



GRUPO
SUPERVIELLE S.A.

REPORTS 2Q20
CONSOLIDATED
RESULTS

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2Q20 Net Income of AR\$1.0 billion and Comprehensive Net Income of AR\$1.3 billion

Buenos Aires, August 20, 2020 - Grupo Supervielle S.A. (NYSE: SUPV; BYMA: SUPV), ("Supervielle" or the "Company") a universal financial services group headquartered in Argentina with a nationwide presence, today reported results for the three-month and six-months periods ended June 30, 2020.

Starting 1Q20, the Company began reporting results applying Hyperinflation Accounting, in accordance with IFRS rule IAS 29 ("IAS 29") as established by the Central Bank. For ease of comparison, figures for all quarters of 2019 have been restated applying IAS 29 to reflect the accumulated effect of the inflation adjustment for each period through June 30, 2020. More information can be found in the Section "Hyperinflation Accounting in Argentina" on page 60. This report also includes Managerial figures which exclude the IAS29 adjustment for 2Q20 and 1Q20 and present 2Q19, 3Q19 and 4Q19 figures as they were previously reported according to Central Bank Rules until December 31, 2019 and before the adoption of Rule IAS29 in 1Q20.

Updated details with regard to the Argentine government's social aid, monetary and fiscal measures to mitigate the economic impact of the Covid-19 pandemic can be found on page 59, while the updated specific measures taken by Grupo Supervielle in response to the pandemic may be found on page 10.

Management Commentary

Commenting on second quarter 2020 results, *Patricio Supervielle, Grupo Supervielle's Chairman & CEO, noted: "We took early and decisive action to achieve the three strategic goals established at the onset of the COVID-19 pandemic. First, we acted rapidly to protect the well-being of our employees and our customers. We also supported several initiatives in the communities where we operate to help mitigate the impact of this health crisis. Second, we established protocols to ensure the continuity of our operations, and third, we stepped up our digital transformation initiatives to leverage accelerated adoption in this new normal. Our strong level of liquidity and efficient operating structure are strengthening our capital base allowing us to navigate this complex environment*

During this time, we have continued to seamlessly support and serve our customers, whilst maintaining strict procedures to promote safe banking across all customer segments.

In this low touch economy, we are rapidly executing on our strategy of transforming our company into a cutting edge, cost efficient and agile player with the ability to continuously serve the evolving needs and aspirations of our customers. The use of digital channels consistently increased across our customer segments as we added new functionalities. For example, 70% of total time deposits in the quarter were made through digital channels, up from just 47% in January. We also saw significant adoption in mobile and home banking transactions which increased 66% and 50%, respectively since the end of 2019. Transactions at non-automated tellers declined to 6% of total transactions this quarter from 17% in 1Q20. Moreover, the use of our senior citizens app with face recognition increased 116% since February, as we incentivized the accelerated adoption of digital channels for this group of customers. Additionally, we are very proud of our involvement with regulatory authorities to facilitate a safer banking experience for senior citizens overall during this health crisis.

Among SMEs, another important customer segment, we are seeing the rapid adoption of e-checks and e-factoring. We also continue to support payroll and working capital needs of our SME clients through loans at preferential rates, which reached 7% of our loan book at quarter end.

Maintaining a prudent approach to risk management, during the quarter we increased provisions by nearly 36% sequentially as we continued to revise our expected loss models to adjust for the current economic outlook. Covid-19 specific anticipatory provisions accounted for nearly half of total provisions in the quarter. We are closely monitoring our loan portfolio and risk models and will continue to make requisite adjustments.

Looking ahead, with the positive resolution of the Argentine sovereign debt restructuring we expect negotiations with the IMF to move ahead and clear the way for new sustainable monetary and fiscal policies. The trajectory of the recovery remains uncertain and is largely dependent on the depth and duration of this global health crisis.

We will continue to execute on our goals during this period by safeguarding the health and safety of our employees and customers, offering the very best level and continuity of services, and ensuring the long-term sustainability of our business by continuing to prioritize the digital transformation of our Company," concluded Mr. Supervielle.

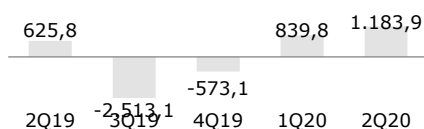
Second Quarter 2020 Highlights

PROFITABILITY

Profit before income tax of AR\$1.2 billion in 2Q20 compared to AR\$625.8 million in 2Q19 and AR\$839.8 million in 1Q20 up 89.2% YoY and 41.0% QoQ. Excluding the impact of IAS29, Profit before income tax, would have been AR\$2.0 billion in 2Q20, AR\$1.6 billion in 2Q19 and AR\$1.8 billion in 1Q20.

QoQ improvement was explained by: i) a 16.2% increase in Net Financial Income due to higher investments in Central Bank securities and higher trading gains, while AR\$ cost of funding decreased 870 bps, ii) a lower impact from inflation adjustment reflecting the deceleration in inflation in 2Q20 compared to 1Q20, and (iii) Personnel Expenses remaining almost flat (-0.7%) reflecting salary increases in line with inflation following the bargaining agreement between banks and unions for the quarter. These were partially offset by: (i) higher LLPs resulting from enhancing the expected loss models to capture a worsening macroeconomic scenario as a result of the extended Covid-19 lockdown Argentina imposed, (ii) a decrease in Net Service Fee Income due to lower credit card usage, higher costs of massive reprints of debit cards to deliver to our senior citizen customers in the early days of the lockdown, and regulations prohibiting charging ATMs fees and further repricing in all other fees until early 2021 that offset an improvement in brokerage and asset management fees, and (iii) an increase in Administrative Expenses mainly related to Covid-19 protocols across the Company's branch network aimed at protecting its employees and customers and to ensure business continuity, increased armored transportation costs, and in connection with initiatives related to the acceleration of the digital transformation process.

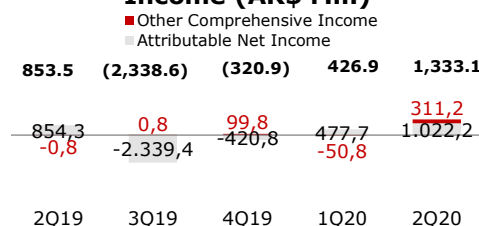
Profit Before Income Tax (AR\$ millions)



Attributable Net income of AR\$1.0 billion in 2Q20, compared to AR\$854.3 billion in 2Q19 and AR\$ 477.7 million in 1Q20, up 19.7% compared to 2Q19 and doubling 1Q20 level. Excluding the impact of IAS29, Attributable Net income would have been AR\$1.9

billion in 2Q20, AR\$1.9 billion in 2Q19 and AR\$1.5 billion in 1Q20.

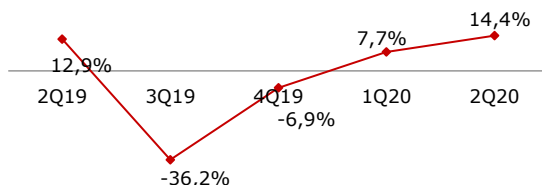
Attributable Comprehensive Income (AR\$ Mil.)



ROAE of 14.4% in 2Q20 compared with 12.9% in 2Q19 and 7.7% in 1Q20. ROAE in 2Q20 benefitted from a deceleration in the pace of inflation reaching 5.4% in the quarter, compared to 1Q20 and 2Q19 when inflation reached levels of 7.8% and 9.5% respectively. ROAE including Other Comprehensive Income from financial instruments recorded as available for sale, was 18.7%. Excluding the impact of IAS29, ROAE would have been 32.4% in 2Q20 compared to 42.2% in 2Q19 and 26.4% in 1Q20.

