the Bank's consolidated exposure to an interest rate gap, in Pesos:

	Remaining Maturity at December 31, 2017				
	0-1 Year	1-5 Years	5-10 Years	Over 10 Years	Total
	(in thousands of Pesos, except percentages)				
Interest-earning assets in national currency					
Investment Portfolio(1)	4,693,581	550,499	—	—	5,244,080
Loans to the non-financial public sector (2)	4,892	26,631	—	—	31,523
Loans to the private and financial sector (2)	30,981,968	10,869,346	1,648,415	—	43,499,729
Other assets	55,492	—	—	—	55,492
Receivables from financial leases	813,674	1,375,108	3,390	—	2,192,172
Total interest-earning assets	**36,549,607**	**12,821,584**	**1,651,805**	**—**	**51,022,996**
Interest-bearing liabilities in national currency					
Savings	21,889,153	—	—	—	21,889,153
Time deposits	15,999,857	300	—	—	16,000,157
Investment accounts	900,150	—	—	—	900,150
Subordinated notes	772,776	7,511,557	—	—	8,284,333
Liabilities with Argentine financial institutions	216,154	387,944	—	—	604,098
Liabilities with international banks and institutions	—	—	—	—	—
Total interest-bearing liabilities	**39,778,090**	**7,899,801**	**—**	**—**	**47,677,891**
Asset/liability gap	(3,228,483)	4,921,783	1,651,805	—	3,345,105
Cumulative asset/liability gap	(3,228,483)	1,693,300	3,345,105	3,345,105	
Cumulative sensitivity gap as a percentage of total interest-earning assets	6.3%	18.7%	20.3%	20.3%	

(1) Includes government securities, instruments issued by the Central Bank and participation in our securitization trusts.
(2) Loan amounts are stated before deducting allowances for loan losses. Non-accrual loans are included with loans as interest-earning assets.

The table below shows the Bank's consolidated exposure to an interest rate gap in foreign currency:

	Remaining Maturity at December 31, 2017				
	0-1 Year	1-5 Years	5-10 Years	Over 10 Years	Total
	(in thousands of Pesos, except percentages)				
Interest-earning assets in foreign currency					
Investment Portfolio(1)	1,403,157	135,710	41,631	85	1,580,583
Loans to the private and financial sector(2)	7,473,866	4,678,069	58,586	—	12,210,521
Other assets	50,223	—	—	—	50,223
Receivables from financial leases	78,678	234,203	2,596	—	315,477
Total interest-earning assets	**9,005,924**	**5,047,982**	**102,813**	**85**	**14,156,804**
Interest-bearing liabilities in foreign currency					
Savings	6,040,004	—	—	—	6,040,004
Time deposits	1,891,561	—	—	—	1,891,561
Subordinated notes	—	672,888	—	—	672,888
Liabilities with Argentine financial institutions	—	—	—	—	—
Liabilities with international banks and institutions	2,778,116	5,154	—	—	2,783,270
Total interest-bearing liabilities	**10,709,681**	**678,042**	—	—	**11,387,723**
Asset/liability gap	(1,703,757)	4,369,940	102,813	85	2,769,081
Cumulative asset/liability gap	(1,703,757)	2,666,183	2,768,996	2,769,081	
Cumulative sensitivity gap as a percentage of total interest-earning assets	-4.1%	22.1%	23.1%	23.1%	

(1) Includes government securities, instruments issued by the Central Bank and participation in our securitization trusts.
(2) Loan amounts are stated before deducting allowances for loan losses. Non-accrual loans are included with loans as interest-earning assets.

Foreign Currency Risk

The Risk Management Committee is responsible for deciding the net position in foreign currency to be maintained at all times according to market conditions and monitoring it regularly.

Policies regarding foreign currency risk are applied at the level of our subsidiaries. Our foreign currency risk arises mainly from our operations in our capacity as a financial intermediary.

Since May 2003, the fluctuation of the U.S. dollar has been included as a risk factor for the calculation of the market risk requirement, considering all assets and liabilities in U.S. dollars. As of December 31, 2017, the Bank's consolidated total net asset foreign currency position subject to foreign currency risk was Ps.471.6 million, and this position generated a value at risk of Ps.38.6 million as of such date.

Liquidity Risk

Policies regarding liquidity risk are applied at the level of our subsidiaries. Our liquidity risk arises mainly from the operations of the Bank and CCF. Our other subsidiaries are also subject to liquidity risk, which is not significant.

The Bank and CCF define liquidity risk as the risk of having to pay additional financial costs due to an unexpected need for liquidity. This risk arises out of the differences in amounts and maturity of the assets and liabilities held by the Bank. There are two types of Liquidity Risk:

- Funding Liquidity Risk, which results from the inability to obtain funds at market price that are needed to ensure liquidity, mainly due to the market's perception of the Bank and CCF.

- Market Liquidity Risk, which occurs when the Bank or CCF cannot trade its position in one or several assets at market price, which is caused by two factors:
    - the assets are not sufficiently liquid and cannot be traded in the secondary market; and
    - changes in the market where the assets are traded.

To manage liquidity risk, the Bank and CCF focus on their sources of liquidity. The Bank relies on certain financial products that can provide a quick source of liquidity in extreme situations of illiquidity. To this effect, the Bank considers factoring positions with a maturity of less than 90 days among its principal liquidity indicators and continuously monitors its factoring positions. The Bank also uses these indicators to determine its liquidity risk policy.

Following the same prudent risk strategy, the Bank and CCF prioritize the securitization of assets with a maturity of over 180 days, which reflects the Bank's and CCF's policy to minimize maturity mismatches.

In addition, the Bank and CCF rely on a system of indicators that allows them to detect and take steps to prevent potential liquidity risks. The Bank's and CCF's system of indicators and risk limits are established by the Risk Management team and approved by the Board of Directors. These indicators are constantly monitored by the Risk Management Committee.

The Risk Management Committee coordinates and supervises the identification, measuring and monitoring of liquidity risk. The Assets and Liabilities Committee develops the strategies that allow for adequate liquidity risk management. The Assets and Liabilities Committee relies on several different departments within the Bank to develop and enforce these strategies, from issuing reports and risk management proposals to monitoring compliance with the established limits.

In addition, the Bank must comply with the liquidity coverage ratio, a 30-day horizon stress scenario, established by the Central Bank and the net stable funding ratio which will be implemented as of January 1, 2018.

Operational Risk

We define operational risk as the risk of loss resulting from inadequate or failed internal processes due to personnel, systems or external events. The definition includes legal risk but excludes strategic and reputational risk. Legal risk can result from internal or external events and includes exposure to sanctions, penalties or other economic consequences that arise out of non-compliance with contractual or regulatory obligations.

We believe that we are pioneers in the design of operational risk management frameworks in Argentina, placing emphasis on risk identification, risk management policies and our organizational model. We have tailored our framework to the requirements established by the Central Bank, the Basel accords and international best practices. The Bank's operational risk management processes are overseen by a process owner, who is assisted by a network of correspondents, and every branch and service center has a delegate in charge of monitoring risk. The correspondents and delegates report to the Operational Risk Department, ensuring that the Bank's entire network is working together to monitor operational risk.

Operational Risk Measuring Models

The risk management process is based on complying with several stages designed to evaluate the Bank's vulnerability to operational risk events, minimizing operational risk. This method allows the Bank to achieve a better understanding of its operational risk profile and adopt the necessary measures to address any vulnerability. The stages are divided into:

- Identification of operational risk by implementing a Risk Control Self-Assessment model, which applies to each one of the Bank's processes and IT assets.

- Measurement and evaluation of operational risk by establishing risk levels, evaluating the effectiveness of control mechanisms and determining residual risk for each of the Bank's processes and IT assets.

- Mitigation, resulting from the application of plans of action and strategies designed to maintain risks within the levels established by the Board of Directors.

- Monitoring to quickly detect and address deficiencies in the policies, processes and procedures for managing operational risk, and to ensure constant improvement.

- Documenting the incidents and losses related to operational risk by establishing a database that allows for a comparison of the frequency and impact of operational risk events with the risk control self-assessment model.

The Bank and CCF have an Operational Risk Committee that is in charge of the enforcement of the operational risk policies and monitors the operational risks and operational risk events affecting the Bank and CCF. In addition, the Operational Risk Committee issues reports to the Bank's and CCF's high management, Risk Management Committee and Board of Directors.

The Bank and CCF internally evaluate their minimum capital requirements regarding operational risk through two different models:

- Banco Supervielle: has adopted a model that calculates (i) expected and unexpected losses, (ii) VaR (at a 99.9% confidence interval) and (iii) the minimum capital required to cover expected and unexpected losses. The holding period used is one year.

- CCF: has adopted a model that calculates (i) expected losses, (ii) VaR (at a 99.0% confidence interval) and (iii) the minimum capital required to cover unexpected losses. The holding period used is one year.

Item 12. Description of Securities Other Than Equity Securities

Item 12.A Debt Securities

Not applicable.

Item 12.B Warrants and Rights

Not applicable.

Item 12.C Other Securities

Not applicable.

Item 12.D American Depositary Shares

Fees and Expenses

Holders of our ADRs are generally expected to pay fees to the depositary according to the schedule below:

Persons depositing or withdrawing shares or ADS holders must pay:	For:
$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
$0.05 (or less) per ADS	Any cash distribution to ADS holders

Persons depositing or withdrawing shares or ADS holders must pay:	For:
A fee equivalent to the fee that would be payable if securities distributed to you had been Class B shares and the Class B shares had been deposited for issuance of ADSs	Distribution of securities distributed to holders of deposited securities (including rights) which are distributed by the depositary to ADS holders
$0.05 (or less) per ADS per calendar year	Depositary services
Registration or transfer fees	Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
Expenses of the depositary	Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement) converting foreign currency to U.S. dollars
Taxes and other governmental charges the depositary or the custodian have to pay on any ADSs or shares underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes	As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. The depositary for our ADRs is The Bank of New York Mellon. In 2017, we received a dividend revenue share from the depositary for a total amount of Ps.128,684.90. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

(a) *Disclosure Controls and Procedures*.

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as amended. We performed an evaluation of the effectiveness of our disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file with or submit to the SEC under the Exchange Act, as amended, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and is communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding the required disclosure. Our CEO and CFO concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures were effective to provide reasonable assurance of their reliability. Notwithstanding the effectiveness of our disclosure controls and procedures, these disclosure controls and procedures cannot provide absolute assurance of achieving their objectives because of their inherent limitations. Disclosure controls and procedures are processes that involve human diligence and compliance and are subject to error in judgment. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by our disclosure controls and procedures.

(b) Management's Annual Report on Internal Control over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The company's internal control over financial reporting was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles. The company's internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including the Board of Directors, Chief Executive Officer, Chief Financial Officer and other personnel, we conducted an assessment of the effectiveness of the company's internal control over financial reporting as of December 31, 2017. In making this assessment, we and our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on our and our management's assessment and those criteria, management believes that the company maintained effective internal control over financial reporting as of December 31, 2017.

The effectiveness of the company's internal control over financial reporting as of December 31, 2017 has been audited by Price Waterhouse & Co. S.R.L., an independent registered public accounting firm, as stated in their report, which appears herein.

(c) Attestation Report of the Registered Public Accounting Firm. Please see "Item 18. Financial Statements."

Please see “Item 18. Financial Statements-Report of the Independent Registered Public Accounting Firm” for our registered public accounting firm’s attestation report on the effectiveness of our internal control over financial reporting.

(d) *Changes in Internal Control over Financial Reporting During the Year Ended December 31, 2017.*

During the period covered by this annual report, there have not been any changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16.A Audit committee financial expert

Laurence Nicole Mengin de Loyer is our audit committee’s financial expert. She is an independent member of the audit committee under Rule 10A-3 and applicable NYSE standards.

Item 16.B Code of Ethics

We have adopted a code of ethics that is applicable to, among others, our CEO, CFO and principal accounting officer and persons performing similar functions, which is posted on our website at: https://www.gruposupervielle.com/English/Corporate-Governance/Corporate-Governance-policies/default.aspx. We did not modify our code of ethics during the year ended December 31, 2017. In addition, we did not grant any waivers to our code of ethics during the year ended December 31, 2017.

We have also adopted the following policies: (i) investor communication, confidentiality and insider trading information, (ii) conflict of interest, (iii) related parties transactions and (iv) travel and gift policies. These policies are posted on our website at www.gruposupervielle.com/English/Corporate-Governance/Corporate-Governance-policies/default.aspx.

Information contained or accessible through our website is not incorporated by reference in and should not be considered part of this annual report.

Item 16.C Principal Accountant Fees and Services

The following table sets forth the total amount billed to us and our subsidiaries by our independent registered public accounting firm, Price Waterhouse & Co. S.R.L., during the fiscal years ended December 31, 2017 and 2016.

	2017	2016
	(in thousands of Pesos)	
Audit Fees	26,812	16,809
Audit Related Fees	16,200	11,309
Tax Fees	1,510	1,490
All Other Fees	969	1,492
Total	**45,491**	**31,100**

Audit fees are fees for professional services performed by Price Waterhouse & Co. S.R.L for the audit and limited review of Grupo Supervielle’s consolidated annual and quarterly financial statements under local and U.S. GAAP requirements and services that are normally provided in connection with statutory and regulatory filings.

Audit-related fees consist of fees for professional services performed by Price Waterhouse & Co S.R.L. related to attestation, review and verification services with respect to our financial information and the provision of services in connection with special reports.

Tax fees are fees billed with respect to tax compliance and advisory services related to tax liabilities.

All other fees include fees paid for professional services other than the services reported above under “audit fees”, “audit related fees” and “tax fees” in each of the fiscal periods above.

Audit Committee Pre-approval

Our audit committee is required to pre-approve all audit and non-audit services to be provided by our independent registered public accounting firm. Our Audit Committee has reviewed and approved audit and non-audit services fees proposed by our independent auditors.

Item 16.D Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16.E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16.F Change in Registrant's Certifying Accountant

None.

Item 16.G Corporate Governance

NYSE Corporate Governance Rules

Under NYSE rules, foreign private issuers are subject to more limited corporate governance requirements than U.S. domestic issuers. As a foreign private issuer, we must comply with four principal NYSE corporate governance rules: (1) we must satisfy the requirements of Rule 10A-3 relating to audit committees; (2) our CEO must promptly notify the NYSE in writing after any executive officer becomes aware of any non-compliance with the applicable NYSE corporate governance rules; (3) we must provide the NYSE with annual and interim written affirmations as required under the NYSE corporate governance rules; and (4) we must provide a brief description of any significant differences between our corporate governance practices and those followed by U.S. companies under NYSE listing standards. The table below briefly describes the significant differences between our domestic practice and the NYSE corporate governance rules.

Section	NYSE corporate governance rule for U.S. domestic issuers	Our approach
303A.01	A listed company must have a majority of independent directors. "Controlled companies" are not required to comply with this requirement.	Neither Argentine law nor our bylaws require us to have a majority of independent directors. However, pursuant to Section 109 of the Capital Markets Law, our Audit Committee must be composed of at least three members of the Board of Directors, the majority of which must be independent; thus, we are required to have at least two independent directors.
303A.02	No director qualifies as "independent" unless the Board of Directors affirmatively determines that the director has no material relationship with the listed company (whether directly or as a partner, shareholder, or officer of an organization that has a relationship with the company), and emphasizes that the concern is independence from management. The board is also required, on a case by case basis, to express an opinion with regard to the independence or lack of independence, of each individual director.	Pursuant to current CNV Rules, a director is not independent if such director is: a) a member of management or an employee of shareholders who hold material holding in the listed company or of other entities in which these shareholders have material holdings or over which these shareholders exercise a material influence; b) is currently an employee or has, in the last three years, been an employee of the listed company; c) a person who has a professional relationship or is part of a company or professional association that maintains professional relations with, or that receives remunerations or fees (other than directors' fees) from, the listed company or from shareholders that have material holdings in the listed company, or with a company in which such shareholders have material holdings or exercise a material influence;

Section	NYSE corporate governance rule for U.S. domestic issuers	Our approach
		d) a person who has material holdings in the listed company or in an entity that has material holdings in, or exercises a material influence over, the listed company; e) a person who directly or indirectly provides goods or services to the listed company or to shareholders that have material holdings in or exercise a material influence over the listed company and receives compensation for such services that is substantially higher than that received as director of the listed company; This prohibition includes professional relations during the last three years prior to the designation; or f) the member is married or is a family member to an individual who would not qualify as independent. "Material holdings" are shareholdings, either directly or indirectly, that represent at least 15% of the capital stock of the relevant entity, or a smaller percentage when the person has the right to elect one or more directors per class of shares or by having entered into agreements with other shareholders relating to the governance and the management of the relevant entity or of its controlling shareholders. Notwithstanding the foregoing, Resolution 730 of the CNV approved on April 12, 2018, redefined certain criteria to define the independence of directors, which standards will be in force as from the first annual ordinary meeting to be held after December 31, 2018. Among other assumptions , a director will not be independent if such director: (i) Has served as director at the issuer, its parent company or another company belonging to the same economic group for more than 10 years. The condition of independent director will be recovered after having passed at least 3 years since the cessation of his position as director; (ii) Is also a member of the board of the parent company or another company belonging to the same economic group of the issuer by a relationship existing at the time of its election or that had ceased during the 3 years immediately preceding; (iii) Directly or indirectly, is the owner of 5% or more of shares with the right to vote and / or share capital in the issuer or in a company that has a 'significant participation' in it.
303A.03	The non-management directors of a listed company must meet at regularly scheduled executive sessions without management.	Neither Argentine law nor our bylaws require the holding of such meetings and we do not hold non-management directors meetings. The Argentine Corporate Law provides, however, that the board shall meet at least once every three months, and according to our bylaws, whenever the chairman considers necessary to convene for a meeting.
303A.04	A listed company must have a nominating/corporate governance committee composed entirely of independent directors, with a written charter that covers certain minimum specified duties. "Controlled companies" are not required to comply with this requirement.	Pursuant to applicable local rules, we have an Etchis, Compliance and Corporate Governance committee. Neither Argentine law nor our bylaws require the establishment of a nominating committee, as directors are nominated and appointed by the shareholders.
303A.05	A listed company must have a compensation committee composed entirely of independent directors, with a written	Neither Argentine law nor our bylaws require the establishment of a compensation committee. We do not have a compensation

Section	NYSE corporate governance rule for U.S. domestic issuers	Our approach
	charter that covers certain minimum specified duties. "Controlled companies" are not required to comply with this requirement.	committee. However, we have a Human Resources committee which advises the Board of Directors on Senior Officers compensation schemes.
303A.06 303A.07	A listed company must have an audit committee with a minimum of three independent directors who satisfy the independence requirements of Rule 10A-3, with a written charter that covers certain minimum specified duties.	The responsibilities of an audit committee, as provided in Law No. 26,831 and the CNV standards are essentially the same as those provided for under Rule 10A-3, which we are required to satisfy. Argentine law requires the audit committee be composed of three or more members from the Board of Directors (with a majority of independent directors), all of whom must be well-versed in business, financial or accounting matters. The responsibilities of an audit committee include but are not limited to, the following: a) advise on the Board of Directors' proposal for the designation of external independent accountants and to ensure their independence; b) oversee our internal control mechanisms and administrative and accounting procedures and assess the reliability of all financial and other relevant information filed with the CNV and other entities to which we report; c) oversee our information policies concerning risk management; d) provide the market with complete information on transactions in which there may be a conflict of interest with members of our various corporate bodies or controlling shareholders; e) advise on the reasonableness of fees or stock option plans for our directors and managers proposed by the Board of Directors; f) advise on our fulfillment of legal requirements and the reasonableness of the terms of the issuance of shares or other instruments that are convertible into shares in cases of capital increase in which pre-emptive rights are excluded or limited; g) verify the fulfillment of any applicable rules of conduct; and (h) issue grounded opinions on related-party transactions under certain circumstances and file such opinions with regulatory agencies as required by the CNV in the case of possible conflicts of interest
303A.08	Shareholders must be given the opportunity to vote on all equity-compensation plans and material revisions thereto, with limited exemptions set forth in the NYSE rules.	We do not currently offer equity-based compensation to our directors, executive officers or employees, and have no policy on this matter.
303A.09	A listed company must adopt and disclose corporate governance guidelines that cover certain minimum specified subjects.	Neither Argentine law nor our bylaws require the adoption or disclosure of corporate governance guidelines. The CNV Rules contain a recommended Code of Corporate Governance for listed companies and the Board of Directors must include on its annual report, the degree of compliance of such code. We have adopted, as of May 26, 2011, a corporate governance manual.

Section	NYSE corporate governance rule for U.S. domestic issuers	Our approach
303A.10	A listed company must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.	Neither Argentine law nor our bylaws require the adoption or disclosure of a code of business conduct. We, however, have adopted a code of business conduct and ethics that applies to all of our employees.
303A.12	a) Each listed company CEO must certify to the NYSE each year that he or she is not aware of any violation by the company of NYSE corporate governance listing standards. b) Each listed company CEO must promptly notify the NYSE in writing after any executive officer of the listed company becomes aware of any non-compliance with any applicable provisions of this Section 303A. c) Each listed company must submit an executed Written Affirmation annually to the NYSE. In addition, each listed company must submit an interim Written Affirmation as and when required by the interim Written Affirmation form specified by the NYSE.	Comparable provisions do not exist under Argentine law and CNV standards.

Item 16.H. Mine Safety Disclosure

Not applicable.

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

Our audited consolidated financial statements are included in this annual report beginning at Page F-1.

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Item 19. Exhibits

EXHIBIT INDEX

Exhibit Number	Description
1.1	Bylaws of Grupo Supervielle (English translation), as amended (incorporated by reference to Exhibit 1.1 to our Annual Report on Form 20-F (File No. 001-37777) filed on May 1, 2017).
2.1	Deposit Agreement among Grupo Supervielle, The Bank of New York Mellon, as depositary, and the holders from time to time of American depositary shares issued thereunder, including the form of American depositary receipts, dated May 18, 2016 (incorporated by reference to Exhibit 2.1 to our Annual Report on Form 20-F (File No. 001-37777) filed on May 1, 2017).
2.2	Indenture dated as of February 9, 2017 among Banco Supervielle S.A. as issuer, The Bank of New York Mellon as trustee, paying agent, calculation agent, registrar and transfer agent and Banco Santander Rio S.A. as Argentine registrar and transfer agent, Argentine paying agent and representative of the trustee in Argentina.
2.3	First supplemental indenture dated as of February 9, 2017 to the indenture dated as of February 9, 2017 among Banco Supervielle S.A. as issuer, The Bank of New York Mellon as trustee, registrar, calculation agent, paying agent and transfer agent and Banco Santander Rio S.A. as Argentine registrar, Argentine paying agent, Argentine transfer agent. and representative of the trustee in Argentina.
2.4	Second supplemental indenture dated as of February 9, 2017 to the indenture dated as of February 9, 2017 among Banco Supervielle S.A., as issuer, The Bank of New York Mellon as trustee, registrar, calculation agent, paying agent and transfer agent and Banco Santander Rio S.A. as Argentine registrar, Argentine paying agent, Argentine transfer agent and representative of the trustee in Argentina.
8.1	List of subsidiaries of Grupo Supervielle as of the date of this annual report.
12.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

The amount of long-term debt securities of Grupo Supervielle authorized under any given instrument does not exceed 10% of its total assets on a consolidated basis. Grupo Supervielle hereby agrees to furnish to the SEC, upon its request, a copy of any instrument defining the rights of holders of its long-term debt or of its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

GRUPO SUPERVIELLE S.A.

By: /s/ Alejandra Naughton
Name: Alejandra Naughton
Title: Chief Financial Officer

Date: April 27, 2018.

GRUPO SUPERVIELLE S.A. AND SUBSIDIARIES

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[PwC Office Letterhead]

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Grupo Supervielle S.A.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Grupo Supervielle S.A. and its subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of income, of changes in shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting rules prescribed by the Banco Central de la República Argentina (the "BCRA"). Also in our opinion, the Company maintained in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing on Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Emphasis of Matter

Accounting rules prescribed by the BCRA vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 35 to the consolidated financial statements.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PRICE WATERHOUSE & Co. S.R.L.

By /s/ DIEGO LUIS SISTO (Partner)
Diego Luis Sisto

Buenos Aires, Argentina
April 27, 2018

We have served as the Company's auditor since 2008.

Grupo Supervielle S.A. and Subsidiaries

Consolidated Balance Sheet
As of December 31, 2017 and 2016
(Expressed in thousands of Argentine pesos)

	December 31, 2017	December 31, 2016
ASSETS		
Cash and due from banks		
Cash	Ps. 3,039,001	Ps. 1,879,885
Financial institutions and correspondents		
Argentine Central Bank (Note 17)	7,083,631	5,736,955
Other local financial institutions (Note 17)	32,582	151,252
Foreign (Note 17)	924,137	378,633
Other	50,124	19,407
	Ps. 11,129,475	Ps. 8,166,132
Government and corporate securities (Note 5)		
Holdings of trading securities	1,187,196	125,243
Unlisted Government securities	508,589	818,853
Investments in listed corporate securities	38,624	1,895
Securities issued by the Argentine Central Bank	13,611,627	1,414,053
	Ps. 15,346,036	Ps. 2,360,044
Loans (Note 6)		
To the non-financial public sector	32,607	4,306
To the financial sector		
Interbank loans (Call money loans granted)	30,000	25,000
Other loans to domestic financial institutions (Note 17)	379,466	419,456
Accrued interest, adjustments and exchange rate differences receivable	9,900	28,958
To the non-financial private sector and foreign residents		
Overdrafts	3,616,843	3,110,097
Promissory notes	15,494,647	9,426,568
Mortgage loans	1,549,765	78,057
Automobile and other secured loans	313,724	65,076
Personal loans	14,818,163	9,916,776
Credit card loans	7,966,037	6,678,578
Foreign trade loans	11,215,752	5,311,475
Other loans	492,496	283,881
Accrued interest, adjustments and exchange rate differences receivable	1,397,740	773,961
Documented interest	(829,086)	(324,795)
Other	(83)	(1,738)
Less: Allowances (Note 7)	(1,533,598)	(899,147)
	Ps. 54,954,373	Ps. 34,896,509
Other receivables from financial transactions (Note 8)		
Argentine Central Bank	855,261	535,351
Amounts receivable for spot and forward sales pending settlement (Note 8)	3,374,940	4,745
Securities receivable under spot and forward purchases pending settlement (Note 8)	56,781	594,730
Unlisted corporate bonds	66,619	29,166
Balances from forward transactions without delivery of underlying asset pending settlement	26,916	28,304
Other (Note 8)	2,191,205	2,586,247
Less: Allowances (Note 7)	(10,326)	(5,807)
	Ps. 6,561,396	Ps. 3,772,736

The accompanying notes are an integral part of these consolidated financial statements

Grupo Supervielle S.A. and Subsidiaries

Consolidated Balance Sheet — Continued
As of December 31, 2017 and 2016
(Expressed in thousands of Argentine pesos)

	December 31, 2017	December 31, 2016
ASSETS (Continued)		
Receivables from financial leases		
Receivables from financial leases	Ps. 2,507,649	Ps. 1,516,227
Accrued interest and adjustments pending collection	36,908	26,882
Less: Allowances (Note 7)	(25,356)	(15,254)
	2,519,201	Ps. 1,527,855
Unlisted equity investments (Note 9)		
Other	1,003	3,732
Less: Allowances (Note 13)	(269)	(231)
	Ps. 734	Ps. 3,501
Miscellaneous receivables		
Minimum presumed income tax — Tax credit (Note 20)	26,183	8,408
Other (Note 8)	1,801,253	1,139,203
Less: Allowances (Note 13)	(50,492)	(37,295)
	Ps. 1,776,944	Ps. 1,110,316
Premises and equipment, net (Note 10)	Ps. 694,431	Ps. 621,575
Miscellaneous assets, net (Note 11)	Ps. 612,264	Ps. 425,501
Intangible assets		
Goodwill (Note 12.1)	22,043	31,475
Other intangibles (Note 12.2)	302,458	253,987
	Ps. 324,501	Ps. 285,462
Unallocated items	51,923	36,411
Total Assets	Ps. 93,971,278	Ps. 53,206,042

The accompanying notes are an integral part of these consolidated financial statements

Grupo Supervielle S.A. and Subsidiaries

Consolidated Balance Sheet — Continued
As of December 31, 2017 and 2016
(Expressed in thousands of Argentine pesos)

	December 31, 2017	December 31, 2016
LIABILITIES		
Deposits		
Non-financial public sector	Ps. 6,171,661	Ps. 2,587,253
Financial sector	15,702	9,326
Non-financial private sector and foreign residents		
Current accounts	5,679,805	4,361,405
Savings accounts	29,578,994	13,205,937
Time deposits	13,014,886	11,677,322
Investment accounts	255,000	375,000
Other	1,328,837	3,510,701
Accrued interest and exchange rate differences payable	442,142	170,920
	Ps. 56,487,027	Ps. 35,897,864
Other liabilities from financial transactions		
Argentine Central Bank — Other	6,514	4,966
Banks and international institutions (Note 14)	2,783,270	703,010
Unsubordinated negotiable obligations (Note 15.1)	8,307,202	1,966,936
Amounts payable for spot and forward purchases pending settlement (Note 8)	25,275	592,386
Securities to be delivered under spot and forward sales pending settlement (Note 8)	3,788,545	29,979
Loans from domestic financial institutions (Note 14)	620,800	983,823
Other (Note 8)	2,602,566	2,132,925
Accrued interest and exchange rate differences payable	309,182	100,809
	Ps. 18,443,354	Ps. 6,514,834
Miscellaneous liabilities		
Directors' and Statutory Auditors' fees	1,743	1,534
Other (Note 8)	3,056,310	2,180,694
	Ps. 3,058,053	Ps. 2,182,228
Provisions (Note 13)	80,163	63,252
Subordinated negotiable obligations (Note 15.2)	685,873	1,378,758
Unallocated items	60,513	134,158
Non-controlling interests (Note 28)	11,497	103,397
Total Liabilities	Ps. 78,826,480	Ps. 46,274,491
SHAREHOLDERS' EQUITY	15,144,798	6,931,551
Total Liabilities and Shareholders' Equity	Ps. 93,971,278	Ps. 53,206,042

The accompanying notes are an integral part of these consolidated financial statements

Grupo Supervielle S.A. and Subsidiaries

Consolidated Statement of Income
As of December 31, 2017, 2016 and 2015
(Expressed in thousands of Argentine pesos)

	December 31,		
	2017	2016	2015
Financial income			
Interest on cash and due from banks	191	—	—
Interest on loans granted to the financial sector	90,151	73,754	9,173
Interest on overdrafts	1,162,923	996,571	594,315
Interest on promissory notes	2,479,741	1,906,421	1,400,099
Interest on mortgage loans	24,184	7,275	10,014
Interest on automobile and other secured loans	30,916	17,271	32,678
Interest on credit card loans	1,802,522	1,733,606	1,289,386
Interest on financial leases	413,029	329,550	178,219
Interest on other loans	6,281,543	3,715,110	2,186,064
Income from government and corporate securities	2,373,060	1,241,554	689,472
Interest on other receivables from financial transactions	192	217,662	38,066
Income from options	—	—	483
Consumer price index adjustment ("CER")	85,617	1,724	374
Exchange rate differences on gold and foreign currency	250,758	367,436	44,735
Other (Note 19)	499,844	186,645	268,666
	Ps. 15,494,671	Ps. 10,794,579	Ps. 6,741,744
Financial expenses			
Interest on current account deposits	637,696	—	—
Interest on savings account deposits	3,702	4,639	4,830
Interest on time deposits	1,982,098	2,803,306	2,168,344
Interest on interbank loans (call money loans)	28,720	31,173	18,933
Interest on other loans from the financial sector	180,160	309,462	137,982
Interest on other liabilities from financial transactions	128,237	128,027	266,760
Interest on subordinated obligations	325,961	267,542	81,282
Other interest	1,651,228	401,079	56,404
Consumer price index adjustment (CER)	11,001	920	276
Contributions made to Deposit Insurance Fund	82,721	87,619	180,704
Other (Note 19)	1,162,764	832,758	470,535
	Ps. 6,194,288	Ps. 4,866,525	Ps. 3,386,050
Gross financial margin - gain	9,300,383	5,928,054	3,355,694
Loan loss provisions (Note 7)	1,820,169	1,057,637	543,844
Services fee income			
In relation to lending transactions	765,006	515,353	384,047
In relation to deposits transactions	1,429,671	922,403	678,531
Other commissions	198,136	136,362	77,071
Other (Note 19)	2,580,459	1,953,398	1,696,059
	Ps. 4,973,272	Ps. 3,527,516	Ps. 2,835,708
Services fee expense			
Commissions	787,425	544,044	365,847
Other (Note 19)	708,423	536,616	412,645
	Ps. 1,495,848	Ps. 1,080,660	Ps. 778,492

The accompanying notes are an integral part of these consolidated financial statements

Grupo Supervielle S.A. and Subsidiaries

Consolidated Statement of Income - Continued
For the years ended December 31, 2016, 2015 and 2014
(Expressed in thousands of Argentine pesos)

	December 31,		
	2017	**2016**	**2015**
Administrative expenses			
Personnel expenses	Ps. 5,475,680	Ps. 3,859,525	Ps. 2,767,111
Directors' and statutory auditors' fees	80,862	73,894	59,475
Other professional fees	426,204	286,507	186,586
Advertising and publicity	272,769	226,350	165,413
Taxes	615,896	452,081	268,520
Depreciation of premises and equipment (Note 10)	118,594	81,558	56,637
Amortization of other intangibles (Note 12.2)	128,875	111,284	92,431
Other operating expenses	1,034,532	847,218	584,341
Other	237,210	121,864	80,889
	Ps. 8,390,622	Ps. 6,060,281	Ps. 4,261,403
Subtotal - Income from financial transactions	Ps. 2,567,016	Ps. 1,256,992	Ps. 607,664
Income from insurance activities	479,061	606,143	175,947
Miscellaneous income			
Results from equity investments	26,099	—	3
Default interests	92,739	82,142	51,907
Loans recovered and allowances reversed	167,844	130,987	60,199
Other (Note 19)	257,611	216,755	255,056
Result from discontinued operations	1,549	—	—
	Ps. 545,842	Ps. 429,884	Ps. 367,165
Miscellaneous losses			
Results from equity investments	—	4,996	—
Default interests and charges paid to the Argentine Central Bank	4,164	1,598	176
Loan loss provisions for miscellaneous receivables and other provisions	44,796	76,627	23,863
Depreciation and losses from miscellaneous assets (Note 11)	11,184	7,740	7,311
Amortization of goodwill (Note 12.2)	9,222	9,295	9,302
Other (Note 19)	307,114	358,690	172,775
	Ps. 376,480	Ps. 458,946	Ps. 213,427
Non-controlling interests result	Ps. (5,897)	Ps. (22,166)	Ps. (16,080)
Income before tax	3,209,542	1,811,907	921,270
Income tax (Note 20)	Ps. (772,483)	Ps. (500,603)	Ps. (247,161)
Net Income for the fiscal year	Ps. 2,437,059	Ps. 1,311,304	Ps. 674,109
Basic earnings per share	6.20	4.10	4.42
Diluted earnings per share	6.20	4.10	4.42

The accompanying notes are an integral part of these consolidated financial statements

Grupo Supervielle S.A. and Subsidiaries

Consolidated Statement of Changes in Shareholders' Equity
For the years ended December 31, 2017, 2016 and 2015
(Expressed in thousands of Argentine pesos)

	Contribution from shareholders		Reserves			Total Shareholders'
	Capital Stock	Paid-in Capital	Legal	Other	Retained earnings	Equity
Balance at December 31, 2014	Ps. 124,485	Ps. 91,543	Ps. 24,897	Ps. 1,103,141	Ps. 362,920	Ps. 1,706,986
Distribution of retained earnings by the shareholders' meeting on April 30,2015						
Other Reserves	—	—	—	355,535	(355,535)	—
Dividend distribution	—	—	—	—	(7,385)	(7,385)
Capitalization of retained earnings	124,485	—	—	(124,485)	—	—
Net Income for the year	—	—	—	—	674,109	674,109
Balance at December 31, 2015	Ps. 248,970	Ps. 91,543	Ps. 24,897	Ps. 1,334,191	Ps. 674,109	Ps. 2,373,710
Distribution of retained earnings by the shareholders' meeting on April 19, 2016						
Legal Reserves	—	—	24,897	—	(24,897)	—
Other Reserve	—	—	—	624,050	(624,050)	—
Dividend distribution	—	—	—	—	(25,162)	(25,162)
Contribution from shareholders	114,807	3,156,892	—	—	—	3,271,699
Net Income for the year	—	—	—	—	1,311,304	1,311,304
Balance at December 31, 2016	Ps. 363,777	3,248,435	49,794	1,958,241	1,311,304	6,931,551
Distribution of retained earnings by the shareholders' meeting on April 27, 2017						
Legal Reserves	—	—	22,961	—	(22,961)	—
Other Reserve	—	—	—	1,222,843	(1,222,843)	—
Dividend distribution	—	—	—	—	(65,500)	(65,500)
Contribution from shareholders	92,945	5,748,743	—	—	—	5,841,688
Net Income for the year	—	—	—	—	2,437,059	2,437,059
Balance at December 31, 2017	Ps. 456,722	8,997,178	72,755	3,181,084	2,437,059	15,144,798

The accompanying notes are an integral part of these consolidated financial statements

Grupo Supervielle S.A. and Subsidiaries

Consolidated Statement of Cash Flows
For the years ended December 31, 2017, 2016 and 2015
(Expressed in thousands of Argentine pesos)

	December 31,		
	2017	2016	2015
Changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	Ps. 9,688,554	Ps. 7,616,502	Ps. 4,046,180
Cash and cash equivalents at the end of the year	25,421,865	9,688,554	7,616,502
Net increase in cash and cash equivalents	**Ps. 15,733,311**	**Ps. 2,072,052**	**Ps. 3,570,322**
Causes of changes in cash and cash equivalents			
Cash Flow from operating activities			
Net (payments)/collections related to:			
Government and corporate securities	Ps. 2,140,023	Ps. (947,998)	Ps. 744,287
Loans			
To the financial sector	144,199	(217,926)	(169,047)
To the non-financial public sector	(25,002)	5,951	5,747
To the non-financial private sector and foreign residents	(9,702,001)	(4,863,859)	(184,866)
Other receivables from financial transactions	(1,880,356)	(67,871)	76,259
Receivables from financial leases	(551,434)	(60,992)	(219,970)
Deposits			
To the financial sector	6,376	(241,655)	100,164
To the non-financial public sector	3,244,458	1,352,419	(314,813)
To the non-financial private sector and foreign residents	14,371,284	7,994,649	4,827,512
Other liabilities from financial transactions			
Interbank loans (call money loans received)	(178,925)	119,032	(139,115)
Other (except for liabilities included in Financing Activities)	727,743	(589,851)	(417,149)
Collections related to income from services	5,789,970	4,436,397	3,040,982
Payments related to expenses for services	(1,775,300)	(1,279,764)	(902,340)
Administrative expenses paid	(7,537,254)	(5,340,482)	(3,608,264)
Payment of organization and development expenses	(156,309)	(97,184)	(100,886)
Net collections of penalty interest	92,739	82,142	51,907
Differences deriving from court resolutions paid	(4,918)	(1,480)	—
Other (payments) / collections related to miscellaneous income and losses	(10,269)	(100,958)	23,913
Net payments related to other operating activities	(1,088,322)	(163,934)	(73,512)
Income tax/Minimum Presumed Income Tax paid	(461,678)	(310,983)	(290,971)
Net cash provided by / (used in) operating activities	**Ps. 3,145,024**	**Ps. (294,347)**	**Ps. 2,449,838**
Cash Flow from investing activities			
Net (payments) / collections related to bank premises and equipment	(175,841)	(494,253)	35,742
Net (payments) / collections related to miscellaneous assets	(145,140)	35,520	(220,287)
Payments for sales of equity investments	33,112	(21)	—
Other collections / (payments) for investing activities	5,053	(18,510)	(4,289)
Net cash used in investing activities	**Ps. (282,816)**	**Ps. (477,264)**	**Ps. (188,834)**

Grupo Supervielle S.A. and Subsidiaries

Consolidated Statement of Cash Flows
For the years ended December 31, 2017, 2016 and 2015
(Expressed in thousands of Argentine pesos)

	December 31,		
	2017	**2016**	**2015**
Cash Flow from financing activities			
Net collections / (payments) related to:			
Unsubordinated negotiable obligations	Ps. 5,288,294	Ps. 371,069	Ps. 638,722
Argentine Central Bank	1,548	1,843	2,092
International banks and institutions	2,098,285	568,385	74,445
Subordinated negotiable obligations	(1,058,813)	(123,811)	(74,684)
Financing received from Argentine financial institutions	(228,665)	(1,686,277)	254,113
Contributions from shareholders	5,841,688	3,301,137	—
Payment of dividends	(65,500)	(25,503)	(7,385)
Other payments from Financing Activities	(7,256)	(19,757)	(16,616)
Net cash provided by financing activities	**Ps. 11,869,581**	**Ps. 2,387,086**	**Ps. 870,687**
Financial income on cash and cash equivalents (including interest and monetary results)	1,001,522	456,577	438,631
Net increase in cash and cash equivalents	**Ps. 15,733,311**	**Ps. 2,072,052**	**Ps. 3,570,322**

The accompanying notes are an integral part of these consolidated financial statements

Grupo Supervielle S.A. and Subsidiaries

Notes to the Consolidated Financial Statements
For the years ended December 31, 2017, 2016 and 2015
(Expressed in thousands of Argentine pesos — unless otherwise stated)

1. Business of the Company

Grupo Supervielle S.A. ("Grupo Supervielle", the "Company" or the "Group") is a financial services holding company organized under the laws of Argentina that conducts its business through its subsidiaries, providing banking services, proprietary brand credit card services, personal loans, insurance and other services. The detail subsidiaries of the Company and respective ownership is included in Note 2.

2. Basis of Consolidation

Grupo Supervielle's consolidated financial statements as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 include the assets, liabilities and results of the controlled companies detailed below. The percentages directly or indirectly held by Grupo Supervielle in each of those companies' capital stock are as follows:

Issuing Company	December 31, 2017	December 31, 2016	December 31, 2015
Grupo Supervielle S.A.			
Banco Supervielle S.A. ("Banco")	99.88%	98.23%	97.39%
Cordial Compañía Financiera S.A. ("CCF")	99.89%	98.32%	97.52%
Cordial Microfinanzas S.A. ("Cordial")	—	99.77%	99.67%
Sofital S.A.F. e II ("Sofital")	100.00%	100.00%	95.03%
Tarjeta Automática S.A. ("Tarjeta")	99.99%	99.78%	99.68%
Supervielle Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión ("SAM")	100.00%	100.00%	99.75%
Espacio Cordial de Servicios S.A. ("ECS")	100.00%	100.00%	99.75%
Supervielle Seguros S.A. ("SS")	100.00%	100.00%	99.75%

Intercompany balances and transactions have been eliminated in consolidation.

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with the rules of the Argentine Central Bank ("BCRA") which prescribes the generally accepted accounting principles for all banks in Argentina ("Argentine Banking GAAP"), which differs in certain significant respects from generally accepted accounting principles in Argentina applicable to enterprises in general ("Argentine GAAP").

For purpose of these consolidated financial statements, certain disclosures related to formal legal requirements for reporting in Argentina have been omitted since they are not required for Securities and Exchange Commission ("SEC") reporting purposes.

The following is a summary of significant policies followed by the Group in the preparation of the consolidated financial statements.

3.1 Presentation of Financial Statements in Constant Argentine Pesos

The consolidated financial statements have been prepared in constant monetary units, reflecting the overall effects of inflation through August 31, 1995. As from that date, in accordance with Argentine Banking GAAP and the requirements of the control authorities, restatement of the financial statements was discontinued until December 31, 2001. As from January 1, 2002, in accordance with Argentine Banking GAAP recognition of the effects of inflation has been resumed. In accordance with BCRA Communication "A" 3,921, inflation accounting was discontinued as from March 1, 2003.

Grupo Supervielle S.A. and Subsidiaries

Notes to the Consolidated Financial Statements
For the years ended December 31, 2017, 2016 and 2015
(Expressed in thousands of Argentine pesos — unless otherwise stated)

Argentine GAAP requires financial statements shall be prepared in constant monetary units. The application of inflation adjustments shall become effective within an inflation context, which is featured, among other things, by the existence of an accrued inflation rate over a three-year period or exceeding the 100%. Once such rate is reached, all relevant financial statements shall be re-expressed as from the moment in which such adjustment was interrupted.

As of balance sheet date, management evaluated that within this environment, the inflation threshold set by Argentine professional accounting standards, had not been reached, and in consequence, no inflation adjustment has been applied to Financial Statements.

The lack of objective data throughout the historical series, during 2015 and the first four months of 2016, regarding the Consumer Price Index ("CPI") and the Wholesale Price Index ("WPI"), the existence of other qualitative and quantitative indicators, such as the program established by the BCRA to foster monetary stability that aims to induce a systematic and sustainable low inflation rate, and, the fact that in 2017, the market has evidenced a strong downward trend of inflation rate. All in all, this data allow the Group to estimate that the preparation of the consolidated financial statements in accordance with the applicable criteria under a hyperinflationary economy is not required. The Group considers that this conclusion is consistent whit that of most companies with operations in Argentina reporting under Argentine GAAP. The Group reassesses inflation data periodically to determine whether this conclusion continues to be reasonable.

However, in the recent past years, certain macroeconomic indicators have suffered significant fluctuations, a fact that must be considered when assessing and interpreting the financial condition and performance as shown in these Financial Statements.

3.2 Foreign Currency

Assets and liabilities denominated in foreign currencies are converted into pesos using the year-end exchange rates. Transactions denominated in foreign currencies are translated into local currency at the prevailing exchange on the date of transaction settlement. Foreign exchange differences were recorded in the statement of income for each year in the caption "Exchange rate differences on gold and foreign currency"

3.3 Gold

Gold has been valued at its market price at the year-end and converted into pesos using the year-end exchange rates.

3.4 Government and Corporate Securities

Government securities mainly represent obligations of the Argentine government. Corporate securities included in this caption consist of listed corporate equity securities and listed debt securities. Corporate equity and debt securities are considered to be held for trading purposes as defined under Argentine Banking GAAP.

Realized gains and losses on sales and interest income on government and corporate securities are included as "Income from government and corporate securities" in the accompanying statement of income.

Government Securities

Argentine Banking GAAP establishes two categories in which banks should classify Argentine government securities, according to the purpose of the relevant assets. The Group recognizes the securities as follows:

a) Securities measured at fair value: These securities, that have an active market in accordance with Central Bank rules, have been valued at their market price at year-end and converted into pesos

following the procedure described in Note 3.2. Realized and unrealized exchange gains and losses are recorded in financial income for each year. Changes in fair value of these securities are recorded as financial income.

b) Securities measured at cost plus accrued interest: These securities, that do not have an active market in accordance with Central Bank rules, are valued at acquisition cost plus financial results accrued, exponentially applying the internal rate of return as per their issuance terms and conditions. The accruals of the internal rate of return mentioned above were recorded in the related consolidated statements of income. This category includes securities recorded under the caption "Unlisted Government securities".

Investments in listed corporate securities

These securities have been valued at their market price at each year-end. Changes in valuation of these securities are recorded as financial income for each year.

3.5 Interest Income (Expense)

Interest income and expense has been accrued according to a compound interest formula in the period in which it was generated, except those whose maturity does not exceed 92 days, on which interest has been accrued according to a simple interest formula.

The Bank suspends the accrual of interest when the related loan is 90 days past due and the collection of interest and principal is in doubt. The suspension of interest corresponds to the loans classified as "with problems" and "medium risk" or below, under Argentine Central Bank´s classification rules. Accrued interest remains on the Bank´s books and is considered to be part of the loan balance when determining the allowance for loan losses. Regarding impaired loans, interest is recognized on a cash basis after reducing the balance of accrued interest, if applicable.

3.6 Loans

Loans are valued at amortized cost, plus interest accrued at each balance sheet date, net of allowances for loan losses, as described in note 3.7.

3.7 Allowances for Loan Losses

Allowances for loan losses are recognized considering the evaluation of the debt repayment capacity, the degree of debtors' compliance and the guarantees securing the respective transactions, following the regulations on Debtor Classification and Minimum Loan Loss Risk Allowances issued by the BCRA.

3.8 Other receivables and liabilities from financial transactions

- Amounts receivable for spot and forward sales pending settlement: These receivables have been valued at their agreed settlement value. The difference between the market value of the securities and/or the foreign currency exchanged at the time of execution of the sale contracts and the agreed forward exchange value (premium) was accreted into income during the period held. The securities and/or foreign currency to be delivered were valued as stated on note 3.4, and recorded as Securities to be delivered under spot and forward sales pending settlement within "Other liabilities from financial transactions".

- Securities receivable and to be delivered for spot and forward sales pending settlement: Securities and/or foreign currency to be received for purchases and to be delivered for sales are valued following the procedure described in Note 3.2.

Grupo Supervielle S.A. and Subsidiaries

Notes to the Consolidated Financial Statements
For the years ended December 31, 2017, 2016 and 2015
(Expressed in thousands of Argentine pesos — unless otherwise stated)

- Unlisted corporate bonds: Have been valued at acquisition cost plus accrued interest at year-end.

- Other receivables not included in the Debtor Classification Regulations: This caption includes participation certificates issued by trusts and investments in mutual funds Participation certificates issued by trusts have been accounted for under the equity method, and debt securities issued by trusts in pesos and in foreign currency been accounted for at cost plus accrued interest. Investments in mutual funds have been accounted for at fair value, using net asset values at each balance sheet date. Changes in valuation are recognized in the statement of income.

- Banks and international institutions and subordinated negotiable obligations: Valued on the basis of the cash received, net of transaction costs, plus the financial results accrued on the basis of the internal rate of return estimated upon initial recognition.

3.9 Receivables from financial leases

The receivable from financial leases were valued at the discounted value of the sum of minimum installments pending collection (excluding any contingent installments), the residual value and the purchase options. Interests earned on these receivables are recognized as financial income.

3.10 Provisions for Contingencies

The Group has certain contingent liabilities with respect to existing or potential claims, lawsuits and other proceedings, including those involving labor and other matters. The Group accrues liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated.

3.11 Unlisted equity investments

Under Argentine Banking GAAP, the equity method is used to account for investments where a significant influence in the corporate decision making process exists. Investments in which the Group does not exercise significant influence are accounted for at cost, adjusted for inflation where applicable, as indicated in Note 3.1, with the limit of their respective equity value calculated based on the latest financial statements of the issuers available at the year-end.

3.12 Premises and Equipment, net

Have been valued at cost and adjusted for inflation, where applicable, as indicated in Note 3.1., less the corresponding accumulated depreciation.

Depreciation is calculated following the straight-line method over the following estimated useful lives:

Buildings	50 years
Furniture and facilities	10 years
Machinery and equipment	5 years
Vehicles	5 years
Other	5 years

The cost of maintenance and repairs is charged to expense as incurred. The cost of significant renewals and improvements are added to the carrying amount of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statement of income.

The recorded value of these assets does not exceed their estimated recoverable value.

3.13 Miscellaneous Assets

Have been valued at cost and adjusted for inflation, where applicable, as indicated in Note 3.1, less accumulated depreciation, where applicable, calculated following the straight-line method over the estimated useful lives of the assets. The recorded value of these assets does not exceed their estimated recoverable value. Depreciable assets are those recorded under the captions "Assets taken as guarantee for loans" and "Other miscellaneous assets" (See note 11).

3.14 Intangible Assets

Other intangibles

Other intangibles consist of computer software costs and leasehold improvements and have been valued at cost, less accumulated amortization.

Amortization of leasehold improvements is calculated following the straight-line method over the shorter of the life of the improvement or the remaining lease term. Amortization of computer software cost is calculated following the straight-line method over a 5 years period.

Goodwill

Represents the excess of the acquisition cost over the value assigned to businesses acquired. Goodwill is amortized following the straight-line method over estimated useful lives, not exceeding 10 years.

3.15 Severance and vacation

Severance costs are expensed in the year in which the termination terms are agreed with the employees.

Vacations are expensed as paid.

3.16 Deposits

Deposits are valued at amortized cost. For deposits denominated in foreign currency, the procedure described in Note 3.2 is applied.

3.17 Subordinated Negotiable Obligations

Subordinated Negotiable Obligations are valued at amortized cost plus accrued interest using the internal rate of return.

3.18 Shareholders' Equity

Shareholders' Equity accounts have been adjusted for inflation following the procedure described in Note 3.1, except for the "Capital Stock" account, which has been stated at their original values. The adjustment stemming from the restatement of these accounts has been capitalized.

3.19 Minimum Presumed Income Tax and Income Tax

Income tax is calculated at the rate of 35% on the tax result for all the years presented. Argentine Banking GAAP does not require the recognition of the effects of temporary differences between the carrying amounts of existing assets and liabilities and their respective tax basis and, therefore, income taxes for Banco Supervielle and Cordial Compañía Financiera are recognized on the basis of amounts due in accordance with Argentine tax regulations.

Grupo Supervielle S.A. and Subsidiaries

Notes to the Consolidated Financial Statements
For the years ended December 31, 2017, 2016 and 2015
(Expressed in thousands of Argentine pesos — unless otherwise stated)

Minimum presumed income tax, established by Law No. 25,063, complements income tax since while the latter is assessable on the taxable profit for the fiscal year, minimum presumed income tax is a minimum tax levied on potential income provided by certain productive assets at the rate of 1%; the Entity's tax obligation for each fiscal year being the higher of the two taxes. However, if in any fiscal year minimum presumed income tax exceeds income tax, that amount in excess will be computable as payment on account of income tax in excess of minimum presumed income tax arising in any of the following ten fiscal years.

The abovementioned law establishes that, the entities regulated by the Financial Institutions Law must consider 20% of their taxable assets as the taxable basis for calculation of the minimum presumed income tax, after deducting those defined as non-computable assets.

On December 27, 2017, the Argentine Congress approved a comprehensive income tax reform that will become effective as 2018. This tax reform, among other things, reduces the 35% income tax rate to 30% for 2018 and 2019, and to 25% from 2020 onwards, and imposes a withholding income tax on dividends paid by an Argentine entity of 7% for 2018 and 2019 increasing this percentage to 13% from 2020 onwards.

3.20 Cash and Cash Equivalents

Cash and cash equivalents include cash and due from banks and highly liquid investments with an original maturity of less than three months according to the following detail:

	December 31,		
	2017	2016	2015
Cash and due from banks	Ps. 11,129,475	Ps. 8,166,132	Ps. 6,808,591
Securities issued by the BCRA — listed	13,611,524	336,785	645,218
Investments in money market funds	680,866	1,185,637	162,693
Cash and cash equivalents	Ps. 25,421,865	Ps 9,688,554	Ps 7,616,502

Reconciliation between balances as appearing on the Balance sheet and the items considered as Cash and cash equivalents:

	December 31,		
	2017	2016	2015
Cash and due from banks			
As per the Balance sheet	Ps. 11,129,475	Ps. 8,166,132	Ps. 6,808,591
As per the Statement of cash flows	Ps. 11,129,475	Ps. 8,166,132	Ps. 6,808,591
Government and corporate securities			
Securities issued by the BCRA			
As per the Balance sheet	Ps. 13,611,627	Ps. 1,414,053	Ps. 691,246
BCRA bills and notes — unlisted	Ps. (103)	(1,077,268)	(46,028)
As per the Statement of cash flows	Ps. 13,611,524	Ps. 336,785	Ps. 645,218
Other receivables from financial transactions			
Other receivables not included in the debtor classification regulations			
Financial trust Participation Certificates, Financial trust debt securities and other (Note 8)	Ps. 1,251,073	Ps. 1,928,212	Ps . 1,543,389
Other assets	Ps. (570,207)	(742,575)	(1,380,696)
As per the Statement of cash flows	Ps. 680,866	Ps. 1,185,637	Ps. 162,693

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3.21 Use of Estimates

The preparation of financial statements in conformity with Argentine Banking GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting years. Significant estimates include those required for the accounting of the allowance for loan losses, the recoverable value of assets and the provisions for contingencies, among others. Actual results could differ from those estimates.

3.22 Impairment of long-lived assets

The Group periodically evaluates the carrying value of its long-lived assets and certain intangible assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying value of a long-lived asset is considered impaired by the Group when the expected cash flows, discounted and without interest cost, from such an asset, is less than its carrying value. In that event, a loss would be recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Previously recognized impairment loss is only reversed when there is a subsequent change in estimates used to compute the fair value of the asset. In that event, the new carrying amount of the asset should be the lower of its fair value or the net carrying amount the asset would have had if no impairment had been recognized.

4. Restricted Assets

At December 31, 2017 and 2016, the following Group's assets are restricted:

	December 31,	
Item	**2017**	**2016**
Loans		
In guarantee of secured borrowings	Ps. 28,075	Ps. 178,862
	Ps. 28,075	Ps. 178,862
Other receivables from financial transactions		
Special guarantee accounts in BCRA (a)	Ps. 855,261	Ps. 535,351
Others	—	620
	Ps. 855,261	Ps. 535,971
Miscellaneous receivables		
Trust guarantee deposits	Ps. 15,057	Ps. 7,893
Guarantee deposits for forward transactions	245,550	114,820
Guarantee deposits for repurchase agreements	—	59,014
Guarantee deposits for credit cards	161,079	135,297
Other guarantee deposits	26,295	21,316
Total	Ps. 447,781	Ps. 338,340

(a) Includes the special accounts balances as security for activities related to automated clearing house

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5. Government and Corporate Securities

Government and corporate securities consist of the following:

	December 31,	
	2017	2016
Holding of Government Securities		
Measured at fair value	Ps. 1,187,196	Ps. 125,243
Measured at amortized cost	508,589	818,853
Total	Ps. 1,695,785	Ps. 944,096
Securities issued by the BCRA		
Measured at fair value	13,611,524	336,785
Measured at amortized cost	103	1,077,268
Total	Ps. 13,611,627	Ps. 1,414,053
Investment in listed corporate securities		
Argentine shares	38,624	1,895
Total	Ps. 38,624	Ps. 1,895
Total government and corporate securities	Ps. 15,346,036	Ps. 2,360,044

The maturities as of December 31, 2017, of government and corporate securities were as follows:

		Maturing within			
	Carrying value	1 year	1 to 5 years	5 to 10 years	After 10 years
Listed Government Securities	Ps. 1,187,196	1,051,558	81,940	53,571	127
Unlisted Government Securities	508,589	508,589	—	—	—
Securities issued by the BCRA	13,611,627	13,611,627	—	—	—
Investment in listed corporate securities	38,624	38,624	—	—	—
	Ps. **15,346,036**	**15,210,398**	**81,940**	**53,571**	**127**

6. Loans

The Group's lending activities consist of the following:

- Loans to the non-financial public sector: loans to the federal and provincial governments of Argentina.

- Loans to the financial sector: loans to local banks and financial entities.

- Loans to the non-financial private sector and foreign residents:

  Overdrafts — short-term obligations drawn on by customers through overdrafts of current accounts.

  Promissory Notes — endorsed promissory notes, discounted and purchased bills and factored loans.

  Mortgage loans — loans to purchase or improve real estate and collateralized by such real estate or commercial loans secured by real estate.

Automobile and other secured loans — loans where collateral is pledged as an integral part of the loan document.

Personal loans — loans to individuals.

Credit card loans — loans to credit card holders.

Foreign Trade loans — loans to exporters / importers.

Government securities loans — loans where government securities are exchanged.

Other — includes mainly short-term loans for export prefinancing and financing.

As of December 31, 2017 and 2016, the classification of the Group's loan portfolio pursuant to BCRA regulations was as follows:

	December 31,	
	2017	2016
Non-financial public sector	Ps. 32,607	Ps. 4,306
Financial sector (Argentine)	419,366	473,414
Non-financial private sector and foreign residents	56,035,998	35,317,936
Commercial		
- With self-liquidating preferred guarantees	821,715	538,046
- With other preferred guarantees	4,205,026	1,891,658
- Without preferred guarantees	21,544,937	14,312,177
Consumer		
- With self-liquidating preferred guarantees	132,542	90,109
- With other preferred guarantees	1,636,559	108,021
- Without preferred guarantees	27,695,219	18,377,925
Subtotal	56,487,971	35,795,656
Less: Allowance (Note 7)	(1,533,598)	(899,147)
Total	**Ps. 54,954,373**	**Ps. 34,896,509**

Loans with "Self-liquidating preferred guarantees" consist mainly of loans secured by cash collateral, gold collateral, warrants over primary products and other forms of collateral of self-liquidation.

Loans with "Other preferred guarantees" consist, in general, of loans secured by mortgages and other forms of collateral pledged to secure the loan amount.

Loans "Without preferred guarantees" consist, in general, of unsecured loans.

The following industry segments comprised the most significant loan concentrations as of December 31, 2017 and 2016:

	December 31,	
	2017	2016
Financial Sector	3.2%	3.4%
Services	5.3%	3.6%
Primary Products	10.5%	8.1%
Consumer	56.2%	58.2%
Retail Trade	2.7%	3.7%
Construction	8.0%	8.8%
Manufacturing	7.2%	4.4%
Other	6.9%	9.8%

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Substantially all of Group´s operations, property and customers are located in Argentina. Therefore, the performance of loan portfolio, financial condition and the results of its operations depend primarily on the macroeconomic and political conditions prevailing in Argentina.

7. Allowance for Loan Losses

The activity in the allowance for loan losses (which includes the allowances for loans, for other receivables from financial transactions and for receivables from financial leases) for the years ended December 31, 2017, 2016 and 2015, was as follows:

	December 31,		
	2017	2016	2015
Balance at beginning of year	Ps. (920,208)	Ps. (638,648)	Ps. (429,358)
Provision charged to income	(1,820,169)	(1,057,637)	(543,844)
Write-offs and reversals	1,171,097	776,077	334,554
Balance at end of year	Ps. (1,569,280)	Ps. (920,208)	Ps. (638,648)

The Group has entered into certain renegotiations with customers. The Group has eliminated any differences between the principal and accrued interest due under the original loan and the new loan amount through a charge against the allowance for loan losses.

8. Other Receivables and Liabilities from Financial Transactions, Miscellaneous Receivables and Miscellaneous Liabilities

The composition of other receivables from financial transactions, by type of guarantee, as of December 31, 2017 and 2016 was as follows:

	December 31,	
	2017	2016
Preferred guarantees, including deposits with BCRA	Ps. 855,261	Ps. 535,351
Unsecured	5,716,461	3,243,192
Allowance (Note 7)	(10,326)	(5,807)
	Ps. 6,561,396	Ps. 3,772,736

The breakdown of the caption “other” included in “Other receivables from financial transactions” in the balance sheet was as follows:

	December 31,	
	2017	2016
Other receivables not included in the debtor classification regulations		
Financial Trust Participation Certificates	Ps. 470,238	Ps. 530,607
Financial Trust Debt Securities	99,969	100,644
Money Market Funds	680,866	1,185,637
Other Mutual Funds	—	110,951
Other	—	373
Other payments by third parties	15,966	11,979
Other financing	681,476	376,601
Accrued commissions receivable	77,497	113,371
Other	165,193	156,084
	Ps. 2,191,205	Ps. 2,586,247

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The breakdown of the caption "other" included in "Other liabilities from financial transactions" in the balance sheet was as follows:

	December 31,	
	2017	2016
Collections and other operations on behalf of third parties	Ps. 1,465,674	Ps. 953,743
Sundry (payment orders abroad)	342,877	464,070
Other withholdings and collection	452,209	455,663
Social security payment orders pending settlement	123,538	82,761
Liabilities for financing of purchases	19,799	29,845
Other	198,469	146,843
	Ps. 2,602,566	Ps. 2,132,925

The breakdown of the caption "other" included in "Miscellaneous receivables" in the balance sheet was as follows:

	December 31,	
	2017	2016
Guarantee deposits	Ps. 448,979	Ps. 339,340
Sundry debtors	821,205	397,399
Payments in advance	134,962	109,568
Tax advances	136,959	95,116
Loans to employees	179,300	190,925
Receivables from sale of assets	65,650	998
Other	14,198	5,857
	Ps. 1,801,253	Ps. 1,139,203

The breakdown of the caption "other" included in "Miscellaneous liabilities" in the balance sheet was as follows:

	December 31,	
	2017	2016
Tax payable	Ps. 944,982	Ps. 727,218
Payroll and social security	788,046	583,317
Sundry creditors	1,152,847	678,246
Collections in advance	166,772	156,382
Other	3,663	35,531
	Ps. 3,056,310	Ps. 2,180,694

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The Group enters into forward transactions related to government securities and foreign currencies. The Group recognizes cash, security or currency amount to be exchanged in the future as a receivable and payable at the original transaction date. The assets and liabilities related to such transactions are as follows:

	December 31,	
	2017	2016
Amounts receivable from spot and forward sales pending settlement	**3,374,940**	**4,745**
Receivables from repo transactions of government securities	3,352,271	—
Receivable from spot sales of government and private securities pending settlement	17,151	3,501
Receivables from spot sales of foreign currency pending settlement	1,967	1,091
Receivables from other spot sales pending settlement	3,551	153
Securities and foreign currency receivable from spot and forward purchases pending settlement	**56,781**	**594,730**
Spot purchases of government and private securities pending settlement	22,411	980
Spot purchases of foreign currency pending settlement	31,411	3,322
Forward purchases of securities under repo transactions	—	590,266
Other spot purchases pending settlement	2,959	162
Amounts payable for spot and forward purchases pending settlement	**25,275**	**592,386**
Payables for spot purchases of government securities pending Settlement	22,352	970
Payables for spot purchases of foreign currency pending settlement	5	—
Payables for forward purchases of securities under repo transactions	—	591,264
Other payables for spot purchase pending settlement	2,918	152
Securities and foreign currency to be delivered under spot and forward sales pending settlement	**3,788,545**	**29,979**
Forward sales of government securities under repo transactions	3,758,266	3,500
Spot sales of foreign currency pending settlement	26,696	26,317
Other forward sales pending settlement	3,583	162

These instruments consist of foreign currency and securities contracts (spot and forward purchases and sales), whose valuation method is disclosed in Note 3.8).

Premiums on these instruments have been included in the “Financial income” and “Financial expense” captions of the consolidated statements of income of each year.

9. Unlisted equity Investments

Equity investments in other companies consisted of the following as of December 31, 2017and 2016:

	December 31,			
	2017		2016	
In Complementary and authorized activities				
Mercado Abierto Electrónico S.A.	Ps.	61	Ps.	61
SEDESA S.A.		37		39
Argencontrol S.A.		25		25
Compensadora Electrónica S.A.		56		54
Provincanje S.A.		684		684
Total equity investments in Complementary and authorized activities	Ps.	863	Ps.	863

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	December 31,	
	2017	2016
In Non-financial Institutions		
Viñas del Monte S.A.	Ps. —	Ps. 2,730
San Luis Trading S.A.	51	51
SWIFT S.A.	1	1
Other	88	87
Total equity investments in non-financial institutions	Ps. 140	Ps. 2,869
Less: Allowances (Note 13)	Ps. (269)	Ps. (231)
Total Equity investments	Ps. 734	Ps. 3,501

The interests in mutual guarantee companies are not above detailed, as their aggregated amount is lower than Ps. 1.

10. Premises and Equipment, net

The major categories of premises and equipment as December 31, 2017 and 2016 were as follows:

	December 31,	
	2017	2016
Land and buildings	Ps. 351,587	Ps. 368,400
Furniture and fittings	64,386	61,009
Machinery and equipment	251,365	169,028
Vehicles	27,093	23,138
	Ps. 694,431	Ps. 621,575

Accumulated depreciation included in the above categories was Ps. 474,654 and Ps. 356,060 as of December 31, 2017 and 2016, respectively. Depreciation expense was Ps. 118,594, Ps. 81,558 and Ps. 56,637 as of December 31, 2017, 2016 and 2015, respectively.

11. Miscellaneous Assets

Miscellaneous assets consisted of the following as of December 31, 2017and 2016:

	December 31,	
	2017	2016
Construction in progress	Ps. 279,659	Ps. 22,267
Advances for purchase of assets	832	249
Stationery and office supplies	35,364	20,449
Works of art	3,739	3,455
Assets taken as guarantee for loans	325	331
Others miscellaneous assets	292,345	378,750
	Ps. 612,264	Ps. 425,501

Depreciation expense was Ps. 11,184, Ps. 7,740 and Ps 7,311 as of December 31, 2017, 2016 and 2015, respectively.

12. Intangible Assets

12.1 Goodwill

As of December 31, 2017 and 2016 goodwill breakdown is as follows:

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	Estimated Useful life (years)	December 31, 2017	December 31, 2016
Goodwill for the purchase of Banco Regional de Cuyo S.A., net of accumulated amortization	10	Ps. 2,556	Ps. 6,391
Goodwill for the purchase of Cordial Compañía Financiera, net of accumulated amortization	10	18,526	23,697
Goodwill for the purchase of Supervielle Seguros S.A., net of accumulated amortization	10	954	1,130
Others		7	257
Total		Ps. 22,043	Ps. 31,475

12.2 Other Intangible Assets

As of December 31, 2017 and 2016, the organization and development costs breakdown is as follows:

	Estimated useful life (years)	December 31, 2017	December 31, 2016
Cost from information technology projects (a)	5	208,752	Ps. 142,946
Other capitalized cost (b)	5	93,706	111,041
Total		302,458	Ps. 253,987

(a) Under Central Bank rules, the Bank capitalizes software cost relating to preliminary application development and post implementation stages of software development.

(b) Under Central Bank rules, the Bank records cost inherent to the improvements in leased building.

Amortization expense of goodwill and other intangible assets was Ps. 138,097, Ps. 120,579 and Ps. 101,733 as of December 31, 2017, 2016 and 2015, respectively, which was recorded in Administrative expenses and Miscellaneous Losses.

13. Allowances and Provisions

Allowances on other assets and provisions as of December 31, 2017 and 2016 were as follows:

	December 31, 2017	December 31, 2016
Allowances against asset accounts:		
Unlisted equity investments (a)	Ps. 269	Ps. 231
Miscellaneous receivables, for collection risk (b)	50,492	37,295
	Ps. 50,761	Ps. 37,526
Provisions:		
For contingent commitments	3,985	2,347
Other contingencies (c)	76,178	60,905
Total Provisions	Ps. 80,163	Ps. 63,252

(a) Includes the estimated losses due to the excess of the cost over the equity method in equity investments.

(b) Based upon an assessment of debtors' performance, the economic and financial situation and the collateral securing their respective obligations.

(c) Includes the estimated amounts payable under lawsuits against the Group and other contingences.

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14. Other Liabilities from Financial Transactions - Banks and International Institutions, and Loans from Domestic Financial Institutions

The Group borrows funds under different credit arrangements from local and foreign banks and international lending agencies as follows:

Description	December 31, 2017	December 31, 2016
Banks and International Institutions		
Contractual long-term liabilities	Ps. 5,168	Ps. 31,342
Contractual short-term liabilities	Ps. 2,778,102	Ps. 671,668
Total Banks and International Institutions	Ps. 2,783,270	Ps. 703,010
Loans from Domestic Financial Institutions		
Contractual long-term liabilities	Ps. 387,944	Ps. 43,564
Contractual short-term liabilities	Ps. 232,856	Ps. 940,259
Total Loans from Domestic Financial Institutions	Ps. 620,800	Ps. 983,823
Total	Ps. 3,404,070	Ps. 1,686,833

As of December 31, 2017 maturities of the above long-term loans for each of the fiscal years 2019 through 2021 and thereafter were as follows:

Contractual long-term Liabilities	
2020	Ps. 116,323
2021	104,207
Thereafter	172,582
	Ps. 393,112

15. Other Liabilities from Financial Transactions - Unsubordinated and Subordinated Negotiable Obligations

15.1 Unsubordinated Negotiable Obligations

The amounts outstanding and the terms corresponding to outstanding unsubordinated negotiable obligations were as follows:

	Issue date	Maturity date	Annual interest rate	December 31, 2017	December 31, 2016
Short-Term					
Grupo Supervielle Class XX	07/28/2015	01/28/2017	Mixed	Ps. —	129,389
Cordial Compañía Financiera Class IX	10/06/2015	10/06/2017	Badlar + Spread 5.95%	Ps. —	83,750
Cordial Compañía Financiera Class X	05/19/2016	11/19/2017	Badlar + Spread 5.50%	Ps. —	197,000
Cordial Compañía Financiera Class XII	12/23/2016	12/23/2017	24.90%	Ps. —	154,214
Cordial Compañía Financiera Class XIII	12/16/2016	06/23/2018	Badlar + Spread 4,00%	Ps. 151,429	—
Cordial Compañía Financiera Class XI	10/25/2016	04/24/2018	Badlar + Spread 3.57%	Ps. 200,000	—
Banco Supervielle Class V	11/19/2015	05/20/2017	Badlar + Spread 4.50%	Ps. —	339,715
Banco Supervielle Class VI	10/12/2016	10/12/2018	Badlar + Spread 3,50%	Ps. 421,347	—

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	Issue date	Maturity date	Annual interest rate	December 31, 2017	2016
Banco Supervielle Class VII	11/15/2016	11/17/2017	Badlar + Spread 3.50%	Ps. —	268,273
Total short-term liabilities				Ps. 772,776	1,172,341
Long-Term					
Grupo Supervielle Class XIII	01/31/2014	01/31/2019	Badlar +Spread 6.25%	Ps. 22,870	22,659
Banco Supervielle Class VI	10/07/2016	10/12/2018	Badlar + Spread 3.50%	Ps. —	420,507
Cordial Compañía Financiera Class XI	10/25/2016	04/24/2018	Badlar + Spread 3.57%	Ps. —	200,000
Cordial Compañía Financiera Class XIII	12/23/2016	06/23/2018	Badlar + Spread 4.00%	Ps. —	151,429
Cordial Compañía Financiera Class XIV	05/11/2017	05/11/2019	Badlar + Spread 3,50%	Ps. 555,396	—
Cordial Compañía Financiera Class XV	08/24/2017	02/23/2019	Badlar + Spread 3,75%	Ps. 411,410	—
Cordial Compañía Financiera Class XVI	11/22/2017	11/21/2019	Spread 4,25% + TM20	Ps. 532,308	—
Banco Supervielle Class A	02/09/2017	08/09/2020	Badlar + Spread 4,50%	Ps. 4,731,379	—
Banco Supervielle Class B	12/22/2017	12/22/2019	TM20 + Spread 3,25%	Ps. 625,271	—
Banco Supervielle Class C	12/22/2017	12/22/2021	Badlar + Spread 4,25%	Ps. 655,792	—
Total long-term liabilities				Ps. 7,534,426	794,595
				Ps. 8,307,202	1,966,936

As of December 31, 2017 and 2016, interest and principal on all of the above debt securities were payable in Pesos.

Accrued interest on the above liabilities for Ps. 282,183 and Ps. 74,749 as of December 31, 2017 and 2016 is included under the caption “Other Liabilities from Financial Transactions” in the accompanying balance sheet.

15.2 Subordinated Negotiable Obligations

The amounts outstanding and the terms corresponding to outstanding subordinated negotiable obligations at the dates indicated were as follows:

	Issue date	Maturity date	Annual interest rate	December 31, 2017	2016
Subordinated Negotiable obligations					
Banco Supervielle Class I	11/08/10	11/11/17	11.375%	—	800,674
Banco Supervielle Class III	8/15/13	8/20/20	7.00%	431,701	363,623
Banco Supervielle Clas IV	11/14/14	11/18/21	7.00%	254,172	214,461
Total long-term liabilities				Ps. 685,873	Ps. 1,378,758

As of December 31, 2017, interest and principal on all of the above subordinated negotiable obligations were payable in US Dollars.

Each line of the “Subordinated Negotiable Obligations” includes accrued interest for a total amount of Ps. 12,985 and Ps. 23,485 as of December 31, 2017 and 2016.

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Subordinated long-term negotiable obligations as of December 31, 2017 mature as follows:

2018	Ps.	12,985
2019		—
2020		420,845
2021		252,043
Total	Ps.	685,873

16. Balances in Foreign Currency

The balances of assets and liabilities denominated in foreign currencies (principally in U.S. dollars) were as follows:

	December 31,	
	2017	2016
Assets:		
Cash and due from banks	Ps. 6,090,701	Ps. 3,736,333
Government and corporate securities	1,685,490	886,997
Loans	12,307,602	5,539,631
Other receivables from financial transactions	101,856	158,894
Receivables from financial leases	317,401	50,023
Equity investments in other companies	1	1
Miscellaneous receivables	724,457	125,785
Unallocated items	4,605	3,597
Total	Ps. 21,232,113	Ps. 10,501,261
Liabilities:		
Deposits	Ps. 14,085,744	Ps. 7,402,682
Other liabilities from financial transactions	3,255,107	1,180,392
Miscellaneous liabilities	89,396	35,313
Subordinated Negotiable Obligations	685,873	1,378,757
Unallocated items	7,378	12,134
Total	Ps. 18,123,498	Ps. 10,009,278

17. Deposits and Interest-bearing Deposits with Other Banks

Interest-bearing Deposits with Other Banks:

a) Included in “Cash and Due from Banks” there are: (1) interest-bearing deposits with the BCRA totaling 7,083,631 and 5,736,955 as of December 31, 2017 and 2016, respectively; and (2) interest-bearing deposits in local and foreign banks totaling 956,719 and 529,885 as of December 31, 2017 and 2016, respectively.

b) Included in “Loans” there are: overnight bank interest-bearing deposits totaling 379,466 and 419,456 as of December 31, 2017 and 2016, respectively.

Deposits

The following table sets forth information regarding the maturity of deposits exceeding Ps.100,000 at December 31, 2017:

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	December 31, 2017
Time Deposits	
Within 3 months	Ps. 13,936,903
After 3 months but within 6 months	4,715,336
After 6 months but within 12 months	71,206
Over 12 months	190
Total Time Deposits(1)	Ps. 18,723,635

(1) Only principal.

18. Transactions with Related Parties

The Group has granted loans to certain related parties including officers, equity-method investees and consolidated companies. Total loans outstanding as of December 31, 2017 and 2016, amounted to Ps. 351,217 and Ps. 133,600, respectively.

Such loans were made in the ordinary course of business at normal credit terms, including interest rates and collateral requirements, and, in management's opinion, such loans represent normal credit risk.

19. Breakdown of Captions Included in the Income Statement

	December 31,		
	2017	2016	2015
Financial Income			
Other			
Interest on foreign trade loans	Ps. 228,131	Ps. 84,597	Ps. 33,558
Premium on repo transactions	180,153	13,556	5,283
Forward transactions	—	—	228,152
Income from sales of equity investments	—	—	1,089
Mutual guarantee companies income	63,131	51,463	—
Other	28,429	37,029	584
	Ps. 499,844	Ps. 186,645	Ps. 268,666

	December 31,		
	2017	2016	2015
Financial Expenses			
Other			
Turnover Tax	Ps. 980,563	Ps. 698,526	Ps. 431,929
Premium on repo transactions	108,712	94,143	38,085
Forward transactions	71,830	39,016	—
Other	1,659	1,073	521
	Ps. 1,162,764	Ps. 832,758	Ps. 470,535

	December 31,		
	2017	2016	2015
Services fee income			
Other			
Commissions	Ps. 2,187,068	Ps. 1.684.792	Ps. 1,527,169
Income from Mutual Funds administration services	204,818	140,118	80,234
Rentals from safety boxes	128,431	90,938	74,684
Other	60,142	37,550	13,972
	Ps. 2,580,459	Ps. 1,953,398	Ps. 1,696,059

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Service fee expense			
Other			
Expenses and promotions related to credit cards	Ps. 256,119	Ps. 205,265	Ps. 158,474
Turnover tax	375,447	263,615	208,140
Other	76,857	67,736	46,031
	Ps. 708,423	Ps. 536,616	Ps. 412,645

	December 31,		
	2017	2016	2015
Miscellaneous income			
Other			
Sales of products	Ps. 568	Ps. 92,755	Ps. 73,919
Other adjustments and interest of miscellaneous credits	117,686	42,327	14,055
Rentals	26,709	42,256	24,900
Gains on premises and equipment and miscellaneous assets disposals	3,147	5,568	101,079
Charge of couriers	7,939	5,274	4,174
Recoveries from National Social Security Administration (ANSES)	36,926	—	—
Other	64,636	28,575	36,929
	Ps. 257,611	Ps. 216,755	Ps. 255,056

	December 31,		
	2017	2016	2015
Miscellaneous losses			
Other			
Charges paid to National Social Security Administration (ANSES)	Ps. 113,341	Ps. 229,669	Ps. 12,309
Unrecoverable VAT and other tax credits	13,092	19,296	9,429
Grants paid	22,439	15,115	6,540
Turnover tax	23,585	13,819	10,964
Losses on quota refund	61,836	12,744	12,762
Losses related to fiduciary services	3,801	2,244	—
Court resolutions paid	4,918	1,480	1,322
Other adjustments and interest of miscellaneous liabilities	6,622	1,432	—
Other	57,480	62,891	119,449
	Ps. 307,114	Ps. 358,690	Ps. 172,775

20. Income Taxes

Income tax charge for the fiscal years ended December 31, 2017, 2016 and 2015 amounted to Ps. 772,483, Ps. 500,603 and Ps. 247,161 respectively.

As of December 31, 2017 and 2016, the consolidated Group's Minimum Presumed Income Tax (MPIT) available to credit against future income tax amounts to Ps. 26,183 and Ps 8,408, respectively. Such MPIT expire over the following ten years.

21. Restrictions Imposed on the Distribution of Dividends

The distribution of retained earnings in the form of dividends is governed by the Argentine Corporations Law. These rules require Grupo Supervielle to transfer 5% of its net income to a legal reserve until the reserve equals to 20% of the company's outstanding capital stock.

In addition, with regard to Banco Supervielle and Cordial Compañía Financiera the regulations in force at December 31, 2017 provide as follows:

a) 20% of the profits shown by the income statement for the fiscal year, plus - minus the adjustments to prior year results, minus the accumulated loss, if any, at the end of the preceding year, must be transferred to the Bank´s legal reserve.

b) No profits may be distributed or remitted prior to the approval of the results for the year and of the publication of the Bank´s annual financial statements.

c) All profit distributions must have the prior authorization of the Superintendency of Financial and Exchange Institutions of the BCRA, the intervention of which will be aimed at verifying the correct application of the procedures described in the regulations in force on this matter, issued by the BCRA.

d) The amount to be distributed, shall not compromise the Company's liquidity and solvency, which can be verified by not recording insufficiencies in the capital adequacy requirements at the end of the fiscal year from which dividends are to be paid out. In regards to minimum liquidity requirements, the average balance of liquid assets (in pesos, foreign currency or government securities) must exceed the liquidity requirement of the last closed period, or the projected period considering the dividend payment.

22. Capital Stock

As of December 31, 2017 the Group has outstanding 126,738,188 Ordinary Class "A", nominated, non-endorsable shares, which are entitled to five votes per share and 329,984,134 Ordinary Class "B", nominated and non-endorsable shares, which are entitled to one vote per share.

On October 7, 2015, the Company's shareholders approved the capitalization of retained earnings for an amount of 124,485, by issuing 63,369,094 Class A ordinary shares, 59,516,170 Class B ordinary shares and 1,600,000 preferred shares. At the same time, shareholders approved an amendment to preferred shares terms, giving their holders the right to convert the preferred into an equal number of Class B ordinary shares. Such option was exercised by the preferred shares holders on January 5, 2016 and in consequence the 3,200,000 outstanding preferred shares were cancelled and an equal number of new Class B ordinary shares were issued.

On April 14, 2016, the National Securities Commission authorized the public offering by the Resolution No. 18,023 and amended by Resolution No. 18,033 dated April 21, 2016. The public bid of ordinary shares ended on May 18, 2016. 127,500,077 ordinary shares were assigned, and delivered by issuing 95,682,077 new class B shares and by 31,818,000 shares sold by existing shareholders of the Company, all shares with a nominal value of Ps. 1.00 and one vote per share. The price was set at USD 2.20 per share, or USD 11.00 per American Depositary Share (ADS), whith each ADS representing 5 shares. Moreover, as of May 26, 2016, the international underwriters excersiced the overallotment option for 19,125,010 class B ordinary shares of nominal value Ps. 1.00 each and one vote per share, which were issued on May 27, 2016.

The issuance of new class B ordinary shares for 95,682,077 and 19,125,010 makes a total capital increase of 114,807,087.

As of March 28, 2017, the shareholder Julio Patricio Supervielle promised to make a contribution in kind of 7,672,412 shares of Sofital S.A.F. e I.I. On April 27, 2017, the General Shareholders' Meeting resolved to capitalize the said contribution, increasing the capital stock by up to 8,032, through the issuance of 8,032,032 Class B common shares entitled to one vote per share. On July 12, 2017, the Subscription Period ended in relation to the issuance of up to 8,032,032 new ordinary class B shares. As a result, Grupo Supervielle S.A. increased its share capital by 7,494,710 new shares.

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As of July 7, 2017, the Ordinary and Extraordinary General Shareholders' Meeting approved an increase in the share capital of Grupo Supervielle S.A. for the sum of up to Ps.145,000,000 (Pesos one hundred and forty-five million pesos), to be offered by public subscription in the country or abroad.

The public bid of ordinary shares ended on September 12, 2017. 103,000,000 ordinary shares were assigned, and delivered by issuing 70,000,000 new class B shares and by 33,000,000 shares sold by existing shareholders of the Company, all shares with a nominal value of Ps. 1.00 and one vote per share. The price was set at USD 4.00 per share, or USD 20.00 per American Depositary Share (ADS), whith each ADS representing 5 shares. Moreover, as of September 15, 2017, the international underwriters excersiced the overallotment option for 15,449,997 class B ordinary shares of nominal value Ps. 1.00 each and one vote per share, which were issued on September 19, 2017.

The issuance of new class B ordinary shares for 70,000,000 and 15,449,997 makes a total capital increase of 85,449,997.

The Company is not subject to the minimum capital requirements established by the BCRA.

Pursuant to BCRA regulations, Banco Supervielle and Cordial Compañía Financiera must maintain a minimum capital, which is calculated by weighting the risks related to assets, bank premises and equipment, miscellaneous and intangible assets.

Under BCRA regulations, as of December 31, 2017 and 2016, the minimum capital requirements as applied to the Bank were as follows:

	Minimum Capital	Computable Capital	Computable Capital as a % of Minimum Capital
December 31, 2017	Ps. 6,170,705	Ps. 10,430,163	169,0
December 31, 2016	Ps. 4,187,509	Ps. 6,146,853	146,8

As of December 31, 2017 and 2016, the Bank and CCF, met all capital adequacy requirements to which are subject.

23. Earnings per Share

Basic and diluted earnings per share are based upon the weighted average of common shares outstanding of Grupo Supervielle. Average shares outstanding were 392,831,769, 319,827,519 and 151,839,052, for the years ended December 31, 2017, 2016 and 2015, respectively.

24. Contribution to the Deposit Insurance System

Law No. 24485 and Decree No. 540/95 established the creation of the Deposit Insurance System to cover the risk attached to bank deposits, in addition to the system of privileges and safeguards envisaged in the Financial Institutions Law.

The National Executive Branch through Decree No. 1127/98 dated September 24, 1998, extended this insurance system to demand deposits and time deposits of up to Ps. 30 denominated either in pesos and/or in foreign currency. In May 2016, the amount was updated to Ps. 450, through Communication "A" 5943.

This system does not cover deposits made by other financial institutions (including time deposit certificates acquired through a secondary transaction), deposits made by parties related to Banco Supervielle, either directly or indirectly, deposits of securities, acceptances or guarantees and those deposits set up after July 1, 1995, at an interest rate exceeding the one established regularly by the BCRA based on a daily survey conducted by it. Those deposits whose ownership has been acquired through endorsement and

those deposits made as a result of incentives other than the interest rate are also excluded. This system has been implemented through the creation of the Deposit Insurance Fund ("FGD"), which is managed by a company called Seguros de Depósitos S.A. ("SEDESA"). The shareholders of SEDESA are the BCRA and the financial institutions, in the proportion determined by the BCRA based on the contributions made to the fund.

25. Financial Instruments with Off-Balance Sheet Risk

25. a. Credit-related financial instruments

The Group enters into various transactions involving off-balance sheet financial instruments. The instruments could be used in the normal course of its business in order to meet the financing needs of its customers. These instruments expose the Group to credit risk above and beyond the amounts recorded in the consolidated balance sheets. These financial instruments include commitments to extend credit, standby letters of credit, guarantees granted and acceptances.

The Group uses the same credit policies in making commitments, conditional obligations and guarantees as it does for granting loans.

The Group's exposure to credit loss in the event of non-performance by the counterparty to the financial instrument for standby letters of credit, guarantees granted and acceptances is represented by the contractual notional amount of those investments.

A summary of the credit exposure related to these items is shown below:

	December 31,	
	2017	2016
Standby letters of credit	Ps. 100,039	Ps. 19,458
Guarantees granted	Ps. 724,953	Ps. 488,792
Acceptances	Ps. 48,554	Ps. 41,961

Standby letters of credit and guarantees granted are conditional commitments issued by the Group to guarantee the performance of a customer to a third party.

Acceptances are conditional commitments for foreign trade transactions.

The credit risk involved in issuing letters of credit and granting guarantees is essentially the same as that involved in extending loan facilities to customers. In order to grant guarantees to its customers, the Group may require counter-guarantees. These counter-guarantees are classified by type, as follows:

	December 31,	
	2017	2016
Preferred counter-guarantees	Ps. 12,590,730	Ps. 5,844,275
Other counter-guarantees	Ps. 23,199,398	Ps. 10,341,973

The Group accounts for checks drawn on other banks, as well as other items in process of collection, such as notes, bills and miscellaneous items, in memorandum accounts until such time as the related item clears or is accepted. In management's opinion, the risk of loss on these clearing transactions is not significant. The amounts of clearing items in process were as follows:

	December 31,	
	2017	2016
Checks drawn on other banks	Ps. 1,045,459	Ps. 1,985,525
Bills and other items for collection	Ps. 1,942,623	Ps. 3,445,586

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25. b. Trust activities

See note 26

25.c. Derivative Financial Instruments

In the normal course of business, the Group enters into a variety of transactions principally in the foreign exchange stock markets. Most counterparties in the derivative transactions are banks and other financial institutions.

These instruments include:

- Forwards and Futures: they are agreements to deliver or take delivery at a specified rate, price or index applied against the underlying asset or financial instrument, at a specific date. Futures are exchange traded at standardized amounts of the underlying asset or financial instrument. Forwards contracts are OTC agreements and are principally dealt in by the Group in foreign exchange as forward agreements.

- Swaps: they are agreements between two parties with the intention to exchange cash flows and risks at a specific date and for a period in the future.

- Options: they confer the right to the buyer, but no obligation, to receive or pay a specific quantity of an asset or financial instrument for a specified price at or before a specified date.

Pursuant to BCRA´s rules, forward transactions with delivery of underlying assets, must be recorded under “Other receivables from financial intermediation” and “Other liabilities from financial transactions” in the accompanying consolidated balance sheet and they are valued as mentioned in Note 3.8.

The following table shows, the notional value of options and outstanding forward and futures contracts as of December 31, 2017 and 2016:

	December 31,	
	2017	2016
Forward sales of foreign exchange without delivery of underlying assets	Ps 3,092,744	Ps 342,160
Forward purchases of foreign exchange without delivery of underlying assets	568,290	448,223
Repurchase agreements	—	590,266

The following table shows, the income / (expenses) generated by derivatives financial instruments during the years ended December 31, 2017, 2016 and 2015:

	As of December 31,		
	2017	2016	2015
Forward transactions results	Ps. (71,830)	Ps. (39,016)	Ps. 228,050
Call options written on stock	—	—	483
Reverse repurchase agreements	180,153	13,556	5,391
Repurchase agreements	(108,712)	(94,143)	(38,084)

26. Financial Trusts and Mutual Funds

a) Financial Trusts

The Group acts as trustee or settler in financial trusts.

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I) As Trustee

The following are the financial trusts where the Group acts as trustee at year-end:

Financial trust Banex Créditos IV

Trustee: Banco Supervielle

- Banex Asset-Backed Securities Program

Financial Trust	Trustee	Set up on	Assets assigned in trust	Value initially assigned in trust	Securities issued and last maturity (1)			Observation	Holdings — book value as of December 31, 2017 (Ps.)
Fideicomiso Financiero Banex Créditos IV	Banco Supervielle S.A.	03/19/2004	Personal loans	Ps. 30,012	VDFA NV$ 21,000 Due: 01/20/05	VDFB NV$ 6,000 Due: 04/20/05	CP NV$ 3,000 Due: 04/20/07	In liquidation	—

(1)VDFA means Senior Debt Securities, VDFB means Subordinated Debt Securities and CP means Certificates of Participation

Guarantee management trusts

Trustee: Banco Supervielle

Trust	Indenture executed on	The principal obligation expires on	Original Principal amount Ps.	Principal balance Ps.	Beneficiaries	Settlers
Credimas	01/11/2013	01/22/2018	16,000	1,533	Banco Supervielle S.A.	Credimas S.A.
		04/30/2018	4,000	1,469		
		12/26/2018	16,000	16,000		

The Group acts also as trustee in the following trusts:

- Mendoza Trust, in liquidation phase, since it has fulfilled the contract period, but is pending the completion of several acts that derive from the trustee. The liabilities recorded, mainly originating from the exclusion of assets, as of December 31, 2017 increased in the amounts of Ps. 17,343 and have been backed by assets in trust (loans, other miscellaneous receivables and other financial assets) in the amount of Ps. 576. This trust will be liquidated following the procedures established by Law 24,441.

- Lujan Trust: the term of the contract has expired and all documentation relating to the liquidation has been delivered. To date, only the final deregistration in tax matters is still pending.

II) As Settler

The Group transfers portions of their loan portfolio to special purpose trusts that fund the purchase by issuing securities that are sold to third parties, thereby creating an additional source of funding for operations.

In the case of the securitization transactions arranged by the Group, the trustee typically issues senior bonds, subordinated bond and participation certificates, and places the senior bonds and a portion of the subordinated bonds and participation certificates in the Argentine capital markets.

The following are the financial trusts where the Group acts as settler at year-end:

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Publicly offered and listed financial trusts

Supervielle Créditos Financial Trust

Assets assigned in trust: Personal loans

Trustee: TMF Trust Company (Argentina) S.A.

Financial trust	Set up on	Value initially assigned in trust (Ps.)	Securities issued and last maturity (5)			Holdings — book value as of December 31, 2017 (Ps.)
Serie 88 (1),(3)	07/23/2015	$ 220,004	VDF TV A VN$213,400 Maturity: 11/20/17	VDF TV B VN$6,600 Maturity: 01/22/18		In liquidation
Serie 91 (1),(3)	11/19/2015	$ 300,003	VDF TV A VN$288,000 Maturity:: 11/20/17		CP VN$12,000 Maturity: 05/21/18	In liquidation
Serie 93 (2),(3)	03/28/2016	$ 300,009	VDF TV A VN$267,000 Maturity: 04/20/18		CP VN$33,000 Maturity: 04/22/19	In liquidation
Serie 93 (2),(3)	09/19/2017	$ 236,867	VDF TV A VN$220,285 Vto: 06/20/2019		CP VN$16,581 Maturity: 04/20/22	VDF TV 302

(1) Securities issued under the Supervielle Confiance 3 program
(2) Securities issued under the Supervielle Confiance 4 program
(3) Personal loans originated, or subsequently acquired, by Banco Supervielle and granted to ANSES retirees and pensions.

Cordial Compañía Financiera Crédito Financial Trust

Assets assigned in trust: Personal Loans

Trustee: TMF Trust Company (Argentina) S.A.

Financial trust	Set up on	Value initially assigned in trust (Ps.)	Value of Participation Certificates issued as of December 31, 2017 (Ps.)	Value of Debt securities issued as of December 31, 2017 (Ps.)
Serie XIV	10/04/2016	266,322	45,201	—
Serie XV	03/07/2016	400,000	99,702	—
Serie XVI	04/07/2017	398,000	96,254	—
Serie XVII	05/17/2017	499,100	115,016	27,498
Serie XVIII	06/13/2017	500,000	110,470	13,372
	Total		**466,643**	**40,870**

b) Mutual Funds

At December 31, 2017 and 2016, Banco Supervielle is the depository of the following Mutual Funds managed by Supervielle Asset Management.

	Portfolio		Net worth		Number of units	
Mutual Fund	12/31/2017 Ps.	12/31/2016 Ps.	12/31/2017 Ps.	12/31/2016 Ps.	12/31/2017 Ps.	12/31/2016 Ps.
Premier Renta C.P. Pesos	1,908,881	1,419,212	1,906,561	1,417,419	310,154,313	274,406,695
Premier Renta Plus en Pesos	2,376,919	1,952,173	2,364,513	1,940,593	388,251,454	396,802,512
Premier Renta Fija Ahorro	5,570,513	3,887,918	5,466,840	3,875,616	304,239,464	269,631,898
Premier Renta Fija Crecimiento	225,412	527,991	222,822	526,249	23,616,268	69,664,347

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	Portfolio		Net worth		Number of units	
Mutual Fund	12/31/2017 Ps.	12/31/2016 Ps.	12/31/2017 Ps.	12/31/2016 Ps.	12/31/2017 Ps.	12/31/2016 Ps.
Premier Renta Variable	144,493	113,525	141,002	102,116	8,180,869	10,145,371
Premier FCI Abierto Pymes	367,845	503,721	367,121	479,023	114,190,777	182,714,748
Premier Commodities Agrarios	6,891	6,126	6,734	5,740	2,217,205	2,249,465
Premier Capital	310,768	98,748	308,039	98,216	129,624,410	46,218,442
Premier Inversión	603,393	997,897	602,213	996,654	3,590,757,014	7,564,905,911
Premier Balanceado	319,771	167,233	318,628	166,996	238,318,110	163,256,582
Premier Renta Mixta en USD	2,379,900	263,014	2,297,195	229,522	110,928,209	14,172,066

27. Loans and issuance of negotiable obligations

a. International financing programs

Global Financial Exchange Program

In April 2007, the Bank entered into an agreement under the IFC-World Bank Group global financial exchange program whereby the latter entity may issue a guarantee in favor of a correspondent bank, thus hedging the Bank's payment obligations generated by import or export operations with its customers. This program amounts to USD 30,000,000 (USD thirty million).

As of December 31, 2017, in-force operations with coverage of the aforementioned agency pursuant to the agreement specified in the previous paragraph amounted to USD 19,287,000 (nineteen million two hundred eighty seven thousand). On December 31, 2016, this operations amounted to USD 12,956,956 (USD twelve million nine hundred fifty six thousand and nine hundred fifty six).

The agreement signed with the IFC is subject to compliance with certain covenants, the regular remittance of information and certain financial ratios regarding creditworthiness, credit risk, immobilization of assets, exposure to foreign currency and interest rate risk.

As of December 31, 2017 and 2016, the Bank is in compliance with the aforementioned commitments, requirements and obligations.

Foreign Trade Credit Facility Program

In May 2009, Banco Supervielle S.A. entered into agreement within the framework of IDB's Trade Finance Facilitation Program. Banco Supervielle S.A. the line of credit granted to Banco Supervielle S.A. for USD 15,000,000 (United States dollars fifteen million) under this program shall be used to cover risks inherent in the confirmation of letters of credit, promissory notes, bid guarantees, and other similar instruments used in international business operations.

As of December 31, 2017, there were no current operations with coverage of said entity under the agreement mentioned in the previous paragraphs. As of December 31, 2016, coverage operations under the agreement referred to in the previous paragraph amounted to USD 13,500,000 (U$S thirteen million five hundred thousand).

The agreement entered into with the IDB is subject to compliance with certain financial covenants, certain positive and restrictive covenants, certain do and not do obligations and reporting requirements.

As of December 31, 2017 and 2016, the Bank is in compliance with the aforementioned commitments, requirements and obligations.

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b. Program for the issuance of Negotiable Obligations denominated in USD

On April 30, 2007, the Ordinary and Extraordinary Shareholders' Meeting No. 95 of Banco Supervielle resolved to approve the application for admission to the public offering regime through the creation of a Global Program for the issuance of Corporate Bonds for up to a maximum amount of US$ 200,000,000. The Program was authorized by the Argentine Securities Commission (Comisión Nacional de Valores) on August 10, 2007.

b.1. Issuance of Subordinated Corporate Bonds Class I

On October 13, 2010, the Board of Directors of Banco Supervielle approved the issuance of Class 1 Corporate Bonds. The subscription period ended on November 8, 2010.

The following are the main terms and conditions of the issuance:

Amount: US$ 50,000,000.
Rank: Class 1 Corporate Bonds are Banco Supervielle's subordinated payment obligations in the terms of the BCRA regulations concerning Regulatory Capital [RPC] and Supplementary Shareholders' Equity.
Maturity date: November 11, 2017
Interest rate: 11.375%
Interest Payment Date: The interest accrued by the Class 1 Corporate Bonds will be paid on a half-yearly basis on May 11 and on November 11 each year.
Amortization: Principal shall be repaid on the Maturity Date.
Applicable law and jurisdiction: The corporate bonds shall be governed by, and must be interpreted according to, the laws of the State of New York

As of November 12, 2017, Banco Supervielle S.A. made the last interest payment and capital payment of the Class I Negotiable Obligations, being fully amortized.

As of December 31, 2016, said obligation is registered in item Subordinated loans and Negotiable Obligations for 800,674.

On March 25, 2013, the Ordinary and Extraordinary Shareholders' Meeting of Banco Supervielle resolved to approve the application for admission to the public offering regime through the creation of a Global Program for the issuance of Corporate Bonds for up to a maximum amount of $ 750,000,000. Additionally, on April 15, 2016 the Ordinary and Extraordinary Shareholder's Meeting of Banco Supervielle resolved to increase the Global Program for up to a maximum amount of $ 2,000,000,000.
The Program was authorized by the Argentine Securities Commission (Comisión Nacional de Valores) on September 22, 2016.

b.2. Issuance of Subordinated Corporate Bonds Class III

On May 16, 2013 the Board of Directors of Banco Supervielle approved the issuance of Class 3 Corporate Bonds. The subscription period ended on August 15, 2013.

The following are the main terms and conditions of the issuance:

Amount: US$ 22,500,000.
Rank: Class 3 Corporate Bonds are Banco Supervielle's subordinated payment obligations in the terms of the BCRA regulations concerning Regulatory Capital [RPC] and Supplementary Shareholders' Equity.
Maturity date: August 20, 2020
Interest rate: 7.00%

Interest Payment Date: The interest accrued by the Class 3 Corporate Bonds will be paid on a half-yearly basis on February 20 and on August 20 each year.
Amortization: Principal shall be repaid on the Maturity Date.
Applicable law and jurisdiction: The corporate bonds shall be governed by, and must be interpreted according to, the laws of Argentina.

As of August 21, 2017, Banco Supervielle S.A. made the eighth interest payment of the Class III Negotiable Obligations.

As of December 31, 2017 and 2016, said obligation is recorded in Subordinate Negotiable Obligations item for 431,701 and 363,623, respectively.

b.3. Issuance of Subordinated Corporate Bonds Class IV

On October 14, 2014 the Board of Directors of Banco Supervielle approved an increase of the total amount of the Program for up to Ps. 750,000 and the issuance of Class 4 Corporate Bonds for up to USD 30,000,000 within such Program. The subscription period ended on November 14, 2014.

The following are the main terms and conditions of the issuance:

Amount: US$ 13,441,000.
Rank: Class 4 Corporate Bonds are Banco Supervielle's subordinated payment obligations in the terms of the BCRA regulations concerning Regulatory Capital [RPC] and Supplementary Shareholders' Equity.
Maturity date: November 18, 2021
Interest rate: 7.00%
Interest Payment Date: The interest accrued by the Class 4 Corporate Bonds will be paid on a half-yearly basis on May 18 and on November 18 each year.
Amortization: Principal shall be repaid on the Maturity Date.
Applicable law and jurisdiction: The corporate bonds shall be governed by, and must be interpreted according to, the laws of Argentina.

As of November 20, 2017, Banco Supervielle S.A. made the sixth interest payment of the Class IV Negotiable Obligations.

As of December 31, 2017 and 2016, said obligation is recorded in Subordinated loans and Negotiable Obligations item for 254,172 and 214,461, respectively.

b.4. Issuance of Unsubordinated Corporate Bonds Class A

As of September 22, 2016, the Bank's Extraordinary General shareholders' meeting, passed the creation of a Global Program for the issuance of Negotiable Obligations for up to a maximum outstanding amount of US$ 800,000,000 (eight hundred million pesos).

As of November 23, 2016 the Board passed the issuance of Class A Negotiable Obligations for a maximum amount of V/N USD 300,000,000 (United State dollars three hundred millon). The bidding period closed on February 02, 2017.

The following describes the main terms and conditions of the aforementioned issuance of Class A:

Amount: Ps. 4,768,170
Rank: Class A Corporate Bonds are Banco Supervielle's unsubordinated payment obligations
Maturity date: August 9, 2020
Interest Rate: Floating Badlar of Private Banks + 4.5%

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Interest Payment Date: The interest accrued by the Class A Corporate Bonds will be paid on a quarterly basis
Amortization: Capital to be paid in two quotas, first 50% on February 9, 2020 and rest 50% on August 9, 2020.
Applicable Law and Jurisdiction: Negotiable Obligations shall be governed by and be interpreted pursuant to New York Laws from United States of America.

As of November 9, 2017, Banco Supervielle S.A. made the third interest payment of the Class A Negotiable Obligations.

As of December 31, 2017, said obligation is recorded in other liabilities for financial transactions - Unsubordinated Negotiable Obligations item for 4,731,379.

c. Program for the issuance of Negotiable Obligations denominated in Pesos

On March 25, 2013, the Extraordinary Meeting of Shareholders of Banco Supervielle approved the creation of a global program of Corporate Bonds denominated in Pesos for up to a maximum amount of Ps. 750,000.

c.1. Issuance of Unsubordinated Corporate Bonds Class V

On September 24, 2015 the Board of Directors of Banco Supervielle approved the issuance of Class V Corporate Bonds for up to Ps. 350,000 within of the Program. The subscription period ended on November 18, 2015.

The following are the main terms and conditions of the issuance:

Amount: Ps. 340,100.
Rank: Class 5 Corporate Bonds are Banco Supervielle's unsubordinated payment obligations
Maturity date: May 20, 2017
Interest rate: Flotante Badlar of Private Banks + 4.50%
Interest Payment Date: The interest accrued by the Class 5 Corporate Bonds will be paid on a quarterly basis
Amortization: Principal shall be repaid on the Maturity Date.
Applicable law and jurisdiction: The corporate bonds shall be governed by, and must be interpreted according to, the laws of Argentina.

As of May 22, 2017, Banco Supervielle S.A. made the sixth and last interest and capital payment of the Class V Negotiable Obligations, being totally amortized.

As of December 31, 2016, said obligation is recorded in other liabilities for financial transactions - Unsubordinated Negotiable Obligations item for 339,715.

c.2. Issuance of Unsubordinated Corporate Bonds Class VI

On July 13, 2016, the Board approved the issuance of Class VI Unsubordinated Negotiable Obligations for a maximum amount of V/N AR$ 600,000,000 (Argentine Pesos sixty million) within the Global Program of Negotiable Obligations. The bidding period closed on October 7, 2016, with a total amount of AR$ 422,000,000 (Argentine Pesos four hundred and twenty two millon) and maturity date October 12, 2018. The agreed rate is Badlar + 3.50%.

The following describes the main terms and conditions of the aforementioned issuance of Class VI:

Amount: Ps. 422,000

Rank: Class 6 Corporate Bonds are Banco Supervielle's unsubordinated payment obligations
Maturity date: October 12, 2018
Interest Rate: Floating Badlar of Private Banks + 3.5%
Interest Payment Date: The interest accrued by the Class 6 Corporate Bonds will be paid on a quarterly basis
Amortization: Principal shall be paid on Maturity Date.
Applicable Law and Jurisdiction: The corporate bonds shall be governed by, and must be interpreted according to, the laws of Argentina.

As of October 12, 2017, Banco Supervielle S.A. made the fourth interest payment of the Class VI Negotiable Obligations.

As of December 31, 2017 and 2016, said obligation is recorded in other liabilities for financial transactions - Unsubordinated Negotiable Obligations item for 421,347 and 420,507, respectively.

c.3. Issuance of Unsubordinated Corporate Bonds Class B and C

As of November 29, 2017 the Board passed the issuance of Unsubordinated Class B and C Negotiable Obligations for a maximum amount of nominal value AR$ 3,500,000,000 (Pesos three thousand five hundred million). The bidding period closed on December 20, 2017.

The following describes the main terms and conditions of the aforementioned issuance of Class B:

Amount: $629,000,000 (Pesos six hundred twenty nine millon)
Type: Negotiable Obligations will be unsubordinated liabilities of the Bank
Maturity date: December 22, 2019
Interest Rate: Floating TM20 + 3.25%
Interest Payment Date: Interests accrued by Negotiable Obligations will be paid on a three-month basis making the first payment on March 22, 2018
Minimum interest rate: 29.25% applicable in first interest payment.
Amortization: Capital to be paid at maturity date.
Applicable Law and Jurisdiction: Negotiable Obligations shall be governed by and be interpreted pursuant to Argentina Laws.

As of December 31, 2017, said obligation is recorded in other liabilities for financial transactions - Unsubordinated Negotiable Obligations item for 625,271.

The following describes the main terms and conditions of the aforementioned issuance of Class C:

Amount: $659,750,000 (Pesos six hundred fifty-nine million seven hundred fifty thousand)
Type: Negotiable Obligations will be unsubordinated liabilities of the Bank
Maturity date: December 22, 2021
Interest Rate: Floating Badlar of Private Banks + 4.25%
Interest Payment Date: Interests accrued by Negotiable Obligations will be paid on a three-month basis making the first payment on March 22, 2018
Minimum interest rate: 29.25% applicable in first and second interest payment.
Amortization: Capital to be paid in three equal quotas, first 33.33% quota on December 22, 2020, second 33.33% quota on June 22, 2021 and rest 33.34% at Maturity Date.
Applicable Law and Jurisdiction: Negotiable Obligations shall be governed by and be interpreted pursuant to Argentina Laws.

As of December 31, 2017, said obligation is recorded in other liabilities for financial transactions - Unsubordinated Negotiable Obligations item for 655,792.

c.4. Issuance of Unsubordinated Corporate Bonds Class D and E

As of January 16, 2018 the Board passed the issuance of Unsubordinated Class D and E Negotiable Obligations for a maximum amount of nominal value $ 2,500,000,000 (Pesos two thousand five hundred million). The bidding period closed on February 7, 2018.

The following describes the main terms and conditions of the aforementioned issuance of Class D:

Amount: $748,888,888 (Pesos seven hundred forty eight million eight hundred eighty eight thousand eight hundred and eighty eight).
Type: Negotiable Obligations will be unsubordinated liabilities of the Bank
Maturity date: August 14, 2019
Interest Rate: Floating Badlar + 3.5%
Interest Payment Date: Interests accrued by Negotiable Obligations will be paid on a three-month basis making the first payment on May 14, 2018.
Minimum interest rate: 26.75% applicable at first interest payment.
Amortization: Capital to be paid at Maturity Date.
Applicable Law and Jurisdiction: Negotiable Obligations shall be governed by and be interpreted pursuant to Argentina Laws.

The following describes the main terms and conditions of the aforementioned issuance of Class E:

Amount: $1,607,666,666 (Pesos one thousand six hundred seven million six hundred sixty six thousand six hundred sixty six)
Type: Negotiable Obligations will be unsubordinated liabilities of the Bank
Maturity date: February 14, 2023
Interest Rate: Floating Badlar + 4.05%
Interest Payment Date: Interests accrued by Negotiable Obligations will be paid on a three-month basis making the first payment on May 14, 2018.
Minimum interest rate: 26.25% applicable in three initial interest payment.
Amortization: Capital to be paid in three equal quotas, first quota on February 14, 2021.
Applicable Law and Jurisdiction: Negotiable Obligations shall be governed by and be interpreted pursuant to Argentina Laws.

d. Negotiable Obligations and Short-term securities of Cordial Compañía Financiera

The following are the series of short-term securities and corporate bonds issued by Cordial Compañía Financiera, outstanding as of December 31, 2017 and 2016:

	Date of issuance	Due date	Nominal value (Ps.)	Applicable Rate	December 31, 2017	December 31, 2016
Class IX	10/06/2015	04/06/2017	88,750	Floating rate 5.95% + BADLAR	—	88,750
Class X	05/19/2016	11/19/2017	199,000	Variable TNA 5.50% + BADLAR	—	199,000
Class XI	10/25/2016	04/24/2018	200,000	Variable TNA 3.57% + BADLAR	200,000	200,000
Class XII	12/23/2016	12/23/2017	154,214	Fixed 24.90%	—	154,214
Class XIII	12/23/2016	06/23/2018	151,429	Variable TNA 4.00% + BADLAR	151,429	151,429
Class XIV	05/11/2017	05/11/2019	558,000	Variable TNA 3.50% + BADLAR	555,396	—
Class XV	08/24/2017	02/23/2019	413,500	Variable TNA 3.75% + BADLAR	411,410	—
Class XVI	11/22/2017	11/21/2019	535,500	Variable TNA 4.25% + TM20	532,308	—
		Total			**1,850,543**	**793,393**

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As of December 31, 2017 and 2016, Cordial Compañía Financiera's Short Term Securities and Negotiable Obligations are recorded under Unsubordinated Negotiable Obligations for an amount of 1,850,543 and 793,393, respectively.

e. Global Program for the Issuance of Corporate Bonds

On September 22, 2010, Grupo Supervielle's Shareholders' General Meeting passed the adhesion to the public offering regime pursuant Law 17,811 and the creation of a Simple Negotiable Obligations Issuance Global Program, non-convertible into shares, which was passed by the National Securities Commission on November 11, 2010. Said negotiable obligations may be short, medium and/or long term, subordinated or not, with or without guarantee, in pesos, in US dollars or any other currency, for a maximum current amount that shall not exceed, at any time, 1,000,000 (one billion pesos) or its equivalent in any other currency, pursuant to the last amendment of the Program on May, 7, 2015.

Likewise, negotiable obligations may be issued in several classes and/or series over the course of the program enforcement, relying on the possibility of re-issuing successive classes and/or series to be amortized.

As of April 19, 2016, since the aforementioned Program was no longer in effect, the Group's Ordinary and Extraordinary shareholders' meeting, passed the creation of a new Negotiable Obligations Issuance Global Program, for the issuance of simple, short and/or medium term, subordinated or not, with or without guarantees, securities for up to a maximum outstanding amount of 1,000,000 (one billion pesos), under which different classes and/or series of Negotiable Obligations denominated in pesos, dollar or other foreign currencies can be issued.

At December 31, 2017 and 2016 the following series of corporate bonds of Grupo Supervielle issued under the above mentioned program were outstanding:

Class	Issuance date	Currency	Amount (in thousands)	Rate	Maturity Date	12/31/2017	12/31/2016
Class XIII	01/31/2014	AR$	23,100	BADLAR + 6.25%	01/31/2019	22,870	22,659
Class XX	07/28/2015	AR$	129,500	Mixed: Fixed 27.5% until 6th month and BADLAR + 4.5% upon maturity.	01/28/2017	—	129,389
			Total			**22,870**	**152,048**

As of December 31, 2017 Class XX was fully amortized.

Funds resulting from the allocation of said negotiable obligations classes, net of issuance expenses, were assigned in full, pursuant to Article 36 of Negotiable Obligations Law 23,576, to the settlement of the Group's financial liabilities.

28. Non-controlling interest

The breakdown of this caption is as follows:

Company	December31, 2017	2016
Banco Supervielle	11,497	103,397
Total	Ps. **11,497**	Ps. **103,397**

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29. Group's Risk Management Policies

Comprehensive risk management constitutes a key discipline for financial institutions. Grupo Supervielleaims to create through its subsidiaries, a solid and efficient organization in risk management, the framework for an optimal use of its capital and for identifying business opportunities in the markets and geographical regions in which it operates, seeking the best risk-reward balance for its shareholders. The risk management framework is communicated to all the organization and strives for a balance between a solid culture in risk matters and being an innovative Company, focused on its customers, and recognized for its agile, straightforward and gentle operating style.

The Company's Board of Directors considers that its criteria and guidelines regarding risk management are a key part of its Corporate Governance. The risks to which the Company is exposed, are inherent to the financial industry, such as credit, market, interest rate, liquidity, operational, reputational and strategic risk. In addition, the Company is exposed to securitization risk, given the leadership role it has on this subject.

Within this framework, Banco Supervielle and Cordial Compañía Financiera follow the guidelines set forth by the BCRA for comprehensive risk management and corporate governance

30. Parent only Financial Statements

The following are the parent company only financial statements of Grupo Supervielle as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015.

Balance sheet (Parent Company only)

	December 31,	
	2017	2016
Assets		
Current assets		
Cash and due from banks	Ps. 17,171	Ps. 4,050
Short - term investments	4,321,803	830,955
Tax credits	10	—
Other receivables	80,885	13,147
Total current assets	Ps. **4,419,869**	Ps. **848,152**
Non - current assets		
Long - term investments	Ps. 10,792,345	Ps. 6,234,535
Premises and equipment	397	—
Tax credits	8,205	11,133
Other receivables	1,682	4,630
Total non-current assets	Ps. **10,802,629**	Ps. **6,250,298**
Total assets	Ps. **15,222,498**	Ps. **7,098,450**
Liabilities		
Current Liabilities		
Trade accounts payable	Ps. 2,275	Ps. 671
Financial indebtedness	2,728	137,833
Taxes payable	1,197	2,802
Other accounts payable	25,675	2,723
Total current liabilities	Ps. **31,875**	Ps. **144,029**
Non - current liabilities		
Financial indebtedness	Ps. 22,870	Ps. 22,870
Other accounts payable	22,955	—
Total non-current liabilities	Ps. **45,825**	Ps. **22,870**
Total liabilities	Ps. **77,700**	Ps. **166,899**
Shareholder's equity	Ps. **15,144,798**	Ps. **6,931,551**
Total liabilities and shareholders' equity	Ps. **15,222,498**	Ps. **7,098,450**

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Statement of Income (Parent Company only)

	December 31,		
	2017	**2016**	**2015**
Equity in earnings of controlled companies	Ps. 1,891,777	Ps.1,285,428	Ps. 788,490
Administrative expenses	(144,721)	(69,914)	(26,253)
Other income, net	56,457	31,086	18,405
Financial results, net			
Generated by assets	Ps. 643,273	Ps. 188,345	Ps. 49,176
Generated by liabilities	(9,727)	(129,641)	(155,709)
Income before income tax	Ps. **2,437,059**	Ps.**1,311,304**	Ps. **674,109**
Income tax	—	—	—
Net income for the year	Ps. **2,437,059**	Ps.**1,311,304**	Ps. **674,109**

Statement of Cash Flows (Parent Company only)

	December 31,		
	2017	**2016**	**2015**
Changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	Ps. 835,005	Ps. 22,042	Ps. 1,657
Net (decrease) / increase in cash and cash equivalents	(678,877)	812,963	20,385
Cash and cash equivalents at the end of year	Ps. **156,128**	Ps. **835,005**	Ps. **22,042**
Cash flow from operating activities			
Operating expenses paid	Ps. (101,031)	Ps. (65,569)	Ps. (28,717)
Dividends received	235,071	187,359	33,600
Other operating income received / (expenses paid)	6,838	71,046	(21,343)
Net cash provided by / (used in) operating activities	Ps. **140,878**	Ps. **192,836**	Ps. **(16,460)**
Cash flow from investing activities			
Other investments	Ps. (3,816,695)	Ps. —	Ps. —
Proceeds from sales of subsidiaries	51,685	1,203	Ps. —
Purchase from premises and equipment	(418)	—	190
Increase in long-term investments	(2,960,821)	(2,248,250)	(25,504)
Net cash used in investing activities	Ps. **(6,726,249)**	**Ps. (2,247,047)**	**Ps. (25,314)**
Cash flow from financing activities			
Contributions received	5,841,688	3,301,137	—
Dividends paid	(65,500)	(25,162)	(7,385)
Financing (paid) / received	(144,832)	(594,048)	54,256
Net cash provided by financing activities	Ps. 5,631,356	Ps. 2,681,927	Ps. 46,871
Net financial income from holdings of cash and cash equivalents	**275,138**	**185,247**	**15,288**
Net (decrease) / increase in cash and cash equivalents	Ps. **(678,877)**	Ps. **812,963**	Ps. **20,385**

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Cash and cash equivalents include cash and due from banks and highly liquid investments with an original maturity of less than three months according to the following detail:

	December 31,		
	2017	2016	2015
Cash and due from banks	Ps. 17,171	Ps. 4,050	Ps. 3,485
Time deposits	138,957	830,955	18,557
Cash and cash equivalents	**Ps. 156,128**	**Ps. 835,005**	**Ps. 22,042**

Reconciliation between balances as appearing on the Balance sheet and the items considered as Cash and cash equivalents:

	December 31,		
	2017	2016	2015
Cash and due from banks			
As per the Balance sheet	Ps. 17,171	Ps. 4,050	Ps. 3,485
As per the Statement of cash flows	Ps. 17,171	Ps. 4,050	Ps. 3,485
Short term investments			
As per the Balance sheet	Ps. 4,321,803	Ps. 830,955	Ps 43,720
Items that are not cash equivalents	(4,182,846)	—	(25,163)
As per the Statement of cash flows	Ps. 138,957	Ps. 830,955	Ps 18,557

31. Credit Line for Productive Investment

Pursuant to Communications “A” 5319 of the BCRA, financial institutions are required to offer a credit line directed to finance investment projects to purchase capital goods and/or to finance the construction of facilities to produce goods and/or services and to market goods (excluding inventories). These credit lines were required to reach in aggregate an amount equal to 5% of average deposits received from the non-financial private sector, at or before June 30, 2013. Communications “A” 5380, 5449, 5516 and 5600 further extended these requirements to new credit lines, with the last one being due on December 31, 2018.

32. Protection to users of financial services

On July 19, 2013, the BCRA issued Communication “A” 5460, granting a broad protection to consumers of financial services, including, among other aspects, the regulation of fees and commissions charged by financial institutions for services provided. Therefore, fees and charges must represent a real, direct and demonstrable cost and should have a technical and economic justification.

On June 10, 2014, the BCRA issued Communications “A” 5590, 5591 and 5592, through which it adopted a set of rules regarding the reference interest rate for personal loans and car loans granted to retail customers, that are not considered asmicro, small and medium size companies. In addition, it established new rules regarding fees and charges for basic financial products and services, as defined by the BCRA. Beginning on the effective date of the rule, financial institutions must have prior authorization from the BCRA to implement increases to the cost of those services.

On December 17, 2015 the BCRA issued Communication “A” 5853 through which it established that interest rates shall be agreed freely between financial institutions and its customers, thus removing the reference interest rate for personal loans and car loans.

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33. Adoption of the International Financial Reporting Standards

The National Securities Commission ("CNV") has established the application of Technical Pronouncement No. 26 of the Argentine Federation of Professional Councils in Economic Sciences, which adopts the International Financial Reporting Standards ("IFRS") issued by the IASB (International Accounting Standards Board) for certain entities included within the public offering system, whether because of their capital or their negotiable obligations, or because they have requested to be included in such system, for financial statements corresponding to fiscal years started as from January 1, 2012. The adoption of such standards is not applicable to the Company since the CNV exempts banks, insurance companies and companies that invest in banks and insurance companies. Therefore, due to the fact that Banco Supervielle is the Company's main equity investment, a financial institution subject to the BCRA regulations, the Company continued following the valuation and disclosure criteria applied by Banco Supervielle for the presentation of the consolidated financial statements.

On February 12, 2014, the BCRA approved a convergence roadmap to IFRS for financial statements of institutions under its supervision, with an effective date for fiscal years commenced on January 1, 2018.

In March 2015, Banco Supervielle and Cordial Compañía Financiera's Board of Directors approved an implementation plan, following the guidelines set up by the BCRA, which shall have a six-month period review and update.

At the date of these financial statements, the Group had taken the necessary measures to fulfill the implementation plan.

In accordance with the requirements of the Technical Pronouncement No. 26 and 29 of the Argentine Federation of Professional Councils in Economic Sciences, the following are the reconciliations of the shareholders´ equity in accordance with Argentine GAAP and IFRS at December 31, 2017 and January 1, 2017, and the reconciliations of net income and comprehensive income for the fiscal year ended as December 31, 2017. The Company has considered, in the preparation of the reconciliations, those IFRS that it considers will be applicable for the preparation of its financial statements as of December 31, 2018 as it were adopted by the BCRA. The items and figures contained in this note are subject to change and only may be considered final when the annual financial statements for the year in which IFRS are applied for the first time.

The items and amounts included in the reconciliation could be modified to the extent that, when preparing the financial statements as of December 31, 2018, the standards used are different.

Reconciliation of Shareholders' equity

		12/31/2017	01/01/2017
Shareholders' equity as stated		**15,144,798**	**6,931,551**
Loan origination fees and costs	(a)	(223,248)	(68,123)
Intangible assets	(b)	(69,142)	(46,268)
Goodwill	(c)	8,464	—
Transfers of financial assets	(d)	(105,939)	(26,218)
Government securities and other investments	(e)	(15,368)	(9,485)
Investments in other companies	(f)	7,216	—
Vacation Provision	(g)	(265,497)	(215,361)
Property, Plant and Equipment	(h)	283,470	273,022
Deferred Income tax	(i)	477,426	313,919
Special Termination Arrangements	(j)	(598,281)	(290,025)
Customer loyality programs	(k)	(51,193)	(44,091)
Accounting for Guarantees	(l)	(12,608)	(9,111)
Initial Recognition at Fair Value	(m)	(182,161)	(88,463)
Non-controlling interest	(n)	11,497	103,397
Equity under IFRS		**14,409,434**	**6,824,744**
Non-controlling interest		(10,583)	(100,046)
The Group Shareholder's equity under IFRS		**14,398,851**	**6,724,698**

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Reconciliation of Net Income

		12/31/2017
Net income under Argentine Banking GAAP		**2,437,059**
Loan origination fees and costs	(a)	(155,125)
Intangible assets	(b)	(22,874)
Goodwill	(c)	8,464
Transfers of financial assets	(d)	(79,721)
Government securities and other investments	(e)	(12,857)
Vacation Provision	(g)	(50,136)
Property, Plant and Equipment	(h)	(109,171)
Deferred Income tax	(i)	163,507
Special Termination Arrangements	(j)	(308,256)
Customer loyality programs	(k)	(7,102)
Accounting for Guarantees	(l)	(3,497)
Initial Recognition at Fair Value	(m)	(93,698)
Non-controlling interest	(o)	5,897
Net income under IFRS		**1,772,490**
Non-controlling interest		(7,984)
Net income attributable to the Group in accordance with IFRS		**1,764,506**

Reconciliation of Comprehensive Income

		12/31/2017
Other comprehensive income under Argentine Banking GAAP		—
Ajustments on Comprehensive Income for application of IFRS 1		(6,527)
Government securities and other investments	(e)	6,974
Property, Plant and Equipment	(h)	239,305
Investments in other companies	(f)	7,216
Deferred Income tax	(i)	(86,439)
Non-controlling interest about ajustments	(o)	(243)
Other comprehensive income under IFRS		**160,286**
Non-controlling interest		(351)
Other comprehensive income attributable to the Group under IFRS		**159,935**

a) Loan origination fees and costs

Under Argentine GAAP, the Company does not defer loan origination fees and costs. In accordance with IFRS 9 “Financial Instruments”, loan origination fees net of certain direct loan origination costs should be recognized over the life of the related loan as an adjustments of to yield using the interest method.

The effects of the adjustments required to state such amounts in accordance with IFRS, decrease assets by 68,123 and 223,248 as of January 1, 2017 and December 31, 2017, respectively. At January 1, 2017, the adjustment was recognized against unallocated results, while for the fiscal year ended December 31, 2017 the adjustment for 155,125 was recognized in the statement of income.

b) Intangible assets

According to IFRS, an intangible asset is an identifiable non-monetary asset that does not possess physical substance. In order to be recognized, the Company must have control over it and the asset must generate future economic benefits.

Under Argentine Banking GAAP, the Company capitalizes costs relating to intangible assets that do not meet IFRS requirements for recognition. The adjustment corresponds to the derecognition of these assets and the reversal of accumulated amortization and amortization of the fiscal year.

The effects of the adjustments required to state such amounts in accordance with IFRS, decrease assets by 46,268 and 69,142 as of January 1, 2017 and December 31, 2017, respectively. At January 1, 2017,

the adjustment was recognized against unallocated results, while for the fiscal year ended December 31, 2017, a result of (22,874) was recognized in the income statement.

c) Goodwill

The Company has applied the exemption from IFRS 1 for business combinations. As a result, business combinations and acquisitions of non-controlling interests that ocurred prior to January 1, 2017, were not restated and the book value of the goodwill under IFRS at December 31, 2016, is equal to the book value under Argentine GAAP at that date, and amounts to 31,475. Intangible assets under Argentine GAAP that do not qualify for separate recognition under IFRS have not been recognized.

Under Argentine GAAP, the recognized goodwill is amortized over a maximum period of 120 months. In accordance with IFRS, the goodwill is not amortized, but is tested for impairment annually. The goodwill has been tested at the date of transition and no impairment has been recognized. The amortization charge of 8,464 has been adjusted in the income statement.

d) Transfers of financial assets

According to the Argentine Banking GAAP, for transfers of receivables with recourse, the Group recorded a gain in the income statement and accounted for the transaction as a sale of loans.

In accordance with IFRS 9 “Financial Instruments”, it must be analyzed whether it has substantially transferred all the risks and rewards inherent in the ownership of the transferred asset. If the aforementioned is not complied with, the entity will continue to recognize the transferred asset in its entirety, and will recognize a financial liability for the consideration received. In subsequent periods, the entity will recognize any income from the transferred financial asset and any expense incurred on the financial liability.

The Company recognized an asset for the transferred portfolios of 144,198 and 570,803, a liability for the consideration received of 170,416 and 676,742, and an adjustment to unallocated results of 26,218 and 26,218 as of January 1, 2017 and December 31, 2017, respectively. At January 1, 2017, the adjustment was recognized against unallocated results, while for the fiscal year ended December 31, 2017 the adjustment of (79,721) was recognized in the income statement.

e) Government securities and other investments

Under Argentine Banking GAAP the Group has recorded “Holding of trading securities”, “Unlisted Government Securities”, “Investments in listed corporate securities”, “Securities issued by the Argentine Central Bank listed” and “Securities receivable under spot and forward purchases pending settlement” at fair value, meanwhile the “Securities issued by the Argentine Central Bank unlisted” and “Unlisted corporate bonds” has been value at cost increased by their internal rate of return. Changes in valuation of these securities are included in earnings.

IFRS 9 “Financial Instruments” establishes an entity should classify its financial assets according to the business model that it uses to manage them and the characteristics of the contractual cash flows. Based on the aforementioned, the Group has classified its investment portfolio into those held for trading, which were valued at fair value through profit and loss and those held for investment, which were valued at fair value with changes in other comprehensive income.

The Company adjusted the value of its investment portfolio at fair value (9,485) and (15,368) at January 1, 2017 and December 31, 2017, respectively. At January 1, 2017, the adjustment was recognized by (2,958) against unallocated results and (6,527) against comprehensive income, while, for the fiscal year ended December 31, 2017, the adjustment was recognized in the statement of income. Results by (12,857) and in other comprehensive income by 6,974.

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f) Investments in other companies

Under IFRS, investments in which the Company has no control or significant influence should be measured at fair value. Under Argentine GAAP those investments are measured at cost value with the limit of the value through the equity metod.

The Company recognized an increase of assets for 7,216 as of December 31, 2017, which, by application of the exception of IFRS 1, was recognized in the other comprehensive income.

g) Vacation Provision

Under IFRS, short-term employee benefits such as vacation, salary and social security contributions are recognized as a liability equivalent to the undiscounted amount that the Company expects to pay for that benefit.

Following Argentine Banking GAAP, the cost of vacations earned by employees is recorded by the Group when paid.

As a result, the Company recognized a liability for the outstanding vacation balances of 215,361 and 265,497 as of January 1, 2017 and December 31, 2017, respectively. At January 1, 2017, the adjustment was recognized against unallocated results, while, for the fiscal year ended December 31, 2017, the adjustment was recognized in the income statement by (50,136).

h) Property, Plant and Equipment

Through the application of IAS 16 and IAS 40, the Company adopted the revaluation model for its properties and the fair value model for its investment properties.

Under Argentine Banking GAAP, these assets were recorded at historical value less accumulated amortization.

As a result, the Company recognized an increase of assets due to the revaluation of its properties of 293,478 and 283,470 as of January 1, 2017 and December 31, 2017, respectively. At January 1, 2017, the adjustment was recognized in other comprehensive income, while for the fiscal year ended December 31, 2017, an adjustment was recognized for (109,171) in the income statement and 119,619 in the other comprehensive income.

i) Deferred Income tax

Under IFRS, the tax charge for the fiscal year includes current and deferred taxes. Current income tax is calculated based on laws approved or substantially approved at the balance sheet date. Deferred tax is recognized under the liability method, due to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recorded if they arise from the initial recognition of Goodwill; or the initial recognition of an asset or liability in a transaction, other than a business combination, which at the time of the transaction, affects neither the accounting result nor the taxable profit or loss. Deferred tax is determined using tax rates (and laws) approved or about to be approved at the balance sheet date and expected to apply when the corresponding deferred tax asset is realized or the deferred tax liability is settled.

Under Argentine Banking GAAP, Banco Supervielle and Cordial Compañía Financiera (subsidiaries of the Group) recognize the current tax for the year.

The Group recognized a deferred tax net asset of 313,919 and 477,426 as of January 1, 2017 and December 31, 2017, respectively. At January 1, 2017, the adjustment was recognized against unallocated

results, while for the fiscal year ended December 31, 2017 the adjustment was recognized in the statement of income by 163,507 and (86,439) in the other comprehensive income.

j)Special Termination Arrangements

Special termination arrangements are principally postemployment benefits that a group of eligible employees receive during the period between their effective termination date and their retirement age, whe they voluntary accepts an irrevocable termination arrangement.

Under Argentine Banking GAAP, the cost of the special termination arrangement are recorded when paid.

Under IFRS, long-term benefits should be recorded as an expense recognized in the period the employees irrevocably accept the offer and the amount of the termination liability is reasonable estimable.

As a result, the Company recognized a liability corresponding to these arrangements of 290,025 and 598,281 as of January 1, 2017 and December 31, 2017, respectively. As of January 1, 2017, the adjustment was recognized against unallocated results, while for the fiscal year ended December 31, 2017, the adjustment was recognized in the statement of income by (308,256).

k)Customer loyalty programs

The Group offers reward programs that allow its cardholders to earn points that can be redeemed for a broad range of rewards, including goods and travels among others.

Under Argentine Banking GAAP, the Group recorded a liability based on the redemptions paid during the last 12 months.

In accordance with IFRS 15, the Company establishes a liability based on the fair value of the points issued that are expected to be exchanged by customers. Points to be redeemed are estimated based on the historical redemption behavior of each program. The liability is reduced as the points are exchanged by customers or their due.

As a result, the Company recognized a liability of 44,091 and 51,193 as of January 1, 2017 and December 31, 2017, respectively. As of January 1, 2017, the adjustment was recognized against unallocated results, while for the fiscal year ended December 31, 2017, the adjustment was recognized in the income statement by (7,102).

l)Accounting for Guarantees

Under IFRS, the financial guarantees granted must initially be recognized at their fair value, which is equivalent to the commission charged in most cases. This amount is subsequently amortized in a straight line over the life of the contract. At each closing, the financial guarantees are measured by the greater of: (i) the value of the outstanding commission at the end of the fiscal year and (ii) the best estimate of the amount to be paid to settle the contract discounted to its present value at fiscal year closing.

Under Argentine GAAP the fees charged in the financial guarantee agreements are charged to income at the time they are collected.

The Company recognized a liability corresponding to the reversal of the non-accrued charge of 9,111 and 12,608 as of January 1, 2017 and December 31, 2017, respectively. At January 1, 2017, the adjustment was recognized against unallocated results, while for the fiscal year ended December 31, 2017, the adjustment was recognized in the statement of income by 3,497.

m) Initial Recognition at Fair Value

Under IFRS, the Company must recognize the financial instruments in their initial measurement at their fair value. In the event that the Company originates loans that accumulate an interest rate that is unfavorable, the entity will recognize the loan at its fair value and the difference between that value and the transaction price as a loss in the income statement.

The Company originates some financing that meets the conditions established by the IFRS, as a result the Company recognized a decrease of assets corresponding to the non-accrued negative interest of 88,463 and 182,161 as of January 1, 2017 and December 31, 2017, respectively. At January 1, 2017, the adjustment was recognized against unallocated results, while for the fiscal year ended December 31, 2017, the adjustment was recognized in the statement of income by (93,698).

n) Non-controlling interest about adjustments

Differences in non-controlling interest include the effect of recording, if applicable, the respective effects of other differences between current accounting standards and IFRS.

34. Subsequent events

On April 6, 2018 the Company has agreed to acquire 100% (or 4,000,000 ordinary shares) of the share ownership of Micro Lending S.A. (“MILA”) for a cash price of US$20 million, subject to final adjustments. Specialized in car financing, particularly for used cars, MILA is estimated to rank 4th in the Argentine new and used car loan market, holding a total market share of approximately 6%, or 10% when considering the used car market on a stand-alone basis.

35. Summary of Significant Differences between Argentine Banking GAAP and US GAAP

The accompanying consolidated financial statements have been prepared in accordance with Argentine Banking GAAP, which differs in certain significant respects from US GAAP. Such differences involve methods of measuring the amounts shown in the consolidated financial statements, as well as additional disclosures required by US GAAP and Regulation S-X of the SEC.

I. Differences in measurement methods

As indicated in Note 3.1, as from March 1, 2003, inflation accounting was discontinued. The following reconciliation does not include the reversal of the adjustments to the consolidated financial statements for the effects of inflation, because, as permitted by the Securities and Exchange Commission (“SEC”), it represents a comprehensive measure of the effects of price-level changes in the Argentine economy, and as such, is considered a more meaningful presentation than historical cost-based financial reporting for both Argentine Banking GAAP and US GAAP.

The main differences, other than inflation accounting, between Argentine Banking GAAP and US GAAP as they relate to the Group are described below, together with an explanation, where appropriate, of the method used in the determination of the necessary adjustments. References below to “ASC” are to Accounting Standard Codification issued by the Financial Accounting Standards Board in the United States of America.

The following tables summarize the main reconciling items between Argentine Banking GAAP and US GAAP:

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Reconciliation of net income:

		December 31,		
		2017	2016	2015
Net income under Argentine Banking GAAP		Ps.2,437,059	Ps.1,311,304	Ps. 674,109
US GAAP adjustments				
Loan origination fees and costs	Note 35.a	(155,125)	(14,057)	(4,254)
Intangible assets				
Differences in basis relating to purchase accounting	Note 35.b	7,300	6,840	4,435
Other intangible assets	Note 35.b	(22,874)	(3,439)	(17,970)
Loan loss reserves	Note 35.c	(268,255)	(133,988)	49,049
Transfers of financial assets	Note 35.d	(67,300)	(245,952)	(27,948)
Government securities and other investments	Note 35.e	5,513	(3,252)	162
Vacation Provision	Note 35.f	(84,682)	(35,587)	(12,825)
Special Termination Arrangements	Note 35.h	(308,256)	(151,100)	(69,271)
Customer Loyalty Programs	Note 35.i	(7,102)	(15,995)	21,094
Credit Card Loans —Imputed Interest	Note 35.j	(93,698)	21,666	(75,775)
Deferred Income tax	Note 35.k	216,403	257,428	84,987
Accounting for Guarantees	Note 35.l	2,495	526	(10,997)
Non-controlling Interest	Note 35.m	5,897	22,166	16,080
Net Income under US GAAP		Ps.1,667,375	Ps.1,016,560	Ps. 630,876
Non-controlling Interest	Note 35.m	(22,783)	(18,876)	(12,522)
Net Income attributable to the Group in accordance with US GAAP		Ps.1,644,592	Ps. 997,684	Ps. 618,354
Basic earnings per share attributable to the Group	Note 35.II.i	4.1865	3.1194	4.0416
Diluted earnings per share attributable to the Group	Note 35.II.i	4.1865	3.1194	4.0416

Net income includes the consolidating financial trusts in which the Group does not have participation but conserve the risks and rewards of them (see Note 35.I.d.).

	December 31,		
	2017	2016	2015
Net Income under US GAAP before consolidation of financial trusts without holding in "certificates of participation"	Ps. **1,667,375**	Ps. **1,016,560**	Ps. **630,876**
Net income corresponding to consolidated financial trusts, without holding in "certificates of participation"	30,106	9,308	45,200
Net Income under US GAAP	**Ps. 1,697,481**	**Ps. 1,025,868**	**Ps. 676,076**
Non-controlling interest corresponding to consolidated financial trusts, without holding in "certificates of participation"	Ps. (30,106)	Ps. (9,308)	Ps. (45,200)
Non-controlling Interest	(22,783)	(18,876)	(12,522)
Net Income attributable to the Group in accordance with US GAAP	**Ps. 1,644,592**	**Ps. 997,684**	**Ps. 618,354**

Reconciliation of Shareholders' Equity:

		December 31, 2017	December 31, 2016
Shareholders' Equity as stated		Ps. 15,144,798	Ps. 6,931,551
US GAAP adjustments:			
Loan origination fees and costs	Note 35.a	(223,248)	(68,123)
Intangible assets			
Differences in basis relating to purchase accounting	Note 35.b	52,897	45,597
Other intangible assets.	Note 35.b	(69,142)	(46,268)
Loan loss reserves	Note 35.c	(386,580)	(118,325)
Transfers of financial assets	Note 35.d	(418,083)	(350,783)
Government securities and other investments.	Note 35.e	3,302	(9,485)
Vacation Provision	Note 35.f	(300,043)	(215,361)
Special Termination Arrangements	Note 35.h	(598,281)	(290,025)
Customer Loyalty Programs	Note 35.i	(51,193)	(44,091)
Credit Card Loans—Imputed Interest	Note 35.j	(182,161)	(88,463)
Deferred Income tax	Note 35.k	787,954	571,551
Accounting for Guarantees	Note 35.l	(6,616)	(9,111)
Non-controlling Interest	Note 35.m	11,497	103,397
Equity under US GAAP		Ps. 13,765,101	Ps. 6,412,061
Non-controlling Interest	Note 35.m	(9,895)	(84,662)
The Group Shareholder's Equity under US GAAP		Ps. 13,755,206	Ps. 6,327,399

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Equity and Shareholders Equity include the consolidating financial trusts in which the Group does not have participation but conserve the risks and rewards of them (see Note 35.I.d.).