ROAA of 2.0% in 2Q20 compared to 1.4% in 2Q19 and 1.0% in 1Q20. Excluding the impact of IAS29, ROAA would have been 3.7% in 2Q20 compared to 4.7% in 2Q19 and 3.5% in 1Q20.

ROAE (%)

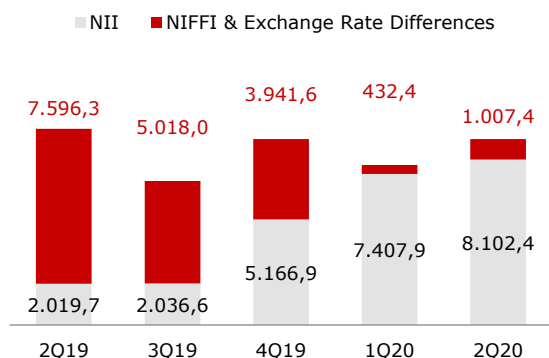


Revenues were down 2.9% YoY and up 9.8% QoQ. Excluding the adoption of IAS29, Total revenues would have increased 40.5% YoY and 17.7% QoQ.

MARGIN

Net Financial Income of AR\$9.1 billion, down 5.3% YoY and up 16.2% QoQ. QoQ performance is mainly explained by: (i) higher investments in Central Bank Securities and trading gains, (ii) a decline in AR\$ cost of funds resulting from a decline in market interest rates and higher sight non-interest bearing deposits, (iii) a decrease in non-remunerated minimum reserve requirements, and (iv) lagged repricing on personal loans, offset by a decline in AR\$ Commercial loan portfolio yield due to the increase in loans granted to SMEs at a 24% preferential interest rate. Excluding the impact of IAS29, Net Financial Income, would have been AR\$ 9.1 billion in 2Q20 up 38.0% YoY and 25.1% QoQ.

Net Interest Margin (NIM) of 23.5% was up 153 bps YoY, and 73 bps QoQ. QoQ performance reflects: i) the increase in assets, mainly driven by higher holdings in Central Bank Leliqs to take advantage of higher spreads as AR\$ cost of funds decreased 870 bps, (ii) a decline in cash minimum reserve requirements following changes in regulation and (iii) a higher proportion of average AR\$ Interest Earning Assets on total average Interest Earning Assets. 2Q20 average AR\$ interest earning assets accounted for 88% of total compared to 86% in 1Q20.



Note: In 2Q20, 1Q20 and 4Q19 AR\$ 4.1 billion, AR\$3.6 billion and AR\$ 1.5 billion yield from investments in high margin Central Bank securities had been recorded in NII since the Company changed in October 2019, the classification of these securities into "at Fair value through other comprehensive income". 4Q19 NIFFI account, still recorded AR\$1.6 billion of these securities yield before the change in classification was made.

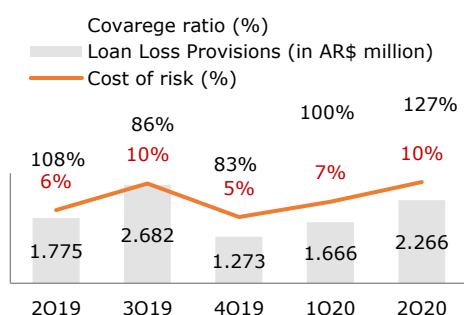
ASSET QUALITY

The total NPL ratio increased by 100 bps YoY but declined 60 bps QoQ to 6.1% in 2Q20. QoQ NPL performance reflects an improvement in all segments, including: (i) a 60 bps decrease in Corporate Segment NPL ratio due to a decline in non-performing loans together with the increase in the segment loan portfolio through AR\$ loans granted to SMEs at a 24% interest rate, ii) a 10 bps decrease in Personal and Business Segment NPL ratio and iii) a 40 bps decrease in Consumer Finance NPL ratio. 2Q20 continues to benefit from Central Bank regulatory easing amid the pandemic on debtor classifications (adding a 60-days grace period before loans are classified as non-performing) and the suspension of mandatory reclassification of customers that are non-performing with other banks, but performing with Supervielle which was introduced in 1Q20 and until September 30, 2020. 2Q20 NPLs may also benefit from the relief program ruled by the Central Bank amid the pandemic, allowing debtors to defer their loan payments originally maturing between April 2020 and September 2020.

Loan loss provisions (LLP) totaled AR\$2.3 billion in 2Q20, up 27.7% YoY and 36.1% QoQ. Covid-19 specific provisions amounted to AR\$ 560 million during 2Q20. These anticipatory provisions reflect the enhancement made to the Company's expected loss models to capture expectations of a worsening

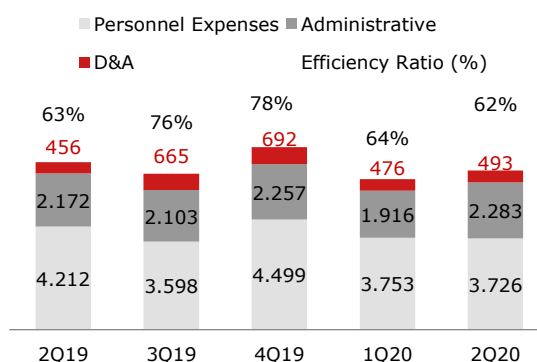
macroeconomic outlook as a result of the extended Covid-19 lockdown in Argentina, and to a lesser extent some top down analysis on certain economic activities that could be highly impacted by the pandemic. The Coverage ratio increased to 127.1% from 107.7% in 2Q19 and 99.6% in 1Q20. The increase in coverage starting 1Q20 reflects provisions made in advance of potential deterioration arising from a weak macro environment and the Covid-19 impacts, as well as benefits from the Central Bank regulatory easing in 1Q20. As of June 30, 2020, the collateralized commercial loan portfolio reached 44% of total, and the collateralized non-performing commercial loans increased to 66% of total, from 61% as of March 31, 2020 and 20% as of June 30, 2019.

Loan Loss Provisions Evaluation



EXPENSES & EFFICIENCY

Efficiency ratio was 61.9% in 2Q20 compared to 63.3% in 2Q19 and improving 230 bps from 1Q20. QoQ performance was mainly due to the 9.8% increase in revenues while expenses increased only 5.8%.



LIQUIDITY

Loans to deposits ratio of 63.4% compared to 73.1% as of June 30, 2019 and 68.1% as of March 31, 2020. AR\$ loans to AR\$ deposits ratio was 57.7% compared to 78.5% on June 30, 2019 and 62.3% as of March 31, 2020. QoQ, the ratio reflects 26.6% growth in AR\$ deposits raised with Wholesale & institutional customers to fund higher holdings of Leliqs, and the 8.4% increase in AR\$ core franchise deposits, while AR\$ loans increased 6.9%. Liquid AR\$ Assets to AR\$ deposits ratio as of June 30, 2020 was 60.7% remaining unchanged from March 31, 2020.

Total Deposits measured in comparable AR\$ units at the end of 2Q20 declined 1.4% YoY and increased 10.8% QoQ to AR\$158.6 billion. AR\$ deposits rose 26.3% YoY and 15.4% QoQ. Foreign currency deposits (measured in US\$) declined 66.2% YoY and 16.0% QoQ, following industry trends since August 2019.

ASSETS

Loans measured in comparable AR\$ units at the end of 2Q20 declined 14.5% YoY and increased 3.2% QoQ to AR\$100.3 billion. The AR\$ Loan portfolio decreased 7.1% YoY and increased 6.9% QoQ. FX loans, measured in US\$, declined 43.9% YoY and 12.5% QoQ, following industry trends since August 2019. YoY and QoQ inflation were 42.8% and 5.4% respectively.