	December 31,	
	2017	2016
Equity under US GAAP before consolidation of financial trusts without holding in "certificates of participation"	**Ps. 13,765,101**	**Ps. 6,412,061**
Net assets corresponding to consolidated financial trusts without holding in "certificates of participation"	139,997	86,615
Equity under US GAAP	**Ps. 13,905,098**	**Ps. 6,498,676**
Non-controlling interest corresponding to consolidated financial trusts without holding in "certificates of participation"	(139,997)	(86,615)
Non-controlling Interest	(9,895)	(84,662)
The Group Shareholder´s Equity under US GAAP	**Ps. 13,755,206**	**Ps. 6,327,399**

Description of changes in Shareholder's Equity:

	December 31,		
	2017	2016	2015
Equity under US GAAP at the beginning of the year attributable to Parent Company	**Ps. 6,327,399**	**Ps. 2,090,136**	**Ps. 1,461,497**
Distribution of dividends	(65,500)	(25,162)	(7,385)
Contributions from shareholders	5,841,688	3,271,699	—
Other comprehensive income (see Note 35.II.a.)	7,027	(6,958)	17,670
Net Income under US GAAP	1,644,592	997,684	618,354
Equity under US GAAP at the end of the year attributable to Parent Company	**Ps. 13,755,206**	**Ps. 6,327,399**	**Ps. 2,090,136**

a. Loan origination fees and costs

Under Argentine Banking GAAP, the Group does not defer loan origination fees and costs. In accordance with US GAAP under ASC 310, loan origination fees net of certain direct loan origination costs should be recognized over the life of the related loan as an adjustment of to yield using the interest method.

The effects of the adjustments required to state such amounts in accordance with US GAAP, would decrease assets by Ps. 223,248 as of December 31, 2017 and Ps. 68,123 as of December 31, 2016. Income would decrease by Ps. (155,125), Ps. (14,057) and Ps. (4,254) for the years ended December 31, 2017, 2016 and 2015, respectively.

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b. Intangible assets:

i) Differences in basis relating to purchase accounting

Under Argentine Banking GAAP, net assets acquired are recorded at the book value of the acquired company at the acquisition date and goodwill is recognized based on the difference of the book value of the net assets acquired and the acquisition cost. Such goodwill is being amortized under the straight line method.

Under US GAAP, the Group applies the purchase method of accounting to its business combinations. The additional interest acquired was accounted for as a step acquisition applying the purchase method.

Accordingly, the excess of the purchase price over the fair value of assets acquired and liabilities assumed, if any, is considered as goodwill.

For acquisitions prior to December 15, 2008, in the event the fair value of the net assets acquired exceeds the consideration paid, the excess is allocated as a pro rata reduction of the amounts that otherwise would have been assigned to the acquired assets. For acquisitions after that date, if the net assets acquired exceed the consideration paid, the excess is recorded as gain in statement of income.

Under Argentine Banking GAAP, goodwill recognized is amortized on straight-line basis over its useful life.

Under US GAAP goodwill is not subject to amortization, but is subject to at least an annual assessment for impairment. The Group analyzes qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill.

Goodwill impairment exists when the fair value of the reporting unit to which the goodwill is allocated is not enough to cover the book value of its assets and liabilities and the goodwill. The fair value of the reporting unit is estimated using discounted cash flow techniques. The sustained value of the majority of the goodwill is supported ultimately by revenue from credit-card business, included in “Consumer Finance” reporting unit.

The evaluation methodology for potential impairment is inherently complex and involves significant management judgment in the use of estimates and assumptions. These estimates involve many assumptions, including the expected results of the reporting unit, an assumed discount rate and an assumed growth rate for the reporting unit.

The Group has reviewed Goodwill for impairment as of December 31, 2017 and 2016 and no impairment was recorded.

The following table summarizes the acquisitions made by the Company and the calculation of goodwill under US GAAP.

		Supervielle Seguros	Cordial Compañia Financiera	Banco Regional de Cuyo	Tarjeta Automática	Banco Societé Generalé
		June 6, 2013	August 1, 2011	September 19, 2008	December 15, 2007	March 3, 2005
Acquisition Date						
Fair value of net tangible assets acquired		2,409	126,386	48,350	6,371	39,054
Intangible assets identified, net of related deferred income tax (a)		—	9,466	23,244	6,780	25,175
Net assets	Ps.	**2,409**	**135,852**	**71,594**	**13,151**	**64,229**
% acquired		100.00%	100.00%	99,94%	51,00%	91,54%
Net assets acquired	Ps.	2,409	135,852	71,549	6,707	58,795
Consideration paid	Ps.	4,543	168,047	97,542	15,835	37,209
Goodwill	**Ps.**	**2,134**	**32,195**	**25,993**	**9,128**	**(21,586)**

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(a) Intangible assets identified consist of brand, core deposits, customer relationship and commercial relationship agreement. Brand is not amortized under US GAAP. The remaining intangibles identified are amortized over 10 years

In relation with Tarjeta Automática, on March 5, 2009 the Group acquired an additional 24% interest of this entity for a total consideration of Ps. 13,992. Under US GAAP this acquisition was accounted as an equity transaction when the control was previously obtained, following ASC 805 guidance.

The following table summarizes the shareholder´s equity adjustment computed to conform the accounting of these acquisitions to US GAAP as of December 31, 2017 and 2016

	December 31, 2017	December 31, 2016
Elimination of Goodwill recognized under Argentine Banking GAAP	Ps. (22,043)	Ps. (31,475)
Recognition of Goodwill under US GAAP	69,450	69,450
Recognition of Intangible Assets under US GAAP	81,745	81,745
Amortization of Intangible Assets under US GAAP	(61,897)	(59,081)
Allocation of negative Goodwill to fixed assets	(23,247)	(23,247)
Reversal of depreciation of fixed assets recognized under Argentine Banking GAAP due to differences in purchase accounting of Societé Generalé acquisition	8,889	8,205
Total	**Ps. 52,897**	**Ps. 45,597**

Net income impact related to the shareholder´s equity adjustment for the years ended December 31, 2017, 2016 and 2015 amounted to Ps. 7,300, Ps. 6,840 and Ps. 4,435, respectively.

The activity of the goodwill and intangible assets under US GAAP during the years ended December 31, 2017 and 2016 is as follows:

	December 31, 2017	December 31, 2016
Goodwill at the beginning of the year	Ps. 69,450	Ps. 69,450
Goodwill at the end of the year.	Ps. **69,450**	Ps. **69,450**
Intangible assets identified in the Business Combination at the beginning of the year, net of the corresponding amortization	22,664	25,793
Amortization under US GAAP.	(2,816)	(3,129)
Intangible assets identified in the Business Combination at the end of the year, net of the corresponding amortization	Ps. **19,848**	Ps. **22,664**

The following table shows the intangible assets gross carrying amount, detailed with their respective useful lives:

	December 31, 2017		
	Gross carrying amount	Accumulated amortization	Remaining useful life (months)
Core Deposits	Ps. 21,052	Ps. 21,052	—
Overdraft	8,603	8,603	—
Customer Relationship	17,679	17,679	—
Brand Name	19,848	—	—
Commercial Agreement	14,563	14,563	—
Total	**Ps. 81,745**	**Ps. 61,897**	**—**

The aggregate amortization expense for intangible assets identified for the years ended December 31, 2017, 2016 and 2015 was Ps. 2,816, Ps. 3,129 and Ps. 5,250, respectively.

ii) Other intangible assets

ASC 350-40 defines three stages for the costs of computer software developed or obtained for internal use: the preliminary project stage, the application development stage and the post-implementation operation stage. Only the second stage costs are to be capitalized.

Under Argentine Banking GAAP, the Group capitalizes costs relating to all three of the stages of software development.

Shareholders' equity adjustment between Argentine GAAP and US GAAP as of December 31, 2017 and 2016 amounted to Ps. (69,142) and Ps. (46,268), respectively. Net income adjustment for the years ended December 31, 2017, 2016 and 2015 amounted to Ps. (22,874), Ps. (3,439) and Ps. (17,970), respectively.

c. Loan loss reserves

Under Argentine Banking GAAP (see note 3.7), the allowance for loan losses is calculated following BCRA regulations. These criteria are different for commercial and consumer loans. For commercial such criteria are principally based on the debtors' payment capacity and cash-flows analysis. Loan loss reserves for consumer loans and commercial loans are based on delinquency and BCRA established loss factors.

Increases in the reserve are based on the deterioration of the quality of existing loans, while decreases in the reserve are based on regulations requiring the charge off of non-performing loans classified as "non-recoverable". The Group charges-off non-performing loans on the month following the date on which such loans are classified as "irrecoverable without preferred guarantees" and fully provisioned.

In the case of the consumer portfolio, the charge-off takes place when the loan is approximately 360 days past due. For the commercial portfolio, the situation depends on the individual evaluation of the credit risk. All charged-off loans are registered in off balance accounts while the Group continues its collection efforts.

In addition, under BCRA rules, the Group records recoveries on previously charged-off loans directly to income and records the amount of charged-off loans in excess of amounts specifically allocated as a direct charge to the consolidated statement of income.

The Group's consumer portfolio consists principally of personal loans and credit card loans.

The Group's commercial portfolio is currently diversified among clients of different size (small, medium-sized businesses and corporations) and who are active in different economic sectors (mainly the agricultural, construction, sugar, manufactured, foodstuff, automotive vehicles, among others). The risks associated with this portfolio are principally related to the specific economic performance of each individual client and to economic factors, such as the price and demand of products and services and competitiveness, among others.

Under BCRA rules, a minimum loan loss reserve is calculated primarily based upon the classification of commercial loan borrowers and upon delinquency aging (or the number of days the loan is past due) for consumer loan borrowers. Although the Group is required to follow the methodology and guidelines for determining the minimum loan loss reserve, as set forth by the BCRA, the Group is allowed to establish additional loan loss reserve.

For commercial loans, the Group is required to classify all commercial loan borrowers. In order to classify them, the Group must consider different parameters related to each of those customers.

Pursuant to BCRA regulations, commercial loans are classified as follows:

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Classification	Criteria
In normal situation	Borrowers for whom there is no doubt as to their ability to comply with their payment obligations.
Subject to special monitoring/Under observation	Borrowers that, among other criteria, are up to 90 days past due and, although considered to be able to meet all their financial obligations, are sensitive to changes that could compromise their ability to honor debts absent timely corrective measures.
Subject to special monitoring / Under negotiation or refinancing agreement	Borrowers who are unable to comply with their obligations as agreed with the Group and, therefore, formally state, within 60 calendar days after the maturity date, their intention to refinance such debts. The borrower must enter into a refinancing agreement with the Group within 90 calendar days (if up to two lenders are involved) or 180 calendar days (if more than two lenders are involved) after the payment default date. If no agreement has been reached within the established deadline, the borrower must be reclassified to the next category according to the indicators established for each level.
Troubled	Borrowers with difficulties honoring their financial obligations under the loan on a regular basis, which, if uncorrected, may result in losses to the Group.
With high risk of insolvency	Borrowers who are highly unlikely to honor their financial obligations under the loan.
Irrecoverable	Loans classified as irrecoverable at the time they are reviewed (although the possibility might exist that such loans might be collected in the future). The borrower will not meet its financial obligations with the Group.
Irrecoverable according to Central Bank Rules	(a) Borrower has defaulted on its payment obligations under a loan for more than 180 calendar days according to the corresponding report provided by the BCRA, which report includes (1) financial institutions liquidated by the BCRA, (2) residual entities created as a result of the privatization of public financial institutions, or in the privatization or dissolution process, (3) financial institutions whose licenses have been revoked by the BCRA and find themselves subject to judicial liquidation or bankruptcy proceedings and (4) trusts in which Seguro de Depósitos S.A. (SEDESA) is a beneficiary, and/or (b) certain kinds of foreign borrowers (including banks or other financial institutions that are not subject to the supervision of the BCRA or similar authority of the country in which they are incorporated) that are not classified as “investment grade” by any of the rating agencies approved by the BCRA.

For consumer loan portfolio, the Group classifies loans based upon delinquency aging, consistent with the requirements of the Central Bank. Minimum loss percentages required by the BCRA are also applied to the totals in each loan classification.

Under the BCRA regulations, consumer borrowers are classified as follows:

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Classification	Criteria
Performing	If all payments on loans are current or less than 31 calendar days overdue and, in the case of checking account overdrafts, less than 61 calendar days overdue.
Low Risk	Loans upon which payment obligations are overdue for a period of more than 31 and up to 90 calendar days.
Medium Risk	Loans upon which payment obligations are overdue for a period of more than 90 and up to 180 calendar days.
High Risk	Loans in respect of which a legal action seeking collection has been filed or loans having payment obligations overdue for more than 180 calendar days, but less than 365 calendar days.
Irrecoverable	Loans in which payment obligations are more than one year overdue or the debtor is insolvent or in bankruptcy or liquidation.
Irrecoverable according to Central Bank Rules	Same criteria as for commercial loans in the Irrecoverable according to BCRA Rules.

The tables above contain the loan portfolio classification by credit quality indicator set forth by the BCRA.

The following tables show the loan balances categorized by credit quality indicators for the years ended December 31, 2017 and 2016:

	As of December 31, 2017					
	"1" Normal Situation	"2" With special follow-up or Low Risk	"3" With problems or Medium Risk	"4" High risk of insolvency or High risk	"5" Uncollectible	Total
Consumer Loans	28,539,809	1,185,729	865,815	955,536	46,901	31,593,790
Commercial Loans	29,890,894	48,672	6,028	49,195	1,540	29,996,329
Total Financing Receivables	**58,430,703**	**1,234,401**	**871,843**	**1,004,731**	**48,441**	**61,590,119**

	As of December 31, 2016					
	"1" Normal Situation	"2" With special follow-up or Low Risk	"3" With problems or Medium Risk	"4" High risk of insolvency or High risk	"5" Uncollectible	Total
Consumer Loans	18,655,404	816,389	548,921	529,150	39,022	20,588,886
Commercial Loans	18,876,383	9,877	7,859	33,388	358	18,927,865
Total Financing Receivables	**37,531,787**	**826,266**	**556,780**	**562,538**	**39,380**	**39,516,751**

Under US GAAP, the loan losses reserve should be in amounts adequate to cover inherent losses in the loan portfolio at the respective balance sheet dates. Specifically:

a) Loans considered impaired in accordance with ASC 310-10 are valued at the present value of the expected future cash flows discounted at the loan's effective contractual interest rate, except that as a practical expedient a creditor may measure impairment based on a loans observable market price or at the fair value of the collateral less estimated costs to sell if the loan is collateral dependent. Under ASC 310-10, a loan is considered impaired when, based on current information, it is probable that the borrower will be unable to pay contractual interest or principal payments as scheduled in the loan agreement. ASC 310-10 applies to all loans (including those restructured in a troubled debt

restructuring involving amendment of terms), except large groups of smaller-balance homogeneous loans that are collectively evaluated for impairment , loans carried at the lower of cost or fair value, debt securities, and leases.

The Group applies ASC 310-10 to all commercial loans classified as "With special follow-up or Low Risk", "With problems", "Insolvency Risks" and "Uncollectible". The Group specifically calculates the present value of estimated cash flows for commercial loans. For commercial and other loans in legal proceedings are specifically reviewed either on a cash-flow or collateral-value basis, both considering the estimated time to settle the proceedings. The Group has also analyzed all the loans included into the scope of ASC 340-10 "Trouble Debt Restructuring" and calculates the present values of estimated cash flows of each of the loans being a trouble debt restructuring.

b) In addition, following ASC 450-20, the amount of losses incurred in the homogeneous loan pools is estimated based on the number of loans that will default and the loss in the event of default. Using modeling methodologies, the Group estimates the number of homogeneous loans that will default based on the individual loans' attributes aggregated into pools of homogeneous loans with similar attributes. This estimate is based on the Group's historical experience with the loan portfolio. The estimate is adjusted to reflect an assessment of environmental factors not yet reflected in the historical data underlying the loss estimates, such as changes in real estate values, local and national economies, underwriting standards and the regulatory environment. The probability of default on a loan is based on an analysis of the movement of loans with the measured attributes from either current or any of the delinquency categories to default over a 12-month period.

As a result of analysis performed, the shareholders' equity adjustment between Argentine Banking GAAP and US GAAP as of December 31, 2017 and 2016 amounted to Ps. (386,580) and Ps. (118,325), respectively, as follows:

	December 31, 2017		December 31, 2016	
	Allowances under US GAAP	Adjustment to Shareholders' Equity	Allowances under US GAAP	Adjustment to Shareholders' Equity
Modeling methodologies	Ps. 2,041,510	Ps. (368,711)	Ps. 1,105,125	Ps. (121,715)
Impaired loans individually evaluated for impairment	28,978	(17,869)	1,201	3,390
Total	Ps. 2,070,488	Ps. (386,580)	Ps. 1,106,326	Ps. (118,325)

Net income adjustment between Argentine Banking GAAP and US GAAP for the years ended December 31, 2017, 2016 and 2015 amounted to Ps. (268,255), Ps. (133,988), and Ps. 49,049, respectively.

Recoveries and charge-offs

Under Argentine Banking rules, recoveries are recorded in a separate income line item under Other Income. Under US GAAP, recoveries and charge-offs would be recorded in the allowance for loan losses in the balance sheet; however there would be no net impact on net income or shareholder´s equity. The definition of charge-off under US GAAP described above does not differ from Argentine Banking rules.

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Disclosure requirements

i) Allowance for Credit Losses and Recorded Investments in Financial Receivables

The following table presents the allowance for loan losses and the related carrying amount of Financial Receivables for the years ended December 31, 2017 and 2016 respectively:

	As of December 31, 2017		
	Consumer Loan Portfolio	Commercial Loan Portfolio	Total
Allowances for loan losses:	**Ps.**	**Ps.**	**Ps.**
Beginning balance	1,073,385	32,941	1,106,326
Charge-offs	(1,343,070)	(61,294)	(1,404,364)
Recoveries	125,883	41,961	167,844
Provision	2,106,212	94,470	2,200,682
Ending balance	**1,962,410**	**108,078**	**2,070,488**
Ending balance- individually evaluated for impairment	—	28,978	28,978
Ending balance- collectively evaluated for impairment	1,962,410	79,100	2,041,510
Financing receivables:			
Ending balance			
Ending balance: individually evaluated for impairment	—	63,095	63,095
Ending balance: collectively evaluated for impairment	31,593,790	29,933,234	61,527,024

	As of December 31, 2016		
	Consumer Loan Portfolio	Commercial Loan Portfolio	Total
Allowances for loan losses:	**Ps.**	**Ps.**	**Ps.**
Beginning balance	622,083	57,219	679,302
Charge-offs	(659,091)	(144,101)	(803,192)
Recoveries	98,240	32,747	130,987
Provision	1,012,153	87,076	1,099,229
Ending balance	**1,073,385**	**32,941**	**1,106,326**
Ending balance- individually evaluated for impairment	—	1,201	1,201
Ending balance- collectively evaluated for impairment	1,073,385	31,740	1,105,125
Financing receivables:			
Ending balance			
Ending balance: individually evaluated for impairment	—	21,089	21,089
Ending balance: collectively evaluated for impairment	20,588,886	18,906,776	39,495,662

ii) Impaired Loans

ASC 310, requires a creditor to measure impairment of a loan based on the present value of expected future cash flows discounted at the loan's effective interest rate, or at the loan's observable market price or the fair value of the collateral if the loan is collateral dependent.

This Statement is applicable to all loans (including those restructured in a troubled debt restructuring involving amendment of terms), except large groups of smaller-balance homogenous loans that are

collectively evaluated for impairment. Loans are considered impaired when, based on Management's evaluation, a borrower will not be able to fulfill its obligation under the original loan terms.

The following table discloses the amounts of loans considered impaired in accordance with ASC 310, as of December 31, 2017 and 2016:

	As of December 31, 2017		
	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded:	**Ps.**	**Ps.**	**Ps.**
Commercial			
Impaired Loans	—	—	—
With an allowance recorded:			
Commercial			
Impaired Loans	63,095	60,913	28,978
Total	63,095	60,913	28,978

	As of December 31, 2016		
	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded:	**Ps.**	**Ps.**	**Ps.**
Commercial			
Impaired Loans	13,429	12,247	—
With an allowance recorded:			
Commercial			
Impaired Loans	6,049	5,881	1,201
Total	19,478	18,128	1,201

The average recorded investments for impaired loans were Ps. 69,874 and Ps. 45,958 as of December 31, 2017 and 2016, respectively.

The interest income recognized on impaired loans amounted to Ps. 17,860, Ps. 8,695, and Ps. 8.807 for years ended December 31, 2017, 2016 and 2015, respectively.

iii) Non-accrual Loans

The method applied to recognize income on loans is described in Note 3.5.

Additionally, the Group has made use of the option granted by the BCRA authorizing financial entities to interrupt the accrual of interest for clients in the following categories:

- "With problems"; "With high risk of insolvency" and "Irrecoverable" in the commercial portfolio.
- "Medium risk"; "High risk" and "Irrecoverable" in the consumer portfolio.

According to the above, the threshold for suspending the accrual of interest is as from 91 days of arrears. Resumption of interest accrual takes place when the client improves its situation passing to situation:

- "Normal" or "With special tracking — Under observation" in the commercial portfolio.
- "Normal" or "Low risk" in the consumer portfolio.

The Group recognizes interest income on a cash basis for non-accrual loans. Under U.S. GAAP, recognition of interest on loans is generally discontinued when, in the opinion of management, there is an assessment that the borrower will likely be unable to meet all contractual payments as they become due.

As a general practice, this occurs when loans are 90 days or more overdue. Any accrued but uncollected interest is reversed against interest income at that time. Management believes that the difference in interest recognition does not have a material impact to the Group's Consolidated Statements.

As consequence, non-accrual loans are defined as those loans in the categories of: (a) Consumer portfolio: "Medium Risk", "High Risk" and "Uncollectible" and (b) Commercial portfolio: "With problems", "High Risk of Insolvency" and "Uncollectible".

The following table represents the amounts of non-accruals, segregated by class of loans, as of December 31, 2017 and 2016, respectively:

	As of December 31,	
	2017	2016
	Ps.	Ps.
Consumer	1,868,252	1,117,094
Commercial	56,763	41,606
Total Non-accrual loans	**1,925,015**	**1,158,700**

An aging analysis of past due loans, segregated by class of loans, as of December 31, 2017 and 2016 were as follows:

	As of December 31, 2017						
	30-90 Days Past Due	91-180 Days Past Due	181-360 Days Past Due	Greater than 360	Total Past Due	Current	Total Financing
Consumer							
Personal Loans	518,459	295,369	381,601	2,303	1,197,732	14,644,230	15,841,962
Credit Card Loans	379,700	393,260	370,445	2,578	1,145,983	7,756,926	8,902,909
Other Loans	89,762	35,532	36,132	10,524	171,950	6,676,969	6,848,919
Total Consumer Loans	**987,921**	**724,161**	**788,178**	**15,405**	**2,515,665**	**29,078,125**	**31,593,790**
Commercial:							
Performing Loans	—	—	—	—	—	28,954,226	28,954,226
Impaired loans	928,446	45,099	52,730	15,828	1,042,103	—	1,042,103
Total Commercial Loans	**928,446**	**45,099**	**52,730**	**15,828**	**1,042,103**	**28,954,226**	**29,996,329**
Total	**1,916,367**	**769,260**	**840,908**	**31,233**	**3,557,768**	**58,032,351**	**61,590,119**

	As of December 31, 2016						
	30-90 Days Past Due	91-180 Days Past Due	181-360 Days Past Due	Greater than 360	Total Past Due	Current	Total Financing
Consumer							
Personal Loans	488,235	316,478	282,866	23,620	1,111,199	10,593,959	11,705,158
Credit Card Loans	143,132	104,059	95,990	1,022	344,203	6,218,394	6,562,597
Other Loans	59,974	26,548	23,649	4,797	114,968	2,206,163	2,321,131
Total Consumer Loans	**691,341**	**447,085**	**402,505**	**29,439**	**1,570,370**	**19,018,516**	**20,588,886**
Commercial:							
Performing Loans	—	—	—	—	—	18,359,178	18,359,178
Impaired loans	442,775	59,232	25,380	41,300	568,687	—	568,687
Total Commercial Loans	**442,775**	**59,232**	**25,380**	**41,300**	**568,687**	**18,359,178**	**18,927,865**
Total	**1,134,116**	**506,317**	**427,885**	**70,739**	**2,139,057**	**37,377,694**	**39,516,751**

iv) Troubled debt restructuring (TDR)

A restructured loan is considered a TDR if the debtor is experiencing financial difficulties and the Group grants a concession to the debtor that would not otherwise be considered. Concessions granted could include but it not necessary limited to: reduction in interest rate to rates that are considered below market, extension of repayment schedules and maturity dates beyond original contractual terms.

The table below presents the December 31, 2017 and 2016 carrying value of loans that were modified in a TDR within the previous 12 months:

	Segment	Number of contracts	Pre-modification outstanding recorded investment	Post-modification outstanding recorded investment
December 31, 2017	Consumer	54,939	2,177,304	1,804,596
	Commercial	7	8,138	5,391
December 31, 2016	Consumer	29,062	827,720	775,685
	Commercial	—	—	—

The Group considers a TDR that have subsequently defaulted if the borrower has failed to make payments of either principal, interest or both for a period of 90 days or more from contractual due date. Loans considered TDR that have defaulted during the years ended December 31, 2017 and 2016, respectively were as follows:

	December 31, 2017	
Troubled debt restructuring that subsequently defaulted	Number of contracts	Recorded investment
Consumer	5,783	212,179

	December 31, 2016	
Troubled debt restructuring that subsequently defaulted	Number of contracts	Recorded investment
Consumer	3,481	88,575

d. Transfers of financial assets

The Group has securitized certain of their personal, pledge and credit card loans originated by the Bank and CCF on their behalf through the transfers of such loans to special purpose trusts which issues multiple classes of bonds and certificates of participation.

In addition, on November 7, 2007 the Group securitized certain properties through the transfer of such properties to a special purpose trust “Renta Inmobiliaria I” which issues multiple classes of bonds and

certificates of participation. As of December 2016, the Group had liquidated the mentioned trust and acquired the properties that were originally transferred.

Under Argentine Banking GAAP, securitizations were accounted for as sales. Debt securities issued by the trusts and retained by the Group are accounted for at cost plus accrued interest and participation certificates issued by the trusts and retained by the Group are accounted for under the equity method except the participation certificates of Real Estate trust that was accounted for at cost with the limit of the equity method and the participation certificates of CCF 3, 4 and 5 were accounted for at the recoverable value determined by the present value of net cash flows generated by the trusts with the limit of the equity method.

Under US GAAP, FASB ASC 810 “Consolidation” addresses consolidation of variable interest entities, as defined in the rules, which have certain characteristics.

The methodology for evaluating trust and transactions under the VIE requirements includes the following two steps:

1) Determine whether the entity meets the criteria to qualify as a VIE and;
2) Determine whether the Group is the primary beneficiary of a VIE.

In performing the first step the significant factors and judgments that were considered in making the determination as to whether an entity is a VIE includes:

- The design of the entity, including the nature of its risks and the purpose for which the entity was created, to determine the variability that the entity was designed to create and distribute to its interest holders;
- The nature of the involvement with the entity;
- Whether control of the entity may be achieved through arrangements that do not involve voting equity;
- Whether there is sufficient equity investment at risk to finance the activities of the entity and;
- Whether parties other than the equity holders have the obligation to absorb expected losses or the right to received residual returns.

For each VIE identified, the Group performs the second step and evaluates whether it is the primary beneficiary of the VIE by considering the following significant factors and criteria:

- Whether the Group has the power to direct the activities that most significantly impact the VIE’s economic performance and;
- Whether the Group absorb the majority of the VIE’s expected losses or the Group receive a majority of the VIE’s expected residual returns.

As of December 31, 2017 and 2016, under FASB ASC 810, financial trusts mentioned in Note 26 were considered variable interest entities. In accordance with FASB ASC 810, the Group was deemed to be the primary beneficiary of these trusts and, therefore, the Group included them in its consolidated financial statements. The impact in the US GAAP shareholders’ equity or net income reconciliation is disclosed below.

As of December 31, 2017 and 2016, the table below presents the carrying amount and classification of the VIE’s assets and liabilities which have been consolidated for US GAAP purposes. As mentioned in Note 26. under BCRA rules, those amounts were recorded under “Other receivables from financial intermediation — Other receivables not covered by debtors classification regulations.

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	December 31, 2017	December 31, 2016
Assets		
Cash and due from banks	Ps. 6,276	Ps. 16,244
Trading securities assets	75,843	—
Other receivable from financial transactions	50,866	151,979
Loans	1,459,617	1,515,729
Allowances related to Loans	(114,095)	(67,905)
Other assets	28,680	38,996
	Ps. **1,507,187**	Ps. **1,655,043**
Liabilities		
Other liabilities from financial transactions:		
Debt Securities	Ps. 811,018	Ps. 953,678
Certificates of Participation	606,643	614,020
Other liabilities	89,526	87,345
	Ps. **1,507,187**	Ps. **1,655,043**

As a result of consolidating these trusts, total consolidated assets would increase by Ps. 978,852 and Ps. 982,651 as of December 31, 2017 and December 31, 2016, respectively.

Therefore, the Group recognized the loans and other assets under the financial trust included below and re-established its loan loss reserves under ASC 310. See Note 35.I.c. allowance for loan losses.

In addition, the Group had recognized a gain for the sale of the assets included in the trusts “Renta Inmobiliaria I” and “CCF Créditos Serie 5”. As a consequence that the Group had a controlling financial interest in trusts, the reconsolidation of the assets and liabilities was made and the gains recognized by the Group at the inception were reversed for US GAAP purposes. In addition, a reconciling adjustment was recognized in order to consolidate each trust assets and liabilities under US GAAP principles.

- *Renta Inmobiliaria I*

Renta Inmobiliaria I was liquidated on the second semester of 2016 and the Group reacquired the properties of this trust. Under Argentine Banking GAAP the Group recognized this assets for its market value at the moment of the readquisition and as consequence that the Group was consolidating the assets and liabilities of this trust, under US-GAAP this properties should be accounted for its historical cost minus amortization.

Shareholders´ Equity adjustment between Argentine Banking GAAP and US GAAP as of December 31, 2017 and 2016 amounted to Ps. (312,144) and Ps. (324,565). Net income adjustment as of December 31, 2017, 2016 and 2015 amounted to Ps. 12,421, Ps. (218,687), and Ps. (33,971), respectively.

- *CCF Créditos Serie 5*

Net Income adjustment as of December 31, 2015 amounted to Ps. 4,976.

Transfers of receivables with recourse

Under Argentine Banking GAAP, for transfers of receivables with recourse, the Group recorded a gain in the income statement and accounted for the transaction as a sale of loans.

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Under US GAAP, ASC 860 "Transfers and servicing" establishes accounting and reporting standards for transfers and servicing of financial assets.

Transfers of financial receivables with recourse do not comply with the conditions prescribed in ASC 860-10-40 to be accounted for as a sale, as consequence, the transaction is considered a secured borrowing and, as a result of it, the Group should continue reporting the transferred financial receivables in its statement of financial position with no change in their measurement.

Shareholders´ Equity adjustment between Argentine Banking GAAP and US GAAP as of December 31, 2017 and 2016 amounted to Ps. (105,939) and Ps. (26,218) (corresponding to assets for an amount of Ps. 570,803 and Ps. 144,198 and liabilities for an amount of Ps. 676,742 and Ps. 170,416, respectively). Net income as of December 31, 2017, 2016 and 2015, amounted to Ps. (79,721), Ps. (27,265) and Ps. 1,047, respectively.

e. Government securities and other investments

Investments securities classified as trading and available for sale

Under Argentine Banking GAAP the Group has recorded "Holding of trading securities", "Unlisted Government securities", "Investments in listed corporate securities", "Securities issued by the Argentine Central Bank listed" and "Securities receivable under spot and forward purchases pending settlement" at fair value, meanwhile the "Securities issued by the Argentine Central Bank unlisted" and "Unlisted corporate bonds" has been value at cost increased by their internal rate of return. Changes in valuation of these securities are included in earnings.

Under US GAAP "Holding of trading securities", "Investments in listed corporate securities" and certain "Securities issued by the Argentine Central Bank" were considered "trading securities" and, as such, valued at fair value with changes in fair value recognized in the consolidated statement of income.

The table below shows the investments classified as trading securities:

	December 31, 2017			December 31, 2016	
	Carrying Amount	Fair Value	Shareholders's Equity Adjustment	Carrying Amount	Fair Value
Trading securities					
Holdings of trading securities	Ps. 139,385	Ps. 139,385	Ps. —	Ps. 158,341	Ps. 158,386
Unlisted Government securities	437	437	—	—	—
Investments in listed corporate securities	38,624	38,624	—	1,895	1,895
Securities issued by Argentine Central Bank	9,330,248	9,330,248	—	907,461	907,098
Total trading securities	Ps. **9,508,694**	Ps. **9,508,694**	Ps. —	Ps. **1,067,697**	Ps. **1,067,379**

Other "Securities issued by Argentine Central Bank", "Unlisted corporate bonds", "Unlisted government securities" and "Securities receivable under spot and forward purchases pending settlement" were considered as "available for sale securities" for US GAAP purposes and, as such, were recorded at fair value with the unrealized gain and losses reported as net of income tax included in other comprehensive income in the Shareholders´ equity, in accordance with ASC 320 "Investment — Debt and Equity Securities".

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The table below shows the investments classified as available for sale securities:

	December 31, 2017				
	Amortized Cost	Book Value	Fair Value	Accumulated Unrealized (Loss)/Gain	Shareholders' equity Adjustment
Securities issued by Argentine Central Bank	Ps. 2,341,832	2,343,618	2,343,618	1,786	—
Unlisted Government Securities and holdings of trading securities	1,803,747	1,799,367	1,802,131	(1,616)	2,764
Unlisted corporate bonds and Securities receivable under spot and forward purchases pending settlement (*)	91,950	91,989	92,527	577	538
Total	**Ps. 4,237,529**	**4,234,974**	**4,238,276**	**747**	**3,302**

(*)This line does not include forward transactions pending settlement for an amount of Ps. 20,610. These operations have not been included for US GAAP purposes. The Group records securities purchases and sales as of the trade date under US GAAP.

	December 31, 2016				
	Amortized Cost	Book Value	Fair Value	Accumulated Unrealized (Loss)/Gain	Shareholders' equity Adjustment
Securities issued by Argentine Central Bank	1,486,805	1,485,743	1,484,288	(2,517)	(1,455)
Unlisted Government Securities	818,853	818,853	811,195	(7,658)	(7,658)
Unlisted corporate bonds and Securities receivable under spot and forward purchases pending settlement (*)	616,872	620,574	620,520	3,648	(54)
Total	**2,922,530**	**2,925,170**	**2,916,003**	**(6,527)**	**(9,167)**

(*)This line does not include forward transactions pending settlement for an amount of Ps. 8,250. These operations have not been included for US GAAP purposes. The Group records securities purchases and sales as of the trade date under US GAAP

The amount of the unrealized gain or loss on available for sale securities, before tax, that have been included in accumulated other comprehensive income is as follows:

Securities	December 31, 2016	Increase	Decrease	December 31, 2017
Securities issued by Argentine Central Bank	Ps. (2,517)	Ps. 11,338	Ps. (7,035)	Ps. 1,786
Unlisted Government Securities	(7,658)	7,284	(1,242)	(1,616)
Unlisted corporate bonds and Securities receivable under spot and forward purchases pending settlement	3,648	871	(3,942)	577
Total	**Ps. (6,527)**	**Ps. 19,493**	**Ps. (12,219)**	**Ps. 747**

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Securities	December 31, 2015	Increase	Decrease	December 31, 2016
Securities issued by Argentine Central Bank	Ps. 10	Ps. 618	Ps. (3,145)	Ps. (2,517)
Unlisted Government Securities	—	—	(7,658)	(7,658)
Unlisted corporate bonds and Securities receivable under spot and forward purchases pending settlement	705	3,661	(718)	3,648
Total	**Ps. 715**	**Ps. 4,279**	**Ps. (11,521)**	**Ps. (6,527)**

The maturities of available for sale securities as of December 31, 2017 are as follows:

	December 31, 2017			
Securities	Within 1 year	After 1 year but within 5 years	After 5 year but within 10 years	Total
Securities issued by Argentine Central Bank	Ps. 2,341,832	—	—	2,341,832
Unlisted government bonds	1,803,747	—	—	1,803,747
Unlisted corporate bonds	1,010	65,569	—	66,579
Securities receivable under spot and forward purchases pending settlement	25,371	—	—	25,371
Total	**Ps. 4,171,960**	**65,569**	**—**	**4,237,529**

In addition, the Group has evaluated whether there was a decline in the value of the security that is other-than temporary as defined by ASC 310-10.

The table below presents the fair value and the associated gross unrealized losses on AFS debt securities and whether these securities have had gross unrealized losses for less than 12 months or for 12 months or longer as of December 31, 2017 and 2016:

	Less than 12 months		Total	
	Gross Unrealized losses	Fair Value	Gross Unrealized losses	Fair Value
December 31, 2017				
Securities issued by Argentine Central Bank	Ps. (7,035)	1,484,288	Ps. (7,035)	1,484,288
Unlisted government bonds	(1,242)	811,195	(1,242)	811,195
Unlisted corporate bonds and Securities receivable under spot and forward purchases pending settlement	(3,942)	620,520	(3,942)	620,520
Total	Ps. **(12,219)**	**2,916,003**	Ps. **(12,219)**	**2,916,003**

	Less than 12 months		Total	
	Gross Unrealized losses	Fair Value	Gross Unrealized losses	Fair Value
December 31, 2016				
Securities issued by Argentine Central Bank	Ps. (3,145)	903,654	Ps. (3,145)	903,654
Unlisted government bonds	(7,658)	811,195	(7,658)	811,195
Unlisted corporate bonds and Securities receivable under spot and forward purchases pending settlement	(718)	11,040	(718)	11,040
Total	**Ps.** (11,521)	1,725,889	**Ps.** (11,521)	1,725,889

For purposes of determining whether the decline in fair value for these categories of securities qualifies as "other than temporary impairment," the Group has considered the following factors:

- The decline in fair value is not attributable to credit quality. It solely derives from adverse interest rate fluctuations of observable inputs of similar instruments according to their fair value hierarchy.
- Future principal payments will be sufficient to recover the current amortized cost of these investments.
- The Group has the intention to hold these securities at least until their fair value recover to a level that exceeds their amortized cost.
- The extent to which the fair value has been less than the amortized cost is not relevant for these categories of securities.

As of December 31, 2017 and 2016 the Group has evaluated if an "other than temporary impairment" exists. As a result of its analysis, has determined that the decrease was temporary in nature and no impairment has to be recorded under US GAAP.

Net income adjustment between Argentine Banking GAAP and US GAAP for the year ended December 31, 2017, 2016 and 2015 amounted to Ps. 5,513, Ps. (3,252) and Ps. 162, respectively.

f. Vacation Provision

Following Argentine Banking GAAP, the cost of vacations earned by employees is recorded by the Group when paid.

US GAAP requires that this expense be recorded on an accrual basis as the vacations are earned.

Shareholders´ Equity adjustment between Argentine Banking GAAP and US GAAP as of December 31, 2017 and 2016 amounted to Ps. (300,043) and Ps. (215,361), respectively. Net income adjustment as of December 31, 2017, 2016 and 2015 amounted to Ps. (84,682), Ps. (35,587) and Ps. (12,825), respectively.

g. Derivative Instruments

The Group enters into derivative transactions, mainly, futures, forward, options and interest rate swaps.

Under Argentine Banking GAAP futures, forward and options are accounted at fair value and interest rate swap at its notional value. Over this value, the Group agrees to pay a fix interest rate and to receive a floating interest rate. The differences arising between fixed and floating rates of interest rate swaps are settled monthly and are recorded at their net position. This net position is calculated instrument by instrument. Differences arising between the spot price and the future price in futures and forwards transactions are settled daily through ROFEX.

Under US GAAP, ASC 815 "Derivatives and Hedging" establishes accounting and reporting standards for derivative instruments, including certain ones embedded in other contracts (collectively referred to as derivatives) and for hedging activities.

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The standard requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Group had no embedded derivatives and does not apply hedge accounting in accordance with FASB ASC 815.

There are no shareholders´ equity and net income adjustments between Argentine Banking GAAP and US GAAP as of December 31, 2017 and 2016.

Under US GAAP, FASB ASC 815 also requires additional disclosures, as follows:

	December 31, 2017		December 31, 2016	
Derivatives not designated as hedging instruments under FASB ASC 815	**Balance sheet classification (1)**	**Fair value**	**Balance sheet classification (1)**	**Fair value**
Assets derivatives				
Foreign exchange contracts	Other receivables from financial intermediation	—	Other receivables from financial intermediation	28,304
Total assets derivatives		**—**		**28,304**
Liability derivatives				
Foreign exchange contracts	Other liabilities from financial intermediation	—	Other liabilities from financial intermediation	—
Options	Other liabilities from financial intermediation	—	Other liabilities from financial intermediation	—
Total liability derivatives		**—**		**—**

(1) According to Central Bank rules.

See amounts of gain or (loss) recognized in income on derivatives in Note 25.c.

h. Special Termination Arrangements

Special termination arrangements are principally termination benefits that a group of eligible employees receive during the period between their effective termination date and their retirement age, when they voluntary accepts an irrevocable termination arrangement.

Under Argentine Banking GAAP, the costs of the special termination arrangement are recorded when paid.

Under ASC 712 “Special termination benefits” a liability should be recorded and an expense recognized in the period the employees irrevocably accept the offer and the amount of the termination liability is reasonably estimable.

Shareholders´ Equity adjustment between Argentine Banking GAAP and US GAAP as of December 31, 2017 and 2016 amounted to Ps. (598,281) and Ps. (290,025), respectively. Net income adjustment as of December 31, 2017 and 2016 and 2015 amounted to Ps. (308,256), Ps. (151,100) and Ps. (69,271), respectively.

i. Customer Loyalty Programs

The Group offers reward programs that allow its cardholders to earn points that can be redeemed for a broad range of rewards, including goods and travels among others.

Under Argentine Banking GAAP, the Group recorded a liability based on the redemptions paid during the last 12 months.

Under US GAAP the Group establishes a reward liability based upon the points earned that are expected to be redeemed and the average cost per point redeemed. The points to be redeemed are estimated based

on past redemption behavior, card product type, and other historical card performance. The liability is reduced as the points are redeemed.

Shareholders´ Equity adjustment between Argentine Banking GAAP and US GAAP as of December 31, 2017 and 2016 amounted to Ps. (51,193) and Ps. (44,091), respectively. Net income adjustment as of December 31, 2017, 2016 and 2015 amounted to Ps. (7,102), Ps. (15,995) and Ps. 21,094, respectively.

j. Credit Card Loans— Imputed Interest

As of December 31, 2017 and 2016, the Group has granted credit card loans with zero interest rates or preferential interest rates. Under Argentine Banking GAAP, the Group has recorded the investment at the amount granted without consideration of the market interest rate involved in the transaction.

Under US GAAP, ASC 835-30 establishes a method to determine the interest rate corresponding to these types of transactions. This Standard provides guidance for the appropriate accounting when the face amount of an account receivable does not reasonably represent the present value of the consideration given or received in the exchange.

The objective is to approximate the interest rate for an account receivable that would have resulted if an independent borrower and an independent lender had negotiated a similar transaction under comparable terms and conditions with the option to pay the cash price upon purchase for the amount of the purchase that bears the prevailing rate of interest to maturity.

Shareholders´ Equity adjustment between Argentine Banking GAAP and US GAAP as of December 31, 2017 and 2016 amounted to Ps. (182,161) and Ps. (88,463), respectively. Net income adjustment for the years ended December 31, 2017, 2016 and 2015 amounted to Ps. (93,698), Ps. 21,666 and Ps. (75,775), respectively.

k. Deferred Income Tax

Argentine Central Bank regulations do not require the recognition of deferred tax assets and liabilities and, therefore, income taxes for Banco Supervielle and Cordial Compañía Financiera S.A. are recognized on the basis of amounts due in accordance with Argentine tax regulations. However, Grupo Supervielle and Grupo Supervielle's non-bank subsidiaries apply the deferred income tax method. As a result, Grupo Supervielle and its non-banking subsidiaries have recognized a deferred tax asset as of December 31, 2017 and 2016. As indicated in note 3.19, on the December 27, 2017 the Argentine Congress approved a comprehensive income tax reform that will become effective as of 2018.

In addition, the Group records as an asset the credit related with Minimum Presumed Income Tax amounting to Ps. 26,183 and Ps. 8,408 as of December 31, 2017 and 2016, respectively. The MPIT credit will be computable as a down payment of any income tax excess over minimum notional income tax through the next ten years.

For purposes of US GAAP reporting, the Bank and Cordial Compañía Financiera S.A. apply FASB ASC 740 "Income Taxes". Under this method, income taxes recognized using the asset and liability method whereby deferred tax assets and liabilities are recorded for temporary differences between the financial reporting and their respective tax basis. Deferred tax assets are also recognized if it is more likely than not those assets will be realized.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recorded or settled. The effect of a change in tax rates is recognized in income statement in the period when enacted. A valuation allowance is recognized for that component of net deferred tax assets which is "more likely than not" that

it will not be realized. Under this pronouncement, an enterprise must use judgment in considering the relative impact of negative and positive evidence to determine if a valuation allowance is needed or not.

As of December 31, 2017 and 2016, and based on the analysis performed on the realizability of the deferred tax assets, the Group believes that is more likely than not that it will recover all the temporary differences and no portion of the net operating tax loss carryforward with future taxable income and, therefore, a valuation allowance was provided against the net operating tax loss carryforward based on the taxable income projections.

Legal entities in Argentina file their individual tax returns with the tax authority and consolidation of tax returns are not permitted. Consequently, deferred tax assets, deferred tax liabilities, and valuation allowances are determined based on the individual positions of each legal entity.

As such, the US GAAP adjustment included: a) Deferred Income Taxes for banking companies not recorded for local purposes and; b) tax effects on the US GAAP adjustments including in the reconciliation.

Deferred tax assets / (liabilities) are summarized as follows:

	December 31, 2017		
	ASC 740-10 applied to Argentine Banking GAAP balances	ASC 740-10 applied to US GAAP adjustments	ASC 740-10 Total
Deferred tax assets			
Loan loss reserves	Ps. 200,588	Ps. 115,974	Ps. 316,562
Loans origination fees and cost	—	66,974	66,974
Provisions	23,163	284,855	308,018
Transfer of Financial Assets	—	125,425	125,425
Credit Card Loans — Imputed Interest	—	54,648	54,648
Financial Guarantees	—	1,985	1,985
Loss carry forward	50,647	—	50,647
	Ps. 274,398	**Ps. 649,861**	**Ps. 924,259**
Deferred tax liabilities			
Fixed Assets	Ps. 48,997	Ps. (6,559)	Ps. 42,438
Intangible assets	17,630	(14,795)	2,835
Exchange rate differences	39,394	—	39,394
Government Securities and other investments	—	991	991
	Ps. 106,021	**Ps. (20,363)**	**Ps. 85,658**
Net deferred income tax asset before valuation allowance	Ps. **168,377**	Ps. **670,224**	Ps. **838,601**
Valuation allowance	(50,647)	—	(50,647)
Net deferred income tax assets	**Ps. 117,730**	**Ps. 670,224**	**Ps. 787,954**

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	December 31, 2016		
	ASC 740-10 applied to Argentine Banking GAAP balances	ASC 740-10 applied to US GAAP adjustments	ASC 740-10 Total
Deferred tax assets			
Loan loss reserves	Ps. 169,225	Ps. 41,414	Ps. 210,639
Loans origination fees and cost	—	23,843	23,843
Provisions	22,662	192,317	214,979
Transfer of Financial Assets	—	122,774	122,774
Credit Card Loans — Imputed Interest	—	30,962	30,962
Government securities and other investments	—	3,320	3,320
Financial Guarantees	—	3,189	3,189
Loss carry forward	137,067	—	137,067
	Ps. 328,954	**Ps. 417,819**	**Ps. 746,773**
Deferred tax liabilities			
Fixed Assets	Ps. 29,983	Ps. (6,837)	Ps. 23,146
Intangible assets	24,269	(9,260)	15,009
	Ps. 54,252	**Ps. (16,097)**	**Ps. 38,155**
Net deferred income tax asset before valuation allowance	Ps. **274,702**	Ps. **433,916**	Ps. **708,618**
Valuation allowance	(137,067)	—	(137,067)
Net deferred income tax assets	**Ps. 137,635**	**Ps. 433,916**	**Ps. 571,551**

The following table reconciles the statutory income tax rate in Argentina to the Group´s effective tax rate calculated on the basis of US GAAP for the years ended December 31, 2017, 2016 and 2015:

	December 31,		
	2017	2016	2015
Pre-tax income in accordance with US GAAP (a)	Ps. 2,352,923	Ps. 1,345,089	Ps. 931,395
Statutory income tax rate	35%	35%	35%
Tax on net income at statutory rate	**Ps. 823,523**	**Ps. 470,781**	**Ps. 325,988**
Permanent tax differences	(81,661)	(188,124)	(78,743)
Changes in valuation allowance	(86,420)	36,563	8,074
Income tax in accordance with US GAAP	**Ps. 655,442**	**Ps. 319,221**	**Ps. 255,319**

(a) Includes pre-tax income of trusts that are consolidated under US GAAP, as described in Note 35.I.d.

ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition for uncertain tax positions taken or expected to be taken in a tax return. As of December 31, 2017 and 2016, there were no uncertain tax positions.

The following table shows the tax years open for examination as of December 31, 2017, in which the Group's operate:

Jurisdiction	Tax year
Argentina	2013 — 2017

l. Accounting for guarantees

The Bank issues financial guarantees, which are obligations to pay to a third party when a customer fails to repay its obligation.

Under Central Bank rules, guarantees issued are recognized as liabilities when it is probable that the obligation undertaken by the guarantor will be performed.

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Under US GAAP, FASB ASC 460 "Guarantees" requires that at inception of a guarantee, a guarantor recognize a liability for the fair value of the obligation undertaken in issuing the guarantee. Such liability at inception is deemed to be the fee received by the Group with an offsetting entry equal to the consideration received. Subsequent reduction of liability is based on an amortization method as the Group is decreasing its risk. As of December 31, 2017 and 2016, the fair value of the guarantees less the estimated proceeds from collateral amounted to Ps. (6,616) and Ps. (9,111), respectively. Net income adjustment as of December 31, 2017, 2016 and 2015 amounted to Ps. 2,495, Ps. 526 and Ps. (10,997), respectively.

m. Non-controlling Interest

Argentine Banking GAAP requires to record non-controlling interests as a component of the liabilities. Under US GAAP, FASB ASC 810 requires to record such interests as shareholders' equity. As consequence, consolidated net income and comprehensive income are reported with separate disclosure of the amounts attributable to the parent company and to the non-controlling interest. The non-controlling interest in accordance with Argentine Banking GAAP has been eliminated for US GAAP reconciliation purposes. Also, non-controlling interest under US GAAP reflects the effect in non-controlling interest of all the other US GAAP adjustments discussed.

Had US GAAP been applied, the Group's shareholder's equity would increase by Ps. 1,602 and Ps. 18,735 at December 31, 2017 and 2016, respectively. In addition, income for the fiscal years ended at December 31, 2017, 2016 and 2015 would have (decreased) / increased by Ps. (16,886), Ps. 3,290 and Ps. 3,558, respectively.

II. Additional disclosure requirements:

a) Comprehensive income

"Reporting Comprehensive Income" ASC 220 establishes standards for reporting and the display of comprehensive income and its components (revenues, expenses, gains and losses) in the financial statements. Comprehensive income is the total of net income and all transactions, and other events and circumstances from non-owner sources.

The following disclosure presents the Comprehensive Income according to ASC 220, for the years ended December 31, 2017, 2016 and 2015:

	December 31,		
	2017	**2016**	**2015**
Income Statement			
Financial income	Ps. 15,991,409	Ps. 10,981,488	Ps. 7,496,156
Financial expenses	(6,448,536)	(5,191,330)	(3,809,350)
Gross financial margin — gain	9,542,873	5,790,158	3,686,806
Loan Loss provisions net of recoveries	(2,200,682)	(1,099,229)	(532,191)
Services fee income	4,746,614	3,459,641	2,662,219
Services fee expense	(1,504,268)	(1,097,632)	(759,367)
Administrative expenses	(8,886,710)	(6,159,154)	(4,454,857)
Subtotal- Income from financial transactions	1,697,827	893,784	602,610
Income from insurance activities	479,061	606,143	175,947
Miscellaneous income	545,898	298,897	367,165
Miscellaneous losses	(369,863)	(453,735)	(214,327)
Income before tax	2,352,923	1,345,089	931,395
Income Tax	(655,442)	(319,221)	(255,319)
Net income under US GAAP	**Ps. 1,697,481**	**Ps. 1,025,868**	**Ps. 676,076**
Less: Net Income attributable to the Non-controlling Interest.	(52,889)	(28,184)	(57,722)
Net Income attributable to the Group	**Ps. 1,644,592**	**Ps. 997,684**	**Ps. 618,354**

(a) includes net income from participation in Financial Trust consolidated under US GAAP

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Comprehensive income

	December 31,		
	2017	2016	2015
Net income for the year	Ps. 1,697,481	Ps. 1,025,868	Ps. 676,076
Other comprehensive income:			
Gross unrealized (loss) / gain, net	7,274	(7,242)	18,653
Estimated tax benefit / (loss) on unrealized (loss) / gain on available for sale securities	(2,546)	2,535	(6,529)
Unrealized (loss) / gain, net of tax	4,728	(4,707)	12,124
Comprehensive income	**1,702,209**	**1,021,161**	**688,200**
Less: Other comprehensive income attributable to non-controlling interest	(247)	284	(983)
Less: Comprehensive income attributable to non-controlling interest	(52,889)	(28,183)	(57,722)
Comprehensive income attributable to the Group	**Ps. 1,649,073**	**Ps. 993,262**	**Ps. 629,495**

	December 31,		
	2017	2016	2015
Unrealized net (loss) / gains - Available for sale securities	Ps. 747	Ps. (6,527)	Ps. 715
Estimated tax benefits / (loss) on unrealized net gains on available for sale securities	(262)	2,284	(250)
Accumulated other comprehensive income, net	**Ps. 485**	**Ps. (4,243)**	**Ps. 465**

b) Statements of Income and Balance Sheets

The presentation of financial statements according to the Argentine Banking GAAP differs significantly from the format required by the SEC under Rules 210.9 to 210.9-07 of Regulation S-X (Article 9). The income statements presented below disclose the categories required by Article 9 using Argentine Banking GAAP:

	December 31,		
	2017	2016	2015
Interest income			
Interest and fees on loans	Ps. 12,652,880	Ps. 8,887,937	Ps. 5,733,880
Interest and dividends on investment securities taxable	2,373,059	1,241,555	689,472
Interest on other receivables from financial transactions	364,836	412,467	273,657
	Ps. 15,390,775	Ps. 10,541,959	Ps. 6,697,009
Interest expense			
Interest on deposits	2,960,459	3,076,406	2,173,450
Interest on securities sold under agreements to repurchase	108,712	94,143	38,085
Interest on short-term liabilities from financial intermediation	1,933,596	792,419	480,079
Interest on long-term liabilities from financial intermediation	128,237	128,027	81,282
	Ps. 5,131,004	Ps. 4,090,995	Ps, 2,772,896
Net interest income	Ps. 10,259,771	Ps. 6,450,964	Ps. 3,924,113
Provision for loan losses, Net of reversals	1,652,325	926,650	483,645
Net interest income after provision for loan losses	Ps. 8,607,446	Ps. 5,524,314	Ps. 3,440,468
Non-interest income			
Service charges on deposit accounts	Ps. 1,435,289	Ps. 925,096	Ps. 678,531
Credit-card service charges and fees	937,690	802,059	769,446
Other commissions	868,288	594,910	881,083
Insurance commissions, fees and premiums	1,162,677	1,120,921	
Loans related commissions	1,084,217	730,099	506,648
Income from equity in other companies	27,648	—	3
Foreign exchange, net	250,758	367,436	44,735
Other	571,302	353,119	482,910
Total non-interest income	Ps. 6,337,869	Ps. 4,893,640	Ps. 3,363,356
Non-interest expense			
Commissions	Ps. 800,636	Ps. 559,391	Ps. 365,847
Personnel expenses	5,475,674	3,860,094	2,767,111
Fees and external administrative services	507,065	360,519	246,061
Depreciation of premises and equipment	118,594	81,558	56,637
Renting	249,934	225,363	148,381
Electricity and communications	193,227	149,888	101,009
Advertising and publicity	549,408	443,526	314,295
Taxes	2,035,846	1,438,996	1,101,813
Amortization of other intangibles	128,875	111,284	92,431
Loss from equity in others companies	—	4,997	—
Repair maintenance and conservation	356,500	308,276	147,845
Insurance	35,498	26,476	14,204

Security Services	191,282	132,122	95,751
Other Provisions and reserves	44,797	76,627	23,863
Other	998,655	766,003	362,173
Stationary and supplies	43,885	38,762	29,055
Total non-interest expense	Ps. 11,729,876	Ps. 8,583,880	Ps. 5,866,476
Income before tax expense	3,215,439	1,834,074	937,350
Income tax expense	772,483	500,603	247,161
Net Income attributable to Parent Company	Ps. 2,442,956	Ps. 1,333,471	Ps. 690,189
Net Income attributable to non-controlling interest	Ps. 5,897	22,166	16,080
Net Income	Ps. 2,437,059	Ps. 1,311,304	Ps. 674,109

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Argentine Banking GAAP also requires certain classifications of assets and liabilities, which are different from those required by Article 9. The following balance sheet presents Grupo Supervielle's balance sheet as of December 31, 2017 and 2016, as if they had followed Article 9 balance sheet disclosure requirements using Argentine Banking GAAP.

	December 31,	
	2017	2016
Assets		
Cash and due from banks	Ps. 3,105,770	Ps. 2,048,348
Interest bearing deposits in other Banks	8,023,716	6,115,561
Trading account assets	1.734.409	945,991
Other short-term investments	680,866	1,185,637
Available for sale securities (*)	13,612,362	1,414,053
Loans	58,613,161	36,664,087
Allowances for loan losses (Note 7)	(1,536,728)	(888,677)
Loans, net	57,076,433	35,775,410
Other receivables from financial transactions	5,880,530	2,585,807
Miscellaneous receivables	1,776,209	1,106,292
Premises and equipment	694,430	620,003
Intangible Assets — Goodwill	22,042	31,263
Intangible Assets — Other	302,459	252,334
Assets held for sale (**)	—	207,656
Other assets	1,062,052	917,687
Total assets	Ps. 93,971,278	Ps. 53,206,042

	December 31,	
	2017	2016
Liabilities and Shareholders' Equity:		
Noninterest bearing Deposits	Ps. 22,984,798	Ps. 12,265,395
Interest bearing Deposits	33,502,231	23,632,468
Short-term borrowing	3,796,719	3,344,884
Other liabilities	60,512	134,158
Amounts payable for spot and forward purchases pending settlement	3,764,064	592,386
Other liabilities from financial transactions	2,685,835	2,193,928
Long-term debt	8,882,608	1,697,360
Other Liabilities (***)	3,058,053	2,173,223
Liabilities held for sale (**)	—	74,687
Contingent liabilities	80,163	62,596
Total Liabilities	Ps. 78,814,983	Ps. 46,171,094
Total Parent Company shareholders´ equity	15,144,798	6.931.551
Non-controlling Interest	11,497	103.397
Total liabilities and shareholders' equity	Ps. 93,971,278	Ps. 53.206.042

(*) The carrying value and market value of securities classified into "available-for-sale securities" have been mentioned in note 35.1.e. This line includes Ps. 735 corresponding to restricted investments.
(**) These lines includes the assets and liabilities of Cordial Microfinanzas that have been classified as held for sale as it met the criteria stablished by the ASC 360-45-9 and have been measured at its carrying value.
(***) These line include taxes payables, sundry accounts and social debts.

In the following table is a description of total loans by categories:

	December 31, 2017		December 31, 2016	
Financial Sector	3,236,350	6%	823,772	2%
Services	3,578,836	6%	1,656,902	5%
Primary Products	6,275,915	11%	3,069,654	8%
Consumer	30,420,943	51%	20,343,028	55%
Retail Trade	1,540,861	3%	1,324,768	3%
Construction	5,200,237	9%	3,482,245	10%
Manufacturing	4,318,475	7%	1,736,015	5%
Other	4,041,544	7%	4,227,703	12%
Total	**58,613,161**	**100%**	**36,664,087**	**100%**

Transactions with related parties are described in note 18.

c) Fair Value Measurements Disclosures

ASC 820 -10 defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements about fair-value measurements. ASC 820 -10, among other things, requires the Group to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

In addition, ASC 825 -10 provides an option to elect fair value as an alternative measurement for selected financial assets, financial liabilities, unrecognized firm commitments and written loan commitments not previously recorded at fair value. Under ASC 825 -10, fair value is used for both the initial and subsequent measurement of the designated assets, liabilities and commitments, with the changes in fair value recognized in net income. As a result of ASC 825 -10 analyses, the Group has not elected to apply fair value accounting for any of its financial instruments not previously carried at fair value.

Fair Value Hierarchy

ASC 820 -10, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820 -10 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

  Level 2 — inputs include the following:
  a) Quoted prices for similar assets or liabilities in active markets;
  b) Quoted prices for identical or similar assets or liabilities in non-active markets;
  c) Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
  d) Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means

- Level 3 — inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Determination of Fair Value

The Group identified and categorized different assets and liabilities measured at fair value in accordance with the requirements of FASB ASC 820.

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models that use primarily market-based or independently-sourced market parameters, including interest rate yield curves, option volatilities and currency rates. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments include amounts to reflect counterparty credit quality, the Group's creditworthiness, liquidity and unobservable parameters that are applied consistently over time.

The Group believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following section describes the valuation methodologies used by the Group to measure various financial instruments at fair value, including an indication of the level in the fair-value hierarchy in which each instrument is generally classified. Where appropriate, the description includes details of the valuation models, the key inputs to those models as well as any significant assumptions.

Description of the measurement processes

The Group uses fair value to measure certain assets and liabilities on a recurring basis when fair value is the primary measure for accounting. This is done primarily for government and private securities (debt instruments issued by National Government and Central Bank and other) classified as available for sale or trading account, forward transactions pending settlement and derivatives (forward transactions without delivery of underlying assets and interest rate swaps).

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Assets

Government and corporate securities

Investment securities: as quoted market prices are available in an active market, securities are classified within level 1 of the valuation hierarchy. Level 1 securities include national and government bonds, instruments issued by BCRA and corporate securities.

Derivatives Financial Instruments

Forward transactions traded in Self-Regulated markets are made through recognized exchange markets, such as MAE and ROFEX. Therefore, they are classified in Level 1 of the fair-value hierarchy.

Items measured at fair value on a recurring basis

The following table presents the financial instruments carried at fair value as of December 31, 2017 and 2016, under US GAAP:

Balances as of December 31, 2017	Total fair value	Quoted market prices in active markets - Level 1	Internal models with significant observable market parameters - Level 2	Internal models with significant unobservable markets parameters - Level 3
Assets				
Government and corporate securities				
Holdings of trading securities	Ps. 139,385	Ps. 139,385	Ps. —	Ps. —
Unlisted government securities	1,802,568	1,802,568	—	—
Investments in listed corporate securities	38,624	38,624	—	—
Securities issued by the Argentine Central Bank (*)	11,673,866	11,673,866	—	—
Other receivables from financial transaction				
Securities receivable under spot and forward purchases pending settlement	25,371	25,371	—	—
Unlisted corporate bonds	67.156	67,156	—	—
	Ps. **13,773,886**	Ps. **13,773,886**	Ps. —	Ps. —
Liabilities				
Securities to be delivered under spot and forward sales pending settlement	Ps. 3,788,545	Ps. 3,788,545	Ps. —	Ps. —
	Ps. **3,788,545**	Ps. **3,788,545**	Ps. —	Ps. —

(*) "Securities issued by the Argentine Central Bank" includes a reverse repo transaction operation for an amount of Ps. 3,738,790 that it is adjusted in Note 35.II.f. "Repurchase agreements".

Balances as of December 31, 2016	Total fair value	Quoted market prices in active markets - Level 1	Internal models with significant observable market parameters - Level 2	Internal models with significant unobservable markets parameters - Level 3
Assets				
Government and corporate securities				
Holdings of trading securities	Ps. 158,386	Ps. 158,386	Ps. —	Ps. —
Investments in listed corporate securities	1,895	1,895	—	—
Unlisted government securities	811,195	811,195	—	—
Securities issued by the Argentine Central Bank (*)	2,391,386	2,391,386	—	—
Other receivables from financial transaction				
Derivative instruments	28,304	28,304	—	—
Securities receivable under spot and forward purchases pending settlement	591,408	591,408	—	—
Unlisted corporate bonds	29,112	29,112	—	—
	Ps. **3,853,300**	Ps. **3,853,300**	Ps. —	Ps. —
Liabilities				
Securities to be delivered under spot and forward sales pending settlement	Ps. 29,979	Ps. 29,979	Ps. —	Ps. —
	Ps. **29,979**	Ps. **29,979**	Ps. —	Ps. —

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(*) "Securities issued by the Argentine Central Bank" includes a reverse repo transaction operation for an amount of Ps. 37,840 that it is adjusted in Note 35.II.f. "Repurchase agreements".

As of December 31, 2017 and 2016 there are not assets and liabilities recorded at fair value on a non-recurring basis.

As of December 31, 2017 and 2016, the Group has not made transfers in or out of Level 1, Level 2, and Level 3.

d) Disclosure about Fair Value of Financial Instruments.

ASC 825, "Disclosures about Fair Value of Financial Instruments" requires disclosures of estimates of fair value of financial instruments. These estimates were made as of December 31, 2017 and 2016. Because many of the Group's financial instruments do not have a ready trading market from which to determine fair value, the disclosures are based upon estimates regarding economic and current market conditions and risk characteristics. Such estimates are subjective and involve matters of judgment and, therefore, are not precise and may not be reasonably comparable to estimates of fair value for similar instruments made by other financial institutions.

The estimated fair values do not include the value of assets and liabilities not considered financial instruments.

	December 31, 2017				
	Book Value	Fair Value	Level 1	Level 2	Level 3
Non derivative activities					
Assets					
Cash and due from banks (1)	Ps. 11,129,475	Ps, 11,129,475	11,129,475	—	—
Government and Corporate securities(*) (2)	11,607,246	11,609,195	11,609,195	—	—
Loans and leases (3)	57,473,574	62,873,349	—	—	62,873,349
Others (**) (4)	6,609,656	6,610,194	6,610,194	—	—
Liabilities					
Deposits (5)	Ps. 56,487,027	Ps, 56,357,281	—	—	56,357,281
Other liabilities from financial transactions (6)	10,136,152	10,136,152	3,820,334	—	6,315,818
Negotiable obligations (7)	8,993,075	8,982,279	—	—	8,982,279
Others (8)	3,058,053	3,058,053	—	—	3,058,053

(*)"Government and Corporate securities" includes an adjustment related a reverse repo transaction operation for an amount of for an amount of Ps. 3,738,790 that have been adjusted for US GAAP purposes.

(**)"Assets - Others" includes an adjustment related forward transactions pending settlement for an amount of Ps. 20,610 that have been adjusted for US GAAP purposes.

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	December 31, 2016				
	Book Value	Fair Value	Level 1	Level 2	Level 3
Non derivative activities					
Assets					
Cash and due from banks (1)	Ps. 8,166,132	Ps. 8,166,132	8,166,132	—	—
Government and Corporate securities (2) (*)	2,360,044	2,351,580	2,351,580	—	—
Loans and leases (3)	36,424,364	39,141,141	—	—	39,141,141
Others (**) (4)	3,772,576	3,788,752	3,769,791	—	18,961
Liabilities					
Deposits (5)	Ps. 35,897,864	Ps. 35,846,634	—	—	35,846,634
Other liabilities from financial transactions (6)	4,547,898	4,547,898	627,331	—	3,920,567
Negotiable obligations (7)	3,345,694	3,378,350	—	—	3,378,350
Others (8)	2,182,228	2,182,228	—	—	2,182,228

(*)"Government and Corporate securities" includes an adjustment related to forward transactions pending settlement for an amount of Ps. 48,322 that have been adjusted for US GAAP purposes.

(**)"Assets - Others" include forward transactions pending settlement for an amount of Ps. 8,250 that have been adjusted for US GAAP purposes.

The following is a description of the estimating techniques applied:

(1) Cash and due from banks: By definition, cash and due from banks are short-term and do not possess credit risk. The carrying values as of December 31, 2017 and 2016 are a reasonable estimate of fair value.

(2) Government and Corporate securities: When available, the Group uses quoted market prices to determine the fair value. If market prices are not available, quoted prices for similar assets in active markets have been used to calculate the fair value.

(3) Loans: The fair values of loans are estimated for groups with similar characteristics, including type of loan, credit quality incorporating the credit risk factor. For floating- or adjustable-rate loans, which mature or are repriced within a short period of time, the carrying values are considered to be a reasonable estimate of fair values. For fixed-rate loans, market prices are not generally available and the fair values are estimated discounting the estimated future cash flows based on the contracted maturity of the loans. The discount rates are based on the current market rates corresponding to the applicable maturity. For non-performing loans, the fair values are generally determined on an individual basis by discounting the estimated future cash flows and may be based on the appraisal value of underlying collateral as appropriate. The fair value of "loans" is classified as Level 3 of the valuation hierarchy where significant unobservable inputs were used to calculate the fair value. The valuation technique used to obtain the fair value was an income approach using discounted cash flows. No changes in the valuation technique took place during the year.

(4) Others: Includes other receivables from financial transactions and equity investments in other companies. This caption also includes financial trusts certificates of participation the fair value of which is estimated using valuation techniques to convert the future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The estimate of the cash flows is based on the future cash flows from the securitized assets, considering prepayments, historical loan performance, etc. Equity investments in companies where significant influence is exercised are not within the scope of ASC 825, Financial Instruments. Equity investments in other companies are carried at market value less costs to sell.

(5) Deposits: The fair value of deposit liabilities on demand and savings account deposits is similar to its book value. The fair value of time deposits was calculated by discounting contractual cash flows using current market rates for instruments with similar maturities.

(6) Other liabilities from financial transactions: Includes credit lines borrowed under different credit arrangements. As of December 31, 2017 and 2016, when no quoted market prices were available, the

estimated fair value has been calculated by discounting the contractual cash flows of these liabilities at estimated market rates.

(7) Negotiable obligations: As of December 31, 2017 and 2016, the fair value of the negotiable obligations was determined based on quoted market prices and when no quoted market prices were available, the estimated fair value has been calculated by discounting the contractual cash flows of these liabilities at estimated market rates.

(8) Others: Includes other liabilities from financial transactions. Their fair value was estimated at the expected future cash flows discounted at the estimated market rates at year-end.

e) Segment Reporting

The Group has disclosed its segment information in accordance with the "Disclosures about Segments of an Enterprise and Related Information" ASC 280-10. Operating segments are defined as components of an enterprise about which separate financial information is available and which is regularly reviewed by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance. Reportable segments consist of one or more operating segments with similar economic characteristics, distribution systems and regulatory environments. The information provided for Segment Reporting is based on internal reports used by management.

The Group measures the performance of each of its business segments primarily in terms of net income (i.e., net revenues—or financial income and service fee income, net of financial expenses and service fee expenses—after deducting loan loss provisions and administrative costs directly attributable to the segment). Net income excludes the financial expenses incurred by Grupo Supervielle at the holding level in connection with its funding arrangements (although substantially all the proceeds of such arrangements have been contributed as capital to the subsidiaries through which the segments are operated), as well as transactions between segments, which are reflected under "Adjustments."