Total Assets were down 5.8% YoY, but up 9.1% QoQ, to AR\$226.6 billion. QoQ performance reflects the increase in loans and holdings of Central Bank Leliqs following the growth in sight deposits amid the pandemic and wholesale deposits raised to take advantage of market spreads.

CAPITAL

Common Equity Tier 1 Ratio as of June 30, 2020, was 13.4%, compared to 13.3% reported as of March 31, 2020 and 11.9% reported as of June 31, 2019. The YoY increase reflects initial IAS29 adjustment on non-monetary assets, and Central Bank regulatory easing on excess provisions amid the Covid-19 pandemic that allows banks to consider as Tier 1 Common Equity, the difference between the expected loss provisions recorded following IFRS9, and the balance of provisions as of November 30, 2019 under the previous accounting framework.

Financial Highlights & Key Ratios

Information stated in terms of the measuring unit current at the end of the reporting period, including the corresponding financial figures for previous periods provided for comparative purposes.

Highlights

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)						% Change				
INCOME STATEMENT	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY	1H20	1H19	% Chg.
Net Interest Income	8,102.4	7,407.9	5,166.9	2,036.6	2,019.7	9.4%	301.2%	15,510.4	4,016	286%
NIFFI & Exchange Rate Differences	1,007.4	432.4	3,941.6	5,018.0	7,596.3	133.0%	-86.7%	1,439.8	14,483	-90%
Net Financial Income	9,109.9	7,840.3	9,108.5	7,054.6	9,616.0	16.2%	-5.3%	16,950.2	18,498	-8.4%
LELIQ Result from exposure to changes in the purchasing power of the currency	-2,244.8	0.0	0.0	0.0	0.0	na	na	- 2,244.8	-	na
Net Service Fee Income (excluding income from insurance activities)	1,625.7	1,830.9	1,569.2	1,802.3	1,846.6	-11.2%	-12.0%	3,456.7	3,848	-10%
Income from Insurance activities	389.0	340.7	375.3	345.0	332.1	14.2%	17.1%	729.8	671	9%
RECPPC	1,692.8	-916.1	-1,420.5	-1,808.9	-1,573.0	-284.8%	-	776.7	(3,359)	-123%
Loan Loss Provisions	-2,266.0	-1,665.5	-1,273.0	-2,681.5	-1,774.6	36.1%	27.7%	- 3,931.6	(4,827)	-19%
Personnel & Administrative Expenses	6,009.2	5,669.7	6,755.1	5,701.0	6,384.3	6.0%	-5.9%	11,678.9	12,234	-5%
Profit before income tax	1,183.9	839.8	-573.1	-2,513.1	625.8	41.0%	89.2%	2,023.7	(40)	-
Attributable Net income	1,022.2	477.7	-420.8	-2,339.4	854.3	114.0%	19.7%	1,500.0	(572)	-362%
Attributable Comprehensive income	1,333.1	427.0	-321.0	-2,338.6	853.5	212.2%	56.2%	1,760.1	(574)	-
Earnings per Share (AR\$)	2.9	0.9	-0.7	-5.1	1.9			3.9	(1)	
Earnings per ADRs (AR\$)	14.6	4.7	-3.5	-25.6	9.3			19.3	(6)	
Average Outstanding Shares (in millions)	456.7	456.7	456.7	456.7	456.7			456.7	457	
BALANCE SHEET	jun 20	mar 20	dec 19	sep 19	jun 19	QoQ	YoY			
Total Assets	226,550.6	207,559.6	169,775.2	206,460.5	240,417.4	9.1%	-5.8%			
Average Assets1	208,894.7	199,489.9	184,901.1	221,035.5	239,281.1	4.7%	-12.7%	204,183.0	234,155.9	-12.8%
Total Loans & Leasing2	100,280.6	97,187.9	104,681.9	111,074.0	117,230.2	3.2%	-14.5%			
Total Deposits	158,604.2	143,094.0	101,107.4	129,520.8	160,801.1	10.8%	-1.4%			
Attributable Shareholders' Equity	28,803.8	27,904.2	27,477.2	27,798.2	30,221.9	3.2%	-4.7%			
Average Attributable Shareholders' Equity1	28,493.5	24,863.2	24,374.0	25,859.5	26,454.6	14.6%	7.7%	27,032.0	25,981.1	4.0%

KEY INDICATORS	2Q20	1Q20	4Q19	3Q19	2Q19	1H20	1H19
Profitability & Efficiency							
ROAE	14.4%	7.7%	-6.9%	-36.2%	12.9%	11.1%	-4.4%
ROAA	2.0%	1.0%	-0.9%	-4.2%	1.4%	1.5%	-0.5%
Net Interest Margin (NIM)	23.5%	22.8%	28.8%	17.4%	22.0%	22.9%	21.5%
Net Fee Income Ratio	18.1%	21.7%	17.6%	23.3%	18.5%	19.8%	19.6%
Cost / Assets	12.5%	12.3%	16.1%	11.5%	11.4%	12.4%	11.2%
Efficiency Ratio	61.9%	64.2%	77.8%	76.3%	63.3%	63.0%	61.7%
Liquidity & Capital							
Total Loans to Total Deposits	63.4%	68.1%	103.5%	85.8%	73.1%		
AR\$ Loans to AR\$ Deposits	57.7%	62.3%	107.7%	82.2%	78.5%		
US\$ Loans to US\$ Deposits	101.1%	97.2%	91.9%	95.8%	60.9%		
Liquidity Coverage Ratio (LCR) ³	126.1%	130.2%	150.3%	140.2%	164.5%		
Total Equity / Total Assets	12.7%	13.4%	14.8%	12.6%	12.6%		
Capital / Risk weighted assets ⁴	14.2%	14.0%	12.1%	12.8%	12.9%		
Tier1 Capital / Risk weighted assets ⁵	13.4%	13.3%	11.3%	11.8%	11.9%		
Risk Weighted Assets / Total Assets	66.9%	66.3%	89.2%	76.7%	47.3%		
Asset Quality							
NPL Ratio	6.1%	6.7%	7.4%	6.9%	5.1%		
Allowances as a % of Total Loans	7.7%	6.6%	6.3%	6.0%	5.5%		
Coverage Ratio	127.1%	99.6%	83.0%	86.1%	107.7%		
Cost of Risk	9.8%	7.1%	5.0%	9.6%	6.0%	8.4%	8.3%
MACROECONOMIC RATIOS							
Retail Price Index (%) ⁶	5.4%	7.8%	11.7%	12.5%	9.5%		
Avg. Retail Price Index (%)	43.9%	50.5%	52.1%	54.1%	56.3%		
UVA (var)	6.7%	9.5%	14.3%	8.5%	12.0%		
Pesos/US\$ Exchange Rate	70.46	64.47	59.90	57.56	42.45		
Badlar Interest Rate (eop)	29.7%	27.6%	39.4%	58.9%	47.5%		
Badlar Interest Rate (avg)	24.4%	33.2%	48.1%	54.7%	50.9%		
Monetary Policy Rate (eop)	38.0%	38.0%	55.0%	78.4%	62.7%		
Monetary Policy Rate (avg)	38.0%	45.6%	65.3%	71.5%	66.8%		
OPERATING DATA							
Active Customers (in millions)	1.9	1.8	1.8	1.8	1.8		
Bank Branches	198	198	198	198	197		
Other Acces Points	104	118	118	119	121		
Employees ⁷	4,976	4,960	5,019	5,134	5,135		