Income from financial transactions and other segment information are based on Argentine Banking GAAP and are consistent with the presentation of the Group's consolidated financial statements.

The Group operates its business along the following segments:

- *Retail Banking*: Through the Bank, we offer our retail customers a full range of financial products and services, including personal loans, deposit accounts, purchase and sale of foreign exchange and precious metals and credit cards, among others.

- *Corporate Banking*: Through the Bank, we offer large corporations, medium-sized companies and small businesses a full range of products, services and financial assessment including factoring, leasing, foreign trade finance and cash management.

- *Treasury*: The Treasury segment is primarily responsible for the allocation of the Bank's liquidity according to the needs and opportunities of the Retail Banking segment, the Corporate Banking segment and its own needs and opportunities. The Treasury segment implements the Bank's financial risk management policies, manages the Bank's trading desks, distributes treasury products such as debt securities, and develops businesses with wholesale financial and non-financial clients.

- *Consumer Finance*: Through CCF and Tarjeta, we offer credit card services and loans to the middle and lower-middle-income sectors. We also offer consumer loans, credit cards and insurance products through an exclusive agreement with Walmart Argentina.

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- *Insurance*: Through Supervielle Seguros, we offer insurance products, with a focus on life insurance, to targeted customer segments.

- *Asset Management & Other Services*: We also offer a variety of other services to our customers, including asset management, microcredit financing (through Cordial Microfinanzas), mutual fund products (through SAM) and non-financial products and services (through Espacio Cordial).

Below is a table with the information for each segment identified by the Group as of and for the years ended December 31, 2017, 2016 and 2015.

	As of December 31, 2017 (in thousands of pesos)							
	Retail Banking	Corporate Banking	Treasury	Consumer Finance	Insurance	Asset Mgmt & Other Services	Adjustments	Consolidated Total
Assets								
Cash and due from banks	2,799,066	260,107	8,000,292	74,143	3,012	340	(7,485)	11,129,475
Government and corporate securities	—	—	15,255,201	—	87,832	3,003	—	15,346,036
Loans	20,868,845	27,605,696	2,302,233	6,093,736	—	—	(1,916,137)	54,954,373
Other receivables from financial transactions	(4,251)	506,331	4,570,399	794,727	330,864	315,115	48,211	6,561,396
Receivables from financial leasing	439,189	2,080,012	—	—	—	—	—	2,519,201
Other assets	379,155	10,893	244,148	522,328	111,323	285,235	1,907,715	3,460,797
Total Assets	**24,482,004**	**30,463,039**	**30,372,273**	**7,484,934**	**533,031**	**603,693**	**32,304**	**93,971,278**

	As of December 31, 2017 (in thousands of Pesos)							
	Retail Banking	Corporate Banking	Treasury	Consumer Finance	Insurance	Asset Mgmt & Other Services	Adjustments	Consolidated Total
Financial income	6,186,492	3,719,565	2,261,049	3,032,272	96,017	49,354	149,922	15,494,671
Financial expenses	(1,816,992)	(449,607)	(3,017,638)	(1,370,932)	(1,789)	(1,071)	463,741	(6,194,288)
Distribution of Income (Expenses) for Treasury Funds(1)	1,172,277	(2,313,053)	1,140,776	—	—	—	—	—
Gross financial margin	**5,541,777**	**956,905**	**384,187**	**1,661,340**	**94,228**	**48,283**	**613,663**	**9,300,383**
Services Fee Income	2,835,892	806,289	64,768	1,284,466	—	561,712	(579,855)	4,973,272
Services Fee Expenses	(1,177,104)	(102,617)	(22,818)	(625,461)	—	(8,411)	440,563	(1,495,848)
Net Service Fee Income	**1,658,788**	**703,672**	**41,950**	**659,005**	**—**	**553,301**	**(139,292)**	**3,477,424**
Income from Insurance Activities	—	—	—	—	375,443	—	103,618	479,061
Net Revenue	**7,200,565**	**1,660,577**	**426,137**	**2,320,345**	**469,671**	**601,584**	**577,989**	**13,256,868**
Loan Loss Provisions	(737,284)	(153,312)	(3,642)	(924,499)	—	—	(1,432)	(1,820,169)
Direct costs	(3,934,851)	(359,172)	(116,792)	(1,149,235)	(154,366)	(264,494)	(28,260)	(6,007,170)
Indirect costs	(1,599,491)	(546,087)	(237,874)	—	—	—	—	(2,383,452)
Income from financial transaction	**928,939**	**602,006**	**67,829**	**246,611**	**315,305**	**337,090**	**548,297**	**3,046,077**
Miscellaneous								

Income / (Expenses)	98,907	28,591	1,451	16,939	1,184	3,220	19,070	169,362
Non-controlling interests result	—	—	—	—	—	—	(5,897)	(5,897)
Income Before Income Tax	**1,027,846**	**630,597**	**69,280**	**263,550**	**316,489**	**340,310**	**561,470**	**3,209,542**
Income tax	(346,827)	(92,381)	(21,534)	(84,110)	(110,875)	(116,756)	—	(772,483)
Net income	681,019	538,216	47,746	179,440	205,614	223,554	561,470	2,437,059

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	As of December 31, 2016 (in thousands of pesos)							
	Retail Banking	Corporate Banking	Treasury	Consumer Finance	Insurance	Asset Mgmt & Other Services	Adjustments	Consolidated Total
Assets								
Cash and due from banks	1,718,821	161,375	6,208,483	78,394	3,807	6,800	(11,548)	8,166,132
Government and corporate securities	—	—	2,247,370	8,594	104,080	—	—	2,360,044
Loans	13,869,169	16,958,277	1,352,717	4,403,552	—	193,915	(1,521,121)	34,896,509
Other receivables from financial transactions	174,633	317,461	1,639,240	439,471	284,796	179,115	738,020	3,772,736
Receivables from financial leasing	266,305	1,261,942	7	—	—	—	(399)	1,527,855
Other assets	252,895	50,482	169,732	564,484	68,992	121,706	1,254,475	2,482,766
Total Assets	**16,281,823**	**18,749,537**	**11,617,549**	**5,134,495**	**461,675**	**501,536**	**459,427**	**53,206,042**

	As of December 31, 2016 (in thousands of pesos)							
	Retail Banking	Corporate Banking	Treasury	Consumer Finance	Insurance	Asset Mgmt & Other Services	Adjustments	Consolidated Total
Financial income	4.482.498	2.920.526	1.589.736	1.769.292	52.916	119.960	(140.349)	10.794.579
Financial expenses	(1.916.534)	(374.446)	(1.703.934)	(1.028.048)	(1.066)	(50.284)	207.787	(4.866.525)
Distribution of Income (Expenses) for Treasury Funds	1.307.621	(1.918.789)	611.169	—	—	—	—	—
Gross intermediation margin	**3.873.585**	**627.291**	**496.971**	**741.244**	**51.850**	**69.676**	**67.438**	**5.928.054**
Provision for loan losses	(550.715)	(153.078)	(9.265)	(338.869)	—	(5.709)	—	(1.057.637)
Services Fee Income	2.306.782	559.866	46.545	931.082	—	261.703	-578.462	3.527.516
Services Fee Expenses	(996.626)	(63.472)	(9.113)	(433.721)	—	(1.150)	423.422	(1.080.660)
Net Service Fee Income	**1.310.156**	**496.394**	**37.432**	**497.361**	**—**	**260.553**	**-155.040**	**2.446.856**
Income from Insurance Activities	—	—	—	—	476.349	—	129.794	606.143
Direct costs	(2.790.068)	(213.622)	(94.259)	(839.258)	(139.227)	(228.613)	8.840	(4.296.207)
Indirect costs	(1.188.127)	(399.202)	(176.745)	—	—	—	—	(1.764.074)
Income from financial transactions	**654.831**	**357.783**	**254.134**	**60.478**	**388.972**	**95.907**	**51.032**	**1.863.135**
Miscellaneous Income / (Expenses)	(130.372)	24.500	(2.973)	8.177	—	93.990	(22.384)	(29.062)
Non-controlling interests result	—	—	—	—	—	—	(22.166)	(22.166)
Income Before Income Tax	**524.459**	**382.283**	**251.161**	**68.655**	**388.972**	**189.897**	**6.482**	**1.811.907**
Income tax	-161.897	-45.109	-88.258	-973	-136.570	-65.123	-2.673	-500.603
Net income	**362.562**	**337.174**	**162.903**	**67.682**	**252.402**	**124.774**	**3.809**	**1.311.304**

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	As of December 31, 2015 (in thousands of pesos)							
	Retail Banking	Corporate Banking	Treasury	Consumer Finance	Insurance	Asset Mgmt & Other Services	Adjustments	Consolidated Total
Financial income	2,917,135	1,906,335	693,726	1,050,944	22,840	71,084	79,680	6,741,744
Financial expenses	(1,514,611)	(350,635)	(921,029)	(529,309)	(320)	(30,609)	(39,537)	(3,386,050)
Distribution of Income (Expenses) for Treasury Funds	664,487	(1,119,721)	455,234	—	—	—	—	—
Gross intermediation margin	**2,067,011**	**435,979**	**227,931**	**521,635**	**22,520**	**40,475**	**40,143**	**3,355,694**
Provision for loan losses	(299,135)	(72,108)	—	(166,326)	—	(6,275)	—	(543,844)
Services Fee Income	1,953,001	391,853	23,891	573,838	—	126,596	(233,471)	2,835,708
Services Fee Expenses	(581,199)	(41,309)	(6,126)	(272,132)	—	(1,047)	123,321	(778,492)
Net Service Fee Income	1,371,802	350,544	17,765	301,706	—	125,549	(110,150)	2,057,216
Income from Insurance Activities	—	—	—	—	130,607	—	45,340	175,947
Direct costs	(2,076,291)	(158,438)	(57,676)	(638,493)	(68,183)	(141,958)	84,853	(3,056,186)
Indirect costs	(812,083)	(272,994)	(120,139)	—	—	—	—	(1,205,216)
Income from financial transactions	**251,304**	**282,983**	**67,881**	**18,522**	**84,944**	**17,791**	**60,186**	**783,611**
Miscellaneous Income / (Expenses)	12,610	73,601	5,117	47,893	91	75,023	(60,597)	153,738
Non-controlling interests result	—	—	—	—	—	—	(16,079)	(16,079)
Income Before Income Tax	**263,914**	**356,584**	**72,998**	**66,415**	**85,035**	**92,814**	**(16,490)**	**921,270**
Income tax	(42,137)	(68,139)	(21,711)	(6,734)	(30,953)	(33,285)	(44,202)	(247,161)
Net income	**221,777**	**288,445**	**51,287**	**59,681**	**54,082**	**59,529**	**(60,692)**	**674,109**

f) Repurchase agreements

The Group entered into Repo and Reverse Repo agreements of financial instruments as disclose in Note 8.

In accordance with BCRA Rules, the Group derecognizes the securities transferred under the repurchase agreement and records an asset related to the future repurchase of these securities. Contemporaneously, the Group records a liability related to the cash received in the transaction. As mentioned in Note 3.8, the asset related to securities to be repurchased is measured as the same criteria as the transferred securities.

Similar treatment applies to reverse repo agreements.

Under US GAAP, ASC 860 “Transfers and Servicing”, these transactions have not qualified as sales and therefore these transactions are recorded as secured financings.

Had US GAAP been applied, the Group’s assets and liabilities would have decreased by approximately Ps. 3,352,217 and 594,764 as of December 31, 2017 and December 31, 2016, respectively.

In addition, the measurement adjustments of those securities are included in Note 35.I.e.

g) Acceptances

Under Argentine Banking GAAP, acceptances are accounted for in memorandum accounts, Under US GAAP, third party liability for acceptances should be included in “Other Receivables Resulting from Financial Transactions” representing Group customers’ liabilities on outstanding drafts or bills of exchange that have been accepted by the Group. Acceptances should be included in “Other Liabilities from Financial Transactions” representing the Group’s liability to remit payment upon the presentation of the accepted drafts or bills of exchange.

The Group’s assets and liabilities would be increased by approximately Ps. 48,554 and Ps. 55,711 had US GAAP been applied as of December 31, 2017 and 2016, respectively.

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h) Items in process of collection

The Group does not give accounting recognition to checks drawn on the Group or other banks, or other items to be collected until such time as the related item clears or is accepted. Such items are recorded by the Group in memorandum accounts, US GAAP, however, account for such items through balance sheet clearing accounts at the time the items are presented to the Group.

Grupo Supervielle's assets and liabilities would be increased by approximately Ps. 1,045,459 and Ps. 1,985,525 applying US GAAP at December 31, 2017 and 2016, respectively.

i) Earnings per share

Argentine Banking GAAP rules do not require the disclosure of earnings per share or dividends per share.

Under US GAAP, ASC 260 "Earning Per Share", it is required to present basic per-share amounts (basic EPS) which is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding during the period.

Diluted earnings per share (diluted EPS) measure the performance if the potential common shares that were dilutive had been issued. Potential common shares are securities that do not have a current right to participate fully in earnings but could do so in the future. No potential common shares exist, and therefore basic and diluted EPS are the same.

The following table sets forth the computation of basic EPS:

	December 31,		
	2017	2016	2015
Earnings per share under US GAAP			
Numerator			
Net income for the year attributable to the Group net of preferred dividends	Ps. 1,644,591,926	Ps. 997,683,608	Ps. 613,669,000
Denominator			
Average number of shares outstanding	392,831,769	319,827,519	151,839,052
Net income per common share			
Basic and diluted	Ps. 4.1865	Ps. 3.1194	Ps. 4.0416

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j) Cash Flow

The statement of cash flows under Argentine Banking GAAP differs from the statement of cash flows under US GAAP. According to ASC 230, the statement of cash flows for a period shall report net cash provided or used by operating, investing and financing activities.

The statement of cash flows under US GAAP is shown below:

	December 31,		
	2017	2016	2015
Cash and cash equivalents at the beginning of the year	Ps. 9,688,595	Ps. 7,873,684	Ps. 4,236,987
Cash and cash equivalents at the end of the period	21,758,918	9,688,595	7,873,684
Net increase in cash and cash equivalents	**Ps. 12,070,323**	**Ps. 1,814,911**	**Ps. 3,636,697**
Causes of changes in cash and cash equivalents			
Cash Flow from operating activities			
Net (payments)/collections related to:			
Interest received on loans, leases and government securities	12,103,112	10,529,487	6,904,085
Interest paid	(6,201,233)	(5,932,146)	(3,025,342)
Purchases of Trading Securities	(110,449,801)	(9,766,328)	(3,852,865)
Proceeds from sales of Trading Securities	111,249,348	8,965,170	3,844,751
Decrease in Other receivables from financial transactions	(1,125,516)	72,868	(3,090)
Fees and commissions received	5,789,970	4,436,397	3,040,982
Fees and commissions paid	(9,409,023)	(6,691,853)	(4,700,400)
Payments of income tax / minimun presumed income tax	(474,899)	(345,561)	(389,564)
Net collections / (payments) related to other operating activities	(1,151,138)	(365,876)	(133,641)
Net cash provided by operating activities	**Ps. 330,820**	**902,158**	**1,684,916**
Cash Flow from investing activities			
(Payments)/collections related to:			
Payments to acquire bank premises and equipment	(196,408)	(507,251)	(105,043)
Receipts from sales of bank premises and equipment	20,567	12,998	140,785
Increase in intangible assets	(156,309)	(97,184)	(100,886)
Increase in loans and leases, net	(20,940,436)	(13,768,330)	(6,610,515)
Purchases of available for sale securities	(48,298,116)	(77,576,169)	(4,651,357)
Proceeds from sales of available for sale securities	47,866,004	76,563,334	5,478,396
Payments to acquire miscellaneous assets	(684,145)	(489,105)	(399,493)
Receipts from sales of miscellaneous assets	542,153	530,193	179,206
Increase in deposits at the Argentine Central Bank	(319,910)	(140,739)	(190,070)
Receipts / (Payments) for sale of equity securities	33,112	(21)	—
Net cash used in investing activities	**Ps. (22,133,488)**	**(15,472,273)**	**(6,258,977)**
Cash Flow from financing activities			
(Payments)/collections related to:			
Proceeds from issuance of unsubordinated negotiable obligations	7,570,920	1,493,743	2,038,879
Repayment of unsubordinated negotiable obligations	(1,180,664)	(769,060)	(884,824)
Increase in deposits, net	16,154,504	12,493,587	6,764,640
(Decrease) / Increase in other short term liabilities, net	4,630,403	1,735,578	(431,672)
Repayment of subordinated negotiable obligations	(876,835)	—	—
Financing received from Argentine financial institutions	(228,665)	(1,686,277)	—
Proceeds from issuance of stocks	5,841,688	3,301,137	—
Payment of dividends	(65,500)	(25,503)	(7,385)
Payments for debt issue cost	—	—	(4,391)

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	December 31,		
	2017	2016	2015
Proceeds from debt securities related with consolidated financial trust	2,513,424	1,307,005	2,090,646
Repayment of debt securities related with consolidated financial trust	(1,663,099)	(1,992,606)	(1,836,124)
Net cash provided by financing activities	**Ps. 32,696,176**	**15,857,604**	**7,729,769**
Financial income on cash and cash equivalents (including interest and monetary results)	1,176,815	527,422	480,989
Net increase / (decrease) in cash and cash equivalents	**Ps. 12,070,323**	**Ps. 1,814,911**	**Ps. 3,636,697**

Cash and cash equivalents reconciliation:

	December 31,		
	2017	2016	2015
Cash and cash equivalents under Argentine Banking GAAP	Ps. 25,421,865	Ps 9,688,554	Ps 7,616,502
Securities under repurchase agreements	(3,738,790)	—	—
Cash and cash equivalent from consolidated financial trusts	75,843	41	257,182
Cash and cash equivalents under US-GAAP	**21,758,918**	**9,688,595**	**7,873,684**

Set forth below is the reconciliation of net income to net cash flows from operating activities, as required by FASB ASC 230:

	December 31,		
	2017	2016	2015
Net income for the fiscal year	**Ps. 1,697,481**	**Ps. 1,025,868**	**Ps. 676,076**
Adjustments to reconcile net income to net cash from operating activities:			
US GAAP Reconciliation Adjustments	792,467	313,620	55,755
Income Tax for the fiscal year	871,845	576,649	340,306
Amortizations and depreciations	267,875	210,521	166,384
Results from equity investments	—	4,996	(3)
Provision for loan losses, net of reversals	1,809,323	1,042,814	545,101
Non-controlling interests	(52,889)	(28,184)	(57,722)
Gain for sale of premises and equipment	(3,147)	(5,568)	(93,830)
Increase in interest payable from negotiable obligations and debt securities of financial trust	204,621	50,187	42,936
(Decrease) / Increase in government and private securities	(2,673,232)	(695,590)	22,392
Increase in interest receivable from Loans	(623,897)	(358,836)	(149,055)
(Increase) / Decrease in other receivable from financial intermediation	(414,466)	(543,391)	123,649
Increase from miscellaneous assets	(665,083)	(506,650)	(222,802)
Increase in balances from forward transactions without delivery of underlying asset	1,388	5,929	12,662
Decrease / (Increase) in interest payable from Deposits	271,222	(49,643)	78,013
Increase of miscellaneous liabilities	635,659	414,907	483,692
Decrease in Taxes Payables	(671,220)	(234,554)	(289,587)
Financial income on cash and cash equivalents	(1,117,127)	(238,124)	(49,051)
Net cash provided by operating activities	**Ps: 330,820**	Ps. **902,158**	**Ps. 1,684,916**

Grupo Supervielle S.A. and Subsidiaries

Notes to the Consolidated Financial Statements
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k) New authoritative pronouncements

The last Accounting Standards Updates issued by the FASB applicable for the Group are mentioned below:

ASU No. 2014-09

In May 2014, the FASB issued the Accounting Standard Update No. 2014-09 "Revenue from Contracts with Customers (Topic 606)". The guidance in this update affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (for example, insurance contracts or lease contracts).

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

ASU No. 2015-14 defer the effective date of ASU 2014-09 for all entities by one year. Public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the guidance in Update 2014-09 to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period.

All other entities should apply the guidance in Update 2014-09 to annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019.

The impact of this Update will not have any significant effect in the US GAAP disclosures and financial information.

ASU No. 2016-01

On January 2015, the FASB issued the Accounting Standard Update No. 2016-01 "Recognition and Measurement of Financial Assets and Financial Liabilities (Financial Instruments—Overall Subtopic 825-10)".

The amendments in this Update make targeted improvements to generally accepted accounting principles (GAAP) as follows:

1. Require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

2. Simplify the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. When a qualitative assessment indicates that impairment exists, an entity is required to measure the investment at fair value.

3. Eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities.

4. Eliminate the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet.

5. Require public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes.

6. Require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments.

7. Require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements.

8. Clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets.

For public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years.

The impact of this Update did not have any significant effect in the present US GAAP financial statements.

ASU 2016-02

On February 2016, the FASB issued the Accounting Standard Update No. 2016-02 "Leases". The amendments affects any entity that enters into a leas, with some specified scope exemptions. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP.

A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. When measuring assets and liabilities arising from a lease, a lessee (and a lessor) should include payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Similarly, optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option. Reasonably certain is a high threshold that is consistent with and intended to be applied in the same way as the reasonably assured threshold in the previous leases guidance. In addition, also consistent with the previous leases guidance, a lessee (and a lessor) should exclude most variable lease payments in measuring lease assets and lease liabilities, other than those that depend on an index or a rate or are in substance fixed payments.

The amendments in this Update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

The Company is still evaluating the impact of this Update in the US GAAP financial statements.

ASU 2016-13

On June 2016, the FASB issued the Accounting Standard Update No. 2016-13 "Financial Instruments — Credit Losses: Measurement of Credit Losses on Financial Instruments". The amendments affect entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this Update affect an entity to varying degrees depending on the credit quality of the assets held by the entity, their duration, and how the entity applies current GAAP. There is diversity in practice in applying the incurred loss methodology, which means that before transition some entities may be more aligned, under current GAAP, than others to the new measure of expected credit losses.

The amendments in this Update require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a

valuation account that is deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. The income statement reflects the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period.

The allowance for credit losses for purchased financial assets with a more-than insignificant amount of credit deterioration since origination (PCD assets) that are measured at amortized cost basis is determined in a similar manner to other financial assets measured at amortized cost basis; however, the initial allowance for credit losses is added to the purchase price rather than being reported as a credit loss expense. Only subsequent changes in the allowance for credit losses are recorded as a credit loss expense for these assets. Interest income for PCD assets should be recognized based on the effective interest rate, excluding the discount embedded in the purchase price that is attributable to the acquirer's assessment of credit losses at acquisition

The amendments in this Update are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. All entities may adopt the amendments in this Update earlier as of the fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

The Company is still evaluating the impact of this Update in the US GAAP financial statements.

ASU 2016-15

On August 2016, the FASB issued the Accounting Standard Update No. 2016-15 "Statement of Cash Flow — Classification of Certain Cash Receipt and Cash Prepayment". The amendments in this Update apply to all entities, including both business entities and not-for-profit entities that are required to present a statement of cash flows under Topic 230. The amendments in this Update provide guidance on the following eight specific cash flow issues: i) Debt prepayment or debt extinguishment co sts, ii) settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, iii) Contingent Consideration Payments Made after a Business Combination, iv) Proceeds from the Settlement of Insurance Claims, v) Proceeds from the Settlement of Corporate-Owned Life Insurance Policies, including Bank-Owned Life Insurance Policies, vi) Distributions Received from Equity Method Investees, vii) Beneficial Interests in Securitization Transactions and viii) Separately Identifiable Cash Flows and Application of the Predominance Principle .

The amendments in this Update are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017.

The Company is still evaluating the impact of this Update in the US GAAP financial statements.

ASU 2016-18

On Novemeber 2016, the FASB issued the Accounting Standard Update No. 2016-18 "Statement of Cash Flow — Restricted Cash". The amendments in this Update apply to all entities, including both business entities and not-for-profit entities that are required to present a statement of cash flows under Topic 230. The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this Update do not provide a definition of restricted cash or restricted cash equivalents.

The amendments in this Update are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017.

Grupo Supervielle S.A. and Subsidiaries

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The Company is still evaluating the impact of this Update in the US GAAP financial statements.

ASU 2017-01

On January 2017, the FASB issued the Accounting Standard Update No. 2017-01 "Business Combinations — Clarifying the definition of a Business". The amendments in this Update affect all reporting entities that must determine whether they have acquired or sold a business. The amendments in this Update provide a screen to determine when a set is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This screen reduces the number of transactions that need to be further evaluated. If the screen is not met, the amendments in this Update (1) require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and (2) remove the evaluation of whether a market participant could replace missing elements. The amendments provide a framework to assist entities in evaluating whether both an input and a substantive process are present. The framework includes two sets of criteria to consider that depend on whether a set has outputs. Although outputs are not required for a set to be a business, outputs generally are a key element of a business; therefore, the Board has developed more stringent criteria for sets without outputs.

The amendments in this Update are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017.

The impact of this Update will not have any significant effect in the present US GAAP financial statements.

ASU 2017-04

In January 2017, the FASB issued the Accounting Standards Update No. 2017-04 "Simplifying the Test for Goodwill Impairment". The amendments in this Update simplify how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Instead, under the amendments in this Update, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The amendments in this Update are required for public business entities and other entities that have goodwill reported in their financial statements and have not elected the private company alternative for the subsequent measurement of goodwill.

An entity should apply the amendments in this Update on a prospective basis. A public business entity that is an SEC filer should adopt the amendments in this Update for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.

The Company considers this ASU will not have any significant effect in the US GAAP disclosures and financial information.

ASU 2017-05

In February 2017, the FASB issued the Accounting Standards Update No. 2017-05 "Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets". The amendments in this Update clarify that a financial asset is within the scope of Subtopic 610-20 if it meets the definition of an in substance nonfinancial asset and add guidance for partial sales of nonfinancial assets. An entity may elect to apply the amendments in this Update either: a) retrospectively to each period presented in the financial statements in accordance with the guidance on accounting changes in paragraphs 250-10-45-5 through 45-

10 (retrospective approach); or b) retrospectively with a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption (modified retrospective approach).

The amendments in this Update are effective at the same time as the amendments in Update 2014-09. Therefore, for public entities, the amendments are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period.

The Company considers this ASU will not have any significant effect in the US GAAP disclosures and financial information.

ASU 2017-11

On July 2017, the FASB issued the Accounting Standard Update No. 2017-11 "Earnings per share, Distinguishing liabilities from equity, derivatives and hedging". The amendments in this Update change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) in accordance with Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS. Convertible instruments with embedded conversion options that have down round features are now subject to the specialized guidance for contingent beneficial conversion features (in Subtopic 470-20, Debt—Debt with Conversion and Other Options), including related EPS guidance (in Topic 260).

The amendments in this Update are effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. For all other entities, the amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019.

The Company is still evaluating the impact of this Update in the US GAAP financial statements.

ASU 2017-12

In August 2017, the FASB issued an ASU that will improve and simplify accounting rules around hedge accounting. The new standard refines and expands hedge accounting for both financial (e.g., interest rate) and commodity risks. More hedging strategies will be eligible for hedge accounting. These include hedges of the benchmark rate component of the contractual coupon cash flows of fixed-rate assets or liabilities, hedges of the portion of a closed portfolio of prepayable assets not expected to prepay, and partial-term hedges of fixed-rate assets or liabilities (e.g., the first and second years of a five-year bond).

Public business entities, public not-for-profit entities, and financial institutions will have until the end of the first quarter in which a hedge is designated to perform an initial assessment of a hedge's effectiveness. All other companies will have until their financial statements are available to be issued. After initial qualification, the new guidance permits a qualitative effectiveness assessment for certain hedges instead of a quantitative test, such as a regression analysis, if the company can reasonably support an expectation of high effectiveness throughout the term of the hedge. An initial quantitative test to establish that the hedge relationship is highly effective is still required. For cash flow hedges, if the hedge is highly effective, all changes in the fair value of the derivative hedging instrument will be recorded in other comprehensive income. They will be reclassified to earnings when the hedged item impacts earnings. On the other hand, for fair value hedges, because the change in fair value of the hedged item and the derivative hedging instrument will still be recorded in current earnings, if the hedge is not perfectly effective, there will be an Income Statement impact.

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The ASU is effective for public companies in 2019 and private companies in 2020. Early adoption is permitted.

The Company considers this ASU will not have any significant effect in the US GAAP disclosures and financial information.

Exhibit 2.2

BANCO SUPERVIELLE S.A.
as Issuer,

The Bank of New York Mellon
as Trustee, Paying Agent, Calculation Agent, Registrar and Transfer Agent

and

Banco Santander Rio S.A.
as Argentine Registrar and Transfer Agent, Argentine Paying Agent and Representative of the Trustee in Argentina

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Indenture

Dated as of February 9, 2017

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EXHIBIT F *Form of Certificate for Exchange or Transfer from Regulation S Global Security to Rule 144A Global Security*

INDENTURE, dated as of February 9, 2017, among Banco Supervielle S.A., a corporation (*sociedad anónima*) incorporated under the laws of Argentina (the "**Bank**" or the "**Issuer**"), The Bank of New York Mellon, a New York banking corporation, as **Trustee, Paying Agent, Calculation Agent, Registrar and Transfer Agent** and Banco Santander Rio S.A., as **Argentine Registrar and Transfer Agent, Argentine Paying Agent and Representative of the Trustee in Argentina**. Capitalized terms not defined elsewhere in this Indenture shall have the meanings assigned to them in Section 1.01 hereof.

RECITALS

WHEREAS, the Bank is a *sociedad anónima* organized under the laws of Argentina, incorporated on December 30, 1940, with a duration until January 2041, and registered with the Public Registry of Commerce of the City of Buenos Aires under No. 23, Page 502, Book No. 45, Volume A of *Estatutos Nacionales*;

WHEREAS, the Bank has duly authorized, (i) by resolution of its shareholders at a meeting held on September 22, 2016 and resolution of its Board of Directors at a meeting held on November 10, 2016, its global note program (the "**Program**") for the issuance from time to time of up to an aggregate principal amount outstanding at any one time of US$800,000,000 (or its equivalent in other currencies) of negotiable obligations in one or more series as may be determined by the Bank from time to time, in accordance with the Negotiable Obligations Law (as defined below), the Argentine Capital Markets Law (as defined below) and the CNV Rules (as defined below);

WHEREAS, the Program was authorized by the Argentine Comisión Nacional de Valores ("**CNV**") by its Resolution No. 18,376 dated November 24, 2016;

WHEREAS, the Trustee is a New York banking corporation and it has agreed to act as Trustee, Registrar and Transfer Agent, Paying Agent and Calculation Agent under this Indenture;

WHEREAS, the Bank has duly authorized the execution and delivery of this Indenture to provide, among other things, for the authentication, delivery and administration of notes issued by the Bank hereunder in one or more series (the "**Securities**") on and after the date hereof;

WHEREAS, the Securities will qualify as "obligaciones negociables" in accordance with the Negotiable Obligations Law, will be entitled to the benefits set forth therein and subject to the procedural requirements established therein, and will be issued and placed in accordance with such law, the Argentine Capital Markets Law and the CNV Rules, and any other Argentine applicable laws and regulations;

WHEREAS, the main corporate purpose of the Bank is to engage, in or outside Argentina, in any banking transaction contemplated and authorized under Argentine Law No. 21,526, as amended (the "**Financial Institutions Law**"), and other laws, rules and regulations governing banking activities in the place of performance, under the guidelines and with prior authorization, when so required, of the Banco Central de la República Argentina (the "**Central Bank**"). The Bank also has the corporate power to act as an agent in connection with securities transactions in the open market, and in any exchange transactions, in accordance with applicable

laws, rules and regulations, under the guidelines and with the prior authorization, when so required, of the CNV. To that effect, the Bank has full legal capacity to incur obligations and exercise rights, and to execute any kind of act and transaction related thereto. In addition, the Bank is capable of owning interests in other domestic or foreign financial institutions with the prior authorization of the Central Bank. Furthermore, the Bank has the corporate power and authority to establish the Program, execute and deliver this Indenture and issue from time to time Securities hereunder;

WHEREAS, the capital stock and the shareholders' equity of the Bank as of September 30, 2016 was Ps.638.3 million and Ps.5,476.8 million, respectively, in each case in accordance with the accounting rules of the Central Bank (as in effect from time to time, the "**Central Bank Rules**");

WHEREAS, all things necessary to make this Indenture a valid agreement of the Bank, in accordance with its terms, have been done;

THIS INDENTURE WITNESSETH

For and in consideration of the premises and the purchase of the Securities by the holders thereof, the parties hereto covenant and agree, for the equal and proportionate benefit of all holders from time to time of the Securities, as follows:

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. *Definitions*.

"**Additional Amounts**" has the meaning set forth in Section 5.13.

"**Additional Notes**" has the meaning set forth in Section 3.13.

"**Additional Interest**" has the meaning set forth in any Registration Rights Agreement.

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agent**" means any Registrar, Transfer Agent, Paying Agent, Authenticating Agent, Calculation Agent, Argentine Registrar and Transfer Agent, Argentine Paying Agent, Representative of the Trustee in Argentina or other agent appointed hereunder.

"**Agent Members**" means members of, or participants in, the Depositary, including Euroclear and Clearstream, Luxembourg and Caja de Valores S.A.

"**Amortized Face Amount**" means, with respect to the optional redemption of an original issue discount Security, an amount equal to the sum of (i) the Issue Price (as defined therein) of such Security and (ii) the product of the accrual yield specified in the resolutions of the Board of Directors or indenture supplemental hereto related to the Series of such Security (compounded annually) and the Issue Price from (and including) the issue date to (but excluding) the Optional Redemption Date (or, in the case of an early redemption for taxation reasons, the date fixed for redemption) and computed in accordance with generally accepted United States bond yield computation principles, but in no event will the Amortized Face Amount exceed the principal amount of such Security due at Stated Maturity thereof, together with any accrued but unpaid interest and any Additional Amounts to the date fixed for redemption (which date may be required to be an Interest Payment Date if so specified in the terms of such Securities).

"**Applicable Procedures of the Depositary**" means, with respect to any matter at any time, the policies and procedures of the Depositary, if any, that are applicable to such matter at such time.

"**Argentina**" means the Republic of Argentina.

"**Argentine Business Companies Law**" means Argentine Law No. 19,550, as amended (*Ley de Sociedades Comerciales*).

"**Argentine Calculation Agent**" means, with respect to any Floating Rate Notes, unless otherwise specified in the resolutions of the Board of Directors, such Person appointed to act as Argentine Calculation Agent in an indenture supplemental hereto related to the Floating Rate Notes, and any successors and assigns hereto.

"**Argentine Capital Markets Law**" means the Argentine Capital Markets Law No. 26,831, as amended.

"**Argentine GAAP**" means generally accepted accounting principles in Argentina as in effect from time to time.

"**Argentine Paying Agent**" means a Person engaged to perform the obligations of the Bank in respect of payments made or funds held hereunder in respect of the Securities in Argentina and, initially, Banco Santander Rio S.A. (or any of its successor and assigns).

"**Argentine Registrar and Transfer Agent**" means a Person engaged to maintain a record of all registrations and transfers of the Securities in Argentina and, initially, Banco Santander Rio S.A. (or any of its successor and assigns).

"**Argentine Taxes**" has the meaning set forth in Section 5.13.

"**Authenticating Agent**" refers to a Person engaged to authenticate Securities of one or more series in the stead of the Trustee.

"Authorized Officers" has the meaning set forth in Section 12.01(d).

"**Authorized Person**" means (i) in the case of the execution of any Security on behalf of the Bank, a member of the Board of Directors and a member of the Supervisory Committee of the Bank, and (ii) in the case of any other action to be taken by or on behalf of the Bank pursuant hereto, any officer of the Bank duly authorized in writing to take actions under this Indenture on behalf of the Bank and notified to the Trustee in writing.

"Bail-in Legislation" means in relation to a Member State of the European Economic Area which has implemented, or which at any time implements, the BRRD, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-In Legislation Schedule from time to time.

"Bail-in Powers" means any "Write-down" and "Conversion Powers" as defined in relation to the relevant Bail-In Legislation.

"**Bankruptcy Law**" means the Argentine Insolvency and Bankruptcy Law No. 24,522, as amended, or any other applicable bankruptcy, insolvency or other similar law now or hereafter in effect.

"**BASE**" means the Bolsa de Comercio de Buenos Aires.

"**beneficial owner**" has the meaning determined in accordance with Rule 13d-3, as in effect on the date of this Indenture, promulgated by the Commission pursuant to the Exchange Act and the term "beneficially owned" has a meaning correlative to the definition of beneficial owner.

"**Board of Directors**" means either the *Directorio* (Board of Directors) of the Bank or any committee of such *Directorio*, or officers of the Bank, duly authorized to act for it in respect hereof.

"**Board Resolution**" means a copy of a resolution certified by the general counsel or other officer of the Bank to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"BRRD" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"BRRD Liability" has the same meaning as in such laws, regulations, rules or requirements implementing the BRRD under the applicable Bail-In Legislation.

"BRRD Party" means any Agent subject to Bail-in Powers.

"**Business Day**" means, with respect to any Security, unless otherwise specified in the resolutions of the Board of Directors or indenture supplemental hereto related to the Series of such Security, any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in New York City or the City of Buenos Aires; *provided, however,* that, with respect to Securities denominated in a Specified Currency other than U.S. dollars, "Business Day" shall also not be a day on which commercial banks are authorized or required by law, regulation or

executive order to close in the principal financial center of the country issuing the Specified Currency (or, if the Specified Currency is the Euro, such day is also a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET) System is open, a "TARGET Settlement Date"); *provided, further*, that, with respect to a LIBOR Note (as defined in the applicable Security), "Business Day" shall also be any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

"**Caja de Valores**" means Caja de Valores S.A.

"**Calculation Agent**" means, with respect to any Floating Rate Notes, unless otherwise specified in the resolutions of the Board of Directors of the Bank or indenture supplemental hereto for the Series of such Securities, the Trustee, as Calculation Agent for Global Securities settling through DTC, Euroclear and/or Clearstream, and the Argentine Calculation Agent for Global Securities settling through Caja de Valores. The Calculation Agent may decline to be appointed in that role for any particular series of Securities.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, participations, warrants, options, rights or other equivalents of or interests in (however designated and whether voting or non-voting) corporate stock of a corporation and any and all equivalent ownership interests in a Person (other than a corporation), in each case whether now outstanding or hereafter issued, including any preferred stock.

"**Central Bank**" has the meaning set forth in the fourth recital to this Indenture.

"**Central Bank Rules**" has the meaning set forth in the eighth recital to this Indenture.

"**Certificated Security**" means a Security issued in certificated, registered form substantially in the form of Exhibit B hereto or, with respect to a particular Series of Securities, in the form set forth in an indenture supplemental hereto related to such Series of Securities.

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*, Luxembourg, as operator of the Clearstream system, and its successors.

"**CNV**" means the *Comisión Nacional de Valores* (the Argentine National Securities Commission).

"**CNV Rules**" means the rules and regulations of the CNV approved by General Resolution No. 622/2013, as amended from time to time.

"**Commission**" or "**SEC**" means the United States Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under applicable law, then the body performing such duties at such time.

"**Common Depositary**" means a bank or a bank branch outside the United States as designated by Euroclear and Clearstream to serve as common depositary of any Euroclear/Clearstream Global Security.

"**Bank Order**" means a written statement, request or order of the Bank in English, signed in its name by any two Authorized Persons of the Bank, and delivered to the relevant Registrar.

"**Corporate Trust Office**" means the principal office of the Trustee at which at any time the corporate trust business of the Trustee shall be administered, which at the date of this Indenture is located at 101 Barclay Street, Floor 7E, New York, New York 10286, Attention: Corporate Trust Administration, or such other address as the Trustee may designate from time to time by notice to the holders of the Securities and the Bank, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the holders of the Securities and the Bank).

"**Custodian**" means a custodian of the Global Security for DTC under a custody agreement or any similar successor agreement.

"**Dealer**" means any dealer, underwriter, selling or placement agent or similar entity named in any program, underwriting, subscription, distribution, syndicated trade or similar agreement executed in connection with any issuance and sale of Securities. Unless the context otherwise requires, the term "Dealer" shall be deemed to include any purchaser of a Security of any Series which is not otherwise a Dealer and purchases such Security directly from the Bank.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**Depositary**" means the depositary of each Global Security.

"**Dollar Equivalent**" with respect to any currency other than U.S. dollars means the amount of U.S. dollars obtained by converting such other currency into U.S. dollars at the Exchange Rate for the applicable Payment Date or the date for which such amount is otherwise required to be determined.

"**DTC"** means The Depository Trust Company, a New York corporation, and its successors.

"**DTC Global Security**" means a Global Security deposited with a custodian for, and registered in the name of a nominee of, DTC.

"**Electronic Means**" shall mean the following communications methods: S.W.I.F.T., e-mail (with a .pdf attached), facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear system, and its successors.

"**Euroclear/Clearstream Global Security**" means a Global Security deposited with a Common Depositary for, and registered in the name of a nominee of, Euroclear and/or Clearstream.

"**EuroMTF**" has the meaning set forth in Section 5.02.

"**Event of Default**" has the meaning assigned to such term in Section 7.01.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"**Exchange Offer**" has the meaning set forth in the applicable Registration Rights Agreement, if any.

"**Exchange Rate**" means the rate used to determine the Dollar Equivalent of any amount denominated in a Specified Currency other than U.S. dollars (i) in the case of interest payments, on the basis of the Exchange Rate Agent's bid (U.S. dollar offer) quotation for such Specified Currency, and, in the case of principal payments, on the basis of the Exchange Rate Agent's offer (U.S. dollar bid) quotation for such Specified Currency, in each case at or prior to 11:00 a.m. New York City time, on the second Business Day next preceding the applicable Payment Date or date for which the Dollar Equivalent is required to be determined or (ii) if no such rate is quoted for any reason, the rate determined by the Exchange Rate Agent based on an average of quotations given to the Exchange Rate Agent by commercial banks which conduct foreign exchange operations or based on such other method as the Exchange Rate Agent may reasonably determine to calculate a market exchange rate on the second Business Day next preceding the applicable Payment Date or date for which the Dollar Equivalent is required to be determined.

"**Exchange Rate Agent**" means, with respect to Securities denominated in a Specified Currency other than U.S. dollars, unless otherwise specified in the resolutions of the Board of Directors, such Person appointed thereto in an indenture supplemental hereto related to the Series of such Securities, and any successors and assigns thereto.

"**Exchange Securities**" means notes with terms substantially identical to the Securities of a Series (other than with respect to transfer restrictions) issued pursuant to an Exchange Offer for the Securities of such Series.

"**Floating Rate Note**" means a Security bearing interest at a rate determined by reference to an interest rate basis or other interest rate formula.

"**Financial Institutions Law**" has the meaning set forth in the seventh recital to this Indenture.

"**Global Security**" means a Rule 144A Global Security, Regulation S Global Security or Unrestricted Global Security substantially in the form of Exhibit A hereto (whether such Security is a DTC Global Security or an Euroclear/Clearstream Global Security), as such Exhibit may be amended from time to time or, with respect to a particular Series of Securities, in the form set forth in an indenture supplemental hereto related to such Series of Securities, which is exchangeable for a Certificated Security only in the limited circumstances described herein.

"Government Agency" means any public legal entity or public agency, created by federal, state or local government, or any other legal entity now existing or hereafter created, or

now or hereafter owned or controlled, directly or indirectly, by any public legal entity or public agency, including any central bank.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option or futures contract or other similar agreement or arrangement designed to protect such Person against changes in interest rates, foreign exchange rates or the prices of commodities or repurchase agreements.

"**holder**", "**Holder**," "**holder of Securities**", "**Securityholder**" or other similar terms mean, with respect to any Security, the Person in whose name at the time such Security is registered in the Register.

"**Indebtedness**" means, with respect to any Person, without duplication,

(a) all obligations of such Person for the payment or repayment of borrowed money;

(b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) all obligations of such Person under any lease that are required to be classified and accounted for as capital lease obligations under the Central Bank Rules;

(d) all obligations of such Person issued or assumed as the deferred purchase price of property or services, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business);

(e) all letters of credit, including reimbursement obligations in respect thereof;

(f) guarantees of such Person in respect of Indebtedness referred to in clauses (a) through (e) above and clause (h) below;

(g) all Indebtedness of any other Person of the type referred to in clauses (a) through (f) which is secured by any Lien on any property or asset of such Person; and

(h) all obligations due and payable under Hedging Obligations of such Person;

provided that the term "Indebtedness" will not include any of the following liabilities or obligations incurred by the Bank or any of its Subsidiaries in the ordinary course of business: (1) any deposits with or funds collected by the Bank or any of its Subsidiaries (but not funds borrowed by the Bank or any of its Subsidiaries), (2) any check, note, certificate of deposit, draft or bill of exchange, issued, accepted or endorsed by the Bank or any of its Subsidiaries, (3) any transaction in which the Bank or any of its Subsidiaries act solely in a fiduciary or agency capacity, (4) any agreement to purchase or repurchase securities or loans or currency or to participate in loans, and (5) letters of credit to the extent they are issued by the Bank or any of its Subsidiaries.

"**Indenture**" means this indenture as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively. The term "Indenture" shall also include the terms of particular series of Securities established as contemplated hereunder.

"Instructions" has the meaning set forth in Section 12.01(d).

"**Interest Payment Date**" means, with respect to each Series of Securities, any date designated for the payment of interest on such Securities.

"**Lien**" means any mortgage, pledge, encumbrance, security interest, charge or other similar encumbrance.

"**MAE**" means the *Mercado Abierto Electrónico S.A.*

"**MERVAL**" means the *Mercado de Valores de Buenos Aires, S.A.*

"**Negotiable Obligations Law**" means the Argentine Negotiable Obligations Law No. 23,576, as amended by Law No. 23,962, as further amended from time to time.

"**Offering Memorandum**" means (i) the Offering Memorandum dated January 26, 2017 and (ii) the *Prospecto*, dated January 26, 2017 and prepared by the Bank in connection with the Program, as the same may be amended or supplemented from time to time.

"**Officer's Certificate**" means a certificate signed by any two Authorized Persons of the Bank and delivered to the Trustee.

"**Opinion of Counsel**" means a written opinion of counsel, who may be an employee of or counsel for the Bank (except as otherwise provided in this Indenture), obtained at the expense of the Bank, or the surviving or transferee Person or a Subsidiary, and who is reasonably acceptable to the Trustee.

"**Optional Redemption Date**" has the meaning set forth in Section 4.01.

"**Original Issue Date**" of any Security (or portion thereof) means the earlier of (a) the date of such Security or (b) the date of any Security (or portion thereof) for which such Security was issued (directly or indirectly) on registration of transfer or exchange or in substitution.

"**Outstanding**" when used with reference to Securities, subject to the provisions of Section 10.04, shall mean, as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except:

(a) Securities theretofore canceled by the Trustee or delivered to the Bank or the Trustee for cancellation;

(b) Securities or portions thereof that have been called for redemption or tendered for repurchase in accordance with their terms or which have become due and payable at maturity or otherwise and with respect to which monies sufficient to pay the principal thereof and any premium, interest, Additional Amounts or other amount thereon have been deposited with the Trustee; *provided* that if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; or

(c) Securities in lieu of or in substitution for which other Securities have been authenticated and delivered.

"**Paying Agent**" means any Person authorized by the Bank to pay the principal of or premium, if any, or interest on any Securities on behalf of the Bank, and initially, The Bank of New York Mellon, until a successor shall have become such pursuant to the applicable provisions of this Indenture and, thereafter, "Paying Agent" shall mean any successor Paying Agent.

"**Payment Date**" means, with respect to each Series of Securities, each Interest Payment Date and each other date on which payment of principal, interest or any other amount is due or any date fixed for redemption of the Securities of such Series.

"**Pesos/Ps**." means the lawful currency of Argentina.

"**Permitted Lien**" means:

(a) any Lien existing on the date hereof;

(b) any landlord's, workman's, carriers', warehousemen's, mechanics', materialmen's, repairmen's or other Liens arising in the ordinary course of business (excluding, for the avoidance of doubt, Liens in connection with any Indebtedness);

(c) any Lien on any asset securing Indebtedness incurred or assumed solely for the purpose of financing all or any part of the cost of constructing, acquiring or improving such asset; provided that (i) the Lien attached to such asset concurrently with or within 180 days after the construction, acquisition or improvement thereof and (ii) the aggregate principal amount of the Indebtedness secured by such Lien does not exceed (but may be less than) the cost of the asset so constructed, acquired or improved;

(d) any Lien created in connection with: (i) special lines of credit or advances granted to the Bank by or through local or foreign governmental entities (including, without limitation, the Central Bank, Banco de Inversión y Comercio Exterior S.A. ("BICE"), *Fondo Fiduciario para la Reconstrucción de Empresas* ("FFR"), Seguro de Depósitos S.A. ("SEDESA"), and banks and export credit agencies) or international multilateral lending organizations (including, without limitation, the International Bank for Reconstruction and Development and the Inter-

American Development Bank) (the "*líneas especiales de crédito*"); or (ii) rediscount loans (*redescuentos*) or advances granted by the Central Bank and by other Argentine government entities (including, without limitation, BICE, FFR and SEDESA) (the "*redescuentos*" or "*adelantos*"), each obtained in accordance with the applicable rules and regulations of the Central Bank or such other applicable rules and regulations governing líneas especiales de crédito or redescuentos or adelantos;

(e) any Lien on any property existing thereon at the time of acquisition of such property and not created in connection with such acquisition;

(f) any Lien securing an extension, renewal or refunding of Indebtedness secured by a Lien referred to in (a), (c), (d) or (e) above, *provided* that such new Lien is limited to the property which was subject to the prior Lien immediately before such extension, renewal or refunding and *provided further* that the principal amount of Indebtedness secured by the prior Lien immediately before such extension, renewal or refunding is not increased;

(g) (i) any inchoate Lien for taxes, assessments or governmental charges or levies not yet due (including any relevant extensions), (ii) any Lien arising or incurred in connection with judgments or assessments under circumstances that individually or in the aggregate do not constitute an Event of Default, or (iii) any Lien in the form of a tax or other statutory Lien or any other Lien arising by operation of law, *provided further* that any such Lien will be discharged within 30 days after the date it is created or arises (unless contested in good faith);

(h) any other Lien, *provided* that on the date of the creation or assumption of such Lien, the Indebtedness secured by such Lien, together with all other Indebtedness of the Bank or any of its Subsidiaries secured by any Lien under this clause shall have an aggregate principal amount outstanding of no greater than 10% of the total consolidated assets as set forth in the Bank's most recent consolidated financial statements

(i) any Lien securing Hedging Obligations; or

(j) any Lien the creation of which is imposed on the Bank pursuant to applicable regulations issued by the Central Bank and/or by other governmental institutions of Argentina.

"**Person**" means any individual, corporation (including a business trust), limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or other entity, or government or any agency or political subdivision thereof.

"**Pricing Supplement**" means a pricing supplement to the Offering Memorandum setting forth details of the terms of the Securities to be issued, which may be in such form as may be

agreed between the Bank and the relevant Dealers (and, to the extent that their respective duties or obligations are affected thereby, the Trustee and Agents).

"**principal**" whenever used with reference to the Securities or any Security or any portion thereof, shall be deemed to include premium, if any, and redemption amount, if any, and in the case of original issue discount Securities, the Amortized Face Amount or other amount payable in respect thereof.

"**Program**" has the meaning set forth in the Recitals.

"**Qualified Institutional Buyer**" means a qualified institutional buyer within the meaning of Rule 144A.

"**Qualified Merger Jurisdiction**" shall mean (i) Argentina, (ii) United States of America, any state thereof or the District of Columbia and (ii) any country that is a member country of the European Union or any political subdivision thereof.

"**Register**" has the meaning assigned to such term in Section 3.05.

"**Registrar**" means a Person engaged to maintain the definitive record of all registrations and transfers of Securities in the Register and, initially, The Bank of New York Mellon, until a successor Registrar shall have become such pursuant to the applicable provisions of this Indenture, and, thereafter, "Registrar" shall mean such successor Registrar.

"**Registration Rights Agreement**" means, with respect to each Series of Securities, the registration rights agreement, if any, between the Bank and the applicable Dealers.

"**Regular Record Date**" means, with respect to each Series of Securities, each date designated in the Securities for the determination of the holders to whom interest shall be payable on the subsequent Interest Payment Date, whether or not such date will be a Business Day, and, if no such date is so designated, as defined in Section 3.07.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Global Security**" means a Global Security initially sold in reliance on Regulation S, deposited (a) in the case of a DTC Global Security, with the Trustee, as custodian for DTC, and registered in the name of Cede & Co., as nominee of DTC and (b) in the case of an Euroclear/Clearstream Global Security, with the specified Common Depositary of Euroclear and Clearstream, and registered in the name of Euroclear, Clearstream or their nominee, and in each case bearing the applicable Restrictive Legend.

"Relevant Resolution Authority" means the resolution authority with the ability to exercise any Bail-in Powers in relation to the relevant BRRD Party.

"**Representative of the Trustee in Argentina**" has the meaning set forth in the preamble to this Indenture until a successor Representative of the Trustee in Argentina shall have become such pursuant to the applicable provisions of this Indenture, and, thereafter, "Representative of the Trustee in Argentina" shall mean such successor Representative of the Trustee in Argentina.

"**Resale Registration Statement**" means a shelf registration statement under the Securities Act filed by the Bank, if required by, and meeting the requirements of, a Registration Rights Agreement, registering the Securities of a Series for resale.

"**Responsible Officer**" means, with respect to the Trustee, any officer within the Corporate Trust Office of the Trustee (or any successor of the Trustee) who shall have direct responsibility for the administration of this Indenture, and shall also include any other officer of the Trustee to whom any corporate trust matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"**Restricted Period**" means, with respect to any Security, the period of 40 days after the completion of the distribution of all Securities of the same Series.

"**Restrictive Legend**" has the meaning set forth in Section 3.05(e) hereof.

"**Rule 144**" means Rule 144 under the Securities Act.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Global Security**" means a Global Security initially sold in the United States in reliance on Rule 144A, deposited with the Trustee, as custodian for DTC, and registered in the name of Cede & Co., as nominee of DTC, and bearing the applicable Restrictive Legend.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Security**" or "**Securities**" has the meaning stated in the first recital of this Indenture, or, as the context may require, means Securities that have been authenticated and delivered under this Indenture. Unless the context otherwise requires, all references to "Security" or "Securities" shall include any Exchange Securities. The terms "Note" and "Notes" shall mean the same as "Security" or "Securities", respectively

"**Series**" has the meaning set forth in Section 3.01(b).

"**Significant Subsidiary**" means, at any relevant time, any Subsidiary of the Bank which would be a "significant subsidiary" of the Bank within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, as in effect on the date of the Offering Memorandum.

"**Specified Currency**" has the meaning set forth in Section 3.01(c)(2).

"**Stated Maturity**" means the date, shown on the face of a Security, on which the principal of such Security and the other Securities of the same Series is payable or, if the principal of such Security is payable in installments, on which the last installment of principal of such Security and the other Securities of the same Series is payable, falling no less than 30 days from the Original Issue Date of such Security, as specified in the resolutions of the Board of Directors or indenture supplemental hereto related to the Series of such Securities.

"**Subsidiary**" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the Capital Stock thereof is at the

time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof.

"**Successor Person**" has the meaning set forth in Section 6.01.

"**Supervisory Committee**" means the *Comisión Fiscalizadora* of the Bank.

"**Transfer Agent**" means a Person named as transfer agent with respect to the Securities and, initially, The Bank of New York Mellon, until a successor Transfer Agent shall have become such pursuant to the applicable provisions of this Indenture, and, thereafter, "Transfer Agent" shall mean such successor Transfer Agent.

"**Trust Indenture Act**" means the United States Trust Indenture Act of 1939 (including any successor act thereto), as it may be amended from time to time, and (unless the context otherwise requires) includes the rules and regulations of the Commission thereunder.

"**Trustee**" means the Person identified as the "Trustee" in the preamble to this Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one Person, "Trustee" as used with respect to the Securities of any Series shall mean the Trustee with respect to Securities of that Series.

"**Unrestricted Certificated Security**" means one or more Certificated Securities that do not bear and are not required to bear a Restrictive Legend.

"**Unrestricted Global Security**" means a Global Security representing Securities that do not bear the Restrictive Legend.

"**U.S.$**" and "**U.S. Dollar**" means the currency of the United States of America, which at the relevant time is legal tender for the payment of public or private debts.

"**U.S. Government Obligations**" means obligations issued or directly and fully guaranteed or insured by the United States of America or by any agent or instrumentality thereof, *provided* that the full faith and credit of the United States of America is pledged in support thereof.

Section 1.02. *Rules of Construction*.

For all purposes of this Indenture, unless the context otherwise requires or except as otherwise expressly provided,

(a) a term has the meaning assigned to it;

(b) (i) an accounting term not otherwise defined has the meaning assigned to it in accordance with Central Bank Rules; (ii) except as otherwise herein expressly provided, the term Central Bank Rules, with respect to any computation required or permitted hereunder, shall mean Central Bank Rules as of the date of such computation, and (iii) except as otherwise herein

expressly provided, all ratios and computations based on Central Bank Rules contained in this Indenture should be computed in conformity with Central Bank Rules;

(c) "including" means including without limitation;

(d) words in the singular include the plural and words in the plural include the singular;

(e) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Section, Article or other subdivision;

(f) all references to Sections or Articles or Exhibits refer to Sections or Articles or Exhibits of or to this Indenture unless otherwise indicated;

(g) references to agreements or instruments, or to statutes or regulations, are to such agreements or instruments, or statutes or regulations, as amended from time to time (or to successor statutes and regulations);

(h) all references to principal, premium, if any, and interest in respect of a Series of Securities will be deemed also to refer to any Additional Amounts which may be payable as set forth herein or in the Securities;

(i) any action required to be taken on a given date pursuant to this Indenture shall, to the extent such date is not a Business Day, be deemed to be required to be taken on the next succeeding Business Day; and

(j) in the event that a transaction meets the criteria of more than one category of permitted transactions or listed exceptions the Bank may classify such transaction as it, in its sole discretion, determines.

ARTICLE 2
SECURITY FORMS

Section 2.01. *Form Generally*.

(a) The form of any Security to be authenticated hereunder shall be designated in the Bank Order in respect thereof delivered by the Bank to the Trustee and the relevant Registrar pursuant to Section 3.03, and the Trustee and the relevant Registrar shall have no liability for the Bank's designation so made notwithstanding the provisions of this Section 2.01. Securities shall be issued as registered Securities without interest coupons; *provided* that if permitted by applicable law, the Securities may be issued as bearer Securities if in connection with the issuance thereof the Bank and the Trustee shall have entered into an indenture supplemental hereto providing for the issuance of bearer Securities. The Bank shall ensure that such supplemental indenture shall provide for compliance by the Bank with United States, Argentine and any other laws applicable to bearer Securities, and the Trustee shall have no duty whatsoever, express or implied, to ensure compliance of such supplemental indenture with the laws of any jurisdiction.

(b) The Securities may be issued in the form of one or more Global Securities in an aggregate principal amount equal to the principal amount of the Securities of a Series, which shall be exchangeable for Certificated Securities only in the limited circumstances set forth in Section 3.05, or Securities may be issued in the form of Certificated Securities, which shall be exchangeable for beneficial interests in a Global Security only in the limited circumstances set forth in Section 3.05. Any Securities initially sold within the United States to U.S. Persons that are Qualified Institutional Buyers will be issued in the form of one or more Rule 144A Global Securities. Any Securities initially sold outside the United States in reliance on Regulation S under the Securities Act will be issued in the form of one or more Regulation S Global Securities. Any Securities exchanged pursuant to an Exchange Offer will be issued in the form of one or more Unrestricted Global Securities. In each case, Securities may be issued in such other form (not inconsistent with this Indenture) as shall be established by or pursuant to resolutions of the Board of Directors, or, if necessary or desirable pursuant to the terms of this Indenture.

(c) Global Securities shall in all respects be entitled to the same benefits under this Indenture as Certificated Securities authenticated and delivered hereunder.

(d) The Securities may, subject to applicable Argentine laws and regulations (including the Negotiable Obligations Law and the Argentine Capital Markets Law) and subject to the prior approval of the CNV where applicable, be issued with such appropriate insertions, omissions, substitutions and other variations, and may have imprinted or otherwise reproduced thereon such letters, numbers or other marks of identification and such legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto, with the rules of any securities exchange on which the Securities may be listed, or for any Government Agency or depositary thereof, or to conform to general usage.

(e) Subject to the requirements of the CNV and the relevant regulations of any stock exchange on which the Securities may be listed, the Certificated Securities may be typewritten, printed, lithographed or produced by any combination of these methods on steel engraved borders or produced in any other manner, all as determined by the Authorized Persons executing such Securities, as evidenced by their execution of such Securities. The issuance of the Securities shall be subject to applicable Argentine law governing the form and registration of securities, this Indenture, any rule of any securities exchange on which the Securities may be listed, or of any Government Agency or any depositary thereof, and subject to the prior approval of the CNV where applicable.

(f) The Bank agrees to cause the Securities to comply with Article 7 of the Negotiable Obligations Law.

Section 2.02. *DTC Global Securities.*

(a) The Trustee shall hold on deposit each DTC Global Security executed and authenticated as provided herein as custodian for DTC, acting as the Depositary for such DTC Global Security, for credit on the date of settlement (i) in the case of any Regulation S Global Security, to the account of the relevant Dealer or Dealers at Euroclear or Clearstream or such

other accounts as they may direct and (ii) in the case of any Rule 144A Global Security, to the account of the relevant Dealer or Dealers at DTC or such other accounts as they may direct, in each case against payment in immediately available funds. Each DTC Global Security to be deposited with DTC shall be registered in the name of Cede & Co., or such other name as DTC shall specify, and (ii) shall also bear a legend substantially to the following effect:

> "UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.
>
> THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS NOTE IS EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY."

(b) Upon the issuance of any DTC Global Security, the Registrar shall record Cede & Co., as DTC's nominee, as the registered Holder of such DTC Global Security.

Section 2.03. *Euroclear/Clearstream Global Securities*.

(a) The Common Depositary specified by Euroclear and Clearstream shall hold on deposit each Euroclear/Clearstream Global Security executed and authenticated as provided herein as custodian for Euroclear and Clearstream for credit on the date of settlement to the account of the relevant Dealer or Dealers at Euroclear or Clearstream or such other accounts as they may direct against payment in immediately available funds. Any Euroclear/Clearstream Global Security shall be a Regulation S Global Security. Each Euroclear/Clearstream Global Security to be deposited with the specified Common Depositary of Euroclear and Clearstream shall be registered in the name of the Common Depositary or a nominee specified by Euroclear and/or Clearstream.

(b) Upon the issuance of any Euroclear/Clearstream Global Security, the Registrar shall record the Common Depositary (or its nominee) as the registered Holder of such Euroclear/Clearstream Global Security.

Section 2.04. *Certificated Securities*.

The Trustee shall deliver or make available each Certificated Security executed and authenticated as provided herein to the relevant Dealer or Dealers or its or their designee, for the benefit of the purchaser of such Security, against delivery by such Dealer or Dealers of a receipt therefor, or, if so instructed and upon confirmation from the Bank that proper payment by the purchaser has been made, the Trustee shall deliver the Securities directly to the Bank or its designee for the benefit of the purchaser of such Securities against delivery of a receipt therefor. On the Original Issue Date, the relevant Dealer or Dealers, if any, will deliver payment for Securities delivered to it or them, if any, in immediately available funds to the Trustee, for credit to the Bank's account, or directly to the Bank's account with the Trustee, in an amount equal to the issue price of the Securities less the applicable Dealer's or Dealers' commission. Notwithstanding the foregoing, if the Trustee is so instructed by the Bank, delivery of the Securities may be made before actual receipt of payment in accordance with the custom prevailing in the market. Once the Trustee has delivered Securities to the relevant Dealer or Dealers or its or their designee, the Trustee shall not be responsible for any failure by such Dealer or Dealers or such designee either to remit payment for the Securities or to return the Securities to the Trustee. If the Trustee has delivered Securities directly to the Bank or its consignee pursuant to written instructions from the Bank, the Trustee shall not be responsible for any failures by the purchaser either to remit payment for the Securities or to return the Securities to the Trustee. Upon the issuance of any Certificated Security, the Registrar shall record the Person who is designated by the Dealer or Dealers or the Bank, as the case may be, as the registered holder of such Certificated Security.

Section 2.05. *Certificate of Authentication*.

(a) The Trustee's certificate of authentication on all Securities shall be in substantially the following form:

This is one of the Securities of the Series designated herein and referred to in the within-mentioned Indenture.

The Bank of New York Mellon,
as Trustee

By: _____
Authorized Signatory

Date: _____

ARTICLE 3
THE SECURITIES

Section 3.01. *Maximum Aggregate Principal Amount of Securities; Terms of Securities*.

(a) The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

(b) Securities may be issued from time to time hereunder by the Bank in one or more series. All Securities having the same maturity, interest rate and other terms shall constitute a single series of Securities (each, a "Series"). If specified in the resolutions of the Board of Directors or indenture supplemental hereto relating to a Series of Securities, the Bank may from time to time, without the consent of Holders of Securities Outstanding, create and issue additional Securities of such Series; *provided* that such additional Securities have the same terms and conditions as the Securities of such Series in all respects (except for the Original Issue Date, the applicable legends, the issue price and, if applicable, the first payment of interest), and the additional Securities shall form a single Series with the previously outstanding Series of Securities.

(c) There shall be established (i) in or pursuant to resolutions of the Board of Directors and a Bank Order or (ii) in one or more indentures supplemental hereto, prior to the issuance of any Series of Securities, the following terms of the Securities of such Series:

(1) the title of the Series of Securities, including "CUSIP" numbers and "ISINs" and any other code or identifier of the Series (which shall distinguish the Series from Securities of any other series);

(2) the coin or currency (including composite currencies) in which the Securities of such Series shall be denominated (the "Specified Currency"), and, if other than the Specified Currency of denomination, the Specified Currency or Currencies in which the principal and any interest in respect of the Securities of such Series is payable and the manner of determining the equivalent thereof in the currency of the United States of America for purposes of the definition of "Outstanding" in Section 1.01;

(3) the Stated Maturity of the Securities of such Series, which will be no less than 30 days from the Original Issue Date and, if applicable, the method by which such Stated Maturity shall be determined;

(4) the rate or rates, if any, at which the Securities of such Series shall bear interest, or the method by which such rate shall be determined (including, where applicable, the Interest Rate Basis, the Calculation Agent, the Index Maturity, the Spread or Spread Multiplier, the Maximum Rate, the Minimum Rate, Calculation Dates, Interest Determination Dates, the Interest Reset Period and Interest Reset Dates (as defined in the applicable Security)), the date or dates from which such interest shall accrue, the date or dates on which such interest shall be payable, the record dates for the determination of

the Holders to whom interest shall be payable and the basis upon which interest shall be calculated if other than a 360-day year of twelve 30-day months;

(5) if the amount of payments of principal of and interest on the Securities of such Series may be determined with reference to an index, formula or otherwise, the manner in which such amounts shall be determined;

(6) if the amount of payments of interest (and Additional Amounts, if any) on the Securities of such Series may be payable in kind by issuance of additional notes or otherwise;

(7) in addition to or other than the Borough of Manhattan, The City of New York, the place or places of payment where the principal of and premium, if any, and interest on Securities of the Series shall be payable and the manner in which any payment may be made;

(8) the price or prices at which, the period or periods within which and the terms and conditions upon which the Securities of such Series may be redeemed, in whole or in part, at the option of the Bank in addition to the Bank's right of redemption pursuant to Article 4;

(9) the right or obligation, if any, of the Bank to redeem, repurchase or repay the Securities of such Series at its option or at the option of the Holder thereof and the price or prices at which, the period or periods within which and the terms and conditions upon which the Securities of such Series shall be redeemed, repurchased or repaid, in whole or in part, pursuant to such right or obligation;

(10) the denomination or denominations in which the Securities of such Series shall be issuable (subject to applicable laws and CNV regulations);

(11) the applicability, non-applicability, or variation, of Article 9 with respect to the Securities of such Series;

(12) if the Securities of such Series shall be subordinated to unsecured obligations of the Bank;

(13) if the Securities of such Series shall benefit from an assignment, lien or other security arrangement;

(14) any events which shall constitute Events of Default with respect to the Securities of the Series if not set forth herein, and any additions, deletions or other changes to the Events of Default set forth herein that shall be applicable to the Securities of such Series (including a provision making any Event of Default set forth herein inapplicable to the Securities of that Series) and any deletions from, modifications of or additions to the covenants, financial or otherwise, of the Bank with respect to the Securities of such Series;

(15) any trustees, authenticating or paying agents, transfer agents or registrars or any other agents, with respect to the Securities of such Series (if different than, or in addition to, those set forth in this Indenture) and the identity of any Exchange Rate Agent or Calculation Agent, as applicable;

(16) the form of the Securities of such Series;

(17) the terms and conditions, if any, upon which such Securities may be exchanged for or converted into other securities issued by the Bank or any other Person; and

(18) any other terms and conditions of the Securities of such Series.

Section 3.02. *Denomination and Date of Securities*.

Subject to applicable laws and regulations, Securities shall be issued in such denominations as are set forth in the terms of such Securities established pursuant to Section 3.01 and in a Bank Order relating to such Securities. Each Security shall be dated the date of its authentication.

Section 3.03. *Execution, Authentication and Delivery*.

The Securities shall be executed by or on behalf of the Bank by the signature of a member of the Board of Directors and a member of the supervisory committee. Such signatures, in accordance with applicable laws and regulations, may be the manual, facsimile or other electronic form (including counterparts) signatures of any present or any future Authorized Persons. Typographical and other minor errors or defects in any such signature shall not affect the validity or enforceability of any Security that has been duly authenticated and delivered by the Trustee.

Securities bearing the manual, facsimile or other electronic form signatures of individuals who were at the time of execution the proper Officers of the Bank shall bind the Bank not withstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Bank may deliver one or more Securities executed by the Bank to the Trustee for authentication, together with a Bank Order for the authentication and delivery of such Securities, and the Trustee in accordance with such Bank Order shall authenticate and deliver such Securities. The Trustee may appoint an Authenticating Agent reasonably acceptable to the Bank to authenticate the Notes. Unless limited by the terms of such appointment, an Authenticating Agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent.

If the form or terms of the Securities of the Series have been established by or pursuant to one or more Board Resolutions or an Officer's Certificate as permitted by Sections 2.01 and 3.01, in authenticating such Securities, and accepting the additional responsibilities under this

Indenture in relation to such Securities, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating:

(i) if the form of such Securities has been established by or pursuant to a Board Resolution or an Officer's Certificate as permitted by Section 2.01, that such form has been established in conformity with the provisions of this Indenture;

(ii) if the terms of such Securities have been established by or pursuant to a Board Resolution or an Officer's Certificate as permitted by Section 3.01, that such terms have been established in conformity with the provisions of this Indenture; and

(iii) that such Securities, when authenticated and delivered by the Trustee and issued by the Bank in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Bank enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

The Trustee shall not be required to authenticate and deliver Securities of any Series if, in the good faith determination of the Trustee, the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties, indemnities or immunities under the Securities and this Indenture.

Notwithstanding the provisions of Section 3.01 and of the preceding paragraph, if all Securities of a Series are not to be originally issued at one time, it shall not be necessary to deliver the Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the authentication of each Security of such Series if the Opinion of Counsel is delivered at or prior to the authentication upon original issuance of the first Security of such Series to be issued.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature of one of its authorized signatories, and such certificate upon any Security shall be conclusive evidence that such Security has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Bank, and the Bank shall deliver such Security to the Trustee for cancellation together with a written statement of an Authorized Person (which need not comply with Section 12.02 or Section 12.03 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Bank, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

Section 3.04. *Global Securities*. (a)

Global Securities shall be subject to the following terms:

(a) Interests in a Global Security deposited with DTC or Euroclear and/or Clearstream and/or Caja de Valores pursuant to this Section 3.04 hereof shall be exchanged for Certificated Securities only if such exchange complies with Section 3.05 hereof and (i) in the case of a DTC Global Security, DTC notifies the Bank and the Trustee that it is unwilling or unable to continue as depositary for such Global Security or if at any time DTC ceases to be a clearing agency registered under the Exchange Act, and a successor depositary so registered is not appointed by the Bank within 90 days of such notice, (ii) in the case of a Euroclear/Clearstream Global Security, if the clearing system(s) through which it is cleared and settled is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so, (iii) an Event of Default has occurred and is continuing and the majority of the holders of a Series so requests or (iv) the Bank in its sole discretion notifies the Trustee in writing that Certificated Securities shall be delivered in exchange for such Global Security.

(b) If interests in any Global Security are to be exchanged for Securities in the form of Certificated Securities pursuant to Section 3.05, such Global Security shall be surrendered by the relevant clearing system to the Trustee and the relevant Registrar to be so exchanged, without charge, and the Trustee shall authenticate and deliver, upon such exchange of interests in such Global Security, an equal aggregate principal amount of Certificated Securities. The Certificated Securities exchanged pursuant to this Section 3.04 shall be registered by the relevant Registrar in such names as the relevant clearing system shall direct in writing in accordance with its records. Any Certificated Security delivered in exchange for any interest in any Rule 144A Global Security shall, except as provided by Section 3.05, bear the legends as set forth on the face of the form of the Certificated Securities set forth in Exhibit B hereto or, with respect to a particular Series of Securities, in the form set forth in an indenture supplemental hereto related to such Series of Securities.

(c) Until exchanged in full, a Global Security of a Series shall in all respects be entitled to the same benefits under this Indenture as Certificated Securities of such Series authenticated and delivered hereunder. If, after any presentation thereof to the Trustee, the principal amount of Securities represented by any Global Security of a Series is reduced to zero, such Global Security shall be immediately cancelled and disposed of by the Trustee in accordance with Section 3.09.

Section 3.05. *Registration, Transfer and Exchange of Securities*. (a)

Without prejudice to its right to appoint a different note registrar and transfer agent at a subsequent date in accordance with the terms of this Indenture, the Bank hereby appoints The Bank of New York Mellon, as the initial Registrar and Transfer Agent with respect to the Securities, and The Bank of New York Mellon hereby accepts such appointment. The Bank of New York Mellon shall act as Registrar and Transfer Agent as long as The Bank of New York Mellon acts as Trustee.

The Registrar will maintain at the Corporate Trust Office a register (the "**Register**") in which, subject to such reasonable regulations as it may prescribe, it will register, and will register the transfer of, Securities as provided herein. The name and address of the registered holder of each Security and the amount of each Security will be recorded in the Register. In the case of the

replacement of any of the Securities, the Register will include notations of the Security so replaced, and the Security issued in replacement thereof. In the case of the cancellation of any of the Securities, the Register will include notations of the Security so cancelled and the date on which such Security was cancelled. The Register will show the amount of the Securities, the date of issue, all subsequent transfers and changes of ownership in respect thereof and the names, tax identification numbers (if relevant to a specific holder) and addresses of the holders of the Securities and any payment instructions with respect thereto (if different from a holder's registered address). Such Register shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time.

Upon the written request by the Argentine Registrar and Transfer Agent or the Trustee, the Registrar shall provide a copy of the Register to the Argentine Registrar and Transfer Agent or the Trustee at such address or facsimile as the Argentine Registrar and Transfer Agent or the Trustee may designate in writing to the Registrar.

Upon due presentation for registration of transfer of any Security, the Bank shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Security or Securities in authorized denominations for a like aggregate principal amount.

A holder may register the transfer of a Security only by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Indenture. No such registration of transfer shall be effected until, and such transferee shall succeed to the rights of a holder only upon, final acceptance and registration of the transfer by the Registrar in the Register.

(b) (i) Subject to Section 3.05(b)(ii) and such reasonable and customary regulations as the Bank may from time to time prescribe, transfers of any Certificated Security in whole or in part pursuant to this Section 3.05(b) must be made at the relevant office of the Registrar or at the office of any other Transfer Agent that may be appointed by the Bank, by delivery of such Certificated Security with the form of transfer thereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Bank and the Registrar or any other Transfer Agent, as the case may be, duly executed by the registered Holder thereof or such registered Holder's attorney-in-fact duly authorized in writing. In exchange for any Certificated Security properly presented for transfer, the Bank shall execute and the Trustee shall promptly authenticate and deliver or cause to be authenticated and delivered at the Corporate Trust Office or at the office of the Registrar or at the office of any Transfer Agent, as the case may be, to the transferee or send by mail (at the risk of the transferee) to such address as the transferee may request, a Certificated Security or Securities in the name of such transferee and for the same aggregate principal amount as shall have been transferred. Subject to the minimum denomination requirements, if any, set forth in the resolutions of the Board of Directors or indenture supplemental hereto related to a particular Series, in the case of the transfer of any Certificated Security in part, the Bank shall execute and the Trustee shall also promptly authenticate and deliver or cause to be authenticated and delivered at the Corporate Trust Office or at the office of the Registrar or at the office of any Transfer Agent, as the case may be, to the transferor or send by mail (at the risk of the transferor) to such address as the transferor may request, a Certificated Security or Securities registered in the name of the transferor and for the aggregate principal amount that was not transferred. Certificated Securities may also be

exchanged for other Certificated Securities of the same Series in any authorized denominations and of equal aggregate principal amount of Securities of such Series, subject to, if any, the minimum denomination requirements set forth in the applicable resolution of the Board of Directors or indenture supplemental hereto. Unless otherwise specified in the applicable resolution of the Board of Directors or indenture supplemental hereto, Certificated Securities held by Qualified Institutional Buyers may be exchanged for beneficial interests in a Rule 144A Global Security representing Securities of the same Series. In exchange for any such Certificated Security, the relevant Registrar will increase the amount of the relevant Rule 144A Global Security by the amount of such Certificated Security and will make the appropriate entries in the Register indicating a transfer of a beneficial interest to such Qualified Institutional Buyer or to a participant in the relevant clearing system specified by such Qualified Institutional Buyer. Except as specified in this paragraph and in Section 3.10 hereof, Certificated Securities will not be exchangeable for interests in Global Securities.

(ii) In the case of any Certificated Securities issued in reliance on the exemption from registration afforded by Rule 144A, issued upon transfer or exchange of any such Security (other than in accordance with clause 2 of this Section 3.05(b)(ii)) or issued upon exchange of a Rule 144A Global Security pursuant to Section 3.04 hereof, prior to the date which is two years after the Original Issue Date of any such Security (or of such Rule 144A Global Security, as the case may be) (*provided* that the Bank or any affiliate thereof has not acquired such Security during such two-year period) or in the case of any other "restricted security" (as defined in Rule 144), the Registrar, as Transfer Agent, shall not register the transfer or exchange of such Security (other than pursuant to Section 3.10 hereof) unless:

1. either (A) the registered Holder presenting such Security for transfer, or its attorney-in-fact, shall have advised the Registrar in writing that such registered Holder intends to rely or is relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A thereunder in making such transfer or (B) the Person presenting such Security for transfer (if other than the registered Holder or its attorney-in-fact), or its attorney-in-fact, shall have advised the Registrar in writing that the Person in whose name the Security is to be registered in the Register upon transfer (and each beneficial owner of such Security) is a Qualified Institutional Buyer and that such Person or Persons have been advised that the Security has been sold or transferred to it in reliance upon Rule 144A; or

2. either (A) the registered Holder presenting such Security for transfer, or its attorney-in-fact, shall have advised the Registrar in writing that the registered Holder intends to rely or is relying on the exemption from the registration requirements of the Securities Act provided by Regulation S or (B) the Person presenting such Security for transfer (if other than the registered Holder or its attorney-in-fact), or its attorney-in-fact, shall have advised the Registrar in writing that the Security has been sold or transferred to it in reliance upon the exemption from the registration requirements of the Securities Act provided by Regulation S; or

3. such Security is to be registered in the Register upon transfer in the name of a Dealer, its nominee or the Bank; or

4. the Person presenting the Security for transfer, or its attorney-in-fact, shall have advised the relevant Registrar in writing that another exemption from the registration requirements of the Securities Act is available, including the exemption provided by Rule 144, which is confirmed in an Opinion of Counsel, and the Registrar has received the written consent of the Bank to the registration of such transfer, in which event the Registrar shall register such transfer only in accordance with the conditions of such consent.

For purposes of this Section 3.05(b)(ii), any such advice to the relevant Registrar in writing may be in the form of a letter, notice or other written document, including, with respect to clauses 1, 2 and 3 above, by appropriate notation on the transfer notice set forth on such Security.

Neither the Registrar nor any Transfer Agent shall register the transfer or exchange of Certificated Securities for a period of 15 days preceding the due date for any payment of interest on the Security or during the period of 30 days ending on the due date for any payment of principal on the Security. Neither the Registrar nor any Transfer Agent shall register the transfer or exchange of any Securities previously called for redemption.

(c) (i) DTC Global Securities — DTC Book-Entry Provisions. Interests in DTC Global Securities will be transferable in accordance with the rules and procedures from time to time of DTC. Members of, or participants in, DTC shall have no rights under this Indenture with respect to any DTC Global Security held on their behalf by DTC, and DTC or its nominee may be treated by the Bank, any Agent or any other agent hereunder as the absolute owner of such DTC Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Bank, any Agent or any other agent hereunder from giving effect to any written certification, proxy or other authorization furnished by DTC or impair, as between DTC and its agent members, the operation of customary practices governing the exercise of the rights of a Holder of any Security.

(ii) Global Securities — Euroclear and Clearstream Book-Entry Provisions. Insofar as interests in any Global Security are held by the agent members of Euroclear or Clearstream, the provisions of the "Operating Procedures of the Euroclear System" and the "Terms and Conditions Governing Use of Participants" of Euroclear and Clearstream, respectively, shall be applicable to such Global Security. Notwithstanding the foregoing, nothing herein shall prevent the Bank, any Agent or any other agent hereunder from giving effect to any written certification, proxy or other authorization furnished by Euroclear or Clearstream (in the case of any Regulation S Global Security) or DTC (in the case of any DTC Global Security, whether such Security is an Unrestricted Global Security, a Regulation S Global Security or a Rule 144A Global Security) or impair, as between Euroclear or Clearstream or DTC, as the case may be, and their respective agent members, the operation of customary practices governing the exercise of the rights of a Holder of any Security.

(iii) Transfers of Global Securities in Whole. Subject to the provisions of Section 3.05(d), transfers of a Global Security shall be limited to (i) transfers of a DTC Global Security in whole, but not in part, to DTC, nominees of DTC or to a successor of DTC or such successor's nominee (including, without limitation, pursuant to Section 3.05(c)(iv)), or (ii) transfers of a Euroclear/Clearstream Global Security in whole, but not in part, to Euroclear, Clearstream,

nominees of Euroclear and Clearstream or to a successor to Euroclear or Clearstream or such successor's nominee (including, without limitation, pursuant to Section 3.05(c)(v)).

(iv) Transfer of DTC Global Security to Euroclear and/or Clearstream. If the Securities of any Series are at any time represented by both a DTC Global Security and an Euroclear/Clearstream Global Security and an authorized representative of DTC presents the DTC Global Security to the Registrar or any Transfer Agent, accompanied by a written instrument of transfer in form satisfactory to such Agent, executed by DTC or by DTC's attorney thereunto duly authorized in writing, for the purpose of registration of transfer of all or any portion of such DTC's interest in such DTC Global Security to Euroclear and/or Clearstream, such DTC Global Security or the relevant interest therein shall be transferred upon the Register, and the Registrar shall endorse the DTC Global Security to reflect the reduction of its principal amount by the aggregate principal amount so transferred, and the appropriate Euroclear/Clearstream Global Security shall be endorsed by the relevant Registrar to reflect the increase of its principal amount by the aggregate principal amount so transferred. The Registrar is hereby authorized on behalf of the Bank (A) to endorse or to arrange for the endorsement of the relevant DTC Global Security to reflect the reduction in the principal amount represented thereby by the amount so transferred and to endorse the appropriate Euroclear/Clearstream Global Security to reflect the increase in the principal amount represented thereby by the amount so transferred and, in either case, to sign in the relevant space on the relevant Security recording such reduction or increase and (B) in the case of a total exchange, to cancel or arrange for the cancellation of the DTC Global Security.

(v) Transfer of Euroclear/Clearstream Global Security to DTC. If the Securities of any Series are for the time being represented by both a DTC Global Security and a Euroclear/Clearstream Global Security and an authorized representative of Euroclear or Clearstream presents the Euroclear/Clearstream Global Security to the Registrar or any Transfer Agent, accompanied by a written instrument of transfer in form satisfactory to the Registrar or such Transfer Agent, executed by Euroclear or Clearstream, as the case may be, or by Euroclear's or Clearstream's attorney thereunto duly authorized in writing, for the purpose of registration of transfer of all or any portion of Euroclear's or Clearstream's interest in such Euroclear/Clearstream Global Security to DTC, such Euroclear/Clearstream Global Security or the relevant interest therein shall be transferred upon the Register, and the Registrar shall endorse the Euroclear/Clearstream Global Security to reflect the reduction of its principal amount by the aggregate principal amount so transferred, and the appropriate DTC Global Security shall be endorsed by the Registrar to reflect the increase of its principal amount by the aggregate principal amount so transferred. The Registrar is hereby authorized on behalf of the Bank (i) to endorse or to arrange for the endorsement of the relevant Euroclear/Clearstream Global Security to reflect the reduction in the principal amount represented thereby by the amount so transferred and to endorse the appropriate DTC Global Security to reflect the increase in the principal amount represented thereby by the amount so transferred, and in either case, to sign in the relevant space on the relevant Security recording such reduction or increase and (ii) in the case of a total exchange, to cancel or arrange for the cancellation of the Euroclear/Clearstream Global Security.

(d) Notwithstanding any provision to the contrary herein, so long as Global Securities of a Series remain outstanding and are held by or on behalf of DTC or Euroclear and

Clearstream, transfers or exchanges of interests between Global Securities of a Series, in whole or in part, shall only be made in accordance with this Section 3.05(d) or Section 3.10.

(i) Transfers From Rule 144A Global Security to Regulation S Global Security. If Securities of a Series are issued in the form of a Regulation S Global Security and a Rule 144A Global Security, and if a holder of a beneficial interest in the Rule 144A Global Security deposited with the relevant clearing system or its custodian wishes at any time to exchange its interest in such Rule 144A Global Security for an interest in the Regulation S Global Security of the same Series, or to transfer its interest in such Rule 144A Global Security to a Person who wishes to take delivery thereof in the form of an interest in the Regulation S Global Security, such holder may, subject to the rules and procedures of DTC and, to the extent applicable, Euroclear and Clearstream, exchange or cause the exchange or transfer or cause the transfer of such interest for an equivalent beneficial interest in the Regulation S Global Security of the same Series. Upon receipt by the relevant Registrar, of (1) written instructions given in accordance with procedures of DTC and/or, to the extent applicable, Euroclear and Clearstream from a participant, directing the relevant Registrar to credit or cause to be credited a beneficial interest in the Regulation S Global Security of the same Series in an amount equal to the beneficial interest in the Rule 144A Global Security to be exchanged or transferred, (2) an order given by the holder of such beneficial interest given in accordance with procedures of DTC and/or, to the extent applicable, Euroclear and Clearstream, containing information regarding the participant account of DTC or, to the extent applicable, Euroclear or Clearstream, to be credited with such increase and (3) a certificate which:

(i) for exchanges made during the Restricted Period, is in the form of Exhibit D hereto given by the holder of such beneficial interest stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Securities and pursuant to, and in accordance with, Regulation S; or

(ii) for exchanges made after the expiration of the Restricted Period, is in the form of Exhibit E hereto given by the holder of such beneficial interest stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Securities and (A) that such transfer or exchange has been made pursuant to, and in accordance with, Regulation S or (B) that such transfer or exchange has been made in a transaction permitted by Rule 144.

The Registrar or Transfer Agents shall instruct DTC to reduce the Rule 144A Global Security by the aggregate principal amount of the beneficial interest to be so exchanged or transferred, and the relevant Registrar shall instruct DTC or, to the extent applicable, Euroclear or Clearstream, concurrently with such reduction, to increase the principal amount of the Regulation S Global Security of the same Series by the aggregate principal amount of the beneficial interest in the Rule 144A Global Security to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in such instructions a beneficial

interest in the Regulation S Global Security equal to the reduction in the principal amount of the Rule 144A Global Security of the same Series.

(ii) Transfers From Regulation S Global Security to Rule 144A Global Security. If Securities of any Series are issued in the form of a Regulation S Global Security and a Rule 144A Global Security, and if a holder of a beneficial interest in the Regulation S Global Security deposited with the relevant clearing system or its custodian wishes at any time to exchange its interest in such Security for an interest in the Rule 144A Global Security of the same Series, or to transfer its interest in such Regulation S Global Security to a Person who wishes to take delivery thereof in the form of an interest in the Rule 144A Global Security of the same Series, such holder may, subject to the rules and procedures of DTC or, to the extent applicable, Euroclear and Clearstream, exchange or transfer such interest for an equivalent beneficial interest in the Rule 144A Global Security of the same Series. Upon receipt by the relevant Registrar of (1) written instructions from a participant in DTC or Euroclear or Clearstream, as the case may be, directing the relevant Registrar to credit a beneficial interest in the Rule 144A Global Security equal to the beneficial interest in the Regulation S Global Security of the same Series to be exchanged or transferred, such instructions to contain information regarding the participant's account with DTC to be credited with such increase, and information regarding the participant's account with DTC or, to the extent applicable, Euroclear or Clearstream, to be debited with such decrease, and (2) with respect to an exchange or transfer of an interest in the Regulation S Global Security during the Restricted Period for an interest in the Rule 144A Global Security of the same Series, a certificate in the form of Exhibit F hereto given by the holder of such beneficial interest and stating that the Person transferring such interest in the Regulation S Global Security reasonably believes that the Person acquiring such interest in the Rule 144A Global Security of the same Series is a Qualified Institutional Buyer and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A, the relevant Registrar shall instruct DTC or, to the extent applicable, Euroclear or Clearstream, to reduce the Regulation S Global Security by the aggregate principal amount of the beneficial interest in such Security, and the relevant Registrar shall instruct DTC, concurrently with such reduction, to increase the principal amount of the Rule 144A Global Security of the same Series by the aggregate principal amount of the beneficial interest in the Regulation S Global Security to be so exchanged or transferred, and to credit the account of the Person specified in such instructions a beneficial interest in the Rule 144A Global Security equal to the reduction in the principal amount of the Regulation S Global Security of the same Series.

(e) If Securities are issued upon the transfer, exchange or replacement of Securities not bearing the restrictive legends set forth in the respective applicable form of Security attached hereto (collectively, a "Restrictive Legend"), the Securities so issued shall not bear a Restrictive Legend. If Securities are issued upon the transfer, exchange or replacement of Securities bearing a Restrictive Legend, or if a request is made to remove a Restrictive Legend of a Security, the Securities so issued shall bear a Restrictive Legend as set forth on the applicable form of Security attached hereto, or the Restrictive Legend shall not be removed, as the case may be, (other than pursuant to Section 3.10 hereof) unless:

(i) in the case of Certificated Securities issued pursuant to Section 3.05(b)(ii), the provisions of clause 2 thereof shall have been satisfied; or

(ii) in any other case there is delivered to the Bank and the relevant Registrar such satisfactory evidence, which may include an opinion of New York counsel, as may be reasonably required by the Bank (at the Holder's expense) that neither the Restrictive Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply, as the case may be, with the provisions of Rule 144A, Rule 144 or Regulation S or that such Securities are not "restricted securities" within the meaning of Rule 144.

In the case of either clause (i) or (ii), the Trustee, upon receipt of a Bank Order, shall authenticate and deliver a Security that does not bear the Restrictive Legend. If the Restrictive Legend is removed from the face of a Security and such Security is subsequently held by the Bank or an Affiliate of the Bank and the Trustee subsequently receives written notice at the Corporate Trust Office that such Security is a "restricted security" within the meaning of Rule 144, the Restrictive Legend shall be reinstated.

(f) Any holder of a Global Security shall, by acceptance of such Global Security, agree that transfers of beneficial interests in such Global Security may be effected only through a book entry system maintained by the holder of such Global Security (or its agent) and that ownership of a beneficial interest in the Security shall be required to be reflected in a book entry. At the option of the holder, and subject to the other provisions of this Section 3.05, Securities of any series may be exchanged for other Securities of any same series, of any authorized denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged to the Registrar. When Notes are presented to the Registrar with a request to register the transfer or to exchange them for an equal principal amount of Securities of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if the requirements for such transactions set forth herein are met. To permit registrations of transfers and exchanges, the Bank shall execute and the Trustee shall authenticate Securities as applicable.

(g) All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Bank, evidencing the same debt, and subject to the other provisions of this Section 3.05, entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

(h) Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Bank or the Registrar) be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder thereof or his attorney duly authorized in writing in a form satisfactory to the Bank and the Registrar.

(i) The Bank and the Trustee, Registrar, or any Transfer Agent, may require payment of a sum sufficient to cover any stamp tax, other tax or other governmental charge payable in connection with any exchange or registration of transfer of Securities (other than any such transfer taxes or other similar governmental charge payable upon exchanges). No service charge to any holder shall be made for any such transaction.

(j) Neither the Registrar nor any Transfer Agent shall be required to register the transfer of or exchange of any Securities of a series during a period beginning on the Regular Record Date for such series and ending on the next succeeding Interest Payment Date for such series. If the Securities of any series (or of any series and specified tenor) are to be redeemed in part, the Bank and the Transfer Agent shall not be required (A) to issue, register the transfer of or exchange any Securities of that series (or of that series and specified tenor, as the case may be) during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of any such Securities selected for redemption and ending at the close of business on the day of such notice, or (B) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

(k) In the event Global Securities are deposited with Caja de Valores in accordance with this Indenture, the provisions of the depositary system set forth by Law No. 20,643, as amended and supplemented from time to time, will be applicable to such Global Securities and such Global Securities shall be registered for the account of each beneficial holder. All transfers will be made through such depositary system in accordance with applicable law.

(l) Neither the Trustee nor any Agent shall have any obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including any transfers between or among Depositary participants or beneficial owners of interests in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(m) Neither the Trustee nor any Agent shall have any responsibility for any actions taken or not taken by the Depositary.

(n) Unless otherwise provided in an indenture supplemental hereto or another Person has been appointed by the Bank to act as Registrar and Transfer Agent with respect to the Securities of any series, the actions set forth in this Section 3.05 to be performed by the Registrar and Transfer Agent in connection with the registration, exchange and transfer of Securities shall be performed by The Bank of New York Mellon, acting as Registrar and Transfer Agent. In the event that Banco Santander Río S.A., as Argentine Registrar and Transfer Agent is required to carry out any of the obligations related to the registration of ownership, exchange and transfer of Securities, Banco Santander Río S.A. shall be permitted to delegate such duties to another entity acting in Argentina with legal capacity to perform such duties in compliance with this Indenture and applicable laws and regulations in force in Argentina (subject to the Bank's right to reasonably object to the delegation to such entity). In connection with any such proposed delegation, Banco Santander Río S.A. shall promptly notify the Bank and the Trustee in writing thereof, in order that the Bank may appoint such entity designated by Banco Santander Río S.A., or such other entity as the Bank may deem appropriate, to assume the Argentine Registrar and Transfer Agent´s obligations with respect to such Securities. Once the foregoing appointment has been made, and such appointment has been accepted by the appointed entity, Banco Santander Río S.A. shall not be liable for the breach of any of the obligations assumed by the

delegate Argentine registrar and transfer agent according to this Indenture and Banco Santander Río S.A. shall be indemnified by the Bank for and held harmless by the Bank against, any and all losses, damages, liabilities, judgments, claims, causes of action, costs and expenses (including fees and disbursements of legal counsel) incurred directly or indirectly, without negligence or bad faith on its part, arising out of or in connection with the performance of the duties assumed by the delegate Argentine registrar and transfer agent under this Indenture.

Section 3.06. *Mutilated, Destroyed, Lost and Stolen Securities*.

The Bank shall execute and deliver to the Trustee Certificated Securities in such amounts and at such times as to enable the Trustee to fulfill its responsibilities under this Indenture and the Securities.

The Trustee shall, in accordance with any terms and conditions set forth in the Securities, and upon provision of evidence satisfactory to the Trustee and to the Bank that any Security was mutilated, defaced, destroyed, stolen or lost, together with such indemnity as the Trustee and the Bank may require to hold each of them harmless, authenticate and deliver from time to time such new Securities of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding in exchange for or in lieu of such Securities that become mutilated, defaced, destroyed, stolen or lost. Each new Security of any series delivered in exchange for or in lieu of any destroyed, lost or stolen Security shall carry all the rights to interest (including rights to accrued and unpaid interest and Additional Amounts) that were carried by such other Security of that series.

All Securities surrendered for payment, transfer or exchange shall be delivered to the Trustee. The Trustee shall cancel and dispose of all such Securities surrendered for payment, transfer or exchange, in accordance with its security destruction policy, and shall, upon written request, deliver a certificate of destruction to the Bank.

Upon the issuance of any substitute Security, the holder of such Security, if so requested by the Bank, will pay a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation thereto and any other expense (including the fees and expenses of the Trustee, its counsel and its agents) in connection with the preparation and issuance of the substitute Security.

All Securities of a series issued upon any transfer or exchange of Securities shall be valid obligations of the Bank, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities of that series surrendered upon such transfer or exchange.

Section 3.07. *Payments of Principal and Interest*.

Interest (and principal, premium and Additional Amounts, if any, payable other than at Stated Maturity or upon acceleration, redemption or repurchase) will be payable in immediately available funds to the Person in whose name a Security is registered at the close of business on the Regular Record Date next preceding each Interest Payment Date notwithstanding the cancellation of such Securities upon any transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date; *provided, however*, that interest payable at Stated Maturity or upon acceleration, redemption or repurchase will be payable to the

Person to whom principal will be payable; *provided, further*, that if and to the extent the Bank defaults in the payment of the interest (and Additional Amounts, if any) due on such Interest Payment Date, such defaulted interest (and Additional Amounts, if any) will be paid to the Person in whose name such Securities are registered at the end of a subsequent record date established by the Bank by notice given by mail by or on behalf of the Bank to the holders of the Securities not less than 15 days preceding such subsequent record date, such record date to be not less than 15 days preceding the date of payment in respect of such defaulted interest. Unless otherwise specified in the resolutions of the Board of Directors of the Bank or indenture supplemental hereto related to the Series of such Securities, the first payment of interest on any Security originally issued between a Regular Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered owner at the close of business on such next succeeding Regular Record Date. Unless otherwise specified in the resolutions of the Board of Directors or in an indenture supplemental hereto related to the Series of such Securities, the "Regular Record Date" with respect to any Security will be the date 15 calendar days prior to each Interest Payment Date, whether or not such date is a Business Day.

Payment of the principal, any premium, interest, Additional Amounts and other amounts on or in respect of any Security at Stated Maturity or upon acceleration, redemption or repurchase will be made in immediately available funds to the Person in whose name such Security is registered upon surrender of such Security at the Corporate Trust Office of the Trustee in the Borough of Manhattan, New York City, the office of the Paying Agent located in the City of Buenos Aires, or at the specified office of any other Paying Agent, *provided* that the Security is presented to the Paying Agent in time for the Paying Agent to make such payments in such funds in accordance with its normal procedures. Whenever the Bank shall have one or more paying agents, including the Trustee, it will, on or prior to the Business Day prior to each due date of the principal of (and premium, if any) or interest on the Securities, deposit with the Trustee a sum sufficient to pay the principal (and premium, if any) or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal (and premium, if any) or interest. Payments of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of Securities to be made other than at Stated Maturity or upon redemption or repurchase will be made by check mailed on or before the due date for such payments to the address of the person entitled thereto as it appears in the Register; *provided* that (a) the applicable Depositary or its nominee, as holder of the Global Securities, shall be entitled to receive payments of interest by wire transfer of immediately available funds, (b) a holder of U.S.$1,000,000 (or the approximate equivalent thereof in Specified Currency other than U.S. dollars) in aggregate principal or face amount of Securities of the same Series shall be entitled to receive payments of interest by wire transfer of immediately available funds to an account maintained by such holder at a bank located in the United States or Argentina as may have been appropriately designated by such Person to the Trustee in writing no later than 15 days prior to the date such payment is due and (c) to the extent that the holder of a Security issued and denominated in a Specified Currency other than U.S. dollars elects to receive payment of the principal of and any premiums, interest, Additional Amounts and other amounts on or in respect of such Security at Stated Maturity or upon redemption in such Specified Currency, such payment, except in circumstances described in the resolutions of the Board of Directors or in an indenture supplemental hereto related to the relevant Series, shall be made by wire transfer of immediately available funds to an account specified in writing by the holder to the Trustee not

less than 15 days prior to the date such payment is due. Unless such designation is revoked in writing, any such designation made by such holder with respect to such Securities shall remain in effect with respect to any future payments with respect to such Securities payable to such holder.

If the Stated Maturity or the Interest Payment Date for a Security falls on a day which is not a Business Day, payment of principal (and premium, if any) and interest with respect to such Security will be made on the next succeeding Business Day in the place of payment with the same force and effect as if made on the due date and no interest on such payment will accrue from and after such due date.

If the principal of or any premium, interest, Additional Amounts or other amounts on any Security is payable in a Specified Currency other than U.S. dollars and such Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond the Bank's control, or is no longer used by the government of the country issuing such currency or for settlement of transactions by public institutions of or within the international banking community, then the Bank, until such currency is again available or so used, will be entitled, to the extent permitted by Argentine law, to satisfy its obligations to the Holder of such Securities by making such payment in U.S. dollars at the Exchange Rate for such Specified Currency on the Payment Date. The making of any payment in respect of any Security in U.S. dollars under the foregoing circumstances will not constitute an Event of Default under such Security.

Payments of the principal and any premium, interest, Additional Amounts or other amounts to holders of Securities denominated in a Specified Currency other than U.S. dollars who hold the Securities through DTC will, to the extent permitted by Argentine law, be made in U.S. dollars. However, any DTC holder of a Security denominated in a Specified Currency other than U.S. dollars may elect to receive payments by wire transfer in such Specified Currency other than U.S. dollars by delivering a written notice to the DTC participant through which it holds its beneficial interest, not later than the Regular Record Date, in the case of an interest payment, or at least 15 calendar days before the Stated Maturity, specifying wire transfer instructions to an account denominated in the Specified Currency. The DTC participant must notify DTC of the election and wire transfer instructions on or before the twelfth Business Day before the applicable payment of the principal.

The U.S. dollar amount to be received by a holder of a Security denominated in a Specified Currency other than U.S. dollars who elects to receive payment in U.S. dollars will be based on the Exchange Rate on the second Business Day next preceding the applicable payment date. The Bank will make payment to the Exchange Rate Agent on the third Business Day next preceding the applicable Payment Date. If Exchange Rate quotations are not available on the second Business Day preceding the date of payment of principal or any premium, interest, Additional Amounts or other amounts with respect to any Security, such payment will be made in the Specified Currency. All currency exchange costs associated with any payment in U.S. dollars on any Security denominated in a Specified Currency other than U.S. dollars will be borne by the Holder thereof by deductions from payment of the currency exchange being effected on behalf of the Holder by the Exchange Rate Agent.

Unless otherwise specified in the terms of a Series of Securities, Securities denominated in a Specified Currency other than U.S. dollars will provide that, in the event of an official redenomination of the currency, the obligations of the Bank with respect to payments on such Securities shall, in all cases, be deemed immediately following such redenomination to provide for payment of that amount of the redenominated currency representing the amount of such obligations immediately before such redenomination.

Subject to the foregoing provisions of this Section 3.07, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

Section 3.08. *Persons Deemed Owners*.

Prior to due presentment of a Security for registration of transfer (or in the event of any mutilated, destroyed, lost or stolen Security), the Bank, the Trustee, any Agent and any other agent of the Bank or the Trustee may treat the Person in whose name such Security is registered, as evidenced by the Security Register, as the owner of such Security for all purposes including, without limitation, receiving payment of principal of and premium, if any, and (subject to Section 3.07) interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Bank, the Trustee, any Agent nor any other agent of the Bank or the Trustee shall be affected by notice to the contrary.

Section 3.09. *Repurchases; Cancellation*.

The Bank and its Subsidiaries and Affiliates may at any time purchase or otherwise acquire the Securities, by purchase or private agreement, in the open market or otherwise, at any price and may resell or otherwise dispose of such Securities in accordance with applicable securities laws at any time, taking into account that, in order to determine at any time whether or not the holders of the required principal amount of the Outstanding Securities have made a request, demand, authorization, instruction, notice, consent or waiver under the terms of this Indenture, the Securities held by the Bank or any of its Subsidiaries and Affiliates will not be counted and will not be considered Outstanding.

All Securities surrendered for payment, redemption, registration of transfer or exchange, if surrendered to the Bank or any agent of the Bank or the Trustee, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be canceled by it; and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall dispose of canceled Securities held by it in accordance with its customary procedures, and, upon the written request of the Bank, deliver a certificate of disposition to the Bank. If the Bank shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are delivered to the Trustee for cancellation.

Section 3.10. *Exchange Offer*.

Upon the occurrence of an Exchange Offer in accordance with a Registration Rights Agreement, the Bank may (1) issue and deliver, and upon receipt of a Bank Order in accordance

with Section 3.03 hereof the relevant Registrar shall authenticate, (i) one or more Unrestricted Global Securities in an aggregate principal amount equal to the aggregate principal amount of the beneficial interests in the Global Securities tendered for exchange in the Exchange Offer by Persons that certify in the applicable letters of transmittal or via the depositary's book-entry system that (A) they are not broker-dealers, (B) they are not participating in a distribution of Exchange Securities and (C) they are not affiliates (as defined in Rule 144A under the Securities Act) of the Bank and (ii) Unrestricted Certificated Securities in an aggregate principal amount equal to the aggregate principal amount of the Certificated Securities accepted for exchange in the Exchange Offer or (2) deliver a Bank Order to the relevant Registrar instructing the relevant Registrar to remove the Restrictive Legends from such Securities and replace the CUSIP, ISIN, Common Code and other identifying codes to permit the Securities to become freely tradeable. Upon the effectiveness of a Resale Registration Statement in accordance with a Registration Rights Agreement, the Bank shall deliver a Bank Order to the relevant Registrar instructing the relevant Registrar to remove the Restrictive Legends from the Securities covered by such registration statement. All Exchange Securities issued pursuant to an Exchange Offer for the Securities of a Series shall, for all purposes under this Indenture, be deemed to be part of and constitute a single Series with such Securities that were not tendered in such Exchange Offer, and, without limiting the generality of the foregoing, shall vote together as one Series of Securities under this Indenture.

Section 3.11. *Computation of Interest*.

Except as contemplated by Section 3.01, interest on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.12. *Security Identifier Numbers*.

The Bank in issuing the Securities may use "CUSIP," "ISIN" and/or "common code" numbers (if then generally in use), and, if so, the Trustee shall use for the Securities "CUSIP," "ISIN" and/or "common code" numbers in notices of redemption as a convenience to holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Bank will promptly notify the Trustee, in writing, of any change in the "CUSIP," "ISIN" and/or "common code" numbers. Additional Notes will only be issued with the same CUSIP number or other identifying number as the Notes issued hereunder if such further issuance would be treated as part of the same "issue" as the Notes issued hereunder within the meaning of United States Treasury regulation section 1.1275-1(f) or 1.1275-2(k).

Section 3.13. *Additional Notes*. Subject to the authorization of the CNV, the Bank may, from time to time, without the consent of the holders, create and issue pursuant to this Indenture additional notes ("**Additional Notes**") having terms and conditions identical to those of any other series of Outstanding Securities issued under this Indenture, except that Additional Notes:

(1) may have a different original issue date from such other series of Outstanding Securities;

(2) may have a different original issue price from such other series of Outstanding Securities;

(3) may have a different amount of interest payable on the first Interest Payment Date after issuance than is payable on such other series of Outstanding Securities;

(4) may have a different Restrictive Legend; and

(5) may have terms specified pursuant to the Board Resolution or in a supplemental indenture for such Additional Notes making appropriate adjustments to the terms of this Indenture applicable to such Additional Notes in order to conform to and ensure compliance with the Securities Act (or other applicable securities laws) and any Registration Rights Agreement applicable to such Additional Notes, which are not adverse in any material respect to the Holder of any such series of Outstanding Securities (other than such Additional Notes).

ARTICLE 4
REDEMPTION; REPURCHASE OF SECURITIES

Section 4.01. *Notice of Redemption*. Notice of redemption to the Holders of Securities to be redeemed as a whole or in part at the option of the Bank pursuant to the terms of such Securities established as contemplated by Section 3.01 shall be given to Holders as specified in Section 12.01 and to the CNV. Such notice shall specify the provision pursuant to which the redemption is being made, the principal amount of each Security held by such Holders to be redeemed, the date fixed for redemption (the "Optional Redemption Date"), the redemption price, the place or places of payment, the CUSIP, ISIN, Common Code or other identifying codes, if any, that no representation is made as to the correctness or accuracy of the CUSIP, ISIN, Common Code or other identifying codes listed on such notice or printed on such Securities, that payment will be made upon presentation and surrender of such Securities, that interest accrued to the date fixed for redemption and any Additional Amounts will be paid as specified in such notice, that on and after said date interest thereon or on the portions thereof to be redeemed will cease to accrue and any other matter required to be specified therein by Argentine law or regulation. In case any Security is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities in principal amount equal to the unredeemed portion thereof will be issued.

The Bank shall deliver to the Trustee and relevant Paying Agent any notice of redemption specifying the information set forth above at least 30 days prior to the date on which such notice of redemption will be mailed (and 45 days prior to such date if the notice of redemption must be published) together with an Officers' Certificate stating the aggregate

principal amount of Securities to be redeemed. The notice of redemption of Securities to be redeemed at the option of the Bank shall be given to Holders by the Bank or, at the Bank's request, by the Trustee in the name and at the expense of the Bank at least 30 days but not more than 60 days before the date of redemption (unless otherwise specified pursuant to the terms of such Securities established as contemplated by Section 3.01). Such notice shall be irrevocable.

If and for so long as the Securities are listed on the Luxembourg Stock Exchange for trading on the EuroMTF or any other securities exchange and the rules of the relevant securities exchange so require, the Bank shall, once in each year in which there has been a partial redemption of the Securities, cause to be published in a leading newspaper of general circulation in Luxembourg, or as specified by such other securities exchange, a notice specifying the aggregate principal amount of Securities Outstanding and in accordance with all applicable regulations issued by the CNV.

On or before 10:00 AM (New York City time) one Business Day prior to the redemption date specified in the notice of redemption given as provided in this Section, the Bank will deposit with the relevant Paying Agent (and if Securities are denominated in Specified Currency, with the Exchange Rate Agent three Business Days prior to the redemption date) (or, if the Bank is acting as its own paying agent, set aside, segregate and hold in trust as provided in Section 5.03) an amount of money sufficient to redeem on the redemption date all the Securities so called for redemption at the appropriate redemption price, together with accrued interest to the date fixed for redemption and any Additional Amounts.

If less than all the Securities of a Series are to be redeemed at the option of the Bank, the particular Securities of such Series to be redeemed shall be selected by the Trustee from the Outstanding Securities of such Series (and in the case of Securities represented by a Global Security, in accordance with the requirements of DTC, Euroclear or Clearstream, as the case may be) not more than 60 days prior to the date fixed for redemption and such redemption will be notified to the Bank and the Holders in accordance with Section 12.01 not less than 30 days prior to such date. Upon any partial redemption of Securities of such Series, the Trustee or the relevant Registrar, as applicable, shall (a) in the case of Securities represented by a DTC Global Security, cancel the existing DTC Global Security or Securities and authenticate and hold as custodian for DTC a new DTC Global Security or Securities, as applicable, executed by the Bank, to reflect the aggregate principal amount of Securities of such Series Outstanding after such redemption and (b) in the case of Certificated Securities, to the extent required, authenticate and deliver in exchange therefor one or more Securities of such Series executed by the Bank, of any authorized denomination as requested by the Holder thereof, in an aggregate principal amount equal to the balance of the principal of such partially redeemed Security. In the case of Securities represented by an Euroclear/Clearstream Global Security, the Common Depositary shall cancel the existing Euroclear/Clearstream Global Security or Securities, and the Trustee shall authenticate and the Common Depositary shall hold as custodian for Euroclear and Clearstream a new Euroclear/Clearstream Global Security or Securities, as applicable, executed by the Bank, to reflect the aggregate principal amount of Securities of such Series Outstanding after such redemption. Securities may be redeemed in part in multiples equal to the minimum authorized denomination for Securities or any multiple thereof. The Trustee shall promptly notify the Bank in writing of the redemption of the Securities and, in the case of partial redemption, the principal amount thereof to be redeemed. For all purposes of this Indenture,

unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security that has been or is to be redeemed.

Section 4.02. *Payment of Securities Called for Redemption*. If notice of redemption has been given as above provided, the Securities or portions of Securities specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption and any Additional Amounts, and on and after said date (unless the Bank shall default in the payment of such Securities at the redemption price, together with interest accrued to said date and any Additional Amounts) interest on the Securities or portions of Securities so called for redemption shall cease to accrue and, except as provided in Sections 8.01(h) and 9.05, such Securities shall cease from and after the date fixed for redemption to be entitled to any benefit or security under this Indenture, and the Holders thereof shall have no right in respect of such Securities except the right to receive the redemption price thereof and unpaid interest accrued to the date fixed for redemption and any Additional Amounts. On presentation and surrender, pursuant to the terms of such Securities, of such Securities at a place of payment specified in said notice, said Securities or the specified portions thereof shall be paid and redeemed by the Bank at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption and any Additional Amounts; *provided* that any payment of interest becoming due on the date fixed for redemption and any Additional Amounts shall be payable to the Holders of such Securities registered as such on the relevant record date subject to the terms and provisions of Section 3.03.From and after the redemption date, if moneys for the redemption of the Securities called for redemption shall have been made available as provided herein for redemption on the redemption date, such Securities shall cease to bear interest, and the only right of the Holders of such Securities shall be to receive payment of the redemption price and all unpaid interest accrued to the date of redemption and any Additional Amounts.

Notwithstanding any provision to the contrary in this Section 4.02, if any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the date fixed for redemption at the rate specified in the Security.

Upon presentation of any Security redeemed in part only, the Bank shall execute and the Trustee shall authenticate and deliver to or on the order of the Holder thereof, at the expense of the Bank, a new Security or Securities, of authorized denominations, in principal amount equal to the unredeemed portion of the Security so presented.

Section 4.03. *Exclusion of Certain Securities from Eligibility for Selection for Redemption*. Securities shall be excluded from eligibility for selection for redemption if they are identified by registration and certificate number in an Officers' Certificate delivered to the Trustee at least 30 days prior to the date on which notice of redemption will be given as being owned of record and beneficially by, and not pledged or hypothecated by either (a) the Bank or (b) a Person specifically identified in such written statement as directly or indirectly controlling or controlled by or under direct or indirect common control with the Bank.

Section 4.04. *Redemption at the Option of the Bank for Taxation Reasons*. The Securities of any Series may be redeemed at the option of the Bank in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' written notice (which will be irrevocable) to the Holders (and to the Trustee who shall be notified 15 days prior to the date the Holders are to be notified) and, if applicable to the CNV in writing, at the principal amount thereof (or, in the case of original issue discount Securities, at the Amortized Face Amount thereof), together with any accrued but unpaid interest and any Additional Amounts to the date fixed for redemption (which date, in the case of Floating Rate Notes, must be an Interest Payment Date) if, as a result of any change in, or amendment to, the laws (or any regulations or rulings issued thereunder) of Argentina or any political subdivision of or any taxing authority in Argentina or any change in the application, administration or official interpretation of such laws, regulations or rulings, including, without limitation, the holding of a court of competent jurisdiction, that the Bank has or will become obligated to pay Additional Amounts and/or Argentine Taxes on or in respect of such Securities, which change or amendment becomes effective on or after the date of issuance of the Securities of such Series, and the Bank determines in good faith that such obligation is material and cannot be avoided by the Bank taking reasonable measures available to it. Prior to the distribution of any notice of redemption pursuant hereto, the Bank shall deliver to the Trustee an Officers' Certificate stating that the Bank has or will become obligated to pay Additional Amounts and/or Argentine Taxes as a result of such change or amendment and that such obligation cannot be avoided by the Bank taking reasonable measures available to it. The Trustee shall be entitled to accept such certificate and, if so specified in an indenture supplemental hereto relating to the Securities of such Series, an Opinion of Counsel as sufficient evidence of the satisfaction of the conditions contained in the second preceding sentence.

Section 4.05. *Redemption at the Option of the Bank*. With respect to the Securities of any Series, if so specified in the applicable indenture supplemental hereto, the Securities of such Series may be redeemed at the option of the Bank in whole or in part, at any time, on giving not less than 30 nor more than 60 days' notice (which will be irrevocable) to the Holders (and to the Trustee who shall be notified 15 days prior to the date the Holders are to be notified) and, if applicable to the CNV, at the principal amount thereof (or, in the case of original issue discount Securities, at the Amortized Face Amount thereof) and any Additional Amounts to the date fixed for redemption (which date, in the case of Floating Rate Notes, must be an Interest Payment Date) at the amounts (the "Optional Redemption Amount(s)") specified in, or determined in the manner specified in, the applicable Pricing Supplement together with accrued interest (if any) to the date fixed for redemption (which date, in the case of Floating Rate Notes, must be an Interest Payment Date). In the event of a redemption of only some of a series of Securities, such redemption must be of a principal amount being the "Minimum Redemption Amount" or a "Higher Redemption Amount," in each case if so indicated in the applicable Pricing Supplement. In the case of a partial redemption of Certificated Securities, such Securities to be redeemed will be determined on a pro rata basis, by lot, while respecting the principle of equal treatment of all investors, or otherwise in accordance with the procedures of the Trustee, not more than 60 days prior to the date fixed for redemption. In the case of a partial redemption of securities which are represented by a Global Security, the relevant Securities will be selected in accordance with the rules of the relevant clearing system or systems, as the case may be. If the Securities are listed on the Luxembourg Stock Exchange for trading on the EuroMTF or on any other securities exchange and the rules of the Luxembourg Stock Exchange or such other securities exchange so

require, as applicable, the Bank will, once in each year in which there has been a partial redemption of the securities, cause to be published in a leading newspaper of general circulation in Luxembourg or as specified by such other securities exchange a notice specifying the aggregate principal amount of Securities outstanding and a list of the Securities drawn for redemption but not surrendered.

Section 4.06. *Redemption at the Option of the Holders*. In the event that the terms of the Securities of any Series permit the Holders thereof, at their option, to cause the Bank to repurchase such Securities, upon the Holder of any Security giving to the Bank not more than 60 nor less than 30 days' notice (or such other notice as is specified in the terms of such Securities) in accordance with Section 12.01, which notice shall be irrevocable, the Bank shall, upon the expiry of such notice, redeem such Security, subject to, and in accordance with, the terms of such Security on the date and at the amount specified in or determined in the manner specified in such Securities, in whole but not in part, together with accrued interest (if any) to the date fixed for such redemption. In accordance with the provisions hereof relating to payment on redemption at the option of the Bank, the Bank shall arrange with the Trustee (and each Paying Agent for such purpose, if applicable) for the provision of funds sufficient to make payments to such Holders in respect of such redemptions from time to time.

ARTICLE 5
COVENANTS

Section 5.01. *Payment of Principal and Interest*. The Bank covenants and agrees, for the benefits of the holders of the Securities, that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Securities (including Additional Amounts), and any other payments to be made by the Bank under the Securities and this Indenture, at the place or places, at the respective times and in the manner provided in such Securities and this Indenture. The Bank shall also pay all Additional Interest, if any, in the same manner on the dates and in the amounts set forth in the applicable Registration Rights Agreements, if any.

Section 5.02. *Maintenance of Office or Agency*.

With respect to any Security, and except as otherwise may be specified for such Security as contemplated by Section 3.01, the Corporate Trust Office of the Trustee shall be the place of payment where such Security may be presented or surrendered for payment or for registration of transfer or exchange, or where successor Securities may be delivered in exchange therefor; *provided*, *however,* that any such payment, presentation, surrender or delivery of a Global Security effected pursuant to the Applicable Procedures of the Depositary for such Global Security shall be deemed to have been effected at the place of payment for such Global Security in accordance with the provisions of this Indenture.

With respect to any Securities, the Bank shall maintain in the Borough of Manhattan, The City of New York, New York, an office or agency where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Bank in respect of the Securities and this Indenture may be served. The Bank shall give prompt written notice to the Trustee of the

location, and any change in the location, of such office or agency. If at any time the Bank shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Bank hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Bank may also from time to time designate one or more other offices or agencies (in or outside the Borough of Manhattan, The City of New York, New York) where the Securities of one or more series, notices and other items may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however,* that no such designation or rescission shall in any manner relieve the Bank of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York, New York for such purposes. The Bank shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

If and for so long as any Series of Securities are listed on the Luxembourg Stock Exchange for trading on the EuroMTF, the alternative market of the Luxembourg Stock Exchange (the "EuroMTF"), and the Luxembourg Stock Exchange so requires, the Bank will maintain a registrar in Luxembourg. So long as it is required by Argentine law or by the CNV, the Bank will maintain an Argentine Registrar and Transfer Agent and Argentine Paying Agent in Argentina. Banco Santander Rio S.A., at its office at Bartolomé Mitre 480, 14th Floor, Buenos Aires, Argentina, will initially act as such Argentine Registrar and Transfer Agent, Argentine Paying Agent and Representative of the Trustee in Argentina.

Each of the Registrars, each of the Paying Agents, each of the Transfer Agents and each of the Calculation Agents may change their respective specified offices set forth herein to some other specified offices in the same city. The Bank will promptly give to the Trustee and the Holders (and, if so required, the CNV, the Luxembourg Stock Exchange, the BASE or such other securities exchange on which a Series of Securities may be listed) written notice of any change of location of specified offices, or of any resignation, termination or appointment of any Registrars, any Paying Agent, any Transfer Agent or any Calculation Agent.

Section 5.03. *Money for Security Payments to be Held in Trust.*

If the Bank shall at any time act as its own Paying Agent with respect to any series of Securities, it shall, on or before each due date of the principal of or premium, if any, or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and premium, if any, and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Bank shall have one or more Paying Agents for any series of Securities, it shall, by 10:00 A.M. (New York City time) on the Business Day immediately prior to each due date of the principal, additional amounts of or premium, if any, or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Bank shall promptly notify the Trustee of its action or failure so to act.

The Bank shall cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Bank, subject to the provisions of this Section 5.03, that such Paying Agent will (1) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (2) during the continuance of any default by the Bank (or any other obligor upon the Securities of that series) in the making of any payment in respect of the Securities of that series, upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Bank may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Bank Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Bank or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Bank or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Bank, in trust for the payment of the principal of or premium, if any, or interest on any Security of any series and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Bank on request from the Bank, or (if then held by the Bank) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Bank for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Bank as trustee thereof, shall thereupon cease; *provided, however,* that the Trustee or such Paying Agent, before being required to make any such repayment, may, at the expense of the Bank, cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The City of New York, New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Bank.

Section 5.04. *Laws, Licenses and Permits*. The Bank will, and will cause each of its Subsidiaries to, comply with all applicable laws, rules, regulations, orders and directions of any Government Agency having jurisdiction over it or its business except where the failure to so comply would not have a material adverse effect on the business, assets, operations or financial condition of the Bank and its Subsidiaries taken as a whole.

Section 5.05. *Maintenance of Corporate Existence; Properties*.

The Bank will, and will cause each of its Subsidiaries to, (a) maintain in effect its corporate existence and all registrations necessary therefor (except for transactions not otherwise prohibited by Article 6), (b) take all actions to maintain all rights, privileges, titles to property or franchises necessary in the normal conduct of its business and (c) keep all its property used or useful in the conduct of its business in good working order and condition, except in each case where the failure to so comply would not have a material adverse effect on the business, assets, operations or financial condition of the Bank and its Subsidiaries, taken as a whole; *provided* that this covenant shall not require the Bank to maintain any such right, privilege, title to property or

franchises, or to preserve the corporate existence of any Subsidiary of the Bank, if in each case the Board of Directors shall determine in good faith that the maintenance or preservation thereof is no longer necessary or desirable in the conduct of business of the Bank.

Section 5.06. *Maintenance of Books and Records*.

The Bank will maintain books, accounts and records in accordance with Argentine GAAP and Central Bank Rules. In the case of a conflict between Argentine GAAP and Central Bank Rules, the Central Bank Rules shall prevail.

Section 5.07. *Ranking*.

(a) Other than with respect to any issuance of a Series of Securities under an indenture supplemental hereto which is subordinated in accordance with the terms of such supplemental indenture, the Bank will ensure that its obligations under each Security will at all times rank at least *pari passu* in right of payment with the Bank's other present and future unsecured and unsubordinated indebtedness from time to time outstanding (other than obligations preferred by statute or by operation of law).

(b) The Bank will ensure that each Security will at all times qualify as "*obligaciones negociables simples no convertibles*" under the Negotiable Obligations Law, be entitled to the benefits set forth therein and subject to the procedural requirements thereof.

Section 5.08. *Further Assurances*. The Bank shall, at its own cost and expense, execute and deliver to the Trustee all such documents, instruments and agreements and do or cause to be done all such other acts and things as may be reasonably required to enable the Trustee to exercise and enforce its rights hereunder and under the documents, instruments and agreements required hereunder and to carry out the intent of this Indenture.

Section 5.09. *Reporting*.

(a) The Bank will furnish to the Trustee the following reports, for further delivery to the Holders, upon written request of such Holders:

(i) within 120 days after the end of each fiscal year of the Bank (which, as of the date hereof, is December 31st) (or, if later, the date on which the Bank is required to deliver to the CNV or to the Central Bank financial statements for the relevant fiscal period), a copy of the audited consolidated balance sheet of the Bank and its Subsidiaries as of the end of such year and the related consolidated statements of income and statements of shareholders' equity and statements of cash flows for such fiscal year, prepared in accordance with Central Bank Rules applied consistently throughout the periods reflected therein (except as otherwise expressly noted therein) and delivered in both the English and Spanish languages; and

(ii) within 60 days after the end of the first three fiscal quarters of each fiscal year of the Bank (or, if later, the date on which the Bank is required to deliver to the CNV or to the Central Bank financial statements for the relevant fiscal period), a copy of the unaudited consolidated balance sheet of the Bank and its Subsidiaries as of the end of

each such quarter and the related unaudited consolidated statements of income and statements of shareholders' equity and statements of cash flows for such quarter, prepared in accordance with Central Bank Rules applied consistently throughout the periods reflected therein (except as otherwise expressly noted therein) and delivered in both the English and Spanish languages.

(b) The Trustee shall have no obligation to determine if the Bank is required to file any report or other information pursuant to this Section 5.09, nor be responsible or liable for determining or monitoring whether or not the Bank has otherwise delivered any report or other information in accordance with the requirements specified in the foregoing paragraph. Delivery of these reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of any of those will not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Bank's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

(c) For so long as any of the Securities remain Outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Bank will, during any period in which it is neither subject to Section 13 or 15(d) under the Exchange Act nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any Holder or any owner of a beneficial interest in a Global Security, to a prospective purchaser of a Security or beneficial interest therein who is a Qualified Institutional Buyer, or to the Trustee for delivery, at the Bank's expense, to such Holder or beneficial owner or prospective purchaser, as the case may be, in connection with any sale thereof, in each case at the Holder's written request to the Bank, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act. In addition, if and for so long as any of the Securities are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange so require, copies of such reports and information furnished to the Trustee pursuant to Section 5.09 hereof will also be made available at the specified office of the paying agent in Luxembourg.

(d) None of the information provided pursuant to the preceding paragraphs shall be required to comply with Regulation S-K as promulgated by the SEC.

Section 5.10. *Negative Pledge*. The Bank will not, and will not permit any of its Subsidiaries to, create, incur, assume, or suffer to exist any Lien, except a Permitted Lien, upon any of its present or future assets to secure any Indebtedness unless, at the same time or prior thereto, the Bank's obligations under the Securities and this Indenture are secured equally and ratably therewith.

Section 5.11. *Notice of Default*. The Bank will, promptly, and in any event within five Business Days after it obtains knowledge thereof, notify the Trustee, in writing, following the occurrence of any Event of Default.

Section 5.12. *Listing*. The Bank will ensure that the Securities (that are "restricted securities" under Rule 144A(d)(3)) meet the eligibility requirements of Rule 144A(d)(3) under the Securities Act. The Bank will use all reasonable efforts to assist the

relevant Dealers in arranging to cause the Securities to be eligible for settlement through the facilities of DTC and/or Euroclear and Clearstream, as applicable, and, if so specified in the resolutions of the Board of Directors or the indenture supplemental hereto relating to a Series of Securities, to be accepted for trading in the MAE. In connection with any Series of Securities to be listed on the Luxembourg Stock Exchange for trading on the EuroMTF, the BASE or on another securities exchange or securities exchanges, the Bank will use all reasonable efforts to have such Series of Securities accepted for listing and/or trading on such securities exchange or securities exchanges no later than the date on which the Securities of such Series are to be issued and sold (or as soon thereafter as possible in accordance with the requirements of such securities exchange or securities exchanges); and the Bank will use all reasonable efforts to cause such listing to be continued for so long as any of the Securities of such Series are Outstanding and to furnish to each specified securities exchange all documents, information and undertakings that may be reasonably necessary in order to effect or continue such listing; *provided* that if, as a result of the European Union regulated market amended Directive 2001/34/EC (the "Transparency Directive") or any legislation implementing the Transparency Directive or other directives or legislation, the Bank could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the accounting principles which the Bank would otherwise use to prepare its published financial information, the Bank may delist the Securities from trading on the EuroMTF in accordance with the rules of the Luxembourg Stock Exchange and seek an alternative admission to listing, trading and/or quotation for the Securities on a different market of the Luxembourg Stock Exchange or by such other listing authority, securities exchange and/or quotation system inside or outside the European Union as the Board of Directors may decide.

Section 5.13. *Payment of Additional Amounts*.

Unless otherwise specified in the applicable resolution of the Board of Directors or indenture supplemental hereto, all payments of principal, premium or interest by the Bank in respect of each Security shall be made without deduction or withholding for or on account of any present or future taxes, duties, levies, imposts, assessments or other governmental charges (including penalties, interest and additions related thereto) of whatsoever nature imposed or levied by or on behalf of Argentina or by or within any political subdivision thereof or any authority therein having power to tax ("Argentine Taxes"), unless the Bank is compelled by law to so deduct or withhold. In any such event, the Bank shall pay such additional amounts ("Additional Amounts") in respect of Argentine Taxes as may be necessary to ensure that the amounts received by the Holders of such Securities after such withholding or deduction shall equal the respective amounts that would have been receivable in respect of such Security in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable:

(i) to or on behalf of a Holder or beneficial owner of a Security that is liable for Argentine Taxes in respect of such Security by reason of having a present or former connection with Argentina other than merely the holding or owning of such Security or the enforcement of rights with respect to such Security or the receipt of income or any payments in respect thereof;

(ii) to or on behalf of a Holder or beneficial owner of a Security in respect of Argentine Taxes that would not have been imposed but for the failure of the Holder or beneficial owner of a Security to comply with any certification, identification, information, documentation or other similar reporting requirement (within 60 calendar days following a written request from the Bank to the Holder for compliance) if such compliance is required by applicable law, regulation, published administrative interpretation of general application or an applicable treaty as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Argentine Taxes;

(iii) to or on behalf of a Holder or beneficial owner of a Security in respect of any estate, inheritance, gift, sales, transfer, personal assets or similar tax, assessment or other governmental charge;

(iv) to or on behalf of a Holder or beneficial owner of a Security in respect of Argentine Taxes payable other than by withholding from payment of principal of, premium, if any, or interest on the Securities;

(v) to or on behalf of a Holder or beneficial owner of a Security in respect of Argentine Taxes that would not have been imposed but for the fact that the Holder presented such Security for payment (where presentation is required) more than 30 days after the later of (x) the date on which such payment became due and (y) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Holders by the Trustee, except to the extent that the Holder would have been entitled to Additional Amounts had the Security been presented on any day during such 30-day period;

(vi) any taxes, assessment or other governmental charge required to be withheld or deducted that are imposed on a payment pursuant to sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (or any amended or successor version of such sections that is substantively comparable and not materially more onerous to comply with), any current or future Treasury regulations promulgated thereunder, or any other official interpretations thereof (collectively, "FATCA"), any agreement (including any intergovernmental agreement) entered into in connection therewith, or any law, regulation, or other official guidance enacted in any jurisdiction implementing FATCA; or

(vii) for any combination of items (i) through (vi) above;

Furthermore, no Additional Amounts shall be paid with respect to any payment on any Security to a holder that is a fiduciary or partnership or other pass-through entity or other than the sole beneficial owner of such payment to the extent that a beneficiary or settlor with respect to such fiduciary or a member of such partnership or other pass-through entity or beneficial owner would not have been entitled to receive the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Securities.

Any reference herein or in the Securities to principal, premium, and/or interest shall be deemed also to refer to any Additional Amounts which may be payable under the undertakings described in this section. The Bank will provide the Trustee with documentation evidencing the payment of any amounts deducted or withheld in accordance with this Section promptly upon the Bank's payment thereof, and copies of such documentation will be made available by the Trustee to Holders upon written request to the Trustee.

In addition, the Bank will pay promptly when due any present or future stamp, issue, registration, court or documentary or other similar taxes and duties, including interest and penalties, in respect of the creation, issue and offering of the Securities, excluding any such taxes and duties imposed by any jurisdiction outside Argentina, except those resulting from, or required to be paid in connection with, the enforcement of such Securities after the occurrence and during the continuance of any Event of Default with respect to the Securities in default.

Section 5.14. *Further Actions*.

The Bank will use its reasonable best efforts to take any action, satisfy any condition or do anything (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required in accordance with the applicable laws and regulations to be taken, fulfilled or done in order (a) to enable the Bank lawfully to enter into, exercise its rights and perform and comply with its payment obligations under the Securities and the Indenture, as the case may be, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the Securities and the Indenture admissible in evidence in the courts of Argentina.

ARTICLE 6
MERGERS, CONSOLIDATIONS, SALES, LEASES

Section 6.01. *Mergers, Consolidations, Sales, Leases*. The Bank will not merge, consolidate or amalgamate with or into, or convey or transfer or lease all or substantially all of its properties and assets, whether in one transaction or a series of transactions, to any Person, unless immediately after giving effect to such transaction, (a) no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, (b) any Person formed by any such merger, consolidation or amalgamation or the Person which acquires by conveyance or transfer, or which leases such properties and assets (if not the Bank) (the "**Successor Person**") expressly assumes, by a supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all of the obligations of the Bank under this Indenture and the Securities, (c) the Successor Person agrees to indemnify each holder against any tax, assessment or governmental charge thereafter imposed on such holder by a Government Agency solely as a consequence of any reincorporation or re-domiciling of such Successor Person in any jurisdiction other than Argentina or any province or municipality therein in connection with such merger, consolidation, amalgamation, conveyance, transfer or lease with respect to the payment of principal, interest or premium, if any, on the Securities, (d) the Successor Person (except in the case of leases), if any, succeeds to and becomes substituted for the Bank with the same effect as if it had been named in

the Securities and this Indenture as the Bank, and (e) the Successor Person is organized in a Qualified Merger Jurisdiction.

In the event of any such sale or conveyance (other than a conveyance by way of lease) and assumption by the Successor Person, the Bank shall be discharged from all obligations and covenants under this Indenture and the Securities to be performed by the Bank and may be liquidated and dissolved.

Holders expressly waive their right to objection contemplated in Section 83, 88 and related provisions of the Argentine Corporations Law No. 19,550, Section 4 of Law No. 11,867, and Section 27 of the Negotiable Obligations Law in the event that the relevant merger or consolidation or the sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all the properties and assets of the Bank (as determined on a consolidated basis) is made under the terms and conditions permitted by this covenant.

ARTICLE 7
DEFAULT AND REMEDIES

Section 7.01. *Events of Default*. In case one or more of the following events (each an "**Event of Default**") shall have occurred and be continuing with respect to the Securities of any Series (unless otherwise specified in the indenture supplemental hereto related to the Securities of a Series):

(a) the Bank shall fail to pay any principal or interest (or Additional Amounts, if any) on the Securities of such Series on the date when it becomes due and payable in accordance with the terms thereof, and such failure shall continue for a period of 7 days (in the case of principal) or 14 days (in the case of interest or Additional Amounts, if any); or

(b) the Bank shall fail duly to perform or observe any other covenant or obligation applicable to such Series under this Indenture or contained in such Securities, and such failure shall continue for a period of 30 days after written notice to that effect is received by the Bank or by the Bank and the Trustee from the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of such Series; or

(c) the Bank or any of its Subsidiaries fail to pay when due interest on or principal of any of the Bank's or such Subsidiary's Indebtedness in a past due amount of at least US$10.0 million (or the equivalent thereof at the time of determination) and such failure continues after the grace period, if any, applicable thereto; or any other event of default occurs under any agreement or instrument relating to any such Indebtedness in an aggregate principal amount of at least US$10.0 million (or the equivalent thereof at the time of determination) which results in the acceleration of the maturity thereof; or

(d) one or more final judgments or decrees for the payment of money in excess of US$10.0 million (or the equivalent thereof at the time of determination) in the aggregate are rendered against the Bank or any of its Subsidiaries and are not discharged (to the extent not covered by insurance) and, in the case of each such judgment or decree, there is a period of 60

days following such judgment during which such judgment or decree is not discharged, waived or the execution thereof stayed; or

(e) a court having jurisdiction enters a decree or order for (1) relief in respect of the Bank or any of its Significant Subsidiaries in an involuntary case under the Bankruptcy Law, or any other applicable bankruptcy, insolvency or other similar law now or hereafter in effect or (2) appointment of an administrator, receiver, trustee or intervenor for the Bank or any of its Significant Subsidiaries for all or substantially all of the property of the Bank or any of its Significant Subsidiaries and, in each case, such decree or order shall remain unstayed and in effect for a period of 60 consecutive days or (ii) the Central Bank (1) initiates a proceeding under Article 34, 35 or 35(bis) of the Financial Institutions Law, requesting the Bank or any of its Significant Subsidiaries to submit a plan under such Article or (2) orders a temporary, total or partial suspension of the activities of the Bank or any of its Significant Subsidiaries pursuant to Article 49 of the charter of the Central Bank; or

(f) the Bank or any of its Significant Subsidiaries (a) commences a voluntary case under the Financial Institutions Law, the Bankruptcy Law or any other applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (b) consents to the appointment of or taking possession by an administrator, receiver, trustee or intervenor for the Bank or any of its Significant Subsidiaries for all or substantially all of the property of the Bank or any of its Significant Subsidiaries or (c) effects any general assignment for the benefit of creditors; or

(g) a resolution is passed or adopted by the Bank's Board of Directors or shareholders, or an order is adopted by the Central Bank, or a ruling or judgment of a Government Agency or court of competent jurisdiction is made, that the Bank be wound up or dissolved (other than pursuant to merger, consolidation, amalgamation or other transaction otherwise not prohibited by Section 6.01); or

(h) it becomes unlawful for the Bank to perform or comply with any of its payment obligations under the Securities of such Series;

then the Trustee shall, upon the request of the Holders of not less than 25% in aggregate principal amount of the Securities of such Series, by written notice to the Bank, declare all the Securities of such Series then Outstanding to be immediately due and payable; *provided* that in the case of any of the Events of Default described in paragraphs (e), (f) and (g) above with respect to the Bank, all Securities shall, without any notice to the Bank or any other act by the Trustee or any Holder of any Securities, become immediately due and payable. Upon any such declaration of acceleration, the principal of the Securities so accelerated and the interest accrued thereon and all other amounts payable with respect to such Securities shall become and be immediately due and payable. If an Event of Default set forth in paragraph (c) above has occurred and is continuing with respect to the Securities of any Series, such Event of Default shall be automatically rescinded and annulled once the event of default or payment default triggering such Event of Default pursuant to paragraph (c) shall be remedied or cured by the Bank and/or the relevant Subsidiary or waived by the holders of the relevant Indebtedness. No such rescission and annulment shall affect any subsequent Event of Default or impair any right consequent thereto.

At any time after a declaration of acceleration has been made with respect to the Securities of any Series and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of the Outstanding Securities of such Series, by written notice to the Bank and the Trustee, may rescind and annul such declaration and its consequences if (i) the Bank has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue installments of interest on the Securities of such Series, (B) the principal of (and premium, if any, on) any Securities of such Series which has become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor by the terms of the Securities of such Series, to the extent that payment of such interest is lawful, (C) interest upon overdue installments of interest at the rate or rates prescribed therefor by the terms of the Securities of such Series, to the extent that payment of such interest is lawful and (D) all sums paid or advanced by the Trustee, the Representative of the Trustee in Argentina and the Agents hereunder and the compensation, expenses, disbursements and advances of the Trustee, the Agents and their respective agents and counsel; and (ii) all Events of Default with respect to such Series of Securities, other than the nonpayment of the principal, premium or interest on the Securities of such Series that has become due solely because of such acceleration, have been cured or waived. No such rescission shall affect any subsequent Event of Default or impair any right consequent thereto.

Section 7.02. *Waiver of Past Defaults*.

At a meeting duly convened at which a quorum is present as provided in Section 10.06, the Holders of a majority in aggregate principal amount of the Outstanding Securities of such Series represented and voting at such meeting may, on behalf of the Holders of all the Securities of such Series, waive any past or present default or Event of Default with respect to such Series and its consequences, except a default in respect of a covenant or provision hereof that cannot be modified or amended without the consent of each Holder of Securities of such Series affected as provided in Section 11.02. In the case of any such waiver, the Bank, the Trustee and the Holders of the Securities of such Series shall be restored to their former positions and rights hereunder, respectively.

Upon any such waiver, such default shall cease to exist and be deemed to have been cured and not to have occurred with respect to such Series, and any Event of Default arising therefrom shall be deemed to have been cured, and not to have occurred with respect to such Series for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon or affect any other Series of Securities.

Section 7.03. *Control by Majority*. The holders of a majority in aggregate principal amount of the Securities of any Series at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Securities of such Series by this Indenture. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of holders of the Securities of such Series not joining in the giving of such direction, and may take any other action it deems

proper that is not inconsistent with any such direction received from holders of the Securities of such Series.

Section 7.04. *Limitation on Suits*. Except as described in Section 7.05, no holder of any Security of any Series will have any right by virtue of or by availing itself of any provision of this Indenture or of the Securities of such Series to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or the Securities of such Series or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such holder previously has given to the Trustee written notice of a default with respect to the Securities of such Series;

(b) holders of not less than 25% in aggregate principal amount of the Securities of such Series then Outstanding have made written request to the Trustee to institute such action, suit or proceeding in its own name as Trustee and have offered to the Trustee such reasonable indemnity and/or security as it may require against the costs, expenses and liabilities to be incurred therein or thereby; and

(c) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such action, suit or proceeding and no direction inconsistent with such written request has been given to the Trustee pursuant to this Indenture;

it being understood and intended that no one or more Holders of Securities of such Series shall have any right in any manner whatever by virtue or by availing itself of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder of Securities of such Series (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders), or to obtain or seek to obtain priority over or preference to any other such Holder or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities of such Series.