1. Average Assets and average Shareholder's Equity calculated on a daily basis
2. Total Portfolio: Loans and Leasing before Allowances. According to IFRS, this line item includes Securitized Loan Portfolio and loans transferred with recourse.
3. This ratio includes the liquidity held at the holding company level.
4. Regulatory capital divided by risk weighted assets taking into account operational and market risk. Since January 1, 2020, financial institutions which are controlled by non-financial institutions (as in Supervielle's case in relation with the Bank) shall comply with the Minimum Capital requirements, among others on a consolidated basis comprising the non-financial holding and all its subsidiaries (excluding insurance companies and non-financial subsidiaries). As of June 30, 2020, the calculation methodology has not been released and therefore we continue to calculate this ratio adding to the Bank's regulatory capital ratio, the amount of liquidity held at the holding company level. In previous quarters this ratio was named as Proforma Ratio .
5. Tier 1 capital divided by risk weighted assets taking into account operational and market risk. Applies same disclosure as in footnote 4.
6. Source: INDEC
7. These figures do not include temporary employees

Managerial Information. Non-restated figures

The 2Q20 management information included hereunder is not derived directly from accounting records as it is an estimate of non-restated figures excluding the impact of IAS 29 effective January 1, 2020. This information is only provided for comparative purposes with figures disclosed in previous years before the adoption of rule IAS 29.

Highlights - Non-restated figures

(In millions of Argentine Ps.)

INCOME STATEMENT	2Q20	1Q20	4Q19	3Q19	2Q19	% Change		1H20	1H19	% Chg.
						QoQ	YoY			
Net Interest Income	8,109.2	6,840.0	4,412.3	1,523.8	1,370.7	18.6%	491.6%	14,949.3	2,589.0	477.4%
NIFFI & Exchange Rate Differences	941.8	397.4	3,245.5	3,754.4	5,189.6	137.0%	-81.9%	1,339.3	9,449.0	-85.8%
Net Financial Income	9,051.1	7,237.5	7,657.8	5,278.1	6,560.3	25.1%	38.0%	16,288.5	12,038.0	35.3%
Net Service Fee Income (excluding income from insurance activities)	1,583.2	1,692.5	1,348.7	1,348.5	1,241.7	-6.5%	27.5%	3,275.7	2,469.5	32.6%
Income from Insurance activities	355.4	289.6	266.8	258.1	217.2	22.7%	63.7%	645.0	421.1	53.2%
Loan Loss Provisions	-2,205.3	-1,541.8	-1,368.1	-2,007.4	-1,210.8	43.0%	82.1%	- 3,747.2	-3,103.8	20.7%
Personnel & Administrative Expenses	5,884.0	5,231.1	5,690.4	4,265.4	4,395.8	12.5%	33.9%	11,115.1	7,993.5	39.1%
Profit before income tax	1,992.0	1,780.4	1,029.8	-116.5	1,566.1	11.9%	27.2%	3,772.4	2,314.8	63.0%
Attributable Net income	1,923.5	1,465.7	1,466.2	301.0	1,901.5	31.2%	1.2%	3,389.2	2,490.7	36.1%
Attributable Comprehensive income	2,205.7	1,417.2	1,570.3	732.1	1,909.3	55.6%	15.5%	3,622.9	2,524.6	43.5%
Earnings per Share (AR\$)	4.8	3.2	3.2	0.7	4.2					
Earnings per ADRs (AR\$)	24.1	16.0	16.1	3.3	20.8					
Average Outstanding Shares (in millions)	456.7	456.7	456.7	456.7	456.7					
BALANCE SHEET	jun 20	mar 20	dec 19	sep 19	jun 19					
Total Assets	222,401.1	192,679.5	146,493.1	159,815.8	166,144.7	15.4%	33.9%			
Average Assets ¹	207,540.3	169,586.3	156,563.6	165,375.6	162,952.7	22.4%	27.4%	188,563.3	159,462.4	
Total Loans & Leasing	100,280.6	92,230.8	92,154.9	87,524.6	82,117.7	8.7%	22.1%			
Total Deposits	158,604.2	135,795.5	89,008.2	102,060.3	112,638.3	16.8%	40.8%			
Attributable Shareholders' Equity	24,876.9	22,685.2	21,680.0	20,109.7	19,377.6	9.7%	28.4%			
Average Attributable Shareholders' Equity ¹	23,781.1	22,182.6	20,638.5	19,347.7	18,015.9	7.2%	32.0%	22,981.9	17,693.3	
PROFITABILITY	2Q20	1Q20	4Q19	3Q19	2Q19			1H20	1H19	
ROAE	32.4%	26.4%	28.4%	6.2%	42.2%			29.5%	28.2%	
ROAA	3.7%	3.5%	3.7%	0.7%	4.7%			3.6%	3.1%	

2Q20 Earnings Call Dial-In Information

Date: Friday August 21, 2020

Time: 9:00 AM ET; 10:00 AM (Buenos Aires Time)

Dial-in Numbers: 1-877-407-0789 (U.S. and Canada), 1-201-689-8562 (International), 0-800-444-6247 (Argentina), or 0800-756-3429 (U.K.)

Webcast: <http://public.viavid.com/index.php?id=140811>

Replay: From Friday August 21, 2020, 12:00 PM ET through Friday September 4, 2020, 11:59 PM ET. Dial-in number: +1-844-512-2921 (U.S./Canada) or +1-412-317-6671 (international). Pin number: 13707098

Supervielle Measures in the ongoing Covid-19 pandemic environment

The ongoing Covid-19 pandemic and government measures taken to contain the spread of the virus are adversely affecting the Company's businesses. Branches were required to remain closed during the second half of March 2020 and have subsequently only gradually been allowed to open with limited operations. To-date, banks are permitted to open to provide limited services to clients with prior appointments, provided that certain health and safety requirements set forth by the Central Bank are complied with. Details with regard to the Argentine government's social aid, monetary and fiscal measures to mitigate the economic impact of the Covid-19 pandemic which also impact the Company's operations, can be found on page 59.

Since early March 2020, Supervielle's management has been actively monitoring the evolution of the ongoing Covid-19 pandemic and the impact it may have on the business. Measures have been taken rapidly as the situation continued to evolve, focusing mainly on protecting the Company's employees and customers and ensuring the continuity of business operations. On March 13, 2020, even before the nationwide lockdown was declared, the Company implemented a protocol, which included enhancing online security measures, by which a significant part of its workforce began to work remotely.

The Company has taken other measures such as the implementation of a back-to-work protocol for essential employees, which included the rotation of teams within the Company's branches, the incorporation of medical personnel to the crisis management teams, online psychological assistance for employees, and online yoga and gym classes. As of the date of this earnings report, approximately 98% of the Company's non-branch employees are working remotely, while the branch staff are divided into two teams which rotate every 2 weeks.

Since the beginning of the Covid-19 pandemic in Argentina, the Company has been encouraging its customers to use its digital channels. Since the senior citizens' segment (a significant portion of Supervielle's customers base and more vulnerable to the effects of the virus) is generally less familiar with the online or mobile banking platforms, the Company implemented a direct and free exclusive telephone line to assist provide assistance and released tutorials through social media in the first days of the lockdown. Additionally, the Company made numerous debit cards reprints and deliveries as well as debit card resets for non-user clients, adapted the ATM network infrastructure and the existing biometric recognition technology for customers to withdraw money from the ATMs without a debit card. Additional functionalities were added to the online applications for senior citizens as well as in transactional channels and procedures to facilitate their banking transactions and reducing their need to personally attend a branch.