Section 7.05. *Rights of Holders to Receive Payment*. Notwithstanding any other provision in this Indenture and any provision of any Security, the right of any Holder of any Security to receive payment of the principal of and interest on such Security (including Additional Amounts) on or after the respective due dates expressed in such Security, or to institute suit, including a summary judicial proceeding (*acción ejecutiva individual*) in Argentina pursuant to Article 29 of the Negotiable Obligations Law, for the enforcement of any such payment on or after such respective dates, shall not be impaired without the consent of such Holder.

Any beneficial owner of Securities issued under this Indenture represented by a Global Security will be able to obtain from the relevant Depositary, upon request and subject to certain limitations set forth in this Indenture, a certificate representing its interest in the relevant Global Security in accordance with the Argentine Securities Law. This certificate will enable such beneficial owner to initiate legal action before any competent court in Argentina, including a summary proceeding, to obtain overdue amounts under such Securities.

Section 7.06. *Prescription*. All claims against the Bank for the payment of principal of or interest or any other amounts payable on or in respect of any Security (and Additional Amounts, if any) will prescribe unless made within five years for principal and two years for interest from the date on which such payment first became due, or a shorter period if provided by applicable law.

Section 7.07. *Collection Suit by Trustee*. If an Event of Default specified in Section 7.01(a) occurs and is continuing, the Trustee may recover judgment in its own name and as Trustee of an express trust for the whole amount of principal and accrued interest remaining unpaid for the Securities of such Series (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 8.06.

Section 7.08. *Trustee May File Proofs of Claim*. The Trustee may file proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee hereunder) and the holders allowed in any judicial proceedings relating to the Bank, its creditors or its property, and unless prohibited by law or applicable regulations, may vote on behalf of the holders in any election of a Trustee in bankruptcy or other Person performing similar functions, and any custodian, receiver, assignee, Trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each holder to make payments to the Trustee and in the event that the Trustee consents to the making of such payments directly to the holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due to the Trustee under Section 8.06.

Section 7.09. *Priorities*. If the Trustee collects any money pursuant to this Article 7, it shall pay out the money in the following order:

First: to the Trustee and Agents for all amounts due hereunder;

Second: in case the principal of the Securities in respect of which moneys have been collected shall not have become and be then due and payable, to the payment of overdue interest (including Additional Amounts) on such Securities in default in the order of the maturity of the installments of such interest (including Additional Amounts), with interest upon the overdue installments of interest (including Additional Amounts) at the rate or rates of interest specified in such Securities, such payments to be made ratably to the Persons entitled thereto, without discrimination or preference;

Third: in case the principal of the Securities of such Series in respect of which moneys have been collected shall have become and shall be then due and payable, to the payment of the whole amount then owing and unpaid upon all such Securities for principal and interest (including Additional Amounts), with interest upon the overdue principal, and upon overdue installments of interest (including Additional Amounts), at the rate or rates of interest specified in such Securities; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon such Securities of such Series, then to the payment of such principal and interest (including Additional

Amounts), without preference or priority of principal over interest (including Additional Amounts), or of interest over principal, or of any installment of interest over any other installment of interest, or of such Security over any other such Security, ratably to the aggregate of such principal and accrued and unpaid interest (including Additional Amounts); and

Fourth: to the Bank or as a court of competent jurisdiction may direct.

The Trustee, upon written notice to the Bank, may fix a record date and payment date for any payment to holders pursuant to this Section 7.09.

Section 7.10. *Restoration of Rights and Remedies*. If the Trustee or any holder has instituted a proceeding to enforce any right or remedy under this Indenture and the proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to the holder, then, subject to any determination in the proceeding, the Bank, the Trustee and the holders will be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Bank, the Trustee and the holders will continue as though no such proceeding had been instituted.

Section 7.11. *Undertaking for Costs*. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court may require any party litigant in such suit (other than the Trustee) to file an undertaking to pay the costs of the suit, and the court may assess reasonable and documented costs, including reasonable and documented attorneys' fees, against any party litigant (other than the Trustee) in the suit having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit instituted by the Trustee, suit by a holder to enforce payment of principal of or interest on any Security on the respective due dates, or a suit by holders of more than 10% in principal amount of the Outstanding Securities of any Series.

Section 7.12. *Rights and Remedies Cumulative*. Except as provided in Section 7.04, no right or remedy conferred or reserved to the Trustee or to the holders under this Indenture is intended to be exclusive of any other right or remedy, and all such rights and remedies are, to the extent permitted by law, cumulative and in addition to every other right and remedy hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or exercise of any right or remedy hereunder, or otherwise, will not prevent the concurrent assertion or exercise of any other right or remedy.

Section 7.13. *Delay or Omission Not Waiver*. No delay or omission of the Trustee or of any holder to exercise any right or remedy accruing upon any Event of Default will impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Subject to Section 7.04, every right and remedy given by this Article or by law to the Trustee or to the holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the holders, as the case may be.

ARTICLE 8
THE TRUSTEE

Section 8.01. *Duties of Trustee*.

(a) In the event an Event of Default has occurred and is continuing of which a Responsible Officer of the Trustee has received written notification in accordance with the provisions of this Indenture, the Trustee will exercise such of the rights and powers vested in it under this Indenture and use the same degree of care that a prudent person would use in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and in the Trust Indenture Act and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein) and shall be entitled to seek advice from legal counsel in relation thereto.

(c) The Trustee may not be relieved from liability for its own grossly negligent action, its own grossly negligent failure to act or its own willful misconduct, except that:

(i) this Section 8.01(c) does not limit the effect of Section 8.01(a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Article 8;

(d) The Trustee shall not be deemed to have notice or any actual knowledge of any matter (including, without limitation, Defaults or Events of Default) unless written notice thereof is received by a Responsible Officer of the Trustee in accordance with this Indenture and such notice clearly references the Securities, the Bank or this Indenture.

(e) Every provision of this Indenture that in any way relates to the Trustee is subject to Section 8.01(a), Section 8.01(b), Section 8.01(c) and Section 8.01(f).

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur liability in the performance of any of its duties hereunder or to take or omit to take any action under this Indenture or take any action at the request or direction of

holders if it has grounds for believing that repayment of such funds is not assured to it or it does not receive an agreement in writing from such holders for full indemnity and/or security satisfactory to it in its discretion against any loss, liability or expense which might be incurred by it in compliance with such request or direction nor shall the Trustee be required to do anything which is illegal or contrary to applicable laws or this Indenture. The Trustee will not be liable to the holders if prevented or delayed in performing any of its obligations or discretionary functions under this Indenture by reason of any present or future law applicable to it, by any governmental or regulatory authority or by any circumstances beyond its control.

(g) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Bank.

(h) Subject to the provisions of Section 9.05, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust as provided in the Trust Indenture Act for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any agent of the Bank or the Trustee shall be under any liability for interest on or investment of any moneys received by it hereunder.

(i) The Trustee will (save as expressly otherwise provided herein) have absolute and uncontrolled discretion as to the exercise or non-exercise of its functions and will not be responsible (save as expressly provided herein) for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise but, whenever the Trustee is under the provisions of this Indenture or the Securities bound to act at the request or direction of the holders, the Trustee shall nevertheless not be so bound unless first indemnified and/or secured to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.

Section 8.02. *Certain Rights of the Trustee*.

(a) The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion, based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction or, to the extent applicable, the State of New York. Furthermore, the Trustee may also refrain from taking such action if such action would otherwise render it liable to any person in that jurisdiction, the State of New York or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction, in the State of New York or if it is determined by any court or other competent authority in that jurisdiction, in the State of New York that it does not have such power.

(b) The Trustee may conclusively rely and shall be fully protected in acting or refraining to act based upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(c) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

(d) The Trustee may act through attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(e) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers conferred upon it by this Indenture; *provided*, *however*, that the Trustee's conduct does not constitute willful misconduct or gross negligence.

(f) The Trustee may retain professional advisers to assist it in performing its duties under this Indenture. The Trustee may consult with counsel of its selection and the advice or Opinion of Counsel with respect to legal matters relating to this Indenture and the Securites shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any Officer's Certificate, Opinion of Counsel, or any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, appraisal, bond, debenture, note, coupon, security other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Bank and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the holders pursuant to the provisions of this Indenture, unless such holders shall have offered to the Trustee indemnity and/or other security satisfactory to the Trustee against the costs, expenses and liabilities which may be incurred by it in compliance with such request, order or direction.

(i) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders, each representing less than the requisite majority in aggregate principal amount of the Securities then Outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, shall be taken and shall be held harmless and shall not incur any liability for its failure to act until such inconsistency or conflict is, in its opinion, resolved, and absent willful misconduct or gross negligence, the Trustee shall not be liable for acting in good faith on instructions believed by them to be genuine and from the proper party.

(j) The Trustee shall have no duty to inquire as to the performance of the covenants of the Bank and/or its Significant Subsidiaries in this Indenture and shall be entitled to assume that the Bank and any Significant Subsidiaries are in compliance with the terms of this Indenture.

(k) The Trustee shall not have any obligation or duty to monitor, determine or inquire as to compliance, and shall not be responsible or liable for compliance with restrictions on transfer, exchange, redemption, purchase or repurchase, as applicable, of minimum denominations imposed under this Indenture or under applicable law or regulation with respect to any transfer, exchange, redemption, purchase or repurchase, as applicable, of any interest in any Securities, but may at its sole discretion, choose to do so.

(l) The Trustee and each Agent shall not be liable for acting in good faith on instructions believed by it to be genuine and from the proper party.

(m) The Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture.

(n) The permissive rights of the Trustee to take the actions permitted by this Indenture will not be construed as an obligation or duty to do so.

(o) Notwithstanding any provision herein to the contrary, in no event shall the Trustee or any Agent be liable under or in connection with this Indenture or the Securities for indirect, special, incidental, punitive or consequential losses or damages of any kind whatsoever, including but not limited to loss of business, goodwill, opportunity or profits of any kind, whether or not foreseeable, even if it has been advised of the possibility thereof and regardless of the form of action in which such damages are sought.

(p) The Trustee shall have no duty to inquire as to the performance of the Bank with respect to the covenants contained herein. The Trustee may assume without inquiry in the absence of written notice to the contrary that the Issuer is duly complying with its obligations contained in this Indenture required to be performed and observed by it, and that no Default or Event of Default or other event which would require repayment of the Securities has occurred.

(q) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of, or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(r) The Trustee may request that the Bank deliver an Officer's Certificate setting forth the names of the individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any person authorized to sign an Officer's Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(s) The Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Indenture, delegate to any person or persons all or any of the trusts, powers, authorities and discretions vested in it by this Indenture and any such delegation may be made upon such terms and conditions and subject to such

regulations as the Trustee may think fit. The Trustee shall not be under any obligation to supervise the activities of such delegates and shall not be responsible for the misconduct or negligence of such delegates, or for any costs, expenses, losses or liabilities of, or caused by, such delegates, *provided* that such delegation has been made with reasonable care.

(t) No provision of this Indenture shall require the Trustee to do anything which, in its opinion, may be illegal or contrary to applicable law or regulation.

(u) The Trustee and the Paying Agent shall be entitled to make payments net of any taxes or other sums required by any applicable law to be withheld or deducted.

(v) The permissive rights of the Trustee enumerated herein shall not be construed as duties.

(w) Any request or direction of the Bank mentioned herein shall be sufficiently evidenced by a Bank Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution.

(x) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each Agent, custodian and other Person employed to act hereunder, as applicable.

Section 8.03. *Individual Rights of Trustee*. The Trustee or any Agent thereof may become the owner or pledgee of Securities with the same rights it would have if it were not the Trustee or any Agent of thereof and may otherwise deal with the Bank and receive, collect, hold and retain collections from the Bank with the same rights as it would have if it were not the Trustee or an Affiliate or Agent. The Trustee and its Affiliates and Agents are entitled to enter into business transactions with the Bank or any of its Affiliates without accounting for any profit resulting from such transactions. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days after the date it has acquired such conflicting interest or resign to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. To the extent permitted by the Trust Indenture Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under this Indenture with respect to Securities of more than one Series.

Section 8.04. *Trustee's Disclaimer*. The Trustee (a) makes no representation as to the validity or adequacy of this Indenture or the Securities, except that the Trustee represents that it is duly authorized to execute this Indenture and authenticate the Securities, (b) is not accountable for the Bank's use or application of the proceeds from the Securities and (c) is not responsible for any statement in the Securities other than its certificate of authentication.

Section 8.05. *Notice of Default*. If any Default occurs with respect to any Series of Securities and is continuing and a Responsible Officer of the Trustee has received written notice of such Default, the Trustee will send notice of the Default to each holder of such Series of Securities within 90 days after it occurs, unless the Default has been cured; *provided* that, except in the case of a default in the payment of the principal of or interest on any Series of

Securities, the Trustee may withhold the notice if and so long as the Board of Directors, the executive committee or a trust committee of directors or Responsible Officer of the Trustee in good faith determines that withholding the notice is in the interest of the holders.

Section 8.06. *Compensation And Indemnity*. (a) The Bank will pay the Trustee compensation for its services as agreed upon in writing. The compensation of the Trustee is not limited by any law on compensation of a Trustee of an express trust. The Bank will reimburse the Trustee upon request for all reasonable and documented out-of-pocket expenses, disbursements and advances incurred or made by the Trustee, including the reasonable compensation and expenses of the Trustee's agents and counsel.

(b) The Bank will indemnify the Trustee and Agents or their respective officers, directors, employees, representatives and agents for, and hold them harmless against, any loss, liability or documented expense (including the compensation and reasonable costs and documented expenses of its agents and counsel) arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and the performance of its duties and the exercise of its rights hereunder, including in each of its capacities hereunder, except to the extent such loss, liability or expense is due to its own gross negligence or willful misconduct.

(c) The provisions of this Section shall survive the resignation or removal of the Trustee and the termination of this Indenture.

(d) To secure the Bank's payment obligations in this Section 8.06, the Trustee and the Agents have a lien senior to the Securities on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Securities.

(e) Without prejudice to any other rights available to the Trustee and the Agents under applicable law, when the Trustee and the Agents incur expenses (including the fees and expenses of counsel) after the occurrence of a Default with respect to the Bank, the expenses are intended to constitute expenses of administration under any Bankruptcy Law.

(f) For the avoidance of doubt, the rights, privileges, protections, immunities and benefits given to the Trustee in this Section 8.06, including its right to be indemnified, are extended to, and shall be enforceable by the Trustee in each of its capacities hereunder, by each agent (including the Agents), any custodian and any other Person employed with due care to act as agent hereunder.

Section 8.07. *Replacement of Trustee*. (a) (i) The Trustee may resign at any time by giving 30 days written notice to the Bank.

(ii) The holders of a majority in principal amount of the Outstanding Securities may remove the Trustee by 30 days' written notice to the Trustee.

(iii) If the Trustee is no longer eligible under Section 8.09, the Holders of at least 10% in aggregate principal amount of the Securities of such Series may petition any

court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such Securities.

(iv) The Bank may remove the Trustee by Bank Order if: (A) the Trustee is no longer eligible under Section 8.09; (B) the Trustee is adjudged bankrupt or insolvent or an order or relief is entered with respect to the Trustee; (C) a receiver or other public officer takes charge of the Trustee or its property; or (D) the Trustee becomes incapable of acting.

Furthermore, so long as no Event of Default has occurred and is continuing, the Bank may, in its discretion, remove the Trustee at any time by giving 30 days' written notice. A resignation or removal of the Trustee and appointment of a successor Trustee, will become effective only upon (i) notice to the CNV of such appointment and (ii) such successor Trustee's acceptance of appointment as provided in this Section.

(b) If the Trustee has been removed by the holders, holders of a majority in principal amount of the Securities of any Series at the time Outstanding may appoint a successor Trustee with respect to such Securities with the consent of the Bank. Otherwise, if the Trustee resigns or is removed, or if a vacancy exists in the office of Trustee for any reason, the Bank will promptly appoint a successor Trustee with respect to the Securities of such Series. If the successor Trustee does not deliver its written acceptance within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee (at the expense of the Bank), the Bank or the holders of at least 10% in aggregate principal amount of the Securities of such Series may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) Upon delivery by the successor Trustee of a written acceptance of its appointment to the retiring Trustee and to the Bank, (i) the retiring Trustee will transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 8.06, (ii) the resignation or removal of the retiring Trustee will become effective, and (iii) the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. Upon request of any successor Trustee, the Bank will execute any and all instruments for fully and vesting in and confirming to the successor Trustee all such rights, powers and trusts. The Bank will give notice of any resignation and any removal of the Trustee and each appointment of a successor Trustee to all holders and to the CNV, and include in the notice the name of the successor Trustee and the address of its Corporate Trust Office.

Section 8.08. *Successor Trustee by Merger*. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act will be the successor Trustee with the same effect as if the successor Trustee had been named as the Trustee in this Indenture.

Section 8.09. *Eligibility*. This Indenture must always have a Trustee that is a corporation or national banking association organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate Trustee power, that is subject to supervision or examination by federal or state

authorities and that has a combined capital and surplus of at least U.S.$50,000,000 as set forth in its most recent published annual report of condition.

Section 8.10. *Representative of the Trustee in Argentina*. (a) As long as it is required by Argentine law or by the CNV Rules, the Trustee will have a representative in Argentina for the sole purpose of receiving notices from the CNV and/or the holders. Banco Santander Rio S.A. will initially act as the Representative of the Trustee in Argentina for such purposes. Banco Santander Rio S.A. hereby accepts such appointment in relation to the Securities and shall perform all matters expressed to be performed by it in, and otherwise comply with, the provisions of Section 8.10(b).

(b) The Representative of the Trustee in Argentina will perform only those duties that are specifically set forth in this Section 8.10(b), and such duties shall be determined solely by the express provisions of this Section 8.10(b), or as the Representative of the Trustee in Argentina may agree in writing from time to time with the Trustee. No implied covenants or obligations shall be read into this Section 8.10(b), against the Representative of the Trustee in Argentina. It is further acknowledged that the Representative of the Trustee in Argentina is not and shall not be considered as if it were the Trustee's attorney-in-fact. The duties of the Representative of the Trustee in Argentina as of the date hereof are solely to: (i) receive from the holders, the Bank, and any governmental or regulatory authority or entity in Argentina, all letters, claims, requests, notice or any other document required by Argentine law or by the CNV Rules to be sent to, and received by, the Trustee, (ii) deliver to the Trustee, within three Business Days after its receipt, all such letters, claims, requests, notices or documents, (iii) following the express instructions of the Trustee, respond to or answer such letters, claims, requests, notices or documents, (iv) call a meeting of the holders pursuant to Section 10.06, and (v) take any other action as instructed by the Trustee.

(c) The Trustee shall have no duty to supervise or monitor the Representative of the Trustee in Argentina or the Representative of the Trustee in Argentina's performance of its duties hereunder, and shall have no liability for any acts or omissions of the Representative of the Trustee in Argentina.

Section 8.11. *Appointment of Co-Trustee*.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of the trust may at the time be located, the Trustee shall have the power and may execute and deliver all instruments necessary to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the trust, and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders, such title to the trust, or any part hereof, and subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that, under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article 8. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection or rights (including the rights to compensation, reimbursement and indemnification hereunder) to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

ARTICLE 9
DEFEASANCE AND DISCHARGE

Section 9.01. *Discharge of Bank's Obligations*. The Bank may, at its option, at any time elect to have either Section 9.02 or Section 9.03 applied to any Series of Securities, unless otherwise designated pursuant to the terms of such Securities established as set forth in Section 3.01, in each case upon compliance with the conditions set forth in this Article 9.

Section 9.02. *Total Defeasance*. If the Bank shall exercise the option provided in Section 9.01 to have this Section 9.02 apply with respect to all Outstanding Securities of any Series of Securities, subject to the satisfaction of the conditions set forth in Section 9.04, the Bank will be discharged from any and all obligations in respect of such

Securities (except for the obligations to register the transfer or exchange of Securities, replace stolen, lost or mutilated Securities, maintain paying agencies and hold moneys for payment in trust) (hereinafter "total defeasance"). Subject to compliance with this Section, the Bank may exercise its option under this Section notwithstanding the prior exercise of its option under Section 9.03 for such Securities. If the Bank exercises the "legal defeasance" option, any payment on such Securities may not be accelerated due to an Event of Default with respect thereto.

Section 9.03. *Covenant Defeasance*. Upon the Bank's exercise of the option provided in Section 9.01 to have this Section 9.03 applied to all the Outstanding Securities of any Series, subject to the satisfaction of the conditions set forth in Section 9.04, except as otherwise may be provided pursuant to the terms of the Securities established pursuant to Section 3.01, the Bank, as applicable, need not comply with the covenants set forth in Sections 5.02, 5.09, 5.10, 5.12 and 5.13, and clauses (b), (d), (e) and (f) of Section 7.01 will no longer constitute Events of Default.

Section 9.04. *Application of Trust Money*. In order to exercise the options set forth in Section 9.02 or Section 9.03 above the Bank must irrevocably deposit with the Trustee, (1) money, or (2) U.S. Government Obligations, or (3) a combination thereof, in such amounts as will be sufficient to pay the principal of, premium, if any, and interest (and Additional Amounts, if any) in respect of the Securities then Outstanding on the Stated Maturity of such Securities. The defeasance options set forth in Section 9.02 or Section 9.03 above will become effective 91 days after such deposit if and only if the Bank delivers to the Trustee: (i) an Opinion of Counsel in the United States experienced in such matters to the effect (x) that the holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, which in the case of Section 9.02 must be based on a change in law or a ruling by the U.S. Internal Revenue Service, and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred; and (x) that the defeasance trust is not, or is not required to be registered as, an investment company under the Investment Company Act of 1940, as amended and (ii) an Opinion of Counsel and an Officer's Certificate as to compliance with all conditions precedent provided for in this Indenture relating to the satisfaction and discharge of such Securities. If the Bank has deposited or caused to be deposited money or U.S. Government Obligations to pay or discharge the principal of (and premium, if any) and interest, if any, on the Outstanding Securities to and including a Redemption Date on which all of the Outstanding Securities are to be redeemed, such Redemption Date shall be irrevocably designated by a Board Resolution of the Bank delivered to the Trustee on or prior to the date of deposit of such money or U.S. Government Obligations and such resolutions shall be accompanied by an irrevocable request from the Bank that the Trustee give notice of such redemption in the name of and at expense of the Bank not less than 30 nor more than 60 days prior to such Redemption Date in accordance with this Indenture.

The Bank shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to this Section 9 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the holders of Outstanding Securities.

Section 9.05. *Repayment to Bank; Prescription*. Subject to Section 8.06, Section 9.01, Section 9.02 or Section 9.03, any monies deposited with or paid to the Trustee or any Paying Agent for the payment of the principal of or interest or any other amounts payable on or in respect of the Securities (and Additional Amounts, if any) and not applied but remaining unclaimed for five years for principal or any other amount and two years for interest after the date upon which such principal or interest or other amounts have become due and payable will, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to the Bank by the Trustee or such Paying Agent, and the holder of the Securities will, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to the Bank for any payment that such holder may be entitled to collect, and all liability of the Trustee or any Paying Agent with respect to such monies will thereupon cease.

All claims against the Bank for the payment of principal of or interest or any other amounts payable on or in respect of the Securities (and Additional Amounts, if any) will prescribe unless made within five years for principal and two years for interest from the date on which such payment first became due, or a shorter period if provided by applicable law.

Section 9.06. *Reinstatement*. If and for so long as the Trustee is unable to apply any money or U.S. Government Obligations held in trust pursuant to Section 9.01, Section 9.02 or Section 9.03 by reason of any legal proceeding or by reason of any order or judgment of any court or Government Agency enjoining, restraining or otherwise prohibiting such application, the Bank's obligations under this Indenture and the Securities will be reinstated as though no such deposit in trust had been made. If the Bank makes any payment of principal of or interest on any Securities because of the reinstatement of its obligations, it will be subrogated to the rights of the holders of such Securities to receive such payment from the money or U.S. Government Obligations held in trust.

Section 9.07. *Satisfaction and Discharge*. This Indenture will be discharged and will cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities therein expressly provided for) as to all Securities issued hereunder, when:

(a) either:

(i) all Securities that have been authenticated, except lost, stolen or destroyed Securities that have been replaced or paid and Securities for whose payment money has been deposited in trust and thereafter repaid to the Bank or discharged from such trust, have been delivered to the Trustee for cancellation; or

(ii) all Securities that have not been delivered to the Trustee for cancellation have become due and payable or will become due and payable within one year, either at their Stated Maturity or upon being called for redemption, and the Bank or any Subsidiary has deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders, cash in U.S. Dollars, in amounts sufficient to pay and discharge the entire Indebtedness on the Securities not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest

to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or redemption date, as the case may be;

(b) the Bank has paid or caused to be paid all sums payable by it under this Indenture;

(c) the Bank has delivered an officers' certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; and

(d) the Bank has delivered irrevocable instructions to the Trustee under this Indenture to apply any deposited money toward the payment of the Securities at maturity or the Redemption Date, as the case may be.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Bank to the Trustee, including the payment and indemnity obligations, any registrar, or paying agent under this Indenture shall survive and, if money shall have been deposited with the Trustee pursuant to clause (a) above, the obligations of the Trustee with respect to the application of trust money under this Indenture will survive.

ARTICLE 10
CONCERNING THE HOLDERS

Section 10.01. *Evidence of Action Taken by the Holders*.

Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by a specified percentage in principal amount of the Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such specified percentage of holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments is or are delivered to the Trustee. Proof of execution of any instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Bank, if made in the manner provided in this Article.

Section 10.02. *Proof of Execution of Instruments and of Holding of Securities; Record Date*.

The execution of any instrument by a Holder or his agent or proxy may be proved in accordance with Section 10.06 and such reasonable applicable rules and regulations or in such manner as shall be satisfactory to the Trustee. The holding of Securities shall be proved by the Register maintained pursuant to Section 3.05. The Bank, by or pursuant to a resolution of its Board of Directors, may set a record date for purposes of determining the identity of Holders of Securities entitled to vote or consent to any action referred to in Section 10.01, which record date may be set at any time or from time to time by notice in writing to the Trustee, for any date or dates (in the case of any adjournment or reconsideration) not more than 60 days nor less than ten days prior to the proposed date of such vote or consent, and thereafter, notwithstanding any other provisions hereof, only Holders of Securities of record on such record date shall be entitled to so vote or give such consent or revoke such vote or consent.

Section 10.03. *Holders to be Treated as Owners*.

The Bank, the Trustee, the Agents and any agent of the Bank, the Trustee or the Agents may deem and treat any Person in whose name any Security shall be registered upon the Register as the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and, subject to the provisions of this Indenture, interest on such Security (including Additional Amounts) and for all other purposes; and none of the Bank, the Trustee, any Agent and any agent of the Bank, the Trustee or any Agent shall be affected by any notice to the contrary. All such payments so made to any such Person, or upon its order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Security. Notwithstanding the foregoing, with respect to any Global Security, nothing herein shall prevent the Bank, the Trustee, the Agents or any agent of the Bank, the Trustee or any Agent, from giving effect to any written certification, proxy or other authorization furnished by any depositary, as Holder of such Global Security, or impair, as between such depositary and owners of beneficial interests in such Global Security, the operation of customary practices governing the exercise of the rights of such depositary (or its nominee), as Holder of such Global Security.

Section 10.04. *Securities Owned by the Bank Deemed Not Outstanding*.

In determining whether the Holders of the requisite aggregate principal amount of Outstanding Securities have concurred in any request, consent or waiver under this Indenture, Securities that are owned by the Bank or any of its Subsidiaries or any other obligor on the Securities with respect to which such determination is being made shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such request, consent or waiver, only Securities that a Responsible Officer has been informed in writing in an Officers' Certificate to be so owned shall be so disregarded. Securities so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Bank or any of its Subsidiaries or any other obligor upon such Securities. In case of a dispute as to such right, the advice of counsel shall be full protection in respect of any decision made by the Trustee in accordance with such advice. Upon request of the Trustee, the Bank shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Securities, if any, known by the Bank to be owned or held by or for the account of any of the above-described Persons, and the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are Outstanding for the purpose of any such determination.

Section 10.05. *Right of Revocation of Action Taken*.

At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 10.01, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Securities or of the percentage of votes cast, as the case may be, specified in this Indenture in connection with such action, any Holder of a Security the serial number of which is shown by the evidence to be included among the serial numbers of the Securities the Holders of

which have consented to such action may, by filing written notice at the Corporate Trust Office and upon proof of holding as provided in this Article, revoke such action so far as concerns such Security. Except as aforesaid any such action taken by the Holder of any Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security and of any Securities issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon any such Security. Any action taken by the Holders of the percentage in aggregate principal amount of the Securities or of the percentage of votes cast, as the case may be, specified in this Indenture in connection with such action shall be conclusively binding upon the Bank, the Trustee and the Holders of all the Securities affected by such action.

Section 10.06. *Holders' Meetings*.

(a) Each of the Bank (through the Board of Directors or the Supervisory Committee of the Bank) and the Trustee may (but shall not be required) at any time call a meeting of the Holders of the Securities of any Series for the purpose of entering into a supplemental indenture as provided in Section 11.02 or waiving a past default as provided in Section 7.02. In addition, a meeting of the Holders of Securities of a Series may be called by the Trustee or the Bank (through the Board of Directors or the Supervisory Committee of the Bank) at its discretion or upon the request of the Holders of at least 5% in aggregate principal amount of the Outstanding Securities of a Series, pursuant to the Negotiable Obligations Law. In the case of a request to call a meeting by Holders, the Bank shall notify the Trustee in writing of such request. In the event the Board of Directors or the Supervisory Committee of the Bank shall fail to call a meeting requested by the Trustee or the Holders as provided in the immediately preceding sentence, the meeting may be called by the CNV or by a competent court. Meetings will be held simultaneously in the City of Buenos Aires and in New York City by any means of telecommunications which permits the participants to hear and speak to each other, and any such simultaneous meeting shall be deemed to constitute a single meeting for purposes of the quorum and voting percentages applicable to such meeting. If a meeting is being held pursuant to a request of Securityholders, the agenda for such meeting shall be that set forth in the request made by such Securityholders and such meeting shall be convened to be held within 40 days from the date such request is received by the Bank and the Trustee. Notice of any meeting of Securityholders, setting forth the date, time and place of such meeting and the agenda therefor (which shall describe in general terms the action proposed to be taken at such meeting and the requirement for attendance) shall be given as specified in Section 12.01 not less than 10 nor more than 30 days prior to the date fixed for the meeting and shall be published at the expense of the Bank for five business days in Argentina in the *Boletín Oficial de la República Argentina* (Official Gazette of Argentina), in a newspaper of general circulation in Argentina and in the Bulletin of the BASE (as long as the Securities are listed on the BASE). Meetings of Holders may be simultaneously convened for two dates, in case the initial meeting were to be adjourned for lack of quorum. However, for meetings that include in the agenda items requiring consent of each Holder of a Security, notice of a new meeting resulting from adjournment of the initial meeting for lack of quorum will be given not less than 8 days prior to the date fixed for such new meeting and will be published for three business days in the *Boletín Oficial de la República Argentina* (Official Gazette of Argentina), a newspaper of general circulation in Argentina and in the Bulletin of the BASE (as long as the Securities are listed on the BASE). To be entitled to vote at any meeting of Securityholders a Person shall be (i) a Holder of one or more Securities as

of the relevant record date determined pursuant to Section 10.02 or (ii) a Person appointed by an instrument in writing as proxy by such a Holder of one or more Securities. The only Persons who shall be entitled to be present or to speak at any meeting of Securityholders shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Bank and its counsel and the Trustee and its counsel. With respect to all matters not contemplated in this Indenture, meetings of Securityholders will be held in accordance with Argentine Business Companies Law.

(b) The quorum at any meeting called to adopt a resolution will be persons holding or representing a majority in aggregate principal amount of the Outstanding Securities of a Series and at any reconvened adjourned meetings will be the persons present at such reconvened adjourned meeting. At a meeting or a reconvened adjourned meeting duly convened and at which a quorum is present, any resolution to modify or amend, or to waive compliance with, any provision of the Securities of any Series (other than items requiring consent of each Holder of a Security) will be validly passed and decided if approved by the persons entitled to vote a majority in aggregate principal amount of the Securities of such Series then Outstanding represented and voting at the meeting. Any instrument given by or on behalf of any Holder of a Security in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Holders of such Security. Any modifications, amendments or waivers to the Indenture or to the Securities of a Series will be conclusive and binding upon all Holders of Securities of such Series whether or not they have given such consent or were present at any meeting, and on all Securities of such Series, *provided* that no such modifications, amendments or waivers, without consent of each Holder of a Security of such Series at the time Outstanding, shall affect any of the items included in Section 11.02.

(c) Any Securityholder who has executed an instrument in writing appointing a Person as proxy shall be deemed to be present for the purposes of determining a quorum and be deemed to have voted; *provided* that such Securityholder shall be considered as present or voting only with respect to the matters covered by such instrument in writing. Any resolution passed or decision taken at any meeting of Securityholders of a Series duly held in accordance with this Section shall be binding on all the Securityholders of such Series whether or not present or represented at the meeting.

(d) The appointment of any proxy shall be proved by having the signature of the Person executing the proxy guaranteed or certified by any notary public, bank or trust company or judicially certified in the manner provided under Argentine law. The following persons may not act as proxies: members of the Board of Directors or of the Supervisory Committee of the Bank and managers and other employees of the Bank. The holding of Securities shall be proved by the Register maintained in accordance with Section 3.05; *provided* that the holding of a beneficial interest in a DTC Global Security shall be proved by a certificate or certificates of DTC and the holding of a beneficial interest in an Euroclear/Clearstream Global Security shall be proved by a certificate or certificates of Euroclear or Clearstream, as the case may be, or the Common Depositary therefor.

(e) A representative of the Trustee shall act as the chairman of the meeting. If the Trustee fails to designate a representative to act as chairman of the meeting, the Bank shall

designate a member of the Supervisory Committee to act as chairman of the meeting. If the Bank fails to designate such a person, the chairman of the meeting shall be (i) a person elected by vote of the Holders of a majority in aggregate principal amount of the Securities of the relevant Series represented at the meeting, (ii) a representative of the CNV or (iii) a person appointed by a competent court. If the meeting is called by the CNV or by a competent court, the CNV or the competent court shall designate a person to act as chairman, in accordance with applicable CNV regulations. The secretary of the meeting shall be elected by vote of the Holders of a majority in aggregate principal amount of the Securities of the relevant Series represented at the meeting. At any meeting of Securityholders of any Series, each Securityholder of such Series or proxy shall be entitled to cast one vote for each U.S. dollar or Dollar Equivalent in principal amount of the Securities held by such Holder or represented by such proxy. Notwithstanding the foregoing, at any meeting of Holders of more than one Series of Securities, a Holder of a Security which does not specify regular payments of interest, including without limitation, original issue discount Securities, shall be entitled to one vote at any such meeting for each U.S. dollar or Dollar Equivalent of the redemption value of such Security calculated as of the date of such meeting. Where Securities are denominated in one or more currencies other than U.S. dollars, the Dollar Equivalent of such Securities shall be calculated at the Exchange Rates on the date of such meeting or, in the case of written consents or notices, on such dates as the Bank shall designate for such purpose. No vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote except as a Holder or proxy. Any meeting of Holders duly called at which a quorum is present may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

(f) The vote upon any resolution submitted to any meeting of Securityholders shall be by written ballot on which shall be subscribed the signatures of the Securityholders or proxies and on which shall be inscribed the serial number or numbers of the Securities held or represented by them. The chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Securityholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published as provided above. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Bank and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

(g) If and for so long as the Securities of any Series are listed on the Luxembourg Stock Exchange for trading on the EuroMTF, the BASE or any other securities exchange, meetings of Holders of such Securities and notices thereof shall comply with the applicable rules of the Luxembourg Stock Exchange, the BASE or such securities exchange, as applicable.

Section 10.07. *The Bank to Furnish the Trustee Names and Addresses of Holders*.

To the extent Certificated Securities are issued and the Bank is acting as Registrar, the Bank shall furnish or cause to be furnished to the Trustee

(a) semi-annually, not more than 15 days after each Regular Record Date with respect to each such Series of Certificated Securities, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of such Series as of such Regular Record Date; and

(b) at such other times as the Trustee may reasonably request in writing, within 30 days after the receipt by the Bank of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

excluding from any such list names and addresses received by the Registrar.

Section 10.08. *Preservation of Information; Communications to Holders*.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 10.07 and the names and addresses of Holders received by the Registrar. The Trustee may destroy any list furnished to it as provided in Section 10.07 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and duties of the Trustee, shall be as provided by the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Bank and the Trustee that neither the Bank nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

Section 10.09. *Reports by the Trustee*.

Subsequent to any qualification of this Indenture under the Trust Indenture Act, the Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. Subsequent to any qualification of this Indenture under the Trust Indenture Act, if required by Section 313(a) of the Trust Indenture Act, the Trustee shall, within sixty days after each May 15 following the date of this Indenture deliver to Holders a brief report, dated as of such May 15, which complies with the provisions of such Section 313(a).

A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each securities exchange upon which any Securities are listed, with the SEC and with the Bank. The Bank shall promptly notify the Trustee when any Securities are listed or delisted on any securities exchange.

Section 10.10. *Reports by the Bank*.

Subsequent to any qualification of this Indenture under the Trust Indenture Act, the Bank shall file with the Trustee and the SEC, and transmit to Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to such Act.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt thereof shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Bank's compliance with any of their respective covenants hereunder.

ARTICLE 11
SUPPLEMENTAL INDENTURES

Section 11.01. *Supplemental Indentures Without Consent of Holders*. (a) The Bank when authorized by a resolution of the Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto, in form reasonably satisfactory to the Trustee, for one or more of the following purposes:

(i) adding to the Bank's covenants such further covenants, restrictions, conditions or provisions as are for the benefit of the holders of the Securities of any Series;

(ii) surrendering any right or power conferred upon the Bank hereunder;

(iii) securing the Securities of any Series pursuant to the requirements thereof or otherwise;

(iv) evidencing the succession of another person to the Bank and the assumption by any such successor of the Bank's covenants and obligations in the Securities and in this Indenture pursuant to any merger, consolidation or sale of assets;

(v) establishing the form or terms of Securities of any new Series as permitted by Section 3.03;

(vi) complying with any requirement of the CNV in order to effect and maintain the qualification of this Indenture;

(vii) complying with the requirements of the SEC in order to qualify this Indenture under the Trust Indenture Act;

(viii) making any modification which is of a minor or technical nature or correcting or supplementing any ambiguous, inconsistent or defective provision contained in this Indenture or in the Securities of any Series; or

(ix) making any other modification, or granting any waiver or authorization of any breach or proposed breach, of any of the terms and conditions of the Securities of any

Series or any other provisions of this Indenture applicable to such Series in any manner which does not adversely affect the interest of the holders of Securities of such Series in any material respect, as evidenced by an Officer's Certificate.

(b) The Trustee is hereby authorized to join with the Bank in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations that may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture that adversely affects the Trustee's own or any Agent's rights, duties or immunities under this Indenture or otherwise.

(c) Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the Holders of any of the Securities at the time Outstanding, notwithstanding any of the provisions of Section 11.02.

Section 11.02. *Supplemental Indentures With Consent of Holders*.

(a) Without limiting the provisions of Section 11.01, the Bank, when authorized by a resolution of the Board of Directors, and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture, the Securities of any Series or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Securities of any Series, with the affirmative vote, at a meeting of Holders of such Series or an adjourned meeting duly convened at which a quorum is present as provided in Section 10.06, of a majority in aggregate principal amount of the Securities of such Series then Outstanding represented and voting at such meeting; *provided* that no such supplemental indenture shall, without the consent of each Holder of a Security of a Series affected thereby:

(i) extend the due date for the payment of principal of, premium, if any, or any installment of interest on any such Security;

(ii) reduce the principal amount of, the portion of such principal amount which is payable upon acceleration of the maturity of, the rate of interest on or the premium payable upon redemption or repurchase of any such Security;

(iii) reduce the Bank's obligation to pay Additional Amounts on any such Security;

(iv) shorten the period during which the Bank is not permitted to redeem any such Security, or permit the Bank to redeem any such Security if, prior to such action, the Bank is not permitted to do so;

(v) amend the circumstances under which the Securities of such Series may be redeemed;

(vi) change the Specified Currency in which, or the required places at which, any such Security or the premium or interest thereon is payable;

(vii) reduce the percentage of the aggregate principal amount of such Securities necessary to modify, amend or supplement this Indenture or such Securities, or for waiver of compliance with certain provisions thereof or for waiver of certain defaults;

(viii) reduce the percentage of the aggregate principal amount of Outstanding Securities required for the adoption of a resolution or the quorum required at any meeting of holders of such Securities at which a resolution is adopted;

(ix) modify any of the provisions of this Section or Sections 7.02 or 10.06, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Security adversely affected thereby;

(x) modify the subordination provision relating to any Security in any manner adverse to the holders of such Security; or

(xi) impair the right to sue for enforcement of any payment in respect of any Security.

(b) Upon the request of the Bank and upon the filing with the Trustee of evidence of the consent of holders as aforesaid, the Trustee shall join with the Bank in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

(c) It shall not be necessary for the consent of the holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Section 11.03. *Effect of Supplemental Indenture*. (a) Upon the execution of any supplemental indenture pursuant to the provisions hereof and upon receipt of any necessary approval of the CNV, this Indenture and the Securities of the applicable Series shall be and shall be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture with respect to the applicable Series of Securities of the Trustee, the Bank and the Holders of Securities of such Series shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

(b) Securities authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may and shall if required by the Trustee, bear a notation in form and manner approved by the Trustee as to any matter provided for by such supplemental indenture or as to any action taken at any such meeting. If the Bank or the Trustee shall so determine, new Securities modified so as to conform to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Bank at its expense, authenticated by the Trustee and delivered in exchange for the Securities then Outstanding.

Section 11.04. *Trustee's Rights and Obligations*. The Trustee is entitled to receive, and will be fully protected in relying upon, in addition to the documents required by Section 12.02, an Officer's Certificate and an Opinion of Counsel and copies of resolutions of the Board of Directors as conclusive evidence that any supplemental indenture executed pursuant to this Article is authorized or permitted by this Indenture. If the Trustee has received such Officer's Certificate and such Opinion of Counsel, it shall sign the supplemental indenture so long as the same does not adversely affect the rights of the Trustee. The Trustee may, but is not obligated to, execute any supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture.

Section 11.05. *Conformity with Trust Indenture Act*. Subsequent to any qualification of this Indenture under the Trust Indenture Act, every supplemental indenture in respect of a Series registered or to be registered under the Securities Act executed pursuant to this Article 10 shall conform to the requirements of the Trust Indenture Act.

Section 11.06. *Conformity with Negotiable Obligations Law*. Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Negotiable Obligations Law and the CNV Rules, as then in effect.

Section 11.07. *Amendments*. Promptly after the execution by the Bank and the Trustee of any supplement, amendment or waiver to this Indenture, the Bank will give notice thereof to the holders of the Securities of such Series, and, if applicable, to the CNV, setting forth in general terms the substance of such supplement, or amendment. Any failure by the Bank to give such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such supplement or amendment. In the event that such Securities are listed on the Euro MTF Market, the MERVAL and the MAE or listed on any other securities exchange, such meetings of holders and notices thereof will also comply with the applicable rules of the MTF Market, the MERVAL and the MAE, or such other securities exchange, as applicable.

ARTICLE 12
MISCELLANEOUS

Section 12.01. *Notices*.

(a) All notices to holders of Securities will be deemed to be validly given (i) if sent by first class mail to them (or, in the case of joint holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing, and for notices mailed to holders of Securities located in Argentina, upon receipt, and (ii) for as long as Securities of such Series are listed on the MERVAL and MAE, upon publication in the City of Buenos Aires as indicated by the MERVAL in the Bulletin of the BCBA, the bulletin of the MAE and in a widely circulated newspaper in Argentina and, to the extent required by applicable law, in the Official Gazette of Argentina, (iii) for as long as Securities of such Series are listed on the Euro MTF Market, upon publication in a leading daily newspaper of general circulation in Luxembourg (however, if such publication is not practicable, notice will be considered to be validly given if otherwise made in accordance with the rules of the Luxembourg Stock Exchange); and (iv) in any other manner required by the provisions of the Negotiable Obligations Law. Any such notice

will be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the last date on which publication is required and made as so required. Any notice or communication to the Bank will be deemed given if in writing (x) when delivered in person, or (y) when mailed by first class mail, or (z) when sent by facsimile transmission, with transmission confirmed. In the case of the Global Securities, notices will be sent to DTC, Euroclear or Clearstream, as the case may be, or their nominees (or any successors), as the holder thereof, and such clearing agency or agencies will communicate such notices to their Agent Members in accordance with their standard procedures.

In addition, the Bank will be required to cause all such other publications of such notices as may be required from time to time by applicable Argentine law. Neither the failure to give notice nor any defect in any notice given to any particular holder of a Security will affect the sufficiency of any notice with respect to any other Securities.

If to the Bank:

Banco Supervielle S.A.
Bartolomé Mitre 434, C1036AAH
City of Buenos Aires, Argentina
Attention: Rosario Jonas Mackinlay/Leandro Carletti
Fax: +54 11 4324-8000

If to the Trustee, Registrar and Transfer Agent, and Paying Agent:

The Bank of New York Mellon
101 Barclay Street, Floor 7E
New York, New York 10286
Attention: International Corporate Trust
Fax: (212) 815-5633

If to the Argentine Registrar and Transfer Agent, Argentine Paying Agent and Representative of the Trustee in Argentina:

Banco Santander Rio S.A.
Bartolomé Mitre 480, 8th Floor, C1036AAH
City of Buenos Aires, Argentina
Attention: Sebastian Martin / Martiniano Acuñas

The Bank or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) The Bank shall also cause all such other publications of such notices as may be required from time to time in any manner by the provisions of the Negotiable Obligations Law, the Argentine Capital Markets Law, the CNV Rules and by any applicable Argentine law (including without limitation publishing notices at the official site of the CNV (www.cnv.gov.ar)).

(c) Where this Indenture provides for notice, the notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and the waiver will be the equivalent of the notice. Waivers of notice by holders must be filed with the Trustee, but such filing is not a condition precedent to the validity of any action taken in reliance upon such waivers.

(d) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Bank shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("**Authorized Officers**") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Bank whenever a person is to be added or deleted from the listing. If the Bank elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Bank understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Bank shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Bank and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Bank. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Bank agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method (s) selected by the Bank; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 12.02. *Certificate and Opinion as to Conditions Precedent*. (a) Upon any request or application by the Bank to the Trustee to take any action under this Indenture, the Bank will furnish to the Trustee:

(i) an Officer's Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(ii) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

(b) In any case where several matters are required to be certified by, or covered by an Opinion of Counsel of, any specified Person, it is not necessary that all such matters be certified by, or covered by the Opinion of Counsel of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an Opinion of Counsel with respect to some matters and one or more such Persons as to other matters, and any such Person may certify or give an Opinion of Counsel as to such matters in one or several documents.

(c) Any Officer's Certificate of the Bank may be based, insofar as it relates to legal matters, upon an Opinion of Counsel or representation of counsel, unless such Authorized Person knows that such Opinion of Counsel or representation with respect to the matters upon which his certificate is based are erroneous. Any Opinion of Counsel may be based, and may state that it is so based, insofar as it relates to factual matters, upon a certificate of, or representations by, an officer or officers of the Bank stating that the information with respect to such factual matters is in the possession of the Bank unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or representations with respect to such matters are erroneous. Any Officer's Certificate or Opinion of Counsel may be based, and may state that it is so based, insofar as it relates to accounting matters, upon a certificate, opinion of or representations by an accountant or firm of accountants in the employ of the Bank, unless the Authorized Person or such counsel, as the case may be, knows, or in the exercise of reasonable care should know, that the certificate, opinion or representations with respect to the accounting matters upon which such Officer's Certificate or Opinion of Counsel is based are erroneous. Any certificate or opinion of any independent firm of public accountants filed with the Trustee shall contain a statement that such firm is independent.

(d) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 12.03. *Statements Required in Certificate or Opinion*. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(a) a statement that each person signing the certificate or opinion has read the covenant or condition and the related definitions;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in the certificate or opinion is based;

(c) a statement that, in the opinion of each such person, that person has made such examination or investigation as is necessary to enable the person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of each such person, such condition or covenant has been complied with, *provided* that an Opinion of Counsel may rely on an Officer's Certificate or certificates of public officials with respect to matters of fact.

Section 12.04. *Governing Law, Etc*. The Securities and this Indenture shall be governed by and construed in accordance with the laws of the State of New York, United States of America, without giving effect to choice of law rules; *provided* that all matters relating to the due corporate authorization, execution, issuance and delivery of the Securities by the Bank, and matters relating to the legal requirements necessary in order for the Securities to qualify as "*obligaciones negociables*" under Argentine law, any public offering in Argentina and certain matters related to meetings of holders of the Securities, including quorums, majorities, and requirements for calling, shall be governed by the Negotiable Obligations Law, the Argentine Corporations Law No. 19,550, as amended, the Argentine Securities Law and/or other applicable Argentine laws and regulations. The Bank irrevocably submits to the non-exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan, City of New York, State of New York, United States of America, any Argentine court sitting in the City of Buenos Aires, including the ordinary courts for commercial matters and the Permanent Arbitral Tribunal of the Buenos Aires Stock Exchange (*Tribunal de Arbitraje General de la Bolsa de Comercio de Buenos Aires*) under the provisions of Article 46 of the Argentine Securities Law, and any competent court in the place of the Bank's corporate domicile for purposes of any action or proceeding arising out of or related to this Indenture or the Securities. The Bank designates, appoints and empowers CT Corporation System with offices at 111 Eighth Avenue, New York, NY 10011, as the Bank's authorized agent to receive for and on the Bank's behalf service of summons or other legal process in any such action, suit or proceeding in the State of New York. Final judgment against the Bank in any such action, suit or proceeding shall be conclusive and may be enforced in any other jurisdiction including the country in which the Bank is domiciled by suit on the judgment.

Nothing shall affect the right of the holders of the Securities or the Trustee to commence legal proceedings or otherwise sue the Bank in the country in which it is domiciled or in any other court having jurisdiction or to serve process upon the Bank in any manner authorized by the laws of any such jurisdiction.

The Bank hereby further covenants and agrees that, for so long as any Security is Outstanding under this Indenture, the Bank will maintain a duly appointed agent for the service of summons and other legal process in New York, New York, United States of America, for purposes of any legal action, suit or proceeding brought by any holder of the Securities or the Trustee in respect of the Securities or this Indenture and shall keep the holders of the Securities and the Trustee advised of the identity and location of such agent. The Bank hereby further irrevocably consents, if for any reason there is no authorized agent for service of process in New York, to the service of process out of the said courts by mailing copies thereof by registered United States airmail postage prepaid to the Bank at the Bank's address specified herein; and in such a case the Bank shall also receive by telex or confirmed facsimile, a copy of such process.

The serving of process in the manner provided in the paragraph above in any such action, suit or proceeding shall be deemed personal service and accepted by the Bank as such and shall be valid and binding upon the Bank for all the purposes of any such action, suit or proceeding.

In addition, the Bank hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action, suit or proceeding arising out of or relating to the Securities and this Indenture, brought in

the courts of the State of New York or in the United States District Court for the Southern District of New York, and any claim that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Further, the Bank hereby irrevocably waives, to the fullest extent permitted by applicable law, any right the Bank may now or hereafter have to the removal to a United States Federal Court of any action brought in a state court of the State of New York.

To the extent that the Bank may, in any suit, action or proceeding brought in a court of the country in which the Bank is domiciled or elsewhere arising out of or in connection with the Securities or this Indenture, be entitled to the benefit of any provision of law requiring the Trustee or the holders of the Securities in such suit, action or proceeding to post security for the costs of the Bank, as the case may be, or to post a bond or guarantee (*excepción de arraigo*) or to take similar action, the Bank hereby irrevocably waives such benefit, in each case to the fullest extent now or hereafter permitted under the laws of the country in which the Bank is domiciled or, as the case may be, such other jurisdiction.

To the extent that the Bank may be entitled in any jurisdiction to claim for itself or the Bank's assets immunity, on the grounds of sovereignty or otherwise, in respect of the Bank's obligations under the Securities or this Indenture from any suit, execution, attachment (whether in aid or execution, before judgment or otherwise) or other legal process or to the extent that in any jurisdiction there may be attributed to the Bank or its assets such immunity (whether or not claimed), or to the extent it might have the right to have a jury trial, the Bank will irrevocably waive and agree not to, as the case may be, claim or exercise such immunity and right to jury trial to the fullest extent permitted by the laws of such jurisdiction.

Section 12.05. *Currency Indemnity*. If a judgment or order given or made by any court for the payment of any amount in respect of any Security is expressed in a currency (the "judgment currency") other than the currency (the "denomination currency") in which such Securities are denominated or in which such amount is payable, the Bank will indemnify the relevant holder against any deficiency arising or resulting from any variation in rates of exchange between the date as of which the amount in the denomination currency is notionally converted into the amount in the judgment currency for the purposes of such judgment or order and the date of actual payment thereof. This indemnity will constitute a separate and independent obligation from the other obligations contained in the terms and conditions of the Securities, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted from time to time and will continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due in respect of the relevant Security or under any such judgment or order.

Section 12.06. *No Adverse Interpretation of Other Agreements*. This Indenture may not be used to interpret another indenture or loan or debt agreement of the Bank or any Subsidiary of the Bank, and no such indenture or loan or debt agreement may be used to interpret this Indenture.

Section 12.07. *Successors*. All agreements of the Bank in this Indenture and the Securities will bind its successors. All agreements of the Trustee in this Indenture will bind its successor.

Section 12.08. *Counterparts*. The parties may sign this Indenture in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

Section 12.09. *Separability*. In case any provision in this Indenture or in the Securities is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 12.10. *Table of Contents and Headings*. The Table of Contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and in no way modify or restrict any of the terms and provisions of this Indenture.

Section 12.11. *No Personal Liability of Directors, Officers, Employees, Incorporators, Members or Stockholders*. Except as specifically provided under Argentine law, no director, officer, employee, incorporator, member or stockholder of the Bank, as such, will have any liability for any obligations of the Bank under the Securities or this Indenture or for any claim based on, in respect of, or by reason of, such obligations. Each holder of Securities by accepting a Security waives and releases all such liability. This waiver may not be effective to waive liabilities under the Article 34 of the Negotiable Obligations Law, Article 54 of the General Corporations Law, Sections 119 and 120 of the Argentine Capital Markets Law and other applicable Argentine regulations, or under federal securities laws and it is the view of the U.S. Securities and Exchange Commission that such a waiver is against public policy.

Section 12.12. *Force Majeure*. Notwithstanding any provision herein to the contrary, in no event shall the Trustee, in any of its capacities under this Indenture, or any Agent be liable for any failure or delay in the performance of its obligations under this Indenture because of circumstances beyond its control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the performance of such party's obligations under this Indenture, inability to obtain material, equipment, or communications or computer facilities, or the failure of equipment or interruption of communications or computer facilities, and other causes beyond its control whether or not of the same class or kind as specifically named above.

Section 12.13. *WAIVER OF TRIAL BY JURY*. EACH OF THE BANK, THE HOLDERS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE SECURITIES.

Section 12.14. *Paying Agents, Transfer Agents, Registrars*(a) . (a) The Bank may at any time appoint additional or alternative Registrars, Paying Agents, Transfer Agents and Calculation Agents and terminate the appointment thereof; provided, however, that (i) while any Securities are Outstanding, the Bank will maintain a Registrar, a Paying Agent and a Transfer Agent in New York City; (ii) as long as any Securities are listed on the official list of the

Luxembourg Stock Exchange for trading on the Luxembourg Stock Exchange and the rules of the Euro MTF Market so require, at least one Paying Agent and Transfer Agent will be located in Luxembourg; and (iii) as long as it is required by Argentine law or by the CNV, the Bank will maintain a Registrar, a Paying Agent and a Transfer Agent in the City of Buenos Aires. In the event required by this Indenture, notice of any resignation, termination or appointment of any Registrar, Paying Agent or Transfer Agent, and of any change in the office through which any Registrar, Paying Agent or Transfer Agent will act, will be promptly given to the holders of the Securities in the manner described in Section 12.01 above and to the CNV.

(b) Notwithstanding and to the exclusion of any other term of this Indenture or any other agreements, arrangements, or understanding between the parties, each counterparty to a BRRD Party under this Indenture acknowledges and accepts that a BRRD Liability arising under this Indenture may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledges, accepts and agrees to be bound by:

(i) The effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of any BRRD Party to it under this Indenture, that (without limitation) may include and result in any of the following, or some combination thereof:

(A) The reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;

(B) The conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the relevant BRRD Party or another person (and the issue to or conferral on it of such shares, securities or obligations);

(C) The cancellation of the BRRD Liability;

(D) The amendment or alteration of the amounts due in relation to the BRRD Liability, including any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period; and

(ii) the variation of the terms of this Indenture, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority

Section 12.15. *Conflict with Trust Indenture Act*(a) . Subsequent to any qualification of this Indenture under the Trust Indenture Act, if any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act that is required under such Act to be a part of and govern this Indenture, the latter provision shall control. Subsequent to any qualification of this Indenture under the Trust Indenture Act, if any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

Section 12.16. *Foreign Account Tax Compliance Act*. In order to comply with applicable tax laws (inclusive of rules, regulations and interpretations promulgated by competent authorities) related to the Indenture and Notes in effect from time to time (the "Applicable Law") that a foreign financial institution, issuer, trustee, paying agent or other party is or has agreed to be subject to, the Bank agrees (i) to the extent permitted under applicable law, to use commercially reasonable efforts to provide to the Trustee information requested by the Trustee that is in possession of the Bank and that is reasonably required about the parties and/or transactions (including any modification to the terms of such transactions) so the Trustee can determine whether it has tax related obligations under Applicable Law and (ii) that the Trustee shall be entitled to make any withholding or deduction from payments to the extent necessary to comply with Applicable Law. Nothing in the immediately preceding sentence shall be construed as obligating the Bank to make any "gross up" payment or similar reimbursement in connection with a payment in respect of which amounts are so withheld or deducted.

Section 12.17. *Concerning the Trustee as Calculation Agent*.

The appointment of the Trustee as Calculation Agent hereunder shall apply only to those series or tranches of Floating Rate Notes for which no other Calculation Agent is designated in the applicable Pricing Supplement relating to the Floating Rate Notes and shall not apply to those series or tranches of Floating Rate Notes with respect to which The Bank of New York Mellon shall have advised the Bank that it is unwilling or unable to act hereunder as Calculation Agent. Subject to the foregoing, the Trustee shall act as Calculation Agent as an agent of the Bank for the purpose of determining the interest rate or rates of Floating Rate Notes settling in the form of Global Securities through DTC, Euroclear and/or Clearstream.

The Bank agrees to deliver to the Calculation Agent, prior to the issuance of any Floating Rate Notes, copies of the proposed forms of such Floating Rate Notes, including copies of the terms and conditions relating to the determination of the interest rate thereunder. The Bank shall not issue any Floating Rate Note prior to the receipt of confirmation from the Calculation Agent of its acceptance of the proposed form of such Note. No amendment to the provisions of the Floating Rate Notes relating to the duties or obligations of the Calculation Agent hereunder may become effective without the prior written consent of the Calculation Agent, which consent shall not be unreasonably withheld.

The Bank shall notify the Calculation Agent of the issuance of any Floating Rate Notes prior to the issuance thereof and at the time of such issuance shall deliver to the Calculation Agent the information required to be provided by the Bank for the calculation of the applicable interest rates thereunder. The Calculation Agent shall calculate the applicable interest rates for Floating Rate Notes in accordance with the terms of such Floating Rate Notes, this Indenture and the provisions of the applicable supplemental indenture.

Upon the determination of an interest rate applicable to a Floating Rate Note, the Calculation Agent shall promptly notify the Bank, the Trustee and any Paying Agent (in each case, if not The Bank of New York Mellon) of such interest rate. Upon the request of the holder of a Floating Rate Note, the Calculation Agent shall advise such holder of the interest rate then in effect and, if different, the interest rate which will become effective as a result of a determination already made with respect to such Floating Rate Note.

In acting under this Indenture and any Supplemental Indenture and in connection with the Floating Rate Notes, the Calculation Agent is acting solely as agent for the Bank and does not assume any obligation toward, or any relationship of agency or trust for or with, any of the holders of the Floating Rate Notes.

Nothing in this Section 12.17 shall be construed as limiting any other rights, privileges, protections, indemnities, immunities or benefits afforded the Trustee or the Calculation Agent hereunder.

Banco Supervielle S.A., as Issuer

By: /s/ E. Alejandro Stengel
Name: E. Alejandro Stengel
Title: Director

By: /s/ Atilio Dell'Oro Maini
Name: Atilio Dell'Oro Maini
Title: Apoderado

[*Signature Page — Banco Supervielle Base Indenture*]

The Bank of New York Mellon, as Trustee, Paying Agent, Calculation Agent, Registrar and Transfer Agent

By: /s/ Catherine F. Donohue
Name: Catherine F. Donohue
Title: Vice President

Banco Santander Rio S.A., as Argentine Registrar and Transfer Agent, Argentine Paying Agent and Representative of the Trustee in Argentina

By: _____
Name:
Title:

By: _____
Name:
Title:

The Bank of New York Mellon, as Trustee, Paying Agent, Registrar and Transfer Agent

By: _____
Name:
Title:

Banco Santander Rio S.A., as Argentine Registrar and Transfer Agent, Argentine Paying Agent and Representative of the Trustee in Argentina

By: /s/ Marcos Gabriel Devoto
Name: Marcos Gabriel Devoto
Title: Gerente Departamental

By: /s/ Alejandro Butti
Name: Alejandro Butti
Title: Gerente Principal

EXHIBIT A

FORM OF GLOBAL SECURITY

Registered No.:
CUSIP No.:
ISIN No.:
Common Code:
Registered Holder:

BANCO SUPERVIELLE S.A.

BANCO SUPERVIELLE S.A. was organized in the City of Buenos Aires, on December 30, 1940 as a corporation with limited liability (*sociedad anónima*) under the laws of Argentina for a term expiring on January 14, 2041, duly authorized as a limited liability corporation (*sociedad anónima*) by means of Executive Power Decree No. 82,191 dated January 14, 1941 and was registered under No. 23, Page 502, Book No. 45, Volume A of *Estatutos Nacionales* of the Public Registry of Commerce of the City of Buenos Aires, Argentina, and its registered domicile is at Reconquista 330, City of Buenos Aires, Argentina.

GLOBAL NOTE

representing
[Currency] [Aggregate principal amount]
NOTES DUE [Stated Maturity Date]

[**INCLUDE FOR A RULE 144A GLOBAL NOTE (UNLESS SUCH LEGEND MAY BE REMOVED PURSUANT TO THE INDENTURE):** THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE ‘‘SECURITIES ACT’’), OR ANY STATE OR OTHER SECURITIES LAWS. NEITHER THIS GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THIS GLOBAL NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A ‘‘QUALIFIED INSTITUTIONAL BUYER’’ (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS GLOBAL NOTE IN AN ‘‘OFFSHORE TRANSACTION’’ PURSUANT TO RULE 903 OR 904 OF REGULATION S, (2) AGREES THAT IT WILL NOT OFFER, SELL OR OTHERWISE TRANSFER THIS GLOBAL NOTE PRIOR TO THE RESALE RESTRICTION TERMINATION DATE (AS DEFINED IN THE NEXT PARAGRAPH), EXCEPT (A) (I) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING FOR ITS

OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION COMPLYING WITH RULE 144A, (II) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS GLOBAL NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS ‘‘OFFSHORE TRANSACTION,’’ ‘‘UNITED STATES’’ AND ‘‘U.S. PERSON’’ HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

THE RESALE RESTRICTION TERMINATION DATE WILL BE THE DATE:

(1) THAT IS AT LEAST ONE YEAR AFTER THE LAST ORIGINAL ISSUE DATE HEREOF; AND (2) ON WHICH THE BANK INSTRUCTS THE TRUSTEE THAT THIS LEGEND (OTHER THAN THE FIRST PARAGRAPH HEREOF) SHALL BE DEEMED REMOVED FROM THIS NOTE, IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN THE INDENTURE RELATING TO THIS NOTE.

[**INCLUDE FOR A REGULATION S GLOBAL NOTE (UNLESS SUCH LEGEND MAY BE REMOVED PURSUANT TO THE INDENTURE):** THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF BANCO SUPERVIELLE S.A. THAT NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE AFTER 40 CONSECUTIVE DAYS BEGINNING ON AND INCLUDING THE LATER OF (A) THE DAY ON WHICH THE NOTES ARE OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND (B) THE ORIGINAL ISSUE DATE OF THIS NOTE.]

[**INCLUDE FOR A DTC GLOBAL NOTE:** UNLESS (1) THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (“DTC”) TO BANCO SUPERVIELLE S.A. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, (2) ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND (3) ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE OR

OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC, NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF INTERESTS IN THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.]

[**INCLUDE FOR A EUROCLEAR/CLEARSTREAM GLOBAL NOTE:** TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO EUROCLEAR, CLEARSTEAM, NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR TO EUROCLEAR OR CLEARSTREAM OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF INTERESTS IN THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.]

[**IF APPLICABLE:** THE "TOTAL AMOUNT OF OID" "YIELD TO MATURITY" AND "INITIAL ACCRUAL PERIOD" SET FORTH IN THE PRICING SUPPLEMENT REFERRED TO HEREIN HAVE BEEN COMPLETED SOLELY FOR THE PURPOSE OF APPLYING THE U.S. FEDERAL INCOME TAX ORIGINAL ISSUE DISCOUNT ("OID") RULES.

THIS NOTE HAS BEEN ISSUED WITH OID FOR U.S. FEDERAL INCOME TAX PURPOSES. THE FOLLOWING INFORMATION IS PROVIDED SOLELY FOR PURPOSES OF APPLYING THE FEDERAL INCOME TAX OID RULES TO THIS NOTE:

ISSUE PRICE: $ PER $1000 OF PRINCIPAL AMOUNT
ORIGINAL ISSUE DISCOUNT: $ PER $1000 OF PRINCIPAL AMOUNT
YIELD TO MATURITY: . %
ORIGINAL ISSUE DATE: ,]

SERIES:
SPECIFIED CURRENCY:
PRINCIPAL AMOUNT:
ISSUE DATE:
STATED MATURITY:
ORIGINAL ISSUE DISCOUNT NOTE: YES [ ] NO [ ]
INTEREST PAYMENT DATE(S):
RECORD DATES:
OTHER TERMS AND CONDITIONS:

[If Note is a Fixed Rate Note:

FIXED RATE OF INTEREST:]

[If Note is a Floating Rate Note:

INITIAL INTEREST RATE:
INTEREST DETERMINATION DATE(S):
INTEREST PERIOD:]

INTEREST COMMENCEMENT DATE:
INTEREST PAYMENT DATE(S):
RECORD DATES:

THE TERMS OF THE PRICING SUPPLEMENT ATTACHED HERETO ARE INCORPORATED BY REFERENCE HEREIN IN THEIR ENTIRETY.

This [Rule 144A] [Regulation S] Global Note ("Global Note") is issued in accordance with the Indenture dated as of [•], 2017, among Banco Supervielle S.A., as issuer (the "Bank"), The Bank of New York Mellon, as trustee, paying agent, registrar, transfer agent and calculation agent and Banco Santander Rio S.A., as Argentine registrar and transfer agent and representative of the Trustee in Argentina (as amended or supplemented from time to time, the "Indenture") and is subject to the Terms and Conditions set forth on reverse hereof (the "Terms and Conditions") and the terms and conditions set forth in the attached Pricing Supplement. Such provisions shall for all purposes have the same effect as if set forth in this Note.

Copies of the Indenture and the Terms and Conditions are on file and available for inspection at the Corporate Trust Office of the Trustee, and at the office of the Argentine Registrar in the City of Buenos Aires and, if and for so long as the Notes are listed on the Luxembourg Stock Exchange for trading on the EuroMTF, and such Exchange shall so require, at the office of the Luxembourg Paying Agent in Luxembourg, in each case as specified in the Indenture. The Holder of this Note is entitled to the benefit of, is bound by, and is deemed to have notice of, all the provisions of the Indenture and the Terms and Conditions applicable to it.

This Global Note is a global security representing an issue of duly authorized Notes of the Bank issued and to be issued in one or more Series pursuant to the Indenture. This Global Note has been issued in the initial Principal Amount shown above (as adjusted from time to time on Schedule A hereto, the "Principal Amount") and with the Specified Currency, Issue Date, Stated Maturity, redemption and other provisions specified above and in the Pricing Supplement, and bearing interest on said Principal Amount at the rate of interest specified in the Pricing Supplement.

In the event of any conflict between the provisions stated herein or the provisions of the Terms and Conditions incorporated by reference herein and the terms and conditions set forth in the attached Pricing Supplement, the terms and conditions in the attached Pricing Supplement will prevail. Terms used but not defined herein are used as defined in the Pricing Supplement or, if not defined therein, in the Indenture and the Terms and Conditions.

The Bank, for value received, hereby promises to pay [**IF DTC GLOBAL NOTE INSERT:** Cede & Co.] **[IF EUROCLEAR/CLEARSTREAM GLOBAL NOTE INSERT**

NAME OF APPLICABLE NOMINEE OF COMMON DEPOSITORY] or its registered assigns, the Principal Amount stated above (as adjusted pursuant to Schedule A hereto) or the redemption amount if specified in the attached Pricing Supplement, in the Specified Currency at the Stated Maturity specified above, unless earlier redeemed in accordance with the terms hereof, and unless this Global Note is an original issue discount Note, to pay interest from the Interest Commencement Date of this Global Note specified in the Pricing Supplement (or from the most recent date to which interest has been paid or made available for payment) on the unpaid Principal Amount (and, to the extent lawful, on overdue principal (including premium or redemption amount, if any, and if this is an original issue discount Note, the Amortized Face Amount, or other amount)) and any interest in respect hereof at (i) if this Note is a Fixed Rate Note, the Fixed Rate of Interest per annum specified in the Pricing Supplement on the Interest Payment Date or Dates specified in the Pricing Supplement in each year, commencing, unless otherwise specified in the Pricing Supplement, with the first such Interest Payment Date falling at least fifteen days after the Issue Date of this Global Note specified above and at Stated Maturity or any redemption date, until the principal hereof shall be paid or made available for payment, or (ii) if this Note is a Floating Rate Note, a rate per annum equal to the Initial Interest Rate specified in the Pricing Supplement until the first Interest Reset Date so specified, or if none is specified, until the first Interest Payment Date, following the Issue Date and thereafter at a rate determined in accordance with the provisions in the Terms and Conditions and the Pricing Supplement or (iii) otherwise as determined by the method set forth in the Pricing Supplement, until the principal hereof is paid or made available for payment. Such interest on a Floating Rate Note shall be payable by the Bank monthly, quarterly, semi-annually or annually, or at such other intervals, in each case as specified in the Pricing Supplement under "Interest Period", on the dates specified in the Pricing Supplement under "Interest Payment Date(s)", and at Stated Maturity or any redemption date, commencing, unless otherwise specified in the Pricing Supplement, with the first such Interest Payment Date falling at least 15 days after the Issue Date hereof.

This Global Note is exchangeable in whole or in part for duly executed and issued Certificated Notes in the form set forth in the Indenture, with the applicable legends as marked thereon, only if such exchange complies with Section 3.05 of the Indenture. Interests in this Global Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Security of the same Series or an Unrestricted Global Security, only if such exchange or transfer complies with Section 3.05 of the Indenture.

This Global Note is one of the Series designated above, which term shall mean each original issue of Notes and shall be deemed to include any other Global Notes in respect of such Series issued pursuant to the Indenture referred to on the face of this Note. These Notes, together with any other debt securities of the Bank issued under the Indenture ("Outstanding Notes") are limited to an aggregate principal amount outstanding at any one time of US$800,000,000 or the equivalent thereof in one or more Specified Currencies. For purposes of the preceding sentence, the U.S. dollar equivalent of any Note or Outstanding Note denominated in a Specified Currency other than U.S. dollars will be determined on the basis of the Exchange Rate as set forth in the Indenture and the Terms and Conditions.

Unless the certificate of authentication hereon has been executed by or on behalf of the relevant Registrar by manual signature of one of its authorized signatures, this Global Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Global Note shall be governed by and construed in accordance with the laws of the State of New York; *provided* that all matters relating to the due authorization, execution, issuance and delivery of the Notes by the Bank, and matters relating to the legal requirements necessary in order for the Notes to qualify as "*obligaciones negociables*" under Argentine law, shall be governed by the Argentine Negotiable Obligations Law No. 23,576, as amended, together with Argentine Business Companies Law No. 19,550, as amended and other applicable Argentine laws and regulations.

This Global Note does not qualify for the Argentine deposit insurance system established pursuant to Argentine Law No. 24,485, as amended, and does not benefit from the priority right granted to depositors pursuant to Article 49(d) and (e) of Argentine Law No. 21,526, as amended. This Global Notes is not secured by any floating lien or special guarantee nor is this Global Note guaranteed by any other means or by any other entity.

IN WITNESS WHEREOF, Banco Supervielle S.A. has caused this Global Note to be duly executed.

Date:

BANCO SUPERVIELLE S.A.

By: _____
Director

By: _____
Member of the Supervisory Committee

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the within-mentioned Indenture.

The Bank of New York Mellon,
as Trustee

By: _____

Authorized Signatory

[ATTACH TERMS AND CONDITIONS SUBSTANTIALLY IN THE FORM SET FORTH IN EXHIBIT C TO THE INDENTURE]

[ATTACH APPLICABLE PRICING SUPPLEMENT]

SCHEDULE A

Date	Principal Amount of Certificated Notes or other Global Notes issued in exchange for or upon transfer of an interest in this Global Note	Principal Amount of this Global Note Redeemed or Repurchased	Increase in Principal Amount of this Note due to the exchange or transfer of another Note (or an interest therein) for an interest in this Note	Remaining Principal Amount of this Global Note	Notation made on behalf of the Registrar by

EXHIBIT B

FORM OF CERTIFICATED SECURITY

CUSIP No.:
ISIN No.:
COMMON CODE:

BANCO SUPERVIELLE S.A.

BANCO SUPERVIELLE S.A. was organized in the City of Buenos Aires, on December 30, 1940 as a corporation with limited liability (*sociedad anónima*) under the laws of Argentina for a term expiring on January 14, 2041, duly authorized as a limited liability corporation (*sociedad anónima*) by means of Executive Power Decree No. 82,191 dated January 14, 1941 and was registered under No. 23, Page 502, Book No. 45, Volume A of *Estatutos Nacionales* of the Public Registry of Commerce of the City of Buenos Aires, Argentina, and its registered domicile is at Reconquista 330, City of Buenos Aires, Argentina.

CERTIFICATED NOTE

representing
[Currency] [Aggregate principal amount]
NOTES DUE [Stated Maturity Date]

[**INCLUDE THE FOLLOWING PARAGRAPHS IF THIS NOTE IS SOLD IN RELIANCE ON RULE 144A OR IN A TRANSACTION OTHERWISE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT:** THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF BANCO SUPERVIELLE S.A. (THE "BANK") THAT THIS NOTE OR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (I) TO THE BANK OR TO ANY DEALERS APPOINTED BY THE BANK WITH RESPECT TO A PARTICULAR SERIES OF NOTES (EACH, A "DEALER" AND COLLECTIVELY, THE "DEALERS") OR BY, THROUGH OR IN A TRANSACTION APPROVED BY A DEALER, (II) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (III) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AFFORDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN

EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE BANK THAT IT WILL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE ON SATISFACTION OF THE CONDITIONS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN.]

THIS NOTE MAY BE TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS SPECIFIED IN THE APPLICABLE PRICING SUPPLEMENT.

[**IF APPLICABLE:** THE "TOTAL AMOUNT OF OID", "YIELD TO MATURITY" AND "INITIAL ACCRUAL PERIOD SET FORTH IN THE PRICING SUPPLEMENT REFERRED TO HEREIN HAVE BEEN COMPLETED SOLELY FOR THE PURPOSE OF APPLYING THE U.S. FEDERAL INCOME TAX ORIGINAL ISSUE DISCOUNT ("OID") RULES.

THIS NOTE HAS BEEN ISSUED WITH OID FOR U.S. FEDERAL INCOME TAX PURPOSES. THE FOLLOWING INFORMATION IS PROVIDED SOLELY FOR PURPOSES OF APPLYING THE FEDERAL INCOME TAX OID RULES TO THIS NOTE:

ISSUE PRICE: $ PER $1000 OF PRINCIPAL AMOUNT
ORIGINAL ISSUE DISCOUNT: $ PER $1000 OF PRINCIPAL AMOUNT
YIELD TO MATURITY: . %
ORIGINAL ISSUE DATE: ,]

SERIES:
SPECIFIED CURRENCY:
PRINCIPAL AMOUNT:
ORIGINAL ISSUE DATE:
STATED MATURITY DATE:
ORIGINAL ISSUE DISCOUNT NOTE: YES [ ] NO [ ]
INTEREST PAYMENT DATE(S):
RECORD DATES:
OTHER TERMS AND CONDITIONS:

[If Note is a Fixed Rate Note:

FIXED RATE OF INTEREST:]

[If Note is a Floating Rate Note:

INITIAL INTEREST RATE:
INTEREST DETERMINATION DATE(S):
INTEREST PERIOD:]

INTEREST COMMENCEMENT DATE:
INTEREST PAYMENT DATE(S):
RECORD DATES:

OTHER TERMS AND CONDITIONS:

This Note is issued in accordance with the Indenture dated as of [•], 2017, among Banco Supervielle S.A., as issuer (the "Bank"), The Bank of New York Mellon, as trustee, paying agent, registrar, transfer agent and calculation agent and Banco Santander Rio S.A., as Argentine registrar and transfer agent and representative of the Trustee in Argentina (as amended or supplemented from time to time, the "Indenture") and is subject to the Terms and Conditions set forth on reverse hereof (the "Terms and Conditions") and the terms and conditions set forth in the attached Pricing Supplement. Such provisions shall for all purposes have the same effect as if set forth in this Note.

Copies of the Indenture and the Terms and Conditions are on file and available for inspection at the Corporate Trust Office of the Trustee, and at the office of the Argentine Registrar in the City of Buenos Aires and, if and for so long as the Notes are listed on the Luxembourg Stock Exchange for trading on the EuroMTF, and such Exchange shall so require, at the office of the Luxembourg Paying Agent in Luxembourg, in each case as specified in the Indenture. The Holder of this Note is entitled to the benefit of, is bound by, and is deemed to have notice of, all the provisions of the Indenture and the Terms and Conditions applicable to it.

In the event of any conflict between the provisions stated herein or the provisions of the Terms and Conditions incorporated by reference herein and the terms and conditions set forth in the attached Pricing Supplement, the terms and conditions in the attached Pricing Supplement will prevail. Terms used but not defined herein are used as defined in the Pricing Supplement or, if not defined therein, in the Indenture and the Terms and Conditions.

The Bank, for value received, hereby promises to pay to or its registered assigns the Principal Amount stated above or the Redemption Amount if specified in the attached Pricing Supplement, in the Specified Currency at the Stated Maturity specified above, unless earlier redeemed in accordance with the terms hereof, and unless this Note is an original issue discount Note, to pay interest from the Interest Commencement Date of this Note specified in the Pricing Supplement (or from the most recent date to which interest has been paid or made available for payment) on the unpaid Principal Amount (and, to the extent lawful, on overdue principal (including premium or redemption amount, if any, and if this is an original issue discount Note, the Amortized Face Amount, or other amount)) at, (i) if this Note is a Fixed Rate Note, the Fixed Rate of Interest per annum specified in the Pricing Supplement on the Interest Payment Date or Dates specified in the Pricing Supplement in each year, commencing, unless otherwise specified in the Pricing Supplement, with the first such Interest Payment Date falling at least fifteen days after the Issue Date of this Note specified above and at Stated

Maturity or any redemption date, until the principal hereof shall be paid or made available for payment, or (ii) if this Note is a Floating Rate Note, a rate per annum equal to the Initial Interest Rate specified in the Pricing Supplement until the first Interest Reset Date so specified, or if none is specified, until the first Interest Payment Date, following the Issue Date and thereafter at a rate determined in accordance with the provisions of the Terms and Conditions and the Pricing Supplement or (iii) otherwise as determined by the method set forth in the Pricing Supplement, until the principal hereof is paid or made available for payment. Such interest on a Floating Rate Note shall be payable by the Bank monthly, quarterly, semi-annually or annually, or at such other intervals, in each case as specified in the Pricing Supplement under "Interest Period", on the dates specified in the Pricing Supplement under "Interest Payment Date(s)", and at Stated Maturity or any redemption date, commencing, unless otherwise specified in the Pricing Supplement, with the first such Interest Payment Date falling at least 15 days after the Issue Date hereof.

As used herein, the term "Holder" means the person in whose name a Note is registered in the Register.

This Note is one of the Series designated above, which term shall mean each original issue of Notes and shall be deemed to include any Global Notes in respect of such Series issued pursuant to the Indenture referred to on the face of this Note. These Notes, together with any other debt securities of the Bank issued under the Indenture ("Outstanding Notes") are limited to an aggregate principal amount outstanding at any one time of US$800,000,000 or the equivalent thereof in one or more Specified Currencies. For purposes of the preceding sentence, the U.S. dollar equivalent of any Note or Outstanding Note denominated in a Specified Currency other than U.S. dollars will be determined on the basis of the Exchange Rate as set forth in the Indenture and the Terms and Conditions.

Unless the certificate of authentication hereon has been executed by or on behalf of the relevant Registrar by manual signature of one of its authorized signatories, this Note shall not be entitled to any benefits under the Indenture or be valid or obligatory for any purpose.

This Note shall be governed by and construed in accordance with the laws of the State of New York; *provided* that all matters relating to the due authorization, execution, issuance and delivery of the Notes by the Bank, and matters relating to the legal requirements necessary in order for the Notes to qualify as "*obligaciones negociables*" under Argentine law, shall be governed by the Argentine Negotiable Obligations Law No. 23,576, as amended, together with Argentine Business Companies Law No. 19,550, as amended and other applicable Argentine laws and regulations.

This Global Note does not qualify for the Argentine deposit insurance system established pursuant to Argentine Law No. 24,485, as amended, and does not benefit from the priority right granted to depositors pursuant to Article 49(d) and (e) of Argentine Law No. 21,526, as amended. This Global Notes is not secured by any floating lien or special guarantee nor is this Global Note guaranteed by any other means or by any other entity.

IN WITNESS WHEREOF, Banco Supervielle S.A. has caused this Note to be duly executed.

Date:

BANCO SUPERVIELLE S.A.

By: _____
Director

By: _____
Member of the Supervisory Committee

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the within-mentioned Indenture.

The Bank of New York Mellon,
as Trustee

By: _____

Authorized Signatory

[ATTACH TERMS AND CONDITIONS SUBSTANTIALLY IN THE FORM SET FORTH IN EXHIBIT C TO THE INDENTURE]

[ATTACH APPLICABLE PRICING SUPPLEMENT]

FORM OF TRANSFER

[Include the following for Notes not bearing a Restrictive Legend]

TRANSFER NOTICE

FOR VALUE RECEIVED, the undersigned Holder hereby sells, assigns and transfers unto

(Please print or typewrite name and address including postal code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing attorney to transfer said Note on the books of the Bank with full power of substitution in the premises.

Date: _____

Signed: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatsoever.

FORM OF TRANSFER

[Include the following for Notes bearing Restrictive Legends]

TRANSFER NOTICE

FOR VALUE RECEIVED, the undersigned Holder hereby sells, assigns and transfers unto

(Please print or typewrite name and address including postal code of assignee)

Insert Taxpayer Identification No.:

the within Note and all rights thereunder, hereby irrevocably constituting and appointing attorney to transfer such amount of said Note on the books of the Bank with full power of substitution in the premises.

In connection with any transfer of this Note [occurring prior to the date that is two years after the Original Issue Date of this Note (provided that the Bank or any affiliate of the Bank has not acquired this Note during such two-year period), the undersigned confirms that without utilizing any general advertising or general solicitation]:

(check one)

☐ (a) this Note is being transferred to the Bank; or

☐ (b) this Note is being transferred pursuant to and in accordance with Rule 144A under the U.S. Securities Act of 1933 (the "Securities Act") and, accordingly, the undersigned does hereby further certify that this Note is being transferred to a Person that the undersigned reasonably believes is purchasing this Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States; or

☐ (c) This Note is being transferred pursuant to the exemption from registration under the Securities Act provided by Regulation S under the Securities Act ("Regulation S"), and

A. the offer of this Note was not made to a Person in the United States;

B. either:

i. at the time the buy order was originated, the transferee was outside the United States or the undersigned and any person acting on its behalf reasonably believed that the transferee was outside the United States, or

ii. the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the undersigned nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States;

C. no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and

D. the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act;

or

☐ (d) this Note is being transferred in a transaction permitted by Rule 144; or

☐ (e) the undersigned did not purchase this Note as part of the initial distribution thereof and the transfer is being effected pursuant to and in accordance with an applicable exemption (other than (a) through (d) above) from the registration requirements under the Securities Act and the undersigned has delivered to the Trustee such additional evidence that the Bank or the Trustee may require as to compliance with such available exemption.

If none of the foregoing boxes is checked, the relevant Registrar shall not be obligated to register this Note in the name of any person other than the Holder hereof unless and until the conditions to any such registration of transfer set forth herein and in the Indenture shall have been satisfied.

Date: _____

Signed: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT C

FORM OF REVERSE OF SECURITIES—TERMS AND CONDITIONS

IN THE EVENT OF ANY CONFLICT BETWEEN THE PROVISIONS STATED HEREIN AND THE TERMS AND CONDITIONS SET FORTH IN A PRICING SUPPLEMENT, IF ANY, ATTACHED TO THIS NOTE, THE PROVISIONS OF THE PRICING SUPPLEMENT WILL PREVAIL.

General

The Notes are to be issued under an Indenture, dated as of [•], 2017 (as amended, supplemented or otherwise modified from time to time, the "Indenture"), among the Bank, The Bank of New York Mellon, as trustee (in such capacity, the "Trustee"), registrar (in such capacity, the "Registrar"), paying agent (in such capacity, the "Paying Agent", and together with any other paying agents appointed by the Bank, in their capacities as such, the "Paying Agents"), transfer agent (in such capacity, a "Transfer Agent", and together with any other transfer agents appointed by the Bank, in their respective capacities as such, the "Transfer Agents") and calculation agent (in such capacity, a "Calculation Agent", and together with any other calculation agents appointed by the Bank, in their respective capacities as such, the "Calculation Agents"), and Banco Santander Rio S.A., representative of the Trustee in Argentina (in such capacity, the "Representative of the Trustee in Argentina").

The following summaries of certain provisions of the Indenture and the Notes do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Indenture and the Notes, including the definitions therein of certain terms. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Indenture.

Notes may be issued from time to time in one or more Series under the Indenture. The Notes of all Series outstanding at any one time under the Program are limited to an aggregate amount of US$800,000,000 (or its equivalent in a Specified Currency). The particular terms of each issue of Notes, including, without limitation, the date of issue, issue price, currency of denomination and payment, maturity, interest rate or interest rate formula, if any, and, if applicable, redemption, repayment and index provisions, will be set forth for each such issue in the Notes and in the applicable Pricing Supplement. With respect to any particular Note, the description of the Notes herein is qualified in its entirety by reference to, and to the extent inconsistent therewith is superseded by, such Note and the applicable Pricing Supplement.

The Notes will qualify as "*obligaciones negociables simples no convertibles*" under the Negotiable Obligations Law and will be entitled to the benefits set forth therein and subject to the procedural requirements thereof. Unless otherwise specified in the applicable supplemental indenture, the Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Bank and will rank at least *pari passu* in right of payment with all other existing and future unsecured and unsubordinated indebtedness of the Bank (other than

obligations preferred by statute or by operation of law). The Bank may issue, under an indenture supplemental hereto, subordinated notes. In addition to the priority of certain other creditors described in the preceding paragraphs, subordinated notes will rank junior in right of payment to the Bank's secured Indebtedness and, to the extent set forth therein, certain of the Bank's unsecured and unsubordinated Indebtedness (as well as obligations preferred by statute or by operation of law). The Bank may issue, under an indenture supplemental hereto, guaranteed notes.

Unless previously redeemed, a Note will mature on the date (the "Stated Maturity") no less than 30 days from its date of issue as specified on the face thereof and in the applicable Pricing Supplement.

Each Note may be denominated in any currency (a "Specified Currency") as shall be specified on the face thereof and in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, payments on each Note will be made in the applicable Specified Currency; *provided* that in certain circumstances, as may be described in the applicable Pricing Supplement, payments on any such Note denominated in a currency other than U.S. dollars may, to the extent permitted by Argentine law, be made in U.S. dollars. See "—Payment of Principal and Interest" below.

Each Note will bear interest, if any, at the interest rate or interest rate formula set forth in the applicable Pricing Supplement. Unless otherwise indicated in the applicable Pricing Supplement, each Note may bear interest at a fixed rate (a "Fixed Rate Note") or at a rate determined by reference to an interest rate basis or other interest rate formula (a "Floating Rate Note") or may bear no interest (a "Zero Coupon Note"). See "Interest Rate" below.

The Notes may also be issued with principal and/or interest payable, to the extent permitted by Argentine law, in one or more currencies different from the currency in which such Notes are denominated ("Dual Currency Notes"), or linked to an index and/or a formula ("Indexed Notes"). Dual Currency and Indexed Notes may be issued to bear interest on a fixed or floating rate basis or on a non-interest bearing basis or a combination of such bases, in which case provisions relating to Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination thereof, respectively, shall, where the context so admits, apply to such Dual Currency or Indexed Notes. References herein to Notes denominated in a Specified Currency shall, unless the context otherwise requires, include Dual Currency Notes payable in such Specified Currency.

The Notes may be issued as Original Issue Discount Notes. An "Original Issue Discount Note" or "OID Note", including any Zero Coupon Note, is a Note which is issued at a price lower than the principal amount thereof, and which provides that upon redemption or acceleration of the Stated Maturity thereof, the amount payable to the Holder of such Note will be determined in accordance with the terms of such Note, and will be an amount that is less than the amount payable on the Stated Maturity of such Note.

Unless otherwise specified in the applicable Pricing Supplement, the Notes will not be subject to any sinking fund and will not be redeemable prior to their Stated Maturity, except in the event of certain changes involving Argentine taxes.

If specified in the applicable Pricing Supplement with respect to a Series of Notes, the Bank may from time to time, without the consent of Holders of Notes outstanding, create and issue additional Notes of such Series provided such additional Notes have the same terms and conditions as the Notes of that Series in all respects (except for the date of issue, the issue price, the applicable legends and, if applicable, the first payment of interest) and the additional Notes shall form a single Series with the previously outstanding Series of Notes.

Interest Rate

General

Unless otherwise specified in the applicable Pricing Supplement, each Fixed Rate Note or Floating Rate Note (each as defined below) will bear interest from (and including) the issue date or such other date (the "Interest Commencement Date") specified in the applicable Pricing Supplement or from the most recent Interest Payment Date (or, if such Note is a Floating Rate Note and the Interest Reset Period (as each such term is defined below) is daily or weekly, from the day following the most recent Regular Record Date) to which interest on such Note has been paid or duly provided for at the fixed rate per annum, or at the rate per annum determined pursuant to the interest rate formula, stated in the applicable Pricing Supplement, until the principal thereof is paid or made available for payment. Interest will be payable on each Interest Payment Date and at Stated Maturity or upon redemption or acceleration, as specified under "Payment of Principal and Interest" below.

Each Note bearing interest will bear interest at either (a) a fixed rate or (b) a variable rate determined by reference to an interest rate basis (including LIBOR (a "LIBOR Note"), the Treasury Rate (a "Treasury Rate Note") or such other interest rate basis as is set forth in the applicable Pricing Supplement, including but not limited to BADLAR Private Banks Rate and/or CER (*Coeficiente de Estabilización y Referencia* or Reference Stabilization Index rate), which may be adjusted by adding or subtracting the Spread and/or multiplying by the Spread Multiplier. The "Spread" is the number of basis points specified in the applicable Pricing Supplement as being applicable to the interest rate for such Note, and the "Spread Multiplier" is the percentage specified in the applicable Pricing Supplement as being applicable to the interest rate for such Note. A Floating Rate Note may also have either or both of the following as specified in the applicable Pricing Supplement: (a) a maximum numerical interest rate limitation, or ceiling, on the rate of interest which may accrue during any interest period (a "Maximum Rate"); and (b) a minimum numerical interest rate limitation, or floor, on the rate of interest which may accrue during any interest period (a "Minimum Rate").

"BADLAR Private Banks Rate" means is the average of the interest rates offered for fixed term operations over a million pesos by private banking entities for a term of between 30 and 35 days. This rate is published by the Central Bank in its web site (http://www.bcra.gov.ar/).

"CER" means a daily adjustment index issued by the Central Bank, which reflects the rate of inflation. This calculation is based on the registered fluctuation of the Consumer Prices, Index which is issued by the National Institute of Statistics and Census.

"Index Maturity" means, with respect to a Floating Rate Note, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable Pricing Supplement.

Fixed Rate Notes

Fixed Rate Notes shall bear interest from (and including) the Interest Commencement Date specified in the applicable Pricing Supplement at the rate or rates per annum so specified (the "Fixed Rate(s) of Interest") payable in arrears on the Interest Payment Date (s) in each year and on the Stated Maturity or upon redemption or acceleration. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the period from the Interest Commencement Date to the Interest Payment Date differs from the period between subsequent Interest Payment Dates, will equal the "Initial Broken Amount" specified in the applicable Pricing Supplement. If the Stated Maturity is not an Interest Payment Date, interest from and including the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Stated Maturity will equal the "Final Broken Amount" specified in the applicable Pricing Supplement.

Floating Rate Notes

General. The applicable Pricing Supplement relating to a Floating Rate Note will designate an interest rate basis (the "Interest Rate Basis") for such Floating Rate Note. The Interest Rate Basis for each Floating Rate Note will be: (a) LIBOR, in which case such Note will be a LIBOR Note: (b) the Treasury Rate, in which case such Note will be a Treasury Rate Note; or (c) such other interest rate basis as is set forth in such Pricing Supplement, including but not limited to BADLAR Private Banks Rate and/or CER (*Coeficiente de Estabilización y Referencia* or Reference Stabilization Index rate). The Pricing Supplement for a Floating Rate Note will also specify, if applicable, the Calculation Agent, the Index Maturity, the Spread and/or Spread Multiplier, the Maximum Rate, the Minimum Rate, the Regular Record Dates and the Initial Interest Rate, the Interest Payment Dates, the Calculation Dates, the Interest Determination Dates, the Interest Reset Period and the Interest Reset Dates (each as defined below) with respect to such Note.

The rate of interest on each Floating Rate Note will be reset and become effective daily, weekly, monthly, quarterly, semi-annually or annually or otherwise, as specified in the applicable Pricing Supplement (each an "Interest Reset Period"); *provided* that (a) the interest rate in effect from the date of issue to the first Interest Reset Date with respect to a Floating Rate Note will be the initial interest rate as set forth in the applicable Pricing Supplement (the "Initial Interest Rate") and (b) unless otherwise specified in the applicable Pricing Supplement, the interest rate in effect for the ten days immediately prior to Stated Maturity of a Note will be that in effect on the tenth day preceding such Stated Maturity. The dates on which the rate of interest will be reset (each an "Interest Reset Date") will be specified in the applicable Pricing

Supplement. If any Interest Reset Date for any Floating Rate Note would otherwise be a day that is not a Business Day with respect to such Floating Rate Note, the Interest Reset Date for such Floating Rate Note shall be postponed to the next day that is a Business Day with respect to such Floating Rate Note, except that, in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the next preceding Business Day.

Unless otherwise specified in the applicable Pricing Supplement, "Interest Determination Dates" will be as set forth below. The Interest Determination Date pertaining to an Interest Reset Date for a LIBOR Note (the "LIBOR Interest Determination Date") will be the second Business Day preceding such Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date for a Treasury Rate Note (the "Treasury Interest Determination Date") will be the day of the week in which such Interest Reset Date falls and on which Treasury bills would normally be auctioned. Treasury bills are usually sold at auction on the Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that such auction may be on the preceding Friday. If, as the result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Treasury Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week. If an auction date shall fall on any Interest Reset Date for a Treasury Rate Note, then such Interest Reset Date shall instead be the first Business Day immediately following such auction date.

All percentages resulting from any calculations referred to in the applicable Pricing Supplement will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward (e.g., 9.876545% (or .09876545) being rounded to 9.87655% (or 0.0987655)), and all Specified Currency amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent rounded upward) or nearest equivalent in Specified Currencies other than U.S. dollars.

In addition to any Maximum Rate which may be applicable to any Floating Rate Note pursuant to the above provisions, the interest rate on Floating Rate Notes will in no event be higher than the maximum interest rate permitted by applicable law.

Upon the request of the Holder of any Floating Rate Note, the relevant Calculation Agent will provide the interest rate then in effect, and, if determined, the interest rate which will become effective on the next Interest Reset Date with respect to such Floating Rate Note. The relevant Calculation Agent's determination of any interest rate will be final and binding in the absence of manifest error.

Upon request of the Bank, the relevant Calculation Agent will cause notice of the rate of interest and the amount of interest for each interest period and the relevant Interest Payment Date to be given to the Bank and the Trustee as soon as possible after their determination but in no event later than the fourth Business Day thereafter and, in the case of Notes listed on the Luxembourg Stock Exchange for trading on the EuroMTF, no later than the first day of the relevant Interest Reset Period, and otherwise within 30 days of the relevant Payment Date. Such notice will be in accordance with the provisions of the Notes relating to notices to Holders of Notes. The amount of interest and the Interest Payment Date may subsequently be amended (or

appropriate alternative arrangements as may be made by way of adjustment) without notice in the event of an extension or shortening of the Interest Reset Period.

The manner in which the interest rate for any Floating Rate Note that is not a LIBOR Note or a Treasury Rate Note will be determined as set forth in the applicable Pricing Supplement.

LIBOR Notes. LIBOR Notes will bear interest at the interest rates (calculated with reference to LIBOR and the Spread and/or Spread Multiplier, if any, subject to the Maximum Rate or the Minimum Rate, if any), and will be payable on the dates, specified on the face of the LIBOR Note and in the applicable Pricing Supplement.

(i)Unless otherwise indicated in the applicable Pricing Supplement, LIBOR with respect to any Interest Reset Date will be determined by the relevant Calculation Agent in accordance with the following provisions. On the relevant LIBOR Interest Determination Date, LIBOR will be determined on the basis of either of the following, as specified in the applicable Pricing Supplement:

(a) the offered rates for deposits in the Specified Currency having the specified Index Maturity, commencing on the next succeeding Interest Reset Date, which appear on the display designated as page "LIBOR01" or "LIBOR02," as applicable, on the Reuters Monitor Money Rates Service (or such other page as may replace such pages on that service for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency) (each a "Reuters Screen LIBOR Page") as of 11:00 A.M., London time, on such LIBOR Interest Determination Date. If at least two such offered rates appear on the Reuters Screen LIBOR Page, LIBOR with respect to such Interest Reset Date will be the arithmetic mean of such offered rates as determined by the relevant Calculation Agent. If fewer than two offered rates appear, LIBOR with respect to such Interest Reset Date will be determined as described in (ii) below; or

(b) the offered rates for deposits in the Specified Currency having the specified Index Maturity, commencing on the next succeeding Interest Reset Date, which appear on the display designated as page "BBAM1" on the Bloomberg Service (or such other page as may replace such page on that service for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency) ("Bloomberg Page") as of 11:00 A.M., London time, on such LIBOR Interest Determination Date. If no such offered rate appears, LIBOR with respect to such Interest Reset Date will be determined as described in (ii) below.

If neither "Reuters Screen LIBOR Page" nor a "Bloomberg Page" is specified in the applicable Pricing Supplement, LIBOR will be determined as if a Reuters Screen LIBOR Page had been so specified.

(ii) With respect to a LIBOR Interest Determination Date on which fewer than two offered rates for the applicable Index Maturity appear on a Reuters Screen LIBOR Page as

described in (i)(a) above, or on which no rate appears on the Bloomberg Page as described in (i)(b) above, as applicable, LIBOR will be determined on the basis of the rates at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date at which deposits in the Specified Currency having the specified Index Maturity are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Bank (and notified to the Calculation Agent) commencing on the second Business Day immediately following such LIBOR Interest Determination Date and in a principal amount equal to an amount of not less than US$1,000,000 (or its approximate equivalent in a Specified Currency other than U.S. dollars) that in the Bank's judgment is representative for a single transaction in such market at such time (a "Representative Amount"). The relevant Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR with respect to such Interest Reset Date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR with respect to such Interest Reset Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., New York City time, on such LIBOR Interest Determination Date by three major banks in New York City, selected by the Bank, for loans in the Specified Currency to leading European banks having the specified Index Maturity commencing on the Interest Reset Date and in a Representative Amount; *provided* that if fewer than three banks selected as aforesaid by the Bank are quoting as mentioned in this sentence, LIBOR with respect to such Interest Reset Date will be LIBOR in effect on such LIBOR Interest Determination Date.

Treasury Rate Notes. Treasury Rate Notes will bear interest at the interest rates (calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any, subject to the Maximum Rate or Minimum Rate, if any) and will be payable on the dates specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, the "Calculation Date" with respect to a Treasury Interest Determination Date will be the tenth day after such Treasury Interest Determination Date or, if any such day is not a Business Day, the next succeeding Business Day.

Unless otherwise indicated in the applicable Pricing Supplement, "Treasury Rate" means, with respect to any Interest Reset Date, the rate for the auction on the relevant Treasury Interest Determination Date of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified in the applicable Pricing Supplement, as such rate appears on the display of (i) Reuters Monitor Money Rates Service (or any successor service) on page "RTRTSY1" or "RTRTSY2," as applicable (or any other pages as may replace such pages), or (ii) Bloomberg Services (or any successor service) on page "BTMM" or "PX1," as applicable (or any other pages as may replace such pages). In the event that such rate does not appear on any such page by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Treasury Interest Determination Date, then the Treasury Rate for such Interest Reset Date shall be the rate on such date as published in H.15 Daily Update under the heading "U.S. government securities—Treasury bills—Auction high." In the event that the foregoing rates do not so appear or are not so published by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Treasury Interest Determination Date, then the Treasury Rate for such Interest Reset Date shall be the "Investment Rate" (expressed as a bond equivalent yield, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) as announced by the United States Department of the Treasury for the auction held on such Treasury Interest Determination Date,

currently available on the worldwide web at: http://www.publicdebt.treas.gov/AI/OFBills. In the event that the results of the auction of Treasury Bills having the Index Maturity specified in the applicable pricing supplement are not published or reported as provided above by 3:00 p.m., New York City time, on such Calculation Date or if no such auction is held on such Treasury Interest Determination Date, then the Treasury Rate shall be calculated by the relevant Calculation Agent and shall be the rate for such Treasury Interest Determination Date for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity (expressed as a bond equivalent yield, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) as published in H.15(519), under the heading "U.S. government securities—Treasury bills (secondary market)." In the event that the foregoing rates do not so appear or are not so published by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Treasury Interest Determination Date, then the Treasury Rate for such Interest Reset Date shall be the rate for such Treasury Interest Determination Date for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity, as published in H.15 Daily Update or another recognized electronic source used for the purpose of displaying such rate, under the heading "U.S. government securities—Treasury bills (secondary market)." In the event that the foregoing rates do not so appear or are not so published by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Treasury Interest Determination Date, then the Treasury Rate shall be calculated by the relevant Calculation Agent and shall be a yield to maturity (expressed as a bond equivalent yield, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, at approximately 3:30 p.m., New York City time, on such Treasury Interest Determination Date, quoted by three leading primary United States government securities dealers selected by the Bank for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity; *provided* that if the dealers selected as aforesaid by the Bank are not quoting as mentioned in this sentence, the Treasury Rate for such Interest Reset Date shall be the Treasury Rate in effect on such Treasury Interest Determination Date.

Payment of Principal and Interest

General

Interest (and principal, if any, payable other than at Stated Maturity or upon acceleration or redemption) shall be paid in immediately available funds to the Person in whose name a Note is registered at the close of business on the Regular Record Date next preceding each Interest Payment Date notwithstanding the cancellation of such Notes upon any transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date; *provided, however,* that interest payable at Stated Maturity or upon acceleration or redemption shall be paid to the Person to whom principal will be payable; *provided*, *further*, that if and to the extent the Bank defaults in the payment of the interest, including any Additional Amounts, due on such Interest Payment Date, such defaulted interest, including any Additional Amounts, shall be paid to the Person in whose names such Notes are registered at the end of a subsequent record date established by the Bank by notice given by mail by or on behalf of the Bank to the Holders of the Notes not less than 15 days preceding such special record date, such record date to be not less than 15 days preceding the date of payment in respect of such defaulted interest. Unless otherwise specified in the applicable Pricing Supplement, the first payment of interest on any

Note originally issued between a Regular Record Date and an Interest Payment Date shall be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered owner at the close of business on such next succeeding Regular Record Date.

Payments of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of any Note at Stated Maturity or upon acceleration or redemption shall be made to the registered Holder on such date in immediately available funds upon surrender of such Note at the Corporate Trust Office or at the specified office of any other Paying Agent, *provided* that the Note is presented to the Paying Agent in time for the Paying Agent to make such payments in such funds in accordance with its normal procedures. Payments of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of Notes to be made other than at Stated Maturity or upon redemption shall be made by check mailed on the due date for such payments to the address of the Person entitled thereto as it appears in the Register; *provided* that (a) DTC and the Common Depositary, as Holder of the Global Notes, shall be entitled to receive payments of interest by wire transfer of immediately available funds, (b) a Holder of US$1,000,000 (or the approximate equivalent thereof in a Specified Currency other than U.S. dollars) in aggregate principal or face amount of Notes of the same Series shall be entitled to receive payments of interest by wire transfer of immediately available funds to an account maintained by such Holder at a bank located in the United States as may have been appropriately designated by such Holder to the Trustee in writing no later than 15 days prior to the date such payment is due and (c) to the extent that the Holder of a Note issued and denominated in a Specified Currency other than U.S. dollars elects to receive payment of the principal of and any premiums, interest, Additional Amounts and other amounts on or in respect of such Note at Stated Maturity or upon redemption in such Specified Currency, such payment, except in circumstances described in the applicable Pricing Supplement, shall be made by wire transfer of immediately available funds to an account specified in writing not less than 15 days prior to the date such payment is due by the Holder to the Trustee.

Payments of interest on any Fixed Rate Note or Floating Rate Note with respect to any Interest Payment Date will include interest accrued to but excluding such Interest Payment Date; *provided* that, unless otherwise specified in the applicable Pricing Supplement, if the Interest Reset Dates with respect to any Floating Rate Note are daily or weekly, interest payable on such Note on any Interest Payment Date, other than interest payable on the date on which principal on any such Note is payable, will include interest accrued to but excluding the day following the next preceding Interest Reset Date.

With respect to a Floating Rate Note, accrued interest from the date of issue or from the last date to which interest has been paid is calculated by multiplying the principal or face amount of such Floating Rate Note by an accrued interest factor. Such accrued interest factor is computed by adding the interest factor calculated for each day from the date of issue, or from the last date to which interest has been paid, to but excluding the date for which accrued interest is being calculated. Unless otherwise specified in the applicable Pricing Supplement, the interest factor (expressed as a decimal) for each such day is computed by dividing the interest rate (expressed as a decimal) applicable to such date by 360, in the case of LIBOR Notes, or by the actual number of days in the year, in the case of Treasury Rate Notes.

Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes will be calculated on the basis of a 360-day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

Unless otherwise specified in the applicable Pricing Supplement, if any Interest Payment Date (other than the Stated Maturity) for any Floating Rate Note would otherwise be a day that is not a Business Day in the relevant locations specified in the Pricing Supplement and the place of payment, such Interest Payment Date shall be the next Business Day succeeding such Business Day (except that, in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the next Business Day preceding such Business Day). If the Stated Maturity for any Fixed Rate Note or Floating Rate Note or the Interest Payment Date for any Fixed Rate Note falls on a day which is not a Business Day in the relevant locations specified in the Pricing Supplement and the place of payment, payment of principal (and premium, if any) and interest with respect to such Note will be made on the next succeeding Business Day in the place of payment with the same force and effect as if made on the due date and no interest on such payment will accrue from and after such due date.

Specified Currency Other Than U.S. Dollars

If any Note is to be denominated in a Specified Currency other than U.S. dollars, certain provisions with respect thereto will be set forth in the applicable Pricing Supplement, which will specify the foreign currency or currency unit in which the principal or any premium or interest with respect to such Note are to be paid, along with any other terms relating to the non-U.S. dollar denomination.

If the Bank offers Indexed Notes or Dual Currency Notes, the applicable Pricing Supplement and such Indexed Notes or Dual Currency Notes will set forth the method by and the terms on which the amount of principal (payable on or prior to Stated Maturity), interest and/or any premium, will be determined, any additional tax consequences to the Holder of such Note, a description of certain risks associated with investment in such Note and other information relating to such Note.

Unless otherwise specified in the terms of a Series of Notes, Notes denominated in a Specified Currency other than U.S. dollars will provide that, in the event of an official redenomination of the currency, the obligations of the Bank with respect to payments on such Notes shall, in all cases, be deemed immediately following such redenomination to provide for payment of that amount of the redenominated currency representing the amount of such obligations immediately before such redenomination.

If the principal of or any premium, interest, Additional Amounts or other amounts on any note is payable in a Specified Currency other than U.S. dollars and such Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond the Bank's control, or is no longer used by the government of the country issuing such currency or for settlement of transactions by public institutions of or within the international banking community, then the Bank, until such currency is again available or so use, will be entitled, to the extent permitted by Argentine law, to satisfy its obligations to the Holder of such Notes by

making such payment in U.S. dollars at the Exchange Rate for the Payment Date. The making of any payment in respect of any Note in U.S. dollars under the foregoing circumstances shall not constitute an Event of Default under such Note.

Payments of the principal, interest, Additional Amounts or other amounts to Holders of a note denominated in a Specified Currency other than U.S. dollars who hold the Note through DTC will, to the extent permitted by Argentine law, be made in U.S. dollars. However, any DTC Holder of a Note denominated in a Specified Currency other than U.S. dollars may elect to receive payments by wire transfer in the Specified Currency other than U.S. dollars by delivering a written notice to the DTC participant through which it holds its beneficial interest, not later than the Regular Record Date, in the case of an interest payment, or at least 15 calendar days before the Stated Maturity, specifying wire transfer instructions to an account denominated in the Specified Currency. The DTC participant must notify DTC of the election and wire transfer instructions on or before the twelfth Business Day before the applicable payment of the principal.

If so specified in the applicable Pricing Supplement, payments of principal, interest, Additional Amounts or other amounts on or in respect of any Note denominated in a Specified Currency other than U.S. dollars shall, to the extent permitted by Argentine law, be made in U.S. dollars, calculated at the Exchange Rate for the Payment Date, if the Holder of such Note on the relevant Regular Record Date or at Stated Maturity, as the case may be, has transmitted a written request for such payment in U.S. dollars to the Trustee and the applicable Paying Agent on or prior to such Regular Record Date or the date that is 15 days prior to the Stated Maturity, as the case may be. Such request may be in writing (mailed or hand delivered) or by facsimile transmission. Any such request made with respect to any Note by a Holder will remain in effect with respect to any further payments of principal, interest, Additional Amounts or other amounts on or in respect of such Note payable to such Holder, unless such request is revoked on or prior to the relevant Regular Record Date or the date that is 15 days prior to the Stated Maturity, as the case may be. Holders of notes denominated in a Specified Currency other than U.S. dollars that are registered in the name of a broker or nominee should contact such broker or nominee to determine whether and how an election to receive payments in U.S. dollars may be made.

The U.S. dollar amount to be received by a Holder of a Note denominated in a Specified Currency other than U.S. dollars who elects to receive payment in U.S. dollars will be based on the Exchange Rate, on the second Business Day next preceding the applicable Payment Date. If Exchange Rate quotations are not available on the second Business Day preceding the date of payment of principal, interest, Additional Amounts or other amounts with respect to any Note, such payment will be made in the Specified Currency. All currency exchange costs associated with any payment in U.S. dollars on any Note denominated in a Specified Currency other than U.S. dollars will be borne by the Holder thereof by deductions from payment of the currency exchange being effected on behalf of the Holder by the Exchange Rate Agent.

Unless otherwise specified in the applicable Pricing Supplement, (i) a Note denominated in Euro may only be presented for payment on a day on which the TARGET system is operating and (ii) if interest is required to be calculated for a period of less than one year, unless otherwise specified in the applicable Pricing Supplement, it will be calculated on the basis of the actual

number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 and (B) the number of those days falling in a non-leap year divided by 365).

EXHIBIT D

FORM OF CERTIFICATE FOR EXCHANGE OR TRANSFER
FROM RULE 144A GLOBAL SECURITY TO REGULATION S
GLOBAL SECURITY DURING THE DISTRIBUTION COMPLIANCE PERIOD

(Exchanges or Transfers pursuant to
Section 3.05(d)(i) of the Indenture)

[Date]

The Bank of New York Mellon,
as Trustee

Re: Banco Supervielle S.A. [*Describe Notes*] (the "Securities")

Reference is hereby made to the Indenture dated as of [•], 2017 (the "Indenture"), among Banco Supervielle S.A. (the "Bank"), The Bank of New York Mellon, as Trustee, Paying Agent, Transfer Agent and Calculation Agent and Banco Santander, as Argentine Registrar and Transfer Agent, Argentine Paying Agent and Representative of the Trustee in Argentina. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to [*currency amount*] principal amount of Securities that are held as a beneficial interest in the Rule 144A Global Security (CUSIP No.) with DTC in the name of [*transferor*] (the "Transferor"). The Transferor has requested an exchange or transfer of such beneficial interest for an interest in the Regulation S Global Security (CUSIP No.) to be held with [Euroclear] [Clearstream] (Common Code No. ; ISIN No.) through DTC.

In connection with such request and in respect of such Securities, the Transferor does hereby certify that such exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Securities and pursuant to and in accordance with Regulation S, and accordingly the Transferor does hereby certify that:

(1) the offer of the Notes was not made to a person in the United States;

(2) either:

(A) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States; or

(B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any person acting on our behalf knows that the transaction was pre-arranged with a buyer in the United States;

(3) no directed selling efforts have been made by us in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act of 1933; and

(5) upon completion of the transaction, the beneficial interest being transferred as described above is to be held with the Depositary through Euroclear or Clearstream, Luxembourg, or both.

You and the Bank are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,
[Name of Transferor]

By: _____
Authorized Signature

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT E

FORM OF CERTIFICATE FOR EXCHANGE
OR TRANSFER FROM RULE 144A
GLOBAL SECURITY TO REGULATION S
GLOBAL SECURITY AFTER THE DISTRIBUTION COMPLIANCE PERIOD

(Exchanges or Transfers pursuant to
Section 3.05(d)(i) of the Indenture)

[Date]

The Bank of New York Mellon,
as Trustee

Re: Banco Supervielle S.A. [*Describe Notes*] (the "Securities")

Reference is hereby made to the Indenture dated as of [•], 2017 (the "Indenture"), among Banco Supervielle S.A. (the "Bank"), The Bank of New York Mellon, as Trustee, Paying Agent, Transfer Agent and Calculation Agent and Banco Santander, as Argentine Registrar and Transfer Agent, Argentine Paying Agent and Representative of the Trustee in Argentina. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to [*currency amount*] principal amount of Securities that are held as a beneficial interest in the Rule 144A Global Security (CUSIP No.) with DTC in the name of [*transferor*] (the "Transferor"). The Transferor has requested an exchange or transfer of such beneficial interest for an interest in the Regulation S Global Security (CUSIP No.) to be held with [Euroclear] [Clearstream] (Common Code No. ; ISIN No.) through DTC.

In connection with such request and in respect of such Securities, the Transferor does hereby certify that such exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Securities and that:

(a) With respect to transfers made in reliance on Regulation S:

(1) The offer of the Notes was not made to a person in the United States;

(2) either:

(i) at the time the buy order was originated, the transferee was outside the United States or we and any Person acting on our behalf reasonably believed that the transferee was outside the United States, or

(ii) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any Person acting on our behalf knows that the transaction was pre-arranged with a buyer in the United States;

(3) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; or

(b) With respect to transfers made in reliance on Rule 144 under the Securities Act, the Notes are being transferred in a transaction permitted by Rule 144 under the Securities Act.

You and the Bank are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,
[Name of Transferor]

By: _____
Authorized Signature

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT F

FORM OF CERTIFICATE FOR EXCHANGE
OR TRANSFER FROM REGULATION S
GLOBAL SECURITY TO RULE 144A GLOBAL SECURITY

(Exchanges or Transfers pursuant to
Section 3.05(d)(ii) of the Indenture)

[Date]

The Bank of New York Mellon,
as Trustee

Re: Banco Supervielle S.A. [*Describe Notes*] (the "Securities")

Reference is hereby made to the Indenture dated as of [•], 2017 (the "Indenture"), among Banco Supervielle S.A. (the "Bank"), The Bank of New York Mellon, as Trustee, Paying Agent, Transfer Agent and Calculation Agent and Banco Santander, as Argentine Registrar and Transfer Agent, Argentine Paying Agent and Representative of the Trustee in Argentina. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to [*currency amount*] principal amount of Securities that are held as a beneficial interest in the Regulation S Global Security (CUSIP No.) to be held with [Euroclear] [Clearstream] (Common Code No. ; ISIN No.) through DTC in the name of [*transferor*] (the "Transferor"). The Transferor has requested an exchange or transfer of such beneficial interest for an interest in the Rule 144A Global Security (CUSIP No.) with DTC.

[CHECK ONE]

☐ In connection with such request and in respect of such Notes, the Transferee does hereby certify that (i) it is a "qualified institutional buyer" ("**QIB**") as defined in and pursuant to Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended, purchasing the Notes for its own account (or for the account of one or more QIBs over which account it exercises sole investment discretion) and (ii) the transfer was made in a transaction meeting the requirements of Rule 144A; or

☐ The Transferor did not purchase such Notes as part of the initial distribution thereof and the transfer is being effected pursuant to and in accordance with an applicable exemption from the registration requirements of the Securities Act and the Transferor has delivered to the Trustee such additional evidence that the Bank or the Trustee may require as to compliance with such available exemption

You are entitled to rely on this letter and you are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,
[Name of Transferee or Transferor]

By: _____
Authorized Signature

Exhibit 2.3

FIRST SUPPLEMENTAL INDENTURE

dated as of February 9, 2017

to the

Indenture dated as of February 9, 2017

among

BANCO SUPERVIELLE S.A.,

as Issuer,

THE BANK OF NEW YORK MELLON,

as Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent,
and

BANCO SANTANDER RIO S.A.

as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and
Representative of the Trustee in Argentina

Ps. 4,768,170,000

Series A Floating Rate Notes Due 2020

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THIS FIRST SUPPLEMENTAL INDENTURE, dated as of February 9, 2017 (the "First Supplemental Indenture"), among BANCO SUPERVIELLE S.A., a *sociedad anónima* organized under the laws of the Republic of Argentina ("Argentina") and domiciled at Bartolomé Mitre 434, Buenos Aires, Argentina (the "Bank"), The Bank of New York Mellon, a New York banking corporation, as trustee (in such capacity, the "Trustee"), registrar (in such capacity, the "Registrar"), calculation agent (in such capacity, the "Calculation Agent"), paying agent (in such capacity, the "Paying Agent") and transfer agent (in such capacity, the "Transfer Agent"), and Banco Santander Rio S.A., a bank duly incorporated and existing under the laws of Argentina, as Argentine registrar (in such capacity, the "Argentine Registrar"), Argentine paying agent (in such capacity, the "Argentine Paying Agent"), Argentine transfer agent (in such capacity, the "Argentine Transfer Agent") and representative of the Trustee in Argentina (in such capacity, the "Representative of the Trustee in Argentina").

W I T N E S S E T H:

WHEREAS, the Bank has duly authorized, by resolution of its shareholders at a meeting held on September 22, 2016 and resolution of its Board of Directors at a meeting held on November 10, 2016, its Global Note Program (the "Program") for the issuance from time to time of up to an aggregate principal amount outstanding at any one time of US$800,000,000 (or its equivalent in other currencies) of notes (the "Securities") in one or more series as may be determined by the Bank from time to time. The *Comisión Nacional de Valores* ("CNV") authorized the Program in Argentina by Resolution No. 18.376 dated November 24, 2016.

WHEREAS, the Bank, the Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent, and the Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina have executed and delivered the Base Indenture to provide for the issuance by the Bank of Securities under the Program;

WHEREAS, Section 3.01 of the Base Indenture provides for the establishment of the form and terms of Securities of any series issued thereunder through an indenture supplement;

WHEREAS, the Bank has duly authorized and desires to cause to be issued pursuant to the Base Indenture and this First Supplemental Indenture a series of Securities designated the "Ps.4,768,170,000 Series A Floating Rate Notes Due 2020" (the "Notes") which are to be initially limited in aggregate principal amount to Ps.4,768,170,000;

WHEREAS, pursuant to Article 11 of the Base Indenture, the Bank has requested that the Trustee join in the execution of this First Supplemental Indenture to establish the form and terms of the Notes;

WHEREAS, a duly authorized officer of the Bank, pursuant to a certificate (*acta de subdelegado*) dated February 9, 2017, has approved the final terms and the execution and delivery of this First Supplemental Indenture for the issuance of the Notes;

WHEREAS, all things necessary have been done to make this First Supplemental Indenture a valid instrument in accordance with its terms and the terms of the Base Indenture, including, without limitation, approval by the CNV and to make the Notes, when executed by the Bank and authenticated and delivered, qualify as non-convertible notes, or "*obligaciones*

negociables simples no convertibles en acciones" under the Argentine Negotiable Obligations Law No. 23,576, as amended (the "Negotiable Obligations Law"), will be issued in accordance with Argentine Law No.19,550, as amended and supplemented (Argentine General Corporation Law, the "Corporations Law") and will be placed in accordance with Law No. 26,831 on Capital Markets (the "Capital Markets Law"), Decree No. 1023/2013 implementing the Capital Markets Law and the rules of the CNV (as approved by General Resolution No. 622/13, as amended and supplemented, collectively, the "CNV Rules"), and will have the benefits provided thereby and will be subject to the procedural requirements set forth therein.

WHEREAS, the main corporate purpose of the Bank is to engage, in or outside of Argentina, in any banking transaction contemplated and authorized under Argentine Law No. 21,526, as amended (the "Financial Institutions Law"), and other laws, rules and regulations governing banking activities in the place of performance, under the guidelines and with prior authorization, when so required, of the Central Bank. The Bank also has the corporate power to act as an agent in connection with securities transactions in the open market, and in any exchange transactions, in accordance with applicable laws, rules and regulations, under the guidelines and with the prior authorization, when so required, of the CNV. The Bank has full legal capacity to incur obligations and exercise rights, and to execute any kind of act and transaction related thereto. In addition, the Bank is capable of owning interests in other domestic or foreign financial institutions with the prior authorization of the Central Bank. Furthermore, the Bank has the corporate power and authority to establish the Program, execute and deliver the Base Indenture and this First Supplemental Indenture and issue from time to time Securities under the Program, including the Notes pursuant hereto; and

WHEREAS, the capital stock and the shareholders' equity of the Bank as of September 30, 2016 was Ps.638.3 million and Ps.5,476.8 million, respectively, in each case in accordance with the accounting rules of the Central Bank (the "Central Bank Rules").

NOW, THEREFORE, the Bank and the Trustee hereby agree that the following provisions shall supplement the Base Indenture with respect to the Notes:

ARTICLE I
GENERAL

Section 1.1. Definition of Terms. Unless the context otherwise requires:

(a) a term defined in the Base Indenture has the same meaning when used in this First Supplemental Indenture; *provided* that, where a term is defined both in this First Supplemental Indenture and in the Base Indenture, the meaning given to such term in this First Supplemental Indenture shall control for purposes of this First Supplemental Indenture and (in respect of the Notes but not any other Series of Securities) the Base Indenture;

(b) any term used herein which is defined in the Trust Indenture Act, either directly or by reference therein, has the meanings assigned to it therein; and

(c) the following terms have the following respective meanings:

"Additional Amounts" has the meaning set forth in Section 4.2 hereof.

"Additional Notes" has the meaning set forth in Section 2.1 hereof.

"Applicable Exchange Rate" is the arithmetic average of the last three (3) Business Days prior to the Calculation Date of the exchange rate published by the Central Bank through Communication "A" 3500 (or any other regulation which may succeed or amend it) on its website (which at the date hereof, is located at http://www.bcra.gob.ar/PublicacionesEstadisticas/Tipos_de_cambios.asp), based on the exchange inquiry procedure established therein, as calculated by the Calculation Agent. If the exchange rate established by the Central Bank is not available, the Bank will provide the Calculation Agent with the arithmetic average of the last three (3) Business Days prior to the Calculation Date of the selling exchange rate that is published by the three Argentine private banks with the largest volume of foreign trade transactions according to information published by the Central Bank on its website, so that the Calculation Agent uses such arithmetic average for calculating the Applicable Exchange Rate.

"Argentina" has the meaning set forth in the preamble hereof.

"Argentine Bankruptcy Law" means Argentine Law No. 24,522, as amended.

"Argentine Paying Agent" has the meaning set forth in the preamble hereof.

"Argentine Registrar" has the meaning set forth in the preamble hereof.

"Argentine Transfer Agent" has the meaning set forth in the preamble hereof.

"Authorized Person" means any officer of the Bank duly authorized in writing to take actions under the Indenture on behalf of the Bank.

"BADLAR Private Banks Rate" means the interest rate for fixed term deposits of more than Ps.1,000,000 for periods between thirty and thirty-five days for private banks in Argentina, as published by the Central Bank on its website (which at the date hereof, is located at http://www.bcra.gov.ar/PublicacionesEstadisticas/Principales_Variables.asp).

"Bank" has the meaning set forth in the preamble hereof.

"Base Indenture" means the indenture, dated as of February 9, 2017 among the Bank, The Bank of New York Mellon, as Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent, and Banco Santander Rio S.A., as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina.

"Business Day" means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York and Buenos Aires, Argentina, are authorized or required by law, decree or otherwise to close.

"Calculation Agent" has the meaning set forth in the preamble hereof.

"Calculation Date" shall be the second Business Day preceding each scheduled interest or principal payment date or any other date on which principal or interest shall become payable as a result of an acceleration of the maturity of the Notes or otherwise.

"Capital Markets Law" has the meaning set forth in the seventh recital hereof.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations, warrants, options, rights or other equivalents of or interests in (however designated and whether voting or non-voting) corporate stock of a corporation and any and all equivalent ownership interests in a Person (other than a corporation), in each case whether now outstanding or hereafter issued, including any preferred stock.

"Central Bank" means the *Banco Central de la República Argentina* (the Central Bank of Argentina).

"Central Bank Accounting Rules" means the banking accounting rules published by the Central Bank from time to time.

"Central Bank Rules" has the meaning set forth in the ninth recital hereof.

"Certificated Notes" means a Note issued in certificated form to a Person other than DTC in accordance with Section 2.5 or a nominee thereof as custodian.

"Clearstream" means Clearstream Banking, *société anonyme*, Luxembourg, or the successor to its securities clearance and settlement operations.

"CNV" means the *Comisión Nacional de Valores* (the Argentine National Securities Commission).

"CNV Rules" has the meaning set forth in the seventh recital hereof.

"Control" of a Person by another means that the other Person (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove the majority of the members of the board of directors or other governing body of that Person or otherwise controls or has the power to control the affairs and policies of that Person, and the terms "Controlling" and "Controlled" have meanings correlative to the foregoing.

"Corporate Trust Office" means the principal office of the Trustee at which at any time the corporate trust business of the Trustee shall be administered, which at the date of this Indenture is located at 101 Barclay Street, Floor 7E, New York, New York 10286, Attention: Corporate Trust Administration, or such other address as the Trustee may designate from time to time by notice to the holders of the Notes and the Bank, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the holders of the Notes and the Bank).

"Corporations Law" has the meaning set forth in the seventh recital hereof.

"Denomination Currency" has the meaning set forth in Section 8.4 hereof.

"Description of the Notes" means the section under the heading Description of the Notes in the Pricing Supplement.

"DTC" means The Depository Trust Company (or its successors) or such other depository (or its successors), as may be designated with respect to the Notes issuable or issued in whole or in part in the form of one or more Global Notes.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System, N.V., or its successor in such capacity.

"Event of Default" has the meaning set forth in Section 6.1 hereof.

"FATCA" has the meaning set forth in Section 4.2 hereof.

"Financial Institutions Law" has the meaning set forth in the eighth recital hereof.

"First Supplemental Indenture" has the meaning set forth in the preamble hereof.

"Global Note" means a global note representing all or part of the Notes deposited with DTC, in accordance with Section 2.5 hereof and substantially in the form of Exhibit A and Exhibit B attached hereto.

"Governmental Authority" means any government or any state, department or other political subdivision thereof, or any governmental body, agency, authority (including without limitation any central bank, taxing authority, court or tribunal) or agent or instrumentality exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation, partnership or other entity directly or indirectly owned by or Controlled by any of the foregoing.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate cap or collar agreement, option or futures contract or other agreement or arrangement designed to protect such Person against changes in interest rates or foreign exchange rates.

"Indebtedness" means with respect to any Person, without duplication: (i) all obligations of such Person for borrowed money; (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) all obligations of such Person under any lease that are required to be classified and accounted for as capital lease obligations under the rules of the Central Bank; (iv) guarantees of such Person in respect of Indebtedness referred to in clauses (i) through (iii) above; (v) all Indebtedness of any other Person of the type referred to in clauses (i) through (iv) which is secured by any Lien on any property or asset of such Person; *provided* that the term "Indebtedness" will not include any of the following liabilities or obligations incurred by the Bank or any of its Subsidiaries: (a) any deposits with or funds collected by the Bank or any of its Subsidiaries, (b) any check, note, certificate of deposit, draft or bill of exchange or similar instrument issued, accepted or endorsed by the Bank or any of its Subsidiaries, (c) any transaction in which the Bank or any of its Subsidiaries act in a fiduciary or

agency capacity, (d) any banker's acceptance or similar credit transaction, (e) any agreement to purchase or repurchase securities or loans or currency or to participate in loans and (f) any letters of credit issued by the Bank or any of its Subsidiaries.

"Indenture" means the Base Indenture, as amended and supplemented by this First Supplemental Indenture, or, if further amended or supplemented as therein or herein provided, as so amended or supplemented, and shall include the form and terms of the Notes as set forth herein.

"Initial Exchange Rate" shall be Ps. 15.8939 (the arithmetic average of the exchange rate published by the Central Bank through Communication "A" 3500 on the three Business Days prior to February 2, 2017, on its website (which at the date hereof, is located at http://www.bcra.gob.ar/PublicacionesEstadisticas/Tipos_de_cambios.asp)).

"Interest Payment Date" has the meaning set forth in Section 2.7 hereof.

"Initial Reference Rate" is 19.9375% (the simple arithmetic average of the BADLAR Private Banks Rate published on each of the last three (3) Business Days prior to February 2, 2017). For the avoidance of doubt, the BADLAR Private Banks Rate considered in determining the Initial Reference Rate was the published rate available at 1 p.m. Buenos Aires time on each of the last three (3) Business Days prior to February 2, 2017. The Initial Reference Rate was determined by the Bank.

"Interest Rate" means an annual floating rate equivalent to the sum of (i) the Reference Rate (or the Initial Reference Rate, solely for the initial Interest Rate Period) *plus* (ii) the Margin. The Interest Rate for each period will be reset quarterly and calculated by the Calculation Agent on the Calculation Date immediately prior to the beginning of the relevant Interest Rate Period, except for the Interest Rate for the initial Interest Rate Period. The Interest Rate for the initial Interest Rate Period is 24.4375% and has been determined by the Bank. In no case shall the Interest Rate be lower than the Minimum Interest Rate.

"Interest Rate Period" means each period beginning on, and including, the most recent Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date; *provided* that the first Interest Rate Period on any Note will begin on, and include, the date of original issuance of such Note and will end on, but exclude, the first Interest Payment Date.

"Issue Date" means February 9, 2017.

"Judgment Currency" has the meaning set forth in Section 8.4 hereof.

"Lien" means any mortgage, charge, security interest, pledge, hypothecation or similar encumbrance.

"Margin" means 4.500% per annum.

"Minimum Interest Rate" means 18% per annum.

"Negotiable Obligations Law" has the meaning set forth in the seventh recital hereof.

"Notes" has the meaning set forth in the fourth recital hereof. Unless the context otherwise requires, all references to "Note" or "Notes" shall include any Additional Notes.

"Offering Memorandum" means the Bank's offering memorandum dated January 26, 2017 relating to the Program.

"Officers' Certificate" means, when used in connection with any action to be taken by the Bank, a certificate signed by any two Authorized Persons of the Bank and delivered to the Trustee.

"Opinion of Counsel" means an opinion in writing signed by legal counsel who may be an employee of or counsel to the Bank, and who shall be reasonably acceptable to the Trustee.

"Paying Agent" has the meaning set forth in the preamble hereof.

"Permitted Lien" means:

(a) any Lien existing on the Issue Date;

(b) any landlord's, workman's, carriers', warehousemen's, mechanics', materialmen's, repairmen's or similar Liens arising in the ordinary course of business;

(c) any Lien on any asset (including Capital Stock) securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of constructing, acquiring or improving such asset, which Lien attached to such asset concurrently with or within 180 days after the completion of construction, acquisition or improvement thereof;

(d) any Lien created in connection with: special lines of credit or advances granted to the Bank by or through local or foreign governmental entities (including, without limitation, the Central Bank, *Banco de Inversión y Comercio Exterior S.A.* ("BICE"), *Fondo Fiduciario de Asistencia a Entidades Financieras y de Seguros* ("FFA"), *Fondo Fiduciario para la Reconstrucción de Empresa* ("FFR"), *Seguro de Depósitos S.A.* ("SEDESA"), *Fondo de Liquidez Bancaria* ("FLB"), and banks and export credit agencies) or any line of credit or loans granted by multilateral lending organizations (including, without limitation, the International Bank for Reconstruction and Development and the Inter-American Development Bank), directly or indirectly, in order to promote or develop the Argentine economy (the "*líneas especiales de crédito*"); rediscount loans (*redescuentos*) or advances granted by the Central Bank and by other Argentine government entities (including, without limitation, BICE, FFA, SEDESA, FFR and FLB) (the "*redescuentos*" or "*adelantos*"), each obtained in accordance with the applicable rules and regulations of the Central Bank or such other applicable rules and regulations governing *líneas especiales de crédito* or *redescuentos* or *adelantos*;

(e) any Lien on any asset and/or property (including Capital Stock) (i) existing thereon at the time of acquisition of such asset and/or property or (ii) of any Person, at the time such Person is acquired by, or is merged or otherwise consolidated or combined with or into, the Bank or any of its Subsidiaries;

(f) any Lien securing an extension, renewal, refinancing or refunding of Indebtedness secured by a Lien referred to in (a), (c), (d), or (e) above; *provided* that such new Lien is limited to the property which was subject to the prior Lien immediately before such extension, renewal, refinancing or refunding and *provided further* that the principal amount of Indebtedness secured by the prior Lien immediately before such extension, renewal, refinancing or refunding is not increased;

(g) any (i) inchoate Lien for taxes, assessments or governmental charges or levies not yet due (including any relevant extensions) or contested in good faith, (ii) Lien arising or incurred in connection with judgments or assessments (including tax or other statutory Liens) under circumstances not constituting an Event of Default or (iii) Lien arising by operation of law;

(h) any Lien on any account receivable financed by any Permitted Receivables Financing and securing Indebtedness arising under that Permitted Receivables Financing;

(i) any Lien securing Hedging Obligations;

(j) any Lien the creation of which is permitted pursuant to applicable regulations issued by the Central Bank and/or by any other applicable governmental institution of Argentina permitted or created in the future by such entities, in connection with (i) repurchase agreements; (ii) the Bank's asset custody business; and (iii) the Bank's credit card business;

(k) any additional Lien on the Bank's assets or those of the Bank's Significant Subsidiaries; *provided* that on the date of the creation or assumption of such Lien, the Indebtedness secured by such Lien, together with all other Indebtedness of the Bank and its Significant Subsidiaries secured by a Lien under this clause, shall have an aggregate principal amount outstanding of no greater than 10% of the total consolidated assets of the Bank as set forth in the Bank's most recent consolidated financial statements.

"Permitted Receivables Financing" means any receivables financing facility or arrangement pursuant to which an entity purchases or otherwise acquires accounts receivable of the Bank or any Significant Subsidiaries and enters into a third party financing thereof.

"Person" means any individual, corporation (including a business trust), limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or other entity, or government or any agency or political subdivision thereof.

"Pricing Supplement" means the Bank's pricing supplement dated February 2, 2017 used in connection with the offering of the Notes.

"Program" has the meaning set forth in the first recital hereof.

"Qualified Institutional Buyer" means a qualified institutional buyer within the meaning of Rule 144A.

"Reference Rate" means the simple arithmetic average of the BADLAR Private Banks Rate published on each of the last three (3) Business Days prior to the applicable Calculation Date. For the avoidance of doubt, the BADLAR Private Banks Rate to be considered shall be the

published rate available at 1 p.m. Buenos Aires time on each of the last three (3) Business Days prior to the applicable Calculation Date.

If the Central Bank ceases to publish the BADLAR Private Banks Rate, (i) the Calculation Agent will use the replacement of the BADLAR Private Banks Rate that the Central Bank publishes for calculating the Reference Rate or (ii) if a substitute rate does not exist or is not published, the Bank will provide the Calculation Agent with the arithmetic average of the last three (3) Business Days prior to the Calculation Date for time deposits of more than Ps.1,000,000 for periods between thirty and thirty-five days for the five largest private banks in Argentina in terms of deposits, so that the Calculation Agent uses such average for calculating the Reference Rate. In order to select the five largest private banks in terms of deposits, the most recent deposits report published by the Central Bank shall be considered.

"Register" has the meaning set forth in Section 2.8 hereof.

"Registrar" has the meaning set forth in the preamble hereof.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Global Note" means a Global Note initially sold outside the United States in reliance on Regulation S, deposited with the Trustee as custodian for DTC and registered in the name of a nominee of DTC.

"relevant taxing jurisdiction" means Argentina or any other jurisdiction in which the Bank is organized, resident or doing business for tax purposes or from or through which payments by or on behalf of the Bank are made or any political subdivision thereof or taxing authority therein.

"Representative of the Trustee in Argentina" has the meaning set forth in the preamble hereof.

"Responsible Officer" when used with respect to the Trustee, means any officer within the corporate trust department of the Trustee, having direct responsibility for the administration of the Indenture, or any other officer of the Trustee to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject.

"Restricted Global Note" means a Global Note initially sold to Qualified Institutional Buyers in reliance on Rule 144A, deposited with the Trustee as custodian for DTC and registered in the name of a nominee of DTC.

"Rule 144A" means Rule 144A under the Securities Act.

"Securities" has the meaning set forth in the first recital hereof.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Significant Subsidiary" means, at any time, any of the Bank's subsidiaries which is a "significant subsidiary" of the Bank within the meaning of Rule 1-02(w) of the U.S. Securities and Exchange Commission's Regulation S-X.

"Stated Maturity" has the meaning set forth in Section 2.3 hereof.

"Subsidiary" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the Capital Stock thereof is at the time owned or Controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof; *provided* that the term "Subsidiary" shall not include any trust established by or at the direction of the Bank, other than a trust which is Controlled by the Bank, other than by virtue solely of general provisions relating to voting rights of holders of any relevant securities in their capacity as such or otherwise by virtue of any holding of a specific number or amount of any such securities.

"Successor Person" has the meaning set forth in Section 5.1 hereof.

"Taxes" means any present or future taxes, duties, assessments or governmental charges of whatever nature (including any interest or penalties related thereto) imposed, levied, collected, withheld or assessed by Argentina or any other jurisdiction in which the Bank is organized, resident or doing business for tax purposes or from or through which payments by or on behalf of the Bank are made or any political subdivision thereof or taxing authority therein.

"Transfer Agent" has the meaning set forth in the preamble hereof.

"Trustee" has the meaning set forth in the preamble hereof.

Section 1.2. Appointment of Agents. The Bank hereby appoints the Registrar, Calculation Agent, Paying Agent and Transfer Agent and the Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina to serve their respective roles pursuant to Section 5.02 of the Base Indenture.

ARTICLE II
TERMS AND CONDITIONS OF THE NOTES

Section 2.1. Designation and Principal Amount. (a) There is hereby authorized a Series of Securities under the Base Indenture designated the "Ps.4,768,170,000, Series A Floating Rate Notes Due 2020," in the initial aggregate principal amount of Ps.4,768,170,000.

(b) Subject to the authorization of the CNV (to the extent applicable), the Bank may issue additional Notes from time to time, without the consent of the holders of the Notes then outstanding, and create additional notes of this series ("Additional Notes") provided that such Additional Notes have identical terms and conditions as the Notes except for the original issue date, the original issue price, the first Interest Payment Date and the first date from which interest accrues. Any Additional Notes shall be issued under a separate CUSIP or ISIN number unless the Additional Notes are issued pursuant to a "qualified reopening" of the original series or are otherwise treated as part of the same "issue" of debt instruments as the original series for U.S.

federal income tax purposes. The Additional Notes will form a single series with the previously outstanding notes.

Section 2.2. Currency of Payment. (a) The Notes shall be issued and denominated in Argentine pesos and all payments of principal, premium, if any, and interest under the Notes shall be made in U.S. dollars. Investors shall pay the subscription price of the Notes in U.S. dollars based on the Initial Exchange Rate.

(b) Principal and interest payments shall be determined by the Calculation Agent using the applicable Interest Rate and Applicable Exchange Rate. The Bank shall pay all amounts in respect of the principal of and interest on the Notes and any Additional Amounts in U.S. dollars, as calculated by the Calculation Agent, by converting the Argentine peso amounts due into U.S. dollars at the Applicable Exchange Rate on the applicable Calculation Date. So long as the Notes remain outstanding, the Bank shall maintain a Calculation Agent.

(c) The Calculation Agent shall notify the Trustee and the Bank on each Calculation Date of the Applicable Exchange Rate and the amount in U.S. dollars to be paid in respect of each Ps.1,000 outstanding on the immediately following payment date.

Section 2.3. Stated Maturity. The Notes shall have a final maturity of August 9, 2020 (the "Stated Maturity").