With respect to SMEs, the Company has made available loans promoted by the Argentine government at a 24% interest rate, to assist them with payroll payments and working capital needs. The Company has also launched specific credit lines for SMEs in the health and the transportation sectors. As of the date of this earnings release report, the Bank has granted loans at a 24% interest rate for an approximate amount of AR\$ 8.5 billion.

Grupo Supervielle has announced donations of Ps.13 million to social organizations located throughout the country, funds which will be applied to social initiatives related to the Covid-19 pandemic, such as the purchase of medical equipment for health centers and the provision of food for the most vulnerable communities in the City of Buenos Aires and the Provinces of Buenos Aires, Mendoza and San Luis.

The Company faces various risks arising from the economic impact of the pandemic and related government measures which are difficult to predict accurately at this time. These risks include: (i) a higher risk of impairment of the Company's assets, (ii) lower revenues as a consequence of the temporary restrictions on charging certain fees to customers, and as a result of lower interest rates on loans promoted by the Central Bank, (iii) a possible significant increase in loan defaults and credit losses, with a consequent increase in loan loss provisions, and (iv) a decrease in credit demand and in the business activity in general, particularly new retail lending. Certain factors that could offset these risks include: (i) the reduction of the cost of funding, which decreased since the beginning of the Covid-19 pandemic crisis, and (ii) the structure of its liabilities, as the Company estimates will not face liquidity constraints as a result of the pandemic.

The Company continues to monitor the impact of the ongoing COVID-19 pandemic on its business and will implement all possible actions to preserve health of its employees and to ensure continuity of operations. Grupo

Supervielle will continue focusing on improving efficiency while keeping its differentiated strategy to capture growth, remaining flexible under this particularly volatile and challenging scenario. The ultimate impact of the pandemic on its business, results of operations and financial condition remains highly uncertain and will depend on future developments outside of the Company control, including the intensity and duration of the pandemic and the government measures taken in order to contain the virus or mitigate the economic impact.

Review of Consolidated Results

Supervielle offers financial products and services mainly through Banco Supervielle (the "Bank"), a universal commercial bank, and Cordial Compañía Financiera ("CCF"), a consumer finance company which is consolidated with the Bank's operations. The Bank and CCF, Supervielle's main assets, comprised 93.2% and 3.3% respectively of total assets as of June 30, 2020. Supervielle also operates Tarjeta Automática, a consumer finance company with a distribution network mainly in southern Argentina; MILA, a car financing company; Espacio Cordial de Servicios, a retail company cross-selling related non-financial products and services; Supervielle Seguros, an insurance company; Supervielle Productores Asesores de Seguros, an insurance broker company, Supervielle Asset Management; InvertirOnline.com, an online broker; and Futuros del Sur (in the process of being renamed Supervielle Agente de Negociacion), a brokerage firm targeting institutional and corporate customers.

Comprehensive Income & Profitability. Figures as reported (stated in terms of the measuring unit current at the end of June 30, 2020) compared to non-restated for inflation figures.

YoY comparison:

Income Statement	2Q20 as reported	2Q19 as reported	% Var	IAS 29 2Q20	2Q20 non restated	2Q19 non restated	% Var non restated
Real vs. Non restated (In millions of Argentine Ps.)							
Net interest income	8,102.4	2,019.7	301.2%	-6.8	8,109.2	1,370.7	491.6%
NIFFI & Exchange Rate Differences	1,007.4	7,596.3	-86.7%	65.6	941.8	5,189.6	-81.9%
Net Financial Income	9,109.9	9,616.0	-5.3%	58.8	9,051.1	6,560.3	38.0%
LELIQ Result from exposure to changes in the purchasing power of the currency	-2,244.8	0.0	-	-2,244.8			
Net Service Fee Income	2,014.7	2,178.7	-7.5%	76.1	1,938.6	1,458.9	32.9%
Result from exposure to changes in the purchasing power of the currency	1,692.8	-1,573.0	-207.6%	1,692.8			
Loan loss provisions	-2,266.0	-1,774.6	27.7%	-60.7	-2,205.3	-1,210.8	82.1%
Net Operating Income	9,177.1	9,176.9	0.0%	-451.2	9,628.3	7,329.4	31.4%
Personnel & administrative expenses	6,009.2	6,384.3	-5.9%	125.3	5,884.0	4,395.8	33.9%
Depreciation & Amortization	492.8	455.7	8.2%	202.0	290.8	208.8	39.3%
Other expenses, net	620.6	981.3	-36.8%	3.0	617.6	637.7	-3.2%
Profit before income tax	1,183.9	625.8	89%	-808.1	1,992.0	1,566.1	27.2%
Income tax expense	161.0	-229.3	-170%	93.6	67.4	-337.1	-120.0%
Attributable net income	1,022.2	854.3	20%	-901.2	1,923.5	1,901.5	1.2%
Attributable comprehensive income	1,333.1	853.5	56%	-872.5	2,205.7	1,909.3	15.5%

QoQ comparison:

Income Statement	2Q20 as reported	1Q20 as reported	% Var	IAS 29 2Q20	2Q20 non restated	1Q20 non restated	% Var non restated
Real vs. Non Restated (In millions of Argentine Ps.)							
Net interest income	8,102.4	7,407.9	9.4%	-6.8	8,109.2	6,840.0	18.6%
NIFFI & Exchange Rate Differences	1,007.4	432.4	133.0%	65.6	941.8	397.4	137.0%
Net Financial Income	9,109.9	7,840.3	16.2%	58.8	9,051.1	7,237.5	25.1%
LELIQ Result from exposure to changes in the purchasing power of the currency	-2,244.8	0.0	-	-2,244.8			
Net Service Fee Income	2,014.7	2,171.7	-7.2%	76.1	1,938.6	1,982.1	-2.2%
Result from exposure to changes in the purchasing power of the currency	1,692.8	-916.1	-284.8%	1,692.8			
Loan loss provisions	-2,266.0	-1,665.5	36.1%	-60.7	-2,205.3	-1,541.8	43.0%
Net Operating Income	9,177.1	8,293.5	10.7%	-451.2	9,628.3	8,473.4	13.6%
Personnel & administrative expenses	6,009.2	5,669.7	6.0%	125.3	5,884.0	5,231.1	12.5%
Depreciation & Amortization	492.8	476.2	3.5%	202.0	290.8	257.3	13.0%
Other expenses, net	620.6	444.7	39.6%	3.0	617.6	408.9	51.0%
Profit before income tax	1,183.9	839.8	41%	-808.1	1,992.0	1,780.4	11.9%
Income tax expense	161.0	361.7	-55%	93.6	67.4	313.5	-78.5%
Attributable net income	1,022.2	477.7	114%	-901.2	1,923.5	1,465.7	31.2%
Attributable comprehensive income	1,333.1	427.0	212%	-872.5	2,205.7	1,417.2	55.6%

The results restated for inflation corresponding to 1Q20 and 2Q19 contain the effect of three and twelve-month inflation as of June 2020, which reached 5.4% and 42.8% respectively.

Attributable net income of AR\$1.0 billion in 2Q20, compared to net income of AR\$854.3 million in 2Q19 and AR\$477.7 million in 1Q20. Excluding the impact of IAS29, Net Income was AR\$1.9 billion, increasing 1.2% YoY and 31.2% from 1Q20.

Attributable comprehensive income of AR\$1.3 billion in 2Q20, compared to net income of AR\$853.5 million in 2Q19 and AR\$427.0 million in 1Q20. Excluding the impact of IAS29, Attributable comprehensive income was AR\$2.2 billion, increasing 15.5% YoY and 55.6% from 1Q20.