Section 2.4. Denomination. The Notes shall be issued in denominations of Ps.1,000,000 and multiples of Ps.1,000 in excess thereof.

Section 2.5. Global Notes. Notes eligible for resale in reliance on Rule 144A under the Securities Act shall be represented by one or more fully registered Notes in global form substantially in the form of Exhibit A hereof (collectively, the "Restricted Global Note" and, together with the Regulation S Global Note, the "Global Notes") which shall be deposited upon issuance with the Trustee in New York City as custodian for DTC and shall be registered in the name of DTC or a nominee of DTC for credit to an account of a direct or indirect participant in DTC as described below.

Notes initially sold outside the United States in reliance on Regulation S under the Securities Act shall be represented by one or more fully registered Notes in global form substantially in the form of Exhibit B hereof (collectively, the "Regulation S Global Note") which shall be deposited with the Trustee in New York City as custodian for DTC and shall be registered in the name of a nominee of DTC, for its direct and indirect participants.

A Global Note may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor of DTC or a nominee of such successor.

Section 2.6. Agents and Places of Payment. The Bank may at any time appoint additional or other paying agents, calculation agents, transfer agents and registrars and terminate the appointment thereof; provided that (i) while Notes are outstanding, the Bank shall maintain a paying agent, a calculation agent, a transfer agent and a registrar in New York City; (ii) as long as the Notes are listed on the Euro MTF Market and the rules of the Luxembourg Stock

Exchange so require, at least one paying agent and transfer agent will be located in Luxembourg; and (iii) as long as it is required by Argentine law or by the CNV, the Bank shall maintain a registrar, a paying agent and a transfer agent in the City of Buenos Aires. In the event required hereunder, notice of any resignation, termination or appointment of any registrar, paying agent or transfer agent, and of any change in the office through which any registrar, paying agent or transfer agent will act, shall be promptly given to the holders of the Notes in the manner described under "—Notices" in the Offering Memorandum, and to the CNV.

Section 2.7. Interest. (a) Each Note shall bear interest at an annual floating rate from (and including) the date of original issuance or from the most recent Interest Payment Date to which interest on such Note has been paid or duly provided for until the principal thereof is paid or made available for payment. Interest will be payable in arrears on each Interest Payment Date and at the Stated Maturity and upon redemption or acceleration, as specified in Section 2.8 below.

(b) Interest on each Note shall accrue from its date of original issuance, or if interest has already been paid, from the most recent Interest Payment Date to but excluding the next Interest Payment Date, on the principal amount outstanding at the applicable payment date. Interest shall be calculated by the Calculation Agent based on the principal amount outstanding in Argentine pesos and be payable quarterly in cash on May 9, August 9, November 9, and February 9 of each year, beginning on May 9, 2017, each, an "Interest Payment Date". The Calculation Agent shall calculate the accrued and unpaid interest due in U.S. dollars using the Applicable Exchange Rate on the relevant Calculation Date, based on the principal amount outstanding in Argentine Pesos.

(c) Interest on each Note shall accrue during any Interest Rate Period at an annual floating rate equivalent to the sum of (i) the Reference Rate for such Interest Rate Period (or the Initial Reference Rate, solely for the initial Interest Rate Period) *plus* (ii) the Margin. The Interest Rate for each period shall be reset quarterly and calculated by the Calculation Agent on the Calculation Date immediately prior to the beginning of the relevant Interest Rate Period, except for the Interest Rate for the initial Interest Rate Period. The Interest Rate for the initial Interest Rate Period is 24.4375%. In no case shall the Interest Rate be lower than the minimum interest rate of 18% per annum (the "Minimum Interest Rate").

(d) Interest on each Note shall be payable to the holders of record at the close of business on the April 24, July 25, October 25, and January 25 immediately preceding the related Interest Payment Dates; it shall be computed on the basis of a year of 365 days and the actual numbers of days elapsed; and it shall be calculated based on the period beginning on, and including, the most recent Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date (each, an "Interest Rate Period"); *provided* that the first Interest Rate Period on any Note will begin on, and include, the date of original issuance of such Note and will end on, but exclude, the first Interest Payment Date.

Section 2.8. Payment of Principal and Interest. (a) Payment of principal of the Notes shall be made in two installments as follows: Ps. 2,384,085,000 on February 9, 2020 and Ps. 2,384,085,000 (or such other principal amount of the Notes as may be outstanding) on August 9, 2020. The principal amount will be payable in U.S. dollars. The Calculation Agent shall

calculate the principal amount due in U.S. dollars using the Applicable Exchange Rate on the relevant Calculation Date, based upon the principal amount outstanding in Argentine Pesos.

(b) Interest shall be payable to the person in whose name a Note is registered at the close of business on the regular record date preceding each Interest Payment Date notwithstanding the cancellation of such Notes upon any transfer or exchange thereof subsequent to such record date and prior to such Interest Payment Date; provided (i) that if and to the extent the Bank shall default in the payment of the interest (including Additional Amounts) due on such Interest Payment Date, such defaulted interest (including Additional Amounts) shall be paid to the person in whose names such Notes are registered at the end of a subsequent record date established by the Bank by notice given by mail or on behalf of the Bank to the holders of the Notes not less than 15 days preceding such subsequent record date, such record date to be not less than 15 days preceding the date of payment in respect of such defaulted interest and (ii) that interest payable at Stated Maturity or upon acceleration or redemption shall be payable to the person to whom principal shall be payable.

(c) Payments of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of any Global Note shall be made to DTC, in accordance with DTC's procedures, or its nominee (or any successor thereof) as the registered owner thereof (or any successor thereto). None of the Bank, the Trustee, the Registrar nor any Paying Agent shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

(d) Payments of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of any Certificated Note at Stated Maturity or upon acceleration or redemption shall be made to the registered holder on the payment date in immediately available funds upon surrender of such Note at the Corporate Trust Office of the Trustee, in the Borough of Manhattan, New York City, or at the office of any Paying Agent in the City of Buenos Aires by a check drawn on, or by transfer to an account maintained by the registered holder with, a bank located in New York City. Payments of the principal of and premium, interest, Additional Amounts and any other amounts on or in respect of Certificated Notes to be made other than at Stated Maturity or upon redemption, shall be made by check drawn on a bank in New York City mailed on or before the due date for such payment to the address of the person entitled thereto as it appears in the register kept by the Registrar (the "Register"); provided that a holder of Ps.15,000,000 in aggregate principal amount of Certificated Notes shall be entitled to receive such payment by wire transfer in immediately available funds to an account maintained by such holder at a bank located in New York City as may have been appropriately designated by such person to the Trustee in writing no later than 15 days prior to the relevant Interest Payment Date. Unless such designation is revoked, any such designation made by such person with respect to such Certificated Note will remain in effect with respect to any future payments with respect to such Certificated Note payable to such person.

(e) Payments of interest on any Note with respect to any Interest Payment Date shall include interest accrued to but excluding such Interest Payment Date.

(f) If the Stated Maturity or the Interest Payment Date or any other payment date for any Note falls on a day that is not a Business Day, payment of principal (and premium, if any), interest and any Additional Amounts with respect to such Note shall be made on the next succeeding Business Day in the place of payment with the same force and effect as if made on the due date and no interest on such payment will accrue from and after such due date.

ARTICLE III
REDEMPTION AND REPURCHASE OF THE NOTES

Section 3.1. Redemption at the Option of the Bank for Taxation Reasons. The Notes may be redeemed at the option of the Bank in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' written notice (which notice shall be irrevocable) to the holders and, if applicable, the CNV, in writing, at 100% of the principal amount thereof, together with any accrued but unpaid interest, and any Additional Amounts to the date fixed for redemption, if, as a result of any change in, or amendment to, the laws (or any regulations or rules issued thereunder) of a relevant taxing jurisdiction or any change in the application, administration or official interpretation of such laws, regulations or rules, including, without limitation the holding of a court of competent jurisdiction, the Bank has or will become obligated to pay Additional Amounts on or in respect of such Notes, which change or amendment becomes effective on or after the date of issuance of the Notes, and the Bank determines in good faith that such obligation cannot be avoided by the Bank taking reasonable measures available to it (provided that reasonable measures shall not include changing the Bank's jurisdiction of organization or the location of its principal executive office or incurring any cost or expense that the Bank deems in good faith to be material). Prior to the distribution of any notice of redemption pursuant to this Section, the Bank shall deliver to the Trustee (1) a certificate signed by a duly authorized officer of the Bank stating that the Bank has or will become obligated to pay Additional Amounts as a result of such change or amendment, and that the Bank has determined that such obligation cannot be avoided by the Bank taking reasonable measures available to it and (2) a written opinion of independent legal counsel to the effect that the Bank has or will become obligated to pay Additional Amounts as a result of such change or amendment described above. The Trustee shall be entitled to conclusively accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent contained in the preceding sentence, in which event they shall be conclusive and binding on the holders.

Section 3.2. Redemption Procedures. (a) The Bank shall give a notice of redemption to each holder (which, in the case of Global Notes, will be DTC, or its nominee) in accordance with Section 4.01 of the Base Indenture at least 30 days and not more than 60 days prior to the redemption date. A notice of redemption will be irrevocable.

(b) Unless the Bank defaults in the payment of the redemption price, interest shall cease to accrue on the Notes called for redemption on and after the redemption date.

Section 3.3. Cancellation. The Notes redeemed in full by the Bank shall be immediately canceled and cannot be reissued or resold. If notice of redemption has been given in the manner set forth herein, Notes to be redeemed shall become due and payable on the redemption date specified in such notice, and upon presentation and surrender of the Notes at the place or places specified in such notice, the Notes shall be paid and redeemed by the Bank at the

places and in the manner and currency therein specified and at the redemption price therein specified together with accrued interest, if any, to the redemption date. From and after the redemption date, if monies for the redemption of Notes called for redemption shall have been made available at the Corporate Trust Office of the Trustee (or by any other means as specified in Section 2.8 above) for redemption on the redemption date, the Notes called for redemption shall cease to bear interest, and the only right of the holders of such Notes will be to receive payment of the redemption price together with accrued interest, if any, to the redemption date as aforesaid.

Section 3.4. Purchase and Cancellation. The Bank and its Subsidiaries may at any time purchase or otherwise acquire any Note in the open market or otherwise at any price and may resell or otherwise dispose of such Note at any time.

ARTICLE IV
CERTAIN COVENANTS

Section 4.1. Payment of Principal and Interest. The Bank covenants and agrees for the benefit of the holders of the Notes that it will duly and punctually pay or cause to be paid the principal of and interest and any Additional Amounts on the Notes in U.S. dollars, and any other payments to be made by the Bank under the Notes and the Indenture, at the place or places, at the respective times and in the manner provided in such Notes and the Indenture.

Section 4.2. Additional Amounts. (a) All payments of principal, premium or interest by the Bank in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (including any interest or penalties related thereto) ("Taxes") imposed, levied, collected, withheld or assessed by Argentina or any other jurisdiction in which the Bank is organized, resident or doing business for tax purposes or from or through which payments by or on behalf of the Bank are made or any political subdivision thereof or taxing authority therein (each, a "relevant taxing jurisdiction"), unless the Bank is compelled by law to deduct or withhold such Taxes. In any such event, subject to the exceptions listed below, the Bank will pay such additional amounts ("Additional Amounts") in respect of Taxes as may be necessary to ensure that the amounts received by holders or beneficial owners of such Notes after such withholding or deduction will equal the respective amounts that would have been receivable in respect of such Notes in the absence of such withholding or deduction. No Additional Amounts will be payable:

(i) when such Taxes would not have been imposed but for the fact that the holder or beneficial owner of Notes has a present or former, direct or indirect, connection with the relevant taxing jurisdiction (including, without limitation, a permanent establishment in the relevant taxing jurisdiction) other than the mere holding of such Notes and the receipt of any payments in respect thereof or enforcement of rights in respect thereof;

(ii) when such Taxes would not have been imposed but for the failure of the holder or beneficial owner of Notes to comply with any reasonable certification, identification, information or reporting requirements regarding the nationality, residence,

identity or connection with the relevant taxing jurisdiction of such holder or beneficial owner, as required by the Bank at least thirty (30) days before the applicable Interest Payment Date or principal payment date, as applicable, if such compliance is required by the laws or regulations of the relevant taxing jurisdiction as a precondition to exemption from, or reduction in the rate of, such Taxes; provided that any certification, identification, information or other reporting requirement would not be materially more onerous, in form, procedure or substance, than comparable information or other reporting requirements imposed under U.S. tax law, regulation and administrative practice (such as IRS Forms W-8BEN, W-8BEN-E and W-9);

(iii) to or on behalf of a holder or beneficial owner of Notes in respect of any estate, inheritance, gift, value added, sales, use, excise, transfer, personal property or similar taxes, duties, assessments or other governmental charges;

(iv) to or on behalf of a holder or beneficial owner of Notes in respect of Taxes payable other than by withholding from payment of principal of, premium, if any, or interest on the Notes;

(v) in respect of Taxes imposed by reason of the fact that Notes were presented for payment more than thirty (30) days after the later of the date on which such payment became due and the date on which payment thereof has been duly provided for and notice of such payment is given to the holders, except to the extent that the holder of such Notes would have been entitled to such Additional Amounts had such Notes been presented on any day during such 30-day period;

(vi) in respect of any Taxes imposed under Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended (or any amended or successor version of such Sections that is substantively comparable and not materially more onerous to comply with) ("FATCA"), any regulations or other guidance thereunder, any agreement (including any intergovernmental agreement) entered into in connection therewith, or any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement in respect of FATCA; or

(vii) for any combination of items (i) through (vi) above;

nor shall Additional Amounts be paid with respect to any payment of the principal of, or any premium, if any, or interest on, any Notes to any holder or beneficial owner of Notes who is a fiduciary or partnership or other pass-through entity or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the relevant taxing jurisdiction to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or other pass-through entity or beneficial owner who would not have been entitled to such Additional Amounts had it been the holder of such Notes.

(b) The Bank shall furnish to holders or beneficial owners of the Notes, the documentation evidencing payment of any Taxes deducted or withheld from payment on the Notes.

(c) In the event that the Bank pays any personal property tax in respect of the Notes, in accordance with Argentine Law 23,966, as may be amended or modified, the Bank hereby waives any right it may have under Argentine law to seek reimbursement (whether by deduction from payments of principal or interest on such Notes or otherwise) from the holder or beneficial owner of the Notes of any such amounts paid.

(d) All references in the Indenture to principal, premium or interest payable hereunder shall be deemed to include references to any Additional Amounts payable under this Section 4.2 with respect to such principal, premium or interest. The Bank will provide the Trustee with documentation evidencing the payment of any amounts deducted or withheld in accordance with this Section 4.2 promptly upon the Bank's payment thereof, and copies of such documentation will be made available by the Trustee to holders upon request.

(e) The Bank will pay promptly when due any present or future stamp, court or documentary taxes or any excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of each Note or any other document or instrument referred to herein or therein, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside of Argentina except those resulting from, or required to be paid in connection with, the enforcement of the Notes after the occurrence and during the continuance of any Event of Default.

Section 4.3. Maintenance of Books and Records. The Bank shall maintain books, accounts and records in accordance in all material respects with the rules and regulations of the Central Bank, as amended from time to time.

Section 4.4. Maintenance of Corporate Existence; Properties. The Bank shall (a) maintain in effect its corporate existence and all registrations necessary therefor, (b) take all actions to maintain all rights, privileges, titles to property or franchises necessary in the normal conduct of its business and (c) keep all its property used or useful in the conduct of its business in good working order and condition except in each case where the failure to so comply would not have a material adverse effect on the financial condition or results of operations of the Bank and its Subsidiaries taken as a whole; *provided* that this covenant shall not require the Bank to do so if the Board of Directors of the Bank shall determine in good faith that the maintenance or preservation thereof is no longer necessary or desirable in the conduct of the business of the Bank.

Section 4.5. Compliance with Law. The Bank will, and will cause each of its Subsidiaries to, comply with all applicable laws, rules and regulations of each Governmental Authority having jurisdiction over it or its business except where the failure to so comply would not have a material adverse effect on the financial condition or results of operations of the Bank and its Subsidiaries taken as a whole.

Section 4.6. Reports to Trustee. (a) The Bank will furnish to the Trustee in English:

(i) within 120 days after the end of each fiscal year of the Bank (which, as of the date of this First Supplemental Indenture, ends on December 31) (or, if later, the date on which the Bank is required to deliver to the CNV financial statements for the relevant

fiscal period), a copy of the audited consolidated balance sheet of the Bank as of the end of such year and the related consolidated statements of income and retained earnings and of changes in financial position for such fiscal year;

(ii) within 90 days after the end of the first three fiscal quarters of each fiscal year of the Bank (or, if later, the date on which the Bank, as promptly notified by the Bank to the Trustee, is required to deliver to the CNV financial statements for the relevant fiscal period), a copy of the unaudited consolidated balance sheet of the Bank as of the end of each such quarter and the related unaudited consolidated statements of income and retained earnings and changes in financial position for such quarter and the portion of the fiscal year through such date; all of the financial statements referred to in (i) and (ii) to be prepared in accordance with Central Bank Accounting Rules applied consistently throughout the periods reflected therein (except as otherwise expressly noted therein); and

(iii) concurrently with the delivery of the financial statements referred to in clause (i) above, a certificate of an Authorized Person of the Bank or an external auditor stating that, to the best of such Authorized Person's knowledge, no Event of Default has occurred and is continuing, except as specified in such certificate.

(b) The Trustee shall have no obligation to determine if and when the Bank's financial statements or reports are publicly available and accessible electronically. Delivery of these reports, information and documents to the Trustee shall be for informational purposes only, and the Trustee's receipt of them will not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Bank's compliance with any of its covenants under the Indenture (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 4.7. Notice of Event of Default. The Bank will give written notice to the Trustee, promptly after the Bank becomes aware thereof, of any Event of Default that has occurred and is continuing, accompanied by an Officer's Certificate setting forth the details of such Event of Default and stating what action the Bank proposes to take with respect thereto.

Section 4.8. Negative Pledge. The Bank will not, and will not permit any of its Significant Subsidiaries to, create, incur, assume or suffer to exist any Lien, except any Permitted Lien, upon its present or future assets, to secure any Indebtedness unless at the same time or prior thereto, the Bank's obligations under the Notes and the Indenture, as the case may be, are secured equally and ratably therewith.

Section 4.9. Further Actions. The Bank will use reasonable efforts to take any action or satisfy any condition (including seeking any necessary consent, approval, authorization, exemption, filing or license) at any time required by applicable laws and regulations to be taken, fulfilled or done in order to (i) enable it lawfully to perform its payment obligations under the Notes and the Indenture, (ii) ensure that those obligations are legally binding and enforceable and (iii) make the Notes and the Indenture admissible in evidence in the courts of Argentina.

ARTICLE V
MERGER, CONSOLIDATION, SALE OR CONVEYANCE

Section 5.1. Bank May Consolidate, etc. on Certain Terms. (a) The Bank covenants that it will not merge or consolidate with or into, or convey or transfer all or substantially all of its assets to any Person unless:

(i) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing;

(ii) either the Bank is the surviving or continuing corporation or any resulting, surviving or transferee Person (if other than the Bank) formed by any such merger or consolidation, or the Person which acquires by conveyance or transfer such assets (the "Successor Person") expressly assumes, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, the due and punctual payment of the principal of, and interest on (including Additional Amounts, if any) all of the Notes and the Indenture;

(iii) the Successor Person (except in the case of leases), if any, succeeds to and becomes substituted for the Bank with the same effect as if it had been named in the Notes as the Bank; and

(iv) the Bank delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, comply with the Indenture.

(b) Upon subscription or acquisition of the Notes, holders shall irrevocably waive any and all rights that they may be entitled to under Argentine law in connection with holding Notes to submit an opposition to any such merger or consolidation or transfer of assets in accordance with the Corporations Law, and other applicable Argentine laws and regulations and Bulk Transfer Law No. 11,867, as amended from time to time.

Section 5.2. Successor Person Substituted. (a) In case of any such consolidation, merger, sale, transfer, lease or other conveyance in accordance with Section 5.1, such Successor Person shall succeed to and be substituted for the Bank, with the same effect as if it had been named herein. Such Successor Person may cause to be signed, and may issue either in its own name or in the name of the Bank, prior to such succession any or all of the Notes issuable hereunder that theretofore shall not have been signed by the Bank and delivered to the Trustee; and, upon the order of such Successor Person instead of the Bank and subject to all the terms, conditions and limitations in the Indenture prescribed, the Trustee shall authenticate and shall deliver any Notes that previously shall have been signed and delivered by the Authorized Person of the Bank to the Trustee for authentication, and any Notes that such Successor Person thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Notes so issued shall in all respects have the same legal rank and benefit under the Indenture as the Notes theretofore or thereafter issued in accordance with the terms of the Indenture as though all of such Notes had been issued at the date of the execution hereof.

(b) In case of any such consolidation, merger, sale, transfer, lease or conveyance, such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

(c) In the event of any such sale or conveyance (other than a conveyance by way of lease) and assumption by the Successor Person, the Bank shall be discharged from all obligations and covenants under the Indenture and the Notes to be performed by the Bank and may be liquidated and dissolved.

(d) No Successor Person shall have the right to redeem any Notes outstanding unless the Bank would have been entitled to redeem such Notes pursuant to the Indenture in the absence of any such merger, consolidation, sale, transfer, lease or conveyance permitted under Section 5.1.

Section 5.3. Documents to Trustee. The Trustee shall receive an Opinion of Counsel stating that any such consolidation, merger, sale, transfer, lease or other conveyance or disposition, and any such liquidation or dissolution, complies with the applicable provisions of the Indenture, the Notes and applicable law and an Opinion of Counsel and an Officers' Certificate stating that all conditions precedent (including the adoption of any appropriate resolution by the Board of Directors) relating to such transaction have been met in all material respects, and the Trustee may rely on such Opinion of Counsel and Officers' Certificate as conclusive evidence of the matters described therein.

ARTICLE VI
EVENTS OF DEFAULT

Section 6.1. Events of Default. (a) The term "Event of Default" means any one of the following events with respect to the Notes:

(i) the Bank shall fail to pay any principal or interest (or Additional Amounts, if any) on the Notes on the date when it becomes due and payable in accordance with the terms thereof, and such failure continues for a period of 10 days (in the case of principal) or 15 days (in the case of interest or Additional Amounts, if any); or

(ii) the Bank shall fail to duly perform or observe any other covenant applicable to the Notes in the Indenture and such failure shall continue unremedied for a period of 60 days after written notice specifying such default and requiring it to be remedied and stating that such notice is a "Notice of Event of Default" has been received by the Bank from the Trustee or from the holders of at least 25% in aggregate principal amount of the outstanding Notes; or

(iii) the Bank shall fail to pay when due any of its Indebtedness, beyond the grace period, if any, provided in the agreement or agreements under which such Indebtedness was created, in an aggregate principal amount exceeding US$10,000,000 (or the then equivalent thereof in another currency, each such equivalent to be determined by the Bank at the time of the relevant default and not be affected by subsequent changes in exchange rates at the time of determination), or any other event of default occurs under

any agreement relating to any such Indebtedness which results in the acceleration of the scheduled maturity of Indebtedness in an aggregate principal amount exceeding US$10,000,000 (or the equivalent thereof at the time of determination); or

(iv) (a) a court having jurisdiction shall enter a final decree or order for (x) relief in respect of the Bank in an involuntary case under the Financial Institutions Law, the Argentine Bankruptcy Law, or any applicable bankruptcy, insolvency or similar law in effect from time to time or (y) the appointment under any applicable bankruptcy, insolvency or other similar law of an administrator, receiver or trustee for the Bank for all or substantially all of the assets of the Bank, and in each case such decree or order shall remain unstayed and in effect for a period of 60 consecutive days or (b) the Central Bank shall order a suspension of all or substantially all of the activities of the Bank pursuant to Article 49 of the charter of the Central Bank, and such suspension shall remain unstayed and in effect for a period of 60 consecutive days; or

(v) the Bank shall (a) commence a voluntary case under the Financial Institutions Law, the Argentine Bankruptcy Law, or seeking liquidation or other relief with respect to its debts under any applicable bankruptcy, insolvency or similar law or (b) consent to the appointment under any applicable bankruptcy, insolvency or similar law of an administrator, receiver or trustee for the Bank for all or substantially all of the assets of the Bank; or

(vi) either (a) the Bank shall liquidate or dissolve or permanently cease to carry on all or substantially all of its business and operations (in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation, on terms consistent with the terms of this First Supplemental Indenture as described in Article V or approved by a resolution of an extraordinary meeting of the holders of the Notes), or (b) any one or more Governmental Authorities shall take the effective control of the Bank through a nationalization or expropriation of all or substantially all of the assets or Capital Stock of the Bank.

(b) If any of the Events of Default described above occurs and is continuing, holders of not less than 25% in aggregate principal amount of the Notes, by written notice to the Bank, may request the Trustee to declare all the Notes then outstanding to be immediately due and payable; provided that in the case of any of the Events of Default described in Section 6.1(a)(iv) and Section 6.1 (a)(v) with respect to the Bank, the Notes shall, without any notice to the Bank or any other act by the Trustee or the holder of any Notes, become immediately due and payable.

(c) If an Event of Default set forth in Section 6.1(a)(iii) has occurred and is continuing with respect to the Notes, such Event of Default shall be automatically rescinded and annulled once the default triggering such Event of Default pursuant to Section 6.1(a)(iii) is remedied or cured by the Bank or waived by the holders of the relevant Indebtedness. No such rescission and annulment shall affect any subsequent Event of Default or impair any right consequent thereto.

(d) Upon any such declaration of acceleration, the principal of the Notes so accelerated and the interest accrued thereon and all other amounts payable with respect to such Notes shall become and be immediately due and payable. If the Event of Default or Events of Default giving

rise to any such declaration of acceleration are cured following such declaration, such declaration may be rescinded by the holders of such Notes in the manner set forth in Section 6.1(e) below.

(e) At any time after a declaration of acceleration has been made with respect to the Notes and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article VI provided, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to the Bank and the Trustee, may rescind and annul such declaration and its consequences if (i) the Bank has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue installments of interest on the Notes, (B) the principal of (and premium, if any, on) any Notes which has become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefore by the terms of the Notes, to the extent that payment of such interest is lawful, (C) interest upon overdue installments of interest at the rate or rates prescribed therefore by the terms of the Notes, to the extent that payment of such interest is lawful and (D) all sums paid or advanced by the Trustee and the Agents hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, the Agents and their respective agents and counsel; and (ii) all Events of Default with respect to such Notes, other than the nonpayment of the principal, premium or interest on the Notes that has become due solely because of such acceleration, have been cured or waived. No such rescission shall affect any subsequent Event of Default or impair any right consequent thereto.

(f) The Trustee shall not be charged with knowledge of any Event of Default with respect to the Notes unless a written notice of such Event of Default shall have been given to a Responsible Officer.

ARTICLE VII
MODIFICATION, WAIVER AND SUPPLEMENTAL INDENTURES.

Section 7.1. Modification, Waiver and Supplemental Indentures. In addition to the manner provided for in Section 11.02 of the Base Indenture, the Bank and the Trustee may, without the vote or consent of any holder of Notes, modify, amend, waive or supplement the Indenture or the Notes in certain circumstances, including, among other things, to cure any ambiguity, omission, defect or inconsistency, to conform the text of the Indenture or the Notes to any provision in the Description of the Notes.

ARTICLE VIII
MISCELLANEOUS

Section 8.1. Confirmation of Indenture. The Base Indenture, as supplemented and amended by this First Supplemental Indenture, is in all respects ratified and confirmed, and the Base Indenture and this First Supplemental Indenture shall, in respect of any Notes, be read, taken and construed as one and the same instrument. This First Supplemental Indenture constitutes an integral part of the Base Indenture with respect to the Notes. In the event of a conflict between the terms and conditions of the Base Indenture and the terms and conditions of this First Supplemental Indenture, the terms and conditions of this First Supplemental Indenture shall prevail with respect to the Notes.

Section 8.2. Trustee Not Responsible for Recitals. The recitals contained herein and in the Notes, except the certificates of authentication, shall be taken as the statements of the Bank, and the Trustee and Registrar assume no responsibility for the correctness thereof. The Trustee and Registrar make no representation as to the validity or sufficiency of this First Supplemental Indenture, or any offering materials or of the Notes. The Trustee and Registrar shall not be accountable for the use or application by the Bank of any of the Notes or of the proceeds thereof.

Section 8.3. Governing Law. This First Supplemental Indenture and the Notes are governed by, and will be construed in accordance with, the law of the State of New York; provided that all matters relating to the due authorization, execution, issuance and delivery of the Notes by the Bank, and matters relating to the legal requirements necessary in order for the Notes to qualify as "negotiable obligations" under Argentine law, shall be governed by the Argentine Negotiable Obligations Law, as amended, together with Argentine Companies Law, as amended and other applicable Argentine laws and regulations.

Section 8.4. Judgment Currency Indemnity. (a) If a judgment or order given or made by any court for the payment of any amount in respect of any Note is expressed in a currency (the "Judgment Currency") other than the currency (the "Denomination Currency") in which such Notes are payable, the Bank will indemnify the relevant holder against any deficiency arising or resulting from any variation in rates of exchange between the date as of which the amount in the Denomination Currency is notionally converted into the amount in the Judgment Currency for the purposes of such judgment or order and the date of actual payment thereof. This indemnity will constitute a separate and independent obligation from the other obligations contained in the terms and conditions of the Notes, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted from time to time and will continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due in respect of the relevant Note or under any such judgment or order.

(b) The Bank agrees that, notwithstanding any restriction or prohibition on access to the foreign exchange market (*Mercado Único y Libre de Cambios*) in Argentina, any and all payments to be made under the Notes and the Indenture shall be made in U.S. dollars. Nothing in the Notes and the Indenture shall impair any of the rights of the holders of the Notes or the Trustee or justify the Bank in refusing to make payments under the Notes and the Indenture in U.S. dollars for any reason whatsoever, including, without limitation, any of the following: (i) the purchase of U.S. dollars in Argentina becoming more onerous or burdensome for the Bank than as of the date hereof and (ii) the exchange rate in force in Argentina increasing significantly from that in effect as of the date hereof. To the extent permitted by law, the Bank waives the right to invoke any defense of payment impossibility (including any defense under Section 1091 of Argentine Law No. 26,994 (*Código Civil y Comercial de la Nación*), impossibility of paying in U.S. dollars (assuming liability for any force majeure or act of God), or similar defenses or principles (including, without limitation, equity or sharing of efforts principles).

Section 8.5. Separability. In case any one or more of the provisions contained in this First Supplemental Indenture or in the Notes shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this First Supplemental

Indenture and the Notes shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

Section 8.6. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 8.7. USA Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the USA Patriot Act, The Bank of New York Mellon, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify and record information that identifies each person or legal entity that establishes a relationship or opens an account. The parties to this First Supplemental Indenture agree that they will provide The Bank of New York Mellon. with such information as it may request in order for The Bank of New York Mellon to satisfy the requirements of the USA Patriot Act.

Section 8.8. Incorporation of Rights, etc. of Trustee and Agents. All of the rights, privileges, protections, indemnities, immunities and benefits of the Trustee and each Agent under the Base Indenture are hereby incorporated herein, and shall be enforceable by the Trustee and each Agent, as applicable, as if set forth herein in full.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed and as of the day and year first above written.

BANCO SUPERVIELLE S.A.

By: /s/ E. Alejandro Stengel
Name: E. Alejandro Stengel
Title: Director

By: /s/ Atilio Dell'Oro Maini
Name: Atilio Dell'Oro Maini
Title: Apoderado

THE BANK OF NEW YORK MELLON, as Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent

By: _____
Name:
Title:

BANCO SANTANDER RIO S.A., as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed and as of the day and year first above written.

BANCO SUPERVIELLE S.A.

By: _____
Name:
Title:

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON, as Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent

By: /s/ Catherine F. Donohue
Name: Catherine F. Donohue
Title: Vice President

BANCO SANTANDER RIO S.A., as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina

By: _____
Name:
Title:

By: _____
Name:
Title:

[*Signature page to First Supplemental Indenture*]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed and as of the day and year first above written.

BANCO SUPERVIELLE S.A.

By: _____
Name:
Title:

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON, as Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent

By: _____
Name:
Title:

BANCO SANTANDER RIO S.A., as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina

By: /s/ Daniel Patron Costas
Name: Daniel Patron Costas
Title: Apoderado

By: /s/ Alejandro Butti
Name: Alejandro Butti
Title: Apoderado

[*Signature page to First Supplemental Indenture*]

EXHIBIT A

FORM OF FACE OF RESTRICTED GLOBAL NOTE

RESTRICTED GLOBAL NOTE

THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER.

THIS LEGEND MAY BE REMOVED SOLELY AT THE DISCRETION AND AT THE DIRECTION OF THE BANK.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE BANK OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAW. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT OR (B) IT IS A NON-U.S. PERSON OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k)(2)(i) OF RULE 902 UNDER) REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT, OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER SUCH NOTES EXCEPT IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND

ONLY (A) TO THE BANK OR A SUBSIDIARY THEREOF, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (C) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF APPLICABLE). PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (E) ABOVE, THE BANK RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY RULE 144 EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS NOTE IS SUBJECT TO THE RESTRICTIONS ON TRANSFER SET FORTH IN THE REVERSE HEREOF.

CUSIP No.: [•]
ISIN No.: [•]

RESTRICTED GLOBAL NOTE

Representing
Ps. [•]
SERIES A FLOATING RATE NOTES DUE 2020

BANCO SUPERVIELLE S.A.

BANCO SUPERVIELLE S.A. was organized in the City of Buenos Aires, on December 30, 1940 as a corporation with limited liability (*sociedad anónima*) under the laws of Argentina for a term expiring on January 14, 2041, duly authorized as a limited liability corporation (*sociedad anónima*) by means of Executive Power Decree No. 82,191 dated January 14, 1941 and was registered under No. 23, Page 502, Book No. 45, Volume A of *Estatutos Nacionales* of the Public Registry of Commerce of the City of Buenos Aires, Argentina, and its registered domicile is at Bartolomé Mitre 434, City of Buenos Aires, Argentina.

SERIES: A
PRINCIPAL AMOUNT: [•]
ISSUE DATE: FEBRUARY 9, 2017
STATED MATURITY: AUGUST 9, 2020
OTHER TERMS AND CONDITIONS:

THE TERMS AND CONDITIONS ATTACHED HERETO AND THE TERMS OF THE PRICING SUPPLEMENT ARE INCORPORATED BY REFERENCE HEREIN IN THEIR ENTIRETY. TERMS USED BUT NOT DEFINED IN THIS NOTE ARE USED AS DEFINED IN THE INDENTURE.

This Restricted Global Note (this "Global Note") is issued in accordance with the first supplemental indenture (the "First Supplemental Indenture") dated as of February 9, 2017, among Banco Supervielle S.A., as issuer (the "Bank"), The Bank of New York Mellon, as trustee (the "Trustee"), registrar (the "Registrar"), calculation agent (the "Calculation Agent"), paying agent (the "Paying Agent") and transfer agent (the "Transfer Agent"), and Banco Santander Rio S.A., as Argentine registrar (the "Argentine Registrar"), Argentine paying agent (the "Argentine Paying Agent"), Argentine transfer agent (the "Argentine Transfer Agent") and representative of the Trustee in Argentina (the "Representative of the Trustee in Argentina"), which supplements and amends the indenture, dated as of February 9, 2017 (the "Base Indenture" and, as supplemented by the First Supplemental Indenture, the "Indenture"), among the Bank, The Bank of New York Mellon, as Trustee, Registrar, Calculation Agent, Paying Agent, and Transfer Agent, and Banco Santander Rio S.A., as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina. The provisions of the Indenture shall for all purposes have the same effect as if set forth in this Global Note.

This Global Note is a global security representing an issue of duly authorized Securities of the Bank issued pursuant to the Indenture.

In the event of any conflict among the provisions stated herein, those in the Pricing Supplement and the Offering Memorandum, and those in the Indenture, the provisions in the Indenture will prevail.

The Bank, for value received, hereby promises to pay Cede & Co. or registered assigns, the Principal Amount stated above (as adjusted pursuant to Schedule A hereto) or the redemption amount as specified in the Indenture, in U.S. dollars, as calculated by the Calculation Agent, by converting the Argentine peso amounts due into U.S. dollars at the Applicable Exchange Rate on the applicable Calculation Date, in two installments as follows: Ps. [●] on February 9, 2020 and Ps. [●] (or such other principal amount of the Notes as may be outstanding) on the Stated Maturity, unless earlier redeemed in accordance with the terms hereof, to pay interest from the Issue Date of this Global Note specified herein (or from the most recent Interest Payment Date to which interest has been paid or made available for payment) on the unpaid Principal Amount (and, to the extent lawful, on overdue principal (including premium or redemption amount, if any)) and any interest in respect hereof at the Interest Rate per annum specified herein on the Interest Payment Date or Dates specified herein in each year, commencing, unless otherwise specified herein, with the first such Interest Payment Date falling at least fifteen days after the Issue Date of this Global Note specified above and at Stated Maturity or any redemption date, until the principal hereof shall be paid or made available for payment.

This Global Note is exchangeable in whole or in part for duly executed and issued Certificated Notes as provided in the Indenture, with the applicable legends as marked thereon, only if such exchange complies with Section 3.05 of the Base Indenture. Interests in this Global Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note, only if such exchange or transfer complies with Section 3.05 of the Base Indenture.

This Global Note is one of the Series designated above, which term shall mean each original issue of Notes and shall be deemed to include any other Global Notes in respect of such Series issued pursuant to the Indenture referred to on the face of this Global Note. These Notes, together with any other debt securities of the Bank issued under the Indenture, are limited to an aggregate principal amount outstanding at any one time of US$800,000,000 (or the equivalent thereof in Argentine pesos).

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee by manual signature of one of its authorized signatories, this Global Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Global Note shall be governed by, and construed in accordance with, the law of the State of New York; *provided* that all matters relating to the due authorization, execution, issuance and delivery of this Global Note by the Bank, and matters relating to the legal requirements necessary in order for this Global Note to qualify as "negotiable obligations" under Argentine law, shall be governed by the Argentine Law No. 23,576, as amended (the "Negotiable Obligations Law"), together with Argentine Law No.19,550, as

amended and supplemented (the "Corporations Law"), and other applicable Argentine laws and regulations.

This Global Note is excluded from the deposit insurance system established pursuant to Argentine Law No. 24,485, as amended, and will not benefit from the exclusive priority right granted to depositors pursuant to Section 49(e) of the Argentine Financial Institutions Law No. 21,526, as amended (the "Financial Institutions Law"). This Global Note is not secured by any security interest or guaranteed by any other entity or person. Neither Argentina, nor any governmental agency or political subdivision thereof, in any way guarantees or otherwise backs, of the Bank's obligations in respect of this Global Note.

IN WITNESS WHEREOF, Banco Supervielle S.A. has caused this Global Note to be duly executed.

Date:

BANCO SUPERVIELLE S.A.

By: _____
Name:
Title: Director

By: _____
Name:
Title: Member of the Supervisory Committee

[*Signature page to Rule 144A Global Note*]

CERTIFICATE OF AUTHENTICATION

This is one of the Global Notes referred to in the within-mentioned Indenture.

Date:

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Authorized Signatory

[*Signature page to Rule 144A Global Note*]

General

The Series A Floating Rate Notes Due 2020 (the "Notes") were issued under the first supplemental indenture (the "First Supplemental Indenture") dated as of February 9, 2017, among Banco Supervielle S.A., as issuer (the "Bank"), The Bank of New York Mellon, as trustee (the "Trustee"), registrar (the "Registrar"), calculation agent (the "Calculation Agent"), paying agent (the "Paying Agent") and transfer agent (the "Transfer Agent"), and Banco Santander Rio S.A., as Argentine registrar (the "Argentine Registrar"), Argentine paying agent (the "Argentine Paying Agent"), Argentine transfer agent (the "Argentine Transfer Agent") and representative of the Trustee in Argentina (the "Representative of the Trustee in Argentina"), which supplements and amends the indenture, dated as of February 9, 2017 (the "Base Indenture" and, as supplemented by the First Supplemental Indenture, the "Indenture"), among the Bank, The Bank of New York Mellon, as Trustee, Registrar, Calculation Agent, Paying Agent, and Transfer Agent, and Banco Santander Rio S.A., as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina. The following is a description of the material provisions of the Indenture. It does not contain all of the provisions of the Indenture. The Indenture defines the rights of holders of the Notes (the "Holders"). This description is qualified in its entirety by reference to all of the provisions of the Indenture and the Notes, including the definitions therein of certain terms.

Ranking

The Notes will constitute "*obligaciones negociables*" under Argentine Law No. 26,831, the CNV Rules and the Negotiable Obligations Law and will be entitled to the benefits set forth therein and subject to the procedural requirements established therein. In particular, pursuant to Section 29 of the Negotiable Obligations Law, in case the Bank defaults in the payment of any amounts outstanding under the Notes, the Holder of such Notes will be entitled to file a summary action (*acción ejecutiva*) in Argentina for collection of such amount.

Interest Rate

Interest on each Note shall accrue during any Interest Rate Period at an annual floating rate equivalent to the sum of (i) the Reference Rate for such Interest Rate Period (or the Initial Reference Rate, solely for the initial Interest Rate Period) *plus* (ii) the Margin from (and including) February 9, 2017, the date of original issuance, or from (and including) the most recent Interest Payment Date to which interest on such Note has been paid or duly provided for, until the principal thereof is paid or made available for payment. Interest will be payable in arrears on each May 9, August 9, November 9, and February 9 (each, an "Interest Payment Date") and at the Stated Maturity and upon redemption or acceleration, as specified under "Payment of Principal and Interest" below.

The Interest Rate for each period will be reset quarterly and calculated by the Calculation Agent on the Calculation Date immediately prior to the beginning of the relevant Interest Rate Period, except for the Interest Rate for the initial Interest Rate Period. The Interest Rate for the initial Interest Rate Period is 24.4375%. In no case shall the Interest Rate be lower than the Minimum Interest Rate. The Interest Rate Period is the period beginning on, and including, the most recent Interest Payment Date and ending on, but excluding, the next succeeding Interest

Payment Date; *provided* that the first Interest Rate Period on any Note will begin on, and include, the date of original issuance of such Note and will end on, but exclude, the first Interest Payment Date.

If the Central Bank ceases to publish the BADLAR Private Banks Rate, (i) the Calculation Agent will use the replacement of the BADLAR Private Banks Rate that the Central Bank publishes for calculating the Reference Rate or (ii) if a substitute rate does not exist or is not published, the Bank will provide the Calculation Agent with the arithmetic average of the last three (3) Business Days prior to the Calculation Date for time deposits of more than Ps. 1,000,000 for periods between thirty and thirty-five days for the five largest private banks in Argentina in terms of deposits, so that the Calculation Agent uses such average for calculating the Reference Rate. In order to select the five largest private banks in terms of deposits, the most recent deposits report published by the Central Bank will be considered.

Payment of Principal and Interest

General

Each payment to be made under the Indenture or on any Note shall be made on the required payment date in U.S. dollars, as calculated by the Calculation Agent, by converting the Argentine peso amounts due into U.S. dollars at the Applicable Exchange Rate on the applicable Calculation Date.

If the exchange rate established by the Central Bank is not available, the Bank will provide the Calculation Agent with the arithmetic average of the last three Business Days prior to the Calculation Date of the selling exchange rate that is published by the three Argentine private banks with the largest volume of foreign trade transactions according to information published by the Central Bank on its website, so that the Calculation Agent uses such arithmetic average for calculating the Applicable Exchange Rate. The Calculation Agent will notify the Trustee and the Bank on each Calculation Date of the Applicable Exchange Rate and the amount in U.S. dollars to be paid in respect of each Ps. 1,000 outstanding on the immediately following payment date.

Payment of principal of the Notes will be made in two installments as follows: Ps. 2,384,085,000 on February 9, 2020 and Ps. 2,384,085,000 (or such other principal amount of the Notes as may be outstanding) on the Stated Maturity.

The Person in whose name a Note is registered at the close of business on April 24, July 25, October 25, and January 25 immediately preceding each Interest Payment Date (each, a "Record Date") shall be entitled to receive the interest (and principal, if any, payable other than upon acceleration or redemption), if any, payable on such Interest Payment Date, notwithstanding the cancellation of the Note upon any transfer or exchange of such Note subsequent to such Record Date and prior to such Interest Payment Date; *provided* (i) that if and to the extent the Bank shall default in the payment of the interest (including Additional Amounts) due on such Interest Payment Date for such Note, such defaulted interest (including Additional Amounts) shall be paid to the Person in whose name such Note is registered at the end of a subsequent record date established by the Bank by notice given by mail or on behalf of the Bank

to the Holders of the Notes not less than 15 days preceding such subsequent record date, such record date to be not less than 15 days preceding the date of payment in respect of such defaulted interest and (ii) that interest payable at Stated Maturity or upon acceleration or redemption will be payable to the Person to whom principal shall be payable.

Payments of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of any Global Note will be made to DTC, in accordance with DTC's procedures, or its nominee (or any successor thereof) as the registered owner thereof (or any successor thereto). None of the Bank, the Trustee, the Registrar nor any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Payments of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of any Certificated Note at Stated Maturity or upon acceleration or redemption will be made to the registered holder on the payment date in immediately available funds upon surrender of such Note at the Corporate Trust Office in the Borough of Manhattan, New York City, or at the office of any Paying Agent in the City of Buenos Aires by a check drawn on, or by transfer to an account maintained by the registered holder with, a bank located in New York City. Payments of the principal of and premium, interest, Additional Amounts and any other amounts on or in respect of Certificated Notes to be made other than at Stated Maturity or upon redemption, will be made by check drawn on a bank in New York City mailed on or before the due date for such payment to the address of the Person entitled thereto as it appears in the Register; *provided* that a holder of Ps. 15,000,000 in aggregate principal amount of Certificated Notes shall be entitled to receive such payment by wire transfer in immediately available funds to an account maintained by such holder at a bank located in New York City as may have been appropriately designated by such Person to the Trustee in writing no later than 15 days prior to the relevant Interest Payment Date. Unless such designation is revoked, any such designation made by such Person with respect to such Certificated Note will remain in effect with respect to any future payments with respect to such Certificated Note payable to such Person.

Payments of interest on any Note with respect to any Interest Payment Date will include interest accrued to but excluding such Interest Payment Date.

Interest on the Notes will be calculated on the basis of a year of 365 days and the actual numbers of days elapsed.

If the Stated Maturity or the Interest Payment Date or any other payment date for any Note falls on a day that is not a Business Day, payment of principal (and premium, if any), interest and any Additional Amounts with respect to such Note will be made on the next succeeding Business Day in the place of payment with the same force and effect as if made on the due date and no interest on such payment will accrue from and after such due date.

Redemption and Repurchase

The Notes are subject to redemption for taxation reasons, as further described in the Indenture. The Bank shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

Covenants

For as long as any Note is outstanding, the Bank will comply and to the extent specified in the Indenture will cause its Subsidiaries to comply with the terms of the certain covenants set forth in the Indenture.

Events of Default and Remedies

The Events of Default relating to the Notes are defined in the Indenture. Upon the occurrence of an Event of Default, the rights and obligations of the Bank, the Trustee and the Holders shall be as set forth in the applicable provisions of the Indenture.

Discharge and Defeasance

The Indenture and the Note may be discharged, and the Bank may exercise its defeasance option, each as set forth in the Base Indenture.

Amendments, Supplement and Waiver

The Indenture and the Notes may be amended or supplemented as provided in the Indenture.

Further Issuances

Subject to the authorization of the CNV (to the extent applicable), the Bank may issue additional Notes from time to time, without the consent of the Holders of the Notes then outstanding, and create additional notes of this series ("Additional Notes").

Governing Law, Judgments, Jurisdiction, Service of Process, Waiver of Immunities

The Indenture and the Notes shall be governed by, and construed in accordance with, the law of the State of New York; *provided* that all matters relating to the due authorization, execution, issuance and delivery of the Notes by the Bank, and matters relating to the legal requirements necessary in order for the Notes to qualify as "negotiable obligations" under Argentine law, shall be governed by the Negotiable Obligations Law, together with Companies Law, as amended and supplemented, and other applicable Argentine laws and regulations.

CUSIP, ISIN and Common Code Numbers.

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Bank has caused CUSIP, ISIN and Common Code numbers to be printed on the Notes, and the Trustee may use CUSIP, ISIN and Common Code numbers in

notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Bank shall furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to the Bank at the following address:

c/o Banco Supervielle S.A.
Reconquista 330, C1003ABH
City of Buenos Aires, Argentina
Telephone: +54 11 4324-8000
Telecopy: +54 11 4324-8000
Attention: Rosario Jonas Mackinlay / Leandro Carletti

SCHEDULE A

Date	Principal Amount of Certificated Notes or other Global Notes issued in exchange for or upon transfer of an interest in this Restricted Global Note	Principal Amount of this Restricted Global Note Redeemed or Repurchased	Increase in Principal Amount of this Note due to the exchange or transfer of another Note (or an interest therein) for an interest in this Note	Remaining Principal Amount of this Restricted Global Note	Notation made on behalf of the Trustee by

EXHIBIT B

FORM OF FACE OF REGULATION S GLOBAL NOTE

REGULATION S GLOBAL NOTE

THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE BANK OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AGENCY IN ANY JURISDICTION, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS NOTE IS SUBJECT TO THE RESTRICTIONS ON TRANSFER SET FORTH IN THE REVERSE HEREOF. PRIOR TO THE EXPIRATION OF A RESTRICTED PERIOD ENDING ON MARCH 21, 2017 OR SUCH LATER DATE AS THE BANK MAY NOTIFY TO THE TRUSTEE, THIS NOTE, OR ANY BENEFICIAL INTEREST HEREIN, MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED EXCEPT (A)(1) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT OR (2) TO A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT IN COMPLIANCE WITH RULE 144A, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS

OF THE STATES OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION.

CUSIP No.: [•]
ISIN No.: [•]

REGULATION S GLOBAL NOTE

Representing
Ps. [•]
SERIES A FLOATING RATE NOTES DUE 2020

BANCO SUPERVIELLE S.A.

BANCO SUPERVIELLE S.A. was organized in the City of Buenos Aires, on December 30, 1940 as a corporation with limited liability (*sociedad anónima*) under the laws of Argentina for a term expiring on January 14, 2041, duly authorized as a limited liability corporation (*sociedad anónima*) by means of Executive Power Decree No. 82,191 dated January 14, 1941 and was registered under No. 23, Page 502, Book No. 45, Volume A of *Estatutos Nacionales* of the Public Registry of Commerce of the City of Buenos Aires, Argentina, and its registered domicile is at Bartolomé Mitre 434, City of Buenos Aires, Argentina.

SERIES: A
PRINCIPAL AMOUNT: [•]
ISSUE DATE: FEBRUARY 9, 2017
STATED MATURITY: AUGUST 9, 2020
OTHER TERMS AND CONDITIONS:

THE TERMS AND CONDITIONS ATTACHED HERETO AND THE TERMS OF THE PRICING SUPPLEMENT ARE INCORPORATED BY REFERENCE HEREIN IN THEIR ENTIRETY. TERMS USED BUT NOT DEFINED IN THIS NOTE ARE USED AS DEFINED IN THE INDENTURE.

This Regulation S Global Note (this "Global Note") is issued in accordance with the first supplemental indenture (the "First Supplemental Indenture") dated as of February 9, 2017, among Banco Supervielle S.A., as issuer (the "Bank"), The Bank of New York Mellon, as trustee (the "Trustee"), registrar (the "Registrar"), calculation agent (the "Calculation Agent"), paying agent (the "Paying Agent") and transfer agent (the "Transfer Agent"), and Banco Santander Rio S.A., as Argentine registrar (the "Argentine Registrar"), Argentine paying agent (the "Argentine Paying Agent"), Argentine transfer agent (the "Argentine Transfer Agent") and representative of the Trustee in Argentina (the "Representative of the Trustee in Argentina"), which supplements and amends the indenture, dated as of February 9, 2017 (the "Base Indenture" and, as supplemented by the First Supplemental Indenture, the "Indenture"), among the Bank, The Bank of New York Mellon, as Trustee, Registrar, Calculation Agent, Paying Agent, and Transfer Agent, and Banco Santander Rio S.A., as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina. The provisions of the Indenture shall for all purposes have the same effect as if set forth in this Global Note.

This Global Note is a global security representing an issue of duly authorized Securities of the Bank issued pursuant to the Indenture.

In the event of any conflict among the provisions stated herein, those in the Pricing Supplement and the Offering Memorandum, and those in the Indenture, the provisions in the Indenture will prevail.

The Bank, for value received, hereby promises to pay Cede & Co. or registered assigns, the Principal Amount stated above (as adjusted pursuant to Schedule A hereto) or the redemption amount as specified in the Indenture, in U.S. dollars, as calculated by the Calculation Agent, by converting the Argentine peso amounts due into U.S. dollars at the Applicable Exchange Rate on the applicable Calculation Date, in two installments as follows: Ps. [●] on February 9, 2020 and Ps. [●] (or such other principal amount of the Notes as may be outstanding) on the Stated Maturity, unless earlier redeemed in accordance with the terms hereof, to pay interest from the Issue Date of this Global Note specified herein (or from the most recent Interest Payment Date to which interest has been paid or made available for payment) on the unpaid Principal Amount (and, to the extent lawful, on overdue principal (including premium or redemption amount, if any)) and any interest in respect hereof at the Interest Rate per annum specified herein on the Interest Payment Date or Dates specified herein in each year, commencing, unless otherwise specified herein, with the first such Interest Payment Date falling at least fifteen days after the Issue Date of this Global Note specified above and at Stated Maturity or any redemption date, until the principal hereof shall be paid or made available for payment.

This Global Note is exchangeable in whole or in part for duly executed and issued Certificated Notes as provided in the Indenture, with the applicable legends as marked thereon, only if such exchange complies with Section 3.05 of the Base Indenture. Interests in this Global Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note, only if such exchange or transfer complies with Section 3.05 of the Base Indenture.

This Global Note is one of the Series designated above, which term shall mean each original issue of Notes and shall be deemed to include any other Global Notes in respect of such Series issued pursuant to the Indenture referred to on the face of this Global Note. These Notes, together with any other debt securities of the Bank issued under the Indenture, are limited to an aggregate principal amount outstanding at any one time of US$800,000,000 (or the equivalent thereof in Argentine pesos).

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee by manual signature of one of its authorized signatories, this Global Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Global Note shall be governed by, and construed in accordance with, the law of the State of New York; *provided* that all matters relating to the due authorization, execution, issuance and delivery of this Global Note by the Bank, and matters relating to the legal requirements necessary in order for this Global Note to qualify as "negotiable obligations" under Argentine law, shall be governed by the Argentine Law No. 23,576, as amended (the "Negotiable Obligations Law"), together with Argentine Law No.19,550, as

amended and supplemented (the "Corporations Law"), and other applicable Argentine laws and regulations.

This Global Note is excluded from the deposit insurance system established pursuant to Argentine Law No. 24,485, as amended, and will not benefit from the exclusive priority right granted to depositors pursuant to Section 49(e) of the Argentine Financial Institutions Law No. 21,526, as amended (the "Financial Institutions Law"). This Global Note is not secured by any security interest or guaranteed by any other entity or person. Neither Argentina, nor any governmental agency or political subdivision thereof, in any way guarantees or otherwise backs, of the Bank's obligations in respect of this Global Note.

IN WITNESS WHEREOF, Banco Supervielle S.A. has caused this Global Note to be duly executed.

Date:

BANCO SUPERVIELLE S.A.

By: _____
Name:
Title: Director

By: _____
Name:
Title: Member of the Supervisory Committee

[*Signature page to Regulation S Global Note*]

CERTIFICATE OF AUTHENTICATION

This is one of the Global Notes referred to in the within-mentioned Indenture.

Date:

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Authorized Signatory

[*Signature page to Regulation S Global Note*]

General

The Series A Floating Rate Notes Due 2020 (the "Notes") were issued under the first supplemental indenture (the "First Supplemental Indenture") dated as of February 9, 2017, among Banco Supervielle S.A., as issuer (the "Bank"), The Bank of New York Mellon, as trustee (the "Trustee"), registrar (the "Registrar"), calculation agent (the "Calculation Agent"), paying agent (the "Paying Agent") and transfer agent (the "Transfer Agent"), and Banco Santander Rio S.A., as Argentine registrar (the "Argentine Registrar"), Argentine paying agent (the "Argentine Paying Agent"), Argentine transfer agent (the "Argentine Transfer Agent") and representative of the Trustee in Argentina (the "Representative of the Trustee in Argentina"), which supplements and amends the indenture, dated as of February 9, 2017 (the "Base Indenture" and, as supplemented by the First Supplemental Indenture, the "Indenture"), among the Bank, The Bank of New York Mellon, as Trustee, Registrar, Calculation Agent, Paying Agent, and Transfer Agent, and Banco Santander Rio S.A., as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina. The following is a description of the material provisions of the Indenture. It does not contain all of the provisions of the Indenture. The Indenture defines the rights of holders of the Notes (the "Holders"). This description is qualified in its entirety by reference to all of the provisions of the Indenture and the Notes, including the definitions therein of certain terms.

Ranking

The Notes will constitute "*obligaciones negociables*" under Argentine Law No. 26,831, the CNV Rules and the Negotiable Obligations Law and will be entitled to the benefits set forth therein and subject to the procedural requirements established therein. In particular, pursuant to Section 29 of the Negotiable Obligations Law, in case the Bank defaults in the payment of any amounts outstanding under the Notes, the Holder of such Notes will be entitled to file a summary action (*acción ejecutiva*) in Argentina for collection of such amount.

Interest Rate

Interest on each Note shall accrue during any Interest Rate Period at an annual floating rate equivalent to the sum of (i) the Reference Rate for such Interest Rate Period (or the Initial Reference Rate, solely for the initial Interest Rate Period) *plus* (ii) the Margin from (and including) February 9, 2017, the date of original issuance, or from (and including) the most recent Interest Payment Date to which interest on such Note has been paid or duly provided for, until the principal thereof is paid or made available for payment. Interest will be payable in arrears on each May 9, August 9, November 9, and February 9 (each, an "Interest Payment Date") and at the Stated Maturity and upon redemption or acceleration, as specified under "Payment of Principal and Interest" below.

The Interest Rate for each period will be reset quarterly and calculated by the Calculation Agent on the Calculation Date immediately prior to the beginning of the relevant Interest Rate Period, except for the Interest Rate for the initial Interest Rate Period. The Interest Rate for the initial Interest Rate Period is 24.4375%. In no case shall the Interest Rate be lower than the Minimum Interest Rate. The Interest Rate Period is the period beginning on, and including, the most recent Interest Payment Date and ending on, but excluding, the next succeeding Interest

Payment Date; *provided* that the first Interest Rate Period on any Note will begin on, and include, the date of original issuance of such Note and will end on, but exclude, the first Interest Payment Date.

If the Central Bank ceases to publish the BADLAR Private Banks Rate, (i) the Calculation Agent will use the replacement of the BADLAR Private Banks Rate that the Central Bank publishes for calculating the Reference Rate or (ii) if a substitute rate does not exist or is not published, the Bank will provide the Calculation Agent with the arithmetic average of the last three (3) Business Days prior to the Calculation Date for time deposits of more than Ps. 1,000,000 for periods between thirty and thirty-five days for the five largest private banks in Argentina in terms of deposits, so that the Calculation Agent uses such average for calculating the Reference Rate. In order to select the five largest private banks in terms of deposits, the most recent deposits report published by the Central Bank will be considered.

Payment of Principal and Interest

General

Each payment to be made under the Indenture or on any Note shall be made on the required payment date in U.S. dollars, as calculated by the Calculation Agent, by converting the Argentine peso amounts due into U.S. dollars at the Applicable Exchange Rate on the applicable Calculation Date.

If the exchange rate established by the Central Bank is not available, the Bank will provide the Calculation Agent with the arithmetic average of the last three Business Days prior to the Calculation Date of the selling exchange rate that is published by the three Argentine private banks with the largest volume of foreign trade transactions according to information published by the Central Bank on its website, so that the Calculation Agent uses such arithmetic average for calculating the Applicable Exchange Rate. The Calculation Agent will notify the Trustee and the Bank on each Calculation Date of the Applicable Exchange Rate and the amount in U.S. dollars to be paid in respect of each Ps. 1,000 outstanding on the immediately following payment date.

Payment of principal of the Notes will be made in two installments as follows: Ps. 2,384,085,000 on February 9, 2020 and Ps. 2,384,085,000 (or such other principal amount of the Notes as may be outstanding) on the Stated Maturity.

The Person in whose name a Note is registered at the close of business on April 24, July 25, October 25, and January 25 immediately preceding each Interest Payment Date (each, a "Record Date") shall be entitled to receive the interest (and principal, if any, payable other than upon acceleration or redemption), if any, payable on such Interest Payment Date, notwithstanding the cancellation of the Note upon any transfer or exchange of such Note subsequent to such Record Date and prior to such Interest Payment Date; *provided* (i) that if and to the extent the Bank shall default in the payment of the interest (including Additional Amounts) due on such Interest Payment Date for such Note, such defaulted interest (including Additional Amounts) shall be paid to the Person in whose name such Note is registered at the end of a subsequent record date established by the Bank by notice given by mail or on behalf of the Bank

to the Holders of the Notes not less than 15 days preceding such subsequent record date, such record date to be not less than 15 days preceding the date of payment in respect of such defaulted interest and (ii) that interest payable at Stated Maturity or upon acceleration or redemption will be payable to the Person to whom principal shall be payable.

Payments of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of any Global Note will be made to DTC, in accordance with DTC's procedures, or its nominee (or any successor thereof) as the registered owner thereof (or any successor thereto). None of the Bank, the Trustee, the Registrar nor any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Payments of the principal of and any premium, interest, Additional Amounts and other amounts on or in respect of any Certificated Note at Stated Maturity or upon acceleration or redemption will be made to the registered holder on the payment date in immediately available funds upon surrender of such Note at the Corporate Trust Office in the Borough of Manhattan, New York City, or at the office of any Paying Agent in the City of Buenos Aires by a check drawn on, or by transfer to an account maintained by the registered holder with, a bank located in New York City. Payments of the principal of and premium, interest, Additional Amounts and any other amounts on or in respect of Certificated Notes to be made other than at Stated Maturity or upon redemption, will be made by check drawn on a bank in New York City mailed on or before the due date for such payment to the address of the Person entitled thereto as it appears in the Register; *provided* that a holder of Ps. 15,000,000 in aggregate principal amount of Certificated Notes shall be entitled to receive such payment by wire transfer in immediately available funds to an account maintained by such holder at a bank located in New York City as may have been appropriately designated by such Person to the Trustee in writing no later than 15 days prior to the relevant Interest Payment Date. Unless such designation is revoked, any such designation made by such Person with respect to such Certificated Note will remain in effect with respect to any future payments with respect to such Certificated Note payable to such Person.

Payments of interest on any Note with respect to any Interest Payment Date will include interest accrued to but excluding such Interest Payment Date.

Interest on the Notes will be calculated on the basis of a year of 365 days and the actual numbers of days elapsed.

If the Stated Maturity or the Interest Payment Date or any other payment date for any Note falls on a day that is not a Business Day, payment of principal (and premium, if any), interest and any Additional Amounts with respect to such Note will be made on the next succeeding Business Day in the place of payment with the same force and effect as if made on the due date and no interest on such payment will accrue from and after such due date.

Redemption and Repurchase

The Notes are subject to redemption for taxation reasons, as further described in the Indenture. The Bank shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

Covenants

For as long as any Note is outstanding, the Bank will comply and to the extent specified in the Indenture will cause its Subsidiaries to comply with the terms of the certain covenants set forth in the Indenture.

Events of Default and Remedies

The Events of Default relating to the Notes are defined in the Indenture. Upon the occurrence of an Event of Default, the rights and obligations of the Bank, the Trustee and the Holders shall be as set forth in the applicable provisions of the Indenture.

Discharge and Defeasance

The Indenture and the Note may be discharged, and the Bank may exercise its defeasance option, each as set forth in the Base Indenture.

Amendments, Supplement and Waiver

The Indenture and the Notes may be amended or supplemented as provided in the Indenture.

Further Issuances

Subject to the authorization of the CNV (to the extent applicable), the Bank may issue additional Notes from time to time, without the consent of the Holders of the Notes then outstanding, and create additional notes of this series ("Additional Notes").

Governing Law, Judgments, Jurisdiction, Service of Process, Waiver of Immunities

The Indenture and the Notes shall be governed by, and construed in accordance with, the law of the State of New York; *provided* that all matters relating to the due authorization, execution, issuance and delivery of the Notes by the Bank, and matters relating to the legal requirements necessary in order for the Notes to qualify as "negotiable obligations" under Argentine law, shall be governed by the Negotiable Obligations Law, together with Companies Law, as amended and supplemented, and other applicable Argentine laws and regulations.

CUSIP, ISIN and Common Code Numbers.

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Bank has caused CUSIP, ISIN and Common Code numbers to be printed on the Notes, and the Trustee may use CUSIP, ISIN and Common Code numbers in

notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Bank shall furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to the Bank at the following address:

c/o Banco Supervielle S.A.
Reconquista 330, C1003ABH
City of Buenos Aires, Argentina
Telephone: +54 11 4324-8000
Telecopy: +54 11 4324-8000
Attention: Rosario Jonas Mackinlay / Leandro Carletti

SCHEDULE A

Date	Principal Amount of Certificated Notes or other Global Notes issued in exchange for or upon transfer of an interest in this Regulation S Global Note	Principal Amount of this Regulation S Global Note Redeemed or Repurchased	Increase in Principal Amount of this Note due to the exchange or transfer of another Note (or an interest therein) for an interest in this Note	Remaining Principal Amount of this Regulation S Global Note	Notation made on behalf of the Trustee by

Exhibit 2.4

SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE ("***Second Supplemental Indenture***") is made as of February 9, 2017 among Banco Supervielle S.A. (the "***Bank***"), The Bank of New York Mellon (the "***Bank of New York***") and Banco Santander Rio S.A. ("***Banco Santander Rio***").

WHEREAS the Bank issued Ps.4,768,170,000 Series A Floating Rate Notes due 2020 (the "***Notes***") pursuant to a trust indenture, dated as of February 9, 2017 (the "***Base Indenture***"), entered into by and among the Bank, as Issuer, the Bank of New York, as Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent, and Banco Santander Rio, as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina, an executed copy of which is attached hereto as Exhibit A, as supplemented by a First Supplemental Indenture, dated as of February 9, 2017 (the "***First Supplemental Indenture***"), among the Bank, as Issuer, the Bank of New York, as Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent, and Banco Santander Rio, as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina, an executed copy of which is attached hereto as Exhibit B (the Base Indenture, as supplemented by the First Supplemental Indenture, collectively the "***Indenture***");

WHEREAS, the Bank deems it to be desirable and not adverse to the interests of the holders of the Notes to amend the minimum authorized denominations of the Notes, as permitted pursuant to Section 11.01 of the Base Indenture;

WHEREAS, pursuant to Article 11 of the Base Indenture, the Bank has requested that the Trustee join in the execution of this Second Supplemental Indenture to amend the minimum authorized denominations of the Notes;

NOW, THEREFORE, in consideration of the foregoing and the agreements and covenants hereinafter set forth, the parties hereby agree as follows:

SECTION 1. Section 2.4 of the First Supplemental Indenture is hereby deleted and replaced with the following sentence: "The Notes will be issued in denominations of Ps.1,000,000 and multiples of Ps.1 in excess thereof."

SECTION 2. This Second Supplemental Indenture supplements the Indenture and shall be a part, and subject to all the terms, thereof. Except as expressly supplemented and amended hereby, the Indenture and the Notes are in all respects ratified and confirmed.

SECTION 3. This Second Supplemental Indenture may be executed in one or more counterparts, and by the parties hereto in separate counterparts, each of which when executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Second Supplemental Indenture by facsimile shall be as effective as delivery of a manually executed counterpart hereof.

SECTION 4. The recitals contained herein shall be taken as the statements of the Bank, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Second Supplemental Indenture.

SECTION 5. This Second Supplemental Indenture shall be governed by, and construed in accordance with, the law of the State of New York.

[Intentionally left blank]

IN WITNESS WHEREOF the parties hereto have caused this Second Supplemental Indenture to be duly executed as of the date first written above.

BANCO SUPERVIELLE S.A.

By: /s/ E. Alejandro Stengel
Name: E. Alejandro Stengel
Title: Director

By: /s/ Jose Luis Panero
Name: Jose Luis Panero
Title: Apoderado

THE BANK OF NEW YORK MELLON
as Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

BANCO SANTANDER RIO
as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have caused this Second Supplemental Indenture to be duly executed as of the date first written above.

BANCO SUPERVIELLE S.A.

By: _____
Name:
Title: Director

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON
as Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent

By: /s/ J. Steven Broude
Name: J. Steven Broude
Title: Authorized Signatory

By: _____
Name:
Title:

BANCO SANTANDER RIO
as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have caused this Second Supplemental Indenture to be duly executed as of the date first written above.

BANCO SUPERVIELLE S.A.

By: _____
Name:
Title: Director

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON
as Trustee, Registrar, Calculation Agent, Paying Agent and Transfer Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

BANCO SANTANDER RIO
as Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina

By: /s/ Aniel Patson Costas
Name: Aniel Patson Costas
Title: Gerente Departmental

By: /s/ Alejandro Butti
Name: Alejandro Butti
Title: Apoderado

Exhibit 8.1

List of subsidiaries of Grupo Supervielle S.A.

Subsidiary	Jurisdiction of incorporation	Name under which the subsidiary does business
Banco Supervielle S.A.	Argentina	Supervielle
Cordial Compañía Financiera S.A.	Argentina	Walmart Servicios Financieros; Servicios Financieros Hipertehuelche; Pesos Ya
Tarjeta Automática S.A.	Argentina	Carta Automática; Pesos Ya
Supervielle Seguros S.A.	Argentina	Supervielle Seguros
Supervielle Asset Management Sociedad Gerente de FCI S.A.	Argentina	Supervielle Asset Management
Espacio Cordial de Servicios S.A.	Argentina	Cordial
Sofital S.A.F. e I.I.	Argentina	N/A

Exhibit 12.1

CERTIFICATE

I, Patricio Supervielle, certify that:

1. I have reviewed this annual report on Form 20-F of Grupo Supervielle S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 27, 2018.

By: /s/ Patricio Supervielle
Name: Patricio Supervielle
Title: Chief Executive Officer

Exhibit 12.2

CERTIFICATE

I, Alejandra Naughton, certify that:

1. I have reviewed this annual report on Form 20-F of Grupo Supervielle S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 27, 2018.

By: /s/ Alejandra Naughton
Name: Alejandra Naughton
Title: Chief Financial Officer

Exhibit 13.1

Certification by CEO and CFO
pursuant to Section 1350, as adapted pursuant to
Section 906 of the Sarbanes — Oxley Act of 2002

The certification set forth below is being furnished to the Securities and Exchange Commission, in connection with Grupo Supervielle S.A.'s Annual Report on Form 20-F for the year ended December 31, 2017 (the "Annual Report") solely for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code as adapted pursuant to Section 906 of the Sarbanes — Oxley Act of 2002.

Patricio Supervielle, the Chief Executive Officer and Alejandra Naughton, the Chief Financial Officer of Grupo Supervielle S.A. each certifies that, to the best of their knowledge:

1. the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Grupo Supervielle S.A.

By: /s/ Patricio Supervielle
Name: Patricio Supervielle
Title: Chief Executive Officer

By: /s/ Alejandra Naughton
Name: Alejandra Naughton
Title: Chief Financial Officer

Date: April 27, 2018.