Comprehensive Income & Profitability

Income Statement						% Change	
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Consolidated Income Statement Data NIIF:							
Interest income	12,765.2	13,763.5	13,066.8	12,344.9	12,537.1	-7.3%	1.8%
Interest expenses	-4,662.8	-6,355.6	-7,899.9	-10,308.3	-10,517.4	-26.6%	-55.7%
Net interest income	8,102.4	7,407.9	5,166.9	2,036.6	2,019.7	9.4%	301.2%
Net income from financial instruments at fair value through profit or loss	653.9	321.2	3,386.5	5,825.7	7,213.0	103.6%	-90.9%
Result from recognition of assets measured at amortized cost	54.3	12.3	0.0	0.0	0.0	343.2%	na
Exchange rate difference on gold and foreign currency	299.2	98.9	555.1	-807.8	383.4	202.5%	-22.0%
NIFFI & Exchange Rate Differences	1,007.4	432.4	3,941.6	5,018.0	7,596.3	133.0%	-86.7%
Net Financial Income	9,109.9	7,840.3	9,108.5	7,054.6	9,616.0	16.2%	-5.3%
LELIQ Result from exposure to changes in the purchasing power of the currency	-2,244.8	0.0	0.0	0.0	0.0	na	na
Fee income	2,287.2	2,536.3	2,238.0	2,526.5	2,469.3	-9.8%	-7.4%
Fee expenses	-661.4	-705.4	-668.8	-724.1	-622.7	-6.2%	6.2%
Income from insurance activities	389.0	340.7	375.3	345.0	332.1	14.2%	17.1%
Net Service Fee Income	2,014.7	2,171.7	1,944.5	2,147.3	2,178.7	-7.2%	-7.5%
Subtotal	8,879.8	10,012.0	11,053.0	9,201.9	11,794.7	-11.3%	-24.7%
Result from exposure to changes in the purchasing power of the currency	1,692.8	-916.1	-1,420.5	-1,808.9	-1,573.0	-284.8%	-207.6%
Other operating income	870.5	863.1	754.5	772.2	729.8	0.9%	19.3%
Loan loss provisions	-2,266.0	-1,665.5	-1,273.0	-2,681.5	-1,774.6	36.1%	27.7%
Net Operating Income	9,177.1	8,293.5	9,114.0	5,483.6	9,176.9	10.7%	0.0%
Personnel expenses	3,726.5	3,753.4	4,498.5	3,598.4	4,211.9	-0.7%	-11.5%
Administration expenses	2,282.8	1,916.3	2,256.5	2,102.6	2,172.5	19.1%	5.1%
Depreciations and impairment of assets	492.8	476.2	691.6	664.9	455.7	3.5%	8.2%
Other operating expenses	1,491.1	1,307.8	2,240.4	1,630.9	1,711.1	14.0%	-12.9%
Operating income	1,183.9	839.8	-573.1	-2,513.1	625.8	41.0%	89.2%
Profit before income tax	1,183.9	839.8	-573.1	-2,513.1	625.8	41.0%	89.2%
Income tax	161.0	361.7	-152.4	-171.4	-229.3	-55.5%	-170.2%
Net income for the year	1,022.9	478.1	-420.7	-2,341.8	855.1	113.9%	19.6%
Net income for the year attributable to parent company	1,022.2	477.7	-420.8	-2,339.4	854.3	114.0%	19.7%
Net income for the year attributable to non-controlling interest	0.6	0.4	0.1	-2.4	0.8	56.2%	-19.6%
Other Comprehensive Income, net of tax	311.2	-50.8	99.8	0.8	-0.8	na	na
Comprehensive income	1,334.1	427.3	-320.9	-2,341.0	854.3	212.2%	56.2%
Attributable to owners of the parent company	1,333.1	427.0	-321.0	-2,338.6	853.5	212.2%	56.2%
Attributable to non-controlling interests	1.0	0.4	0.1	-2.4	0.8	169.9%	21.2%
ROAE	14.4%	7.7%	-6.9%	-36.2%	12.9%		
ROAA	2.0%	1.0%	-0.9%	-4.2%	1.4%		

Profit before income tax of AR\$1.2 billion in 2Q20 compared to AR\$625.8 million in 2Q19 and AR\$839.8 million in 1Q20 up 89.2% YoY and 41.0% QoQ. Excluding the impact of IAS29, Profit before income tax, would have been AR\$2.0 billion in 2Q20, AR\$1.6 billion in 2Q19 and AR\$1.8 billion in 1Q20.

QoQ improvement was explained by: i) a 16.2% increase in Net Financial Income due to higher investments in Central Bank securities and higher trading gains, while AR\$ cost of funding decreased 870 bps, ii) a lower impact from inflation adjustment reflecting the deceleration in inflation in 2Q20 compared to 1Q20, and (iii) Personnel Expenses remaining almost flat (-0.7%) reflecting salary increases in line with inflation following the bargaining agreement between banks and unions for the quarter. These were partially offset by: (i) higher LLPs resulting from enhancing the expected loss models to capture a worsening macroeconomic scenario as a result of the extended Covid-19 lockdown Argentina imposed, (ii) a decrease in Net Service Fee Income due to lower credit

card usage, higher costs of massive reprints of debit cards to deliver to our senior citizens customers in the early days of the lockdown, and regulations prohibiting charging ATMs fees and further repricing in all other fees until early 2021 that offset an improvement in brokerage and asset management fees, and (iii) an increase in Administrative Expenses mainly related to Covid-19 protocols across the Company's branch network aimed at protecting its employees and customers and to ensure business continuity, higher armored transportation costs, and in connection with initiatives related to the acceleration of the digital transformation process.

Attributable Net income of AR\$1.1 billion in 2Q20, compared to AR\$854.3 billion in 2Q19 and AR\$ 477.7 million in 1Q20. Excluding the impact of IAS29, Attributable Net income would have been AR\$1.9 billion in 2Q20 increasing 31.2% QoQ and 1.2% YoY. In 2Q19 the company began considering inflation adjustment for tax purposes in the income tax line item. As a result, in 2Q19 the income tax line item included an accumulated gain of AR\$948 million for this concept corresponding to the first six months of 2019 (AR\$472.5 million for 1Q19 results and AR\$475.4 million for 2Q19 results).

Attributable Comprehensive Income of AR\$ 1.3 billion in 2Q20 compared to AR\$853.5 million in 2Q19 and AR\$427.0 million in 1Q20. Excluding the impact of IAS29, Attributable Comprehensive income would have been AR\$2.2 billion in 2Q20 increasing 15.5% YoY and 55.6% QoQ.

Other Comprehensive Income in 2Q20 of AR\$311.2 million gain compared to AR\$0.8 million loss in 2Q19 and AR\$50.8 million loss in 1Q20. 2Q20 gain reflects the difference between the amortized cost and the market value of financial instruments classified as available for sale. In May 2020, the Bank participated in the voluntary swap launched by the Ministry of Economy of US\$ Treasury Bills (LETES) for Treasury Bonds in Pesos adjustable by CER (BONCER), with a nominal value of 53,481,301, being awarded 100%. The total holding of BONCER was classified as available for sale. This line item also reflects the result from the changes in the purchasing power of the currency on these securities classified as available for sale following Central Bank regulation.

ROAE of 14.4% in 2Q20 compared with 12.9% in 2Q19 and 7.7% in 1Q20. ROAE in 2Q20 benefitted from a deceleration in the pace of inflation reaching 5.4% in the quarter compared to 1Q20 and 2Q19 when inflation reached levels of 7.8% and 9.5% respectively. ROAE including Other Comprehensive Income from financial instruments recorded as available for sale, was 18.7% in 2Q20. Excluding the impact of IAS29, ROAE would have been 32.4% in 2Q20 compared to 42.2% in 2Q19 and 26.4% in 1Q20. 2Q19 ROAE included AR\$472.5 million corresponding to inflation adjustment for tax purposes of the income tax line item for the previous 1Q19 quarter.

ROAA of 2.0% in 2Q20 compared to 1.4% in 2Q19 and 1.0% in 1Q20. Excluding the impact of IAS29, ROAA would have been 3.7% in 2Q20 compared to 4.7% in 2Q19 and 3.5% in 1Q20.

Comprehensive Income & Profitability Breakdown

Excluding the Consumer Finance lending business, 2Q20 ROAE reached 18.0%, above the reported consolidated ROAE of 14.4%.

	2Q20			1Q20		
	GS ⁽¹⁾	CFL ⁽²⁾	GS excl. CFL ⁽³⁾	GS ⁽¹⁾	CFL ⁽²⁾	GS excl. CFL ⁽³⁾
Net Financial Income /Average Assets**	17.4%	31.4%	16.8%	15.7%	24.4%	15.3%
LLP / Avg. Assets**	4.3%	12.1%	4.0%	3.3%	8.5%	3.1%
ROA**	2.0%	-5.7%	2.3%	1.0%	-9.0%	1.5%
ROE**	14.4%	-16.0%	18.0%	7.7%	-28.9%	13.0%
Assets / Shareholders' equity	7.3x	2.8x	7.9x	8.0x	3.2x	8.7x

⁽¹⁾ refers to Grupo Supervielle

⁽²⁾ refers to Consumer Finance Lending business (including CCF, Mila and TA)

⁽³⁾ refers to Grupo Supervielle excluding the Consumer Finance Lending business

**Annualized ratios

Consumer Finance lending business performance in 2Q20 continued to reflect an increase in financial margin driven by lower cost of funds following the decline in market interest rates, partially offset by an increase in anticipatory loan loss provisions to cope with a potential loan portfolio deterioration once the deferral program ruled by the Central Bank ends on September 30, 2020.

Net Financial Income

(Net Interest Income -NII-, Net Income from Financial Instruments -NIFFI- & Exchange Rate Differences on Gold and Foreign Currency)

Net Financial Income of AR\$9.1 billion, down 5.3% YoY and up 16.2% QoQ. QoQ performance is mainly explained by: (i) higher investments in Central Bank Securities and trading gains, (ii) a decline in AR\$ cost of funds resulting from a decline in market interest rates and higher sight non-interest bearing deposits, (iii) a decrease in non-remunerated minimum reserve requirements, and (iv) lagged repricing on personal loans, offset by a decline in AR\$ Commercial loan portfolio yield due to the increase in loans granted to SMEs at 24% preferential interest rate. Excluding the impact of IAS29, Net Financial Income, would have been AR\$ 9.1 billion in 2Q20 up 38.0% YoY and 25.1% QoQ.

Net Financial Income	% Change						
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Net Interest Income	8,102.4	7,407.9	5,166.9	2,036.6	2,019.7	9.4%	301.2%
NIFFI & Exchange rate differences	1,007.4	432.4	3,941.6	5,018.0	7,596.3	133.0%	-86.7%
Net Financial Income	9,109.9	7,840.3	9,108.5	7,054.6	9,616.0	16.2%	-5.3%

Note: In 2Q20, 1Q20 and 4Q19, AR\$4.0 billion, AR\$3.6 billion and AR\$1.5 billion yield from investments in Central Bank securities had been recorded in NII since the Company changed in October 2019, the classification of these securities into "at Fair value through other comprehensive income". 4Q19 NIFFI account, still recorded AR\$1.6 billion of these securities yield before the change in classification was made.

Net Interest Income was AR\$8.1 billion, compared to AR\$2.0 billion in 2Q19 and AR\$7.4 billion in 1Q20. In the quarter, NII benefitted from: (i) higher investments in Central Bank Securities, (ii) a decline in AR\$ cost of funds resulting from a decline in market interest rates and higher sight non-interest bearing deposits, (iii) a decrease in non-remunerated minimum reserve requirements, and (iv) lagged repricing on personal loans, offset by a decline in AR\$ Commercial loan portfolio yield due to the increase in loans granted to SMEs at a 24% preferential interest rate. These were partially offset by a 14.5% increase in the average balance of high cost interest bearing liabilities to fund increased investments in Central Bank Leliqs.

Moreover, YoY comparisons are impacted by the change in the classification and therefore accounting methodology for all Central Bank Securities and sovereign bonds acquired by the Company since October 2019. In 2Q20, 1Q20 and 4Q19 AR\$4.1 billion, AR\$3.6 billion and AR\$1.5 billion yield from investments in Central Bank securities has been recorded in NII, respectively following the Fair value through other comprehensive income methodology since October 2019. In previous quarters, when those securities were classified as Held for trading securities, yields from those investments were recorded in NIFFI following the Fair value through profit or loss accounting methodology while deposits to fund those marginal investments were reflected in Net Interest Income.

As of June 30, 2019, March 31, 2020 and December 31, 2019, AR\$57.7 billion, AR\$43.5 billion and AR\$8.1 billion respectively of securities issued by the Central Bank -Leliqs- were classified in the available for sale category, and accordingly valued at fair value through other comprehensive income methodology together with the cost of the higher balance of interest-bearing liabilities raised to fund those investments, both reflected in Net Interest Income. Before October 2019, the balance of these securities was classified as held for trading and accordingly

valued at market price recording profits in NIFFI while the cost of the higher balance of interest-bearing liabilities raised to fund those investments, was recorded as interest expenses within Net Interest Income.

Below is a breakdown of the securities portfolio held as of June 30, 2020, between securities held for trading purposes, securities held to maturity, and securities available for sale. The accounting methodology is different for each security class.

- a) **Amortized cost** ("Held to maturity"): Assets measured at amortized cost are those held for the purpose of collecting contractual cash flows. Interest income is recognized in net interest margin. Assets in this category include the Company's loan portfolio and certain government (mainly holdings of Bote) and corporate securities. Since January 1, 2020, the reprofiled Letes that the Company had, were changed from Held for trading to this security class, as allowed by the Central Bank through Communication A 6847. When changed to this category, the Letes were recorded at the market price as of December 31, 2019, and since then have accrued implicit yield, unless the market price decreases below the recorded value. If market value is lower than book value, accrual of interests and exchange rate difference must be suspended until the market price reaches the prior level. In May 2020, the Company swapped this Letes for Treasury Bonds in Pesos adjustable by CER (BONCER) and the new Boncer received were classified as Available for sale.
- b) **Fair value through other comprehensive income** ("Available for sale"): Assets measured at fair value through other comprehensive income are those held for the purpose of both collecting contractual cash flows and selling financial assets. Interest income is recognized in net interest margin in the income statement, while changes in fair value are recognized in other comprehensive income.
- c) **Fair value through profit or loss** ("Held for trading"): Assets measured at fair value through profit or loss are those held for the purpose of trading financial assets. Changes in fair value are recognized in the "Net income from financial instruments" line item of the income statement. Assets in this category include most government securities (including Letes and Lecaps that were reprofiled) and securities issued by the Central Bank, other than those classified as amortized cost. As mentioned above, since January 1, 2020, all reprofiled Letes held by the Company, were re-classified to "Held to maturity", from "Held for trading". Additionally, on January 20, 2020, the Company entered into the exchange offered by the Argentine government for some of the reprofiled Lecaps held and received Lebads payable at 6 and 9 months term, which were classified as "Available for sale". Any further price changes in these Lebads will be therefore recognized at fair value through other comprehensive income. In May, 2020, the Company participated in a voluntary Argentine US\$ Treasury notes (LETES) swap for Treasury Bonds in Pesos adjustable by CER (BONCER) which were also classified as "Available for sale". 100% of Supervielle holdings of Letes were swapped for Boncer.

Securities Breakdown¹

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

	jun 20	mar 20	dec 19	sep 19	jun 19
Held for trading	3,465.4	513.3	645.8	40,045.2	59,833.7
Government Securities	3,106.3	196.0	536.2	1,960.3	3,723.2
Securities Issued by the Central Bank	-	-	-	37,885.4	56,014.4
Corporate Securities	359.0	317.3	109.5	199.6	96.0
Held to maturity	5,417.3	5,288.6	3,976.2	4,860.3	4,523.8
Government Securities ²	5,413.7	5,278.3	3,970.0	4,837.2	4,485.5
Securities Issued by the Central Bank	-	-	-	-	-
Corporate Securities	3.5	10.3	6.2	23.2	38.2
Available for sale	59,219.4	43,885.3	8,162.5	11.1	13.0
Government Securities	1,523.8	383.5	-	-	-
Securities Issued by the Central Bank	57,686.9	43,492.5	8,145.9	-	-
Corporate Securities	8.7	9.3	16.6	11.1	13.0
Total	68,102.0	49,687.2	12,784.5	44,916.7	64,370.5
Securities Issued by the Central Bank in Repo (Held to maturity)	4,460.1				
US\$ Gov Sec, in Guarantee (Held for trading)	328.7	1,492.7	1,401.9	1,031.1	2,626.8

AR\$ Gov Sec.in Time Deposits (Held to maturity)	-	-	65.8	-	-
Total (incl. US\$ Gov Sec. in Guarantee)	72,890.8	51,179.8	14,252.2	45,947.8	66,997.3

1. Includes securities denominated in AR\$ and US\$
2. Includes AR\$5.1 billion BOTE 2020 and 2022 and AR\$ 334 million of Lebas. On January 20, 2020, the Company entered into the exchange offered by the Government regarding the AR\$ (Lecaps) reprofiled notes, receiving Lebas, and classified the Lebas as Available for Sale. On January 1, 2020, the Company changed the Letes held, from the category Held for Trading to Held to maturity.

Net Income from financial instruments and Exchange rate differences of AR\$1.0 billion compared to AR\$7.6 billion in 2Q19 and AR\$432.4 million in 1Q20. YoY comparisons were impacted by the abovementioned changes in the classification of Central Bank Securities to the "Available for Sale" category, from the "Held for Trading" security class.

NIFFI & Exchange rate differences on gold and foreign currency	% Change						
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Income from:							
- Government and corporate securities	631.6	246.9	1,894.7	-1,297.6	225.0	155.8%	180.8%
- Term Operations	10.7	41.1	59.2	743.8	-86.1	-73.9%	-112.5%
- Securities issued by the Central Bank	11.6	33.2	1,432.6	6,379.5	7,074.1	-65.1%	-99.8%
Subtotal	653.9	321.2	3,386.5	5,825.7	7,213.0	103.6%	-90.9%
Result from recognition of assets measured at amortized cost	54.3	12.3	0.0	0.0	0.0	343.2%	na
Exchange rate differences on gold and foreign currency	299.2	98.9	555.1	-807.8	383.4	202.5%	-22.0%
Total	1,007.4	432.4	3,941.6	5,018.0	7,596.3	133.0%	-86.7%

3Q19 loss from government and corporate securities reflected the loss on the US\$ short term treasury notes - Letes- and on the AR\$ short term treasury notes -Lecaps- after the debt reprofiling announced by the government of President Macri in August 2019. 4Q19 included the price improvement of those reprofiled short term US\$ and AR\$ Argentine treasury notes (Letes and Lecaps).

Net Income from US\$ denominated operations and securities was AR\$480.6 million mainly explained by gains on foreign currency trading across all customers segments, and to a lesser extent due to slightly long fx position of the Bank's treasury.

Net Income from US\$ denominated operations and Securities	% Chg.					
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ
Financial Income from US\$ Operations	181.4	138.1	1,278.2	48.5	334.1	31.4%
NIFFI	127.6	101.3	1,278.2	48.6	322.1	26.0%
US\$ Government Securities ³	116.9	60.2	1,219.0	-695.3	408.2	94.2%
Term Operations	10.7	41.1	59.2	743.8	-86.1	-73.9%
Interest Income	53.8	36.8	0.0	0.0	12.0	46.3%
US\$ Government Securities ²	53.8	36.8	0.0	0.0	12.0	46.3%
Exchange rate differences on gold and foreign currency	299.2	98.9	555.1	-807.8	383.4	202.5%
Total Income from US\$ Operations¹	480.6	237.0	1,833.2	-759.3	717.4	

1. Includes Gains On Trading From Fx Operations, including retail and corporate and institutional customers
2. Securities Held To Maturity
3. Securities Held For Trading. Until May, also included US\$ Letes.

Net Interest Margin (NIM) of 23.5% was up 153 bps YoY, and 73 bps QoQ. QoQ performance reflects: i) the increase in assets, mainly driven by higher holdings in Central Bank Leliqs to take advantage of higher spreads as AR\$ cost of funds decreased 870 bps, (ii) a decline in cash minimum reserve requirements following changes in regulation and (iii) a higher proportion of average AR\$ Interest Earning Assets on total average Interest Earning Assets. 2Q20 average AR\$ interest earning assets accounted for 88% of total compared to 86% in 1Q20.

The Tables below provides further information about NIM breakdown corresponding to the Loan Portfolio and Investment Portfolio, Average Assets and Average Liabilities, as well as interest rates both on assets and liabilities and market rates.

NIM Analysis	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ (bps)	YoY (bps)
Total NIM	23.5%	22.8%	28.8%	17.4%	22.0%	73	153
AR\$ NIM	25.4%	26.5%	31.2%	27.9%	26.4%	-107	-100
US\$ NIM	12.6%	5.7%	21.0%	-17.2%	7.6%	695	506
Loan Portfolio	22.8%	23.8%	21.7%	18.6%	18.8%	-104	404
AR\$ NIM	28.2%	30.0%	28.3%	24.2%	24.1%	-176	407
US\$ NIM	4.6%	4.2%	3.9%	5.4%	5.2%	44	-60
Investment Portfolio	25.6%	19.7%	49.2%	18.1%	29.7%	590	-413
AR\$ NIM	25.1%	19.9%	40.5%	26.0%	33.2%	520	-813
US\$ NIM	44.1%	15.9%	141.2%	-57.0%	5.3%	2822	3880

The Table below provides further information about Interest-Earning Assets and Interest-Bearing Liabilities. Sequentially, assets and liabilities repriced at a similar pace.

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

Interest Earning Assets	2Q20		1Q20		4Q19		3Q19		2Q19	
	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate
Investment Portfolio										
Government and Corporate Securities	10,449.5	48.5%	8,072.3	25.1%	7,980.3	91.7%	11,969.0	-72.0%	15,502.6	18.2%
Securities Issued by the Central Bank	44,114.7	36.8%	33,918.3	42.8%	16,818.7	68.7%	35,207.7	72.5%	40,041.1	70.7%
Total Investment Portfolio	54,564.1	39.1%	41,990.6	39.4%	24,799.0	76.1%	47,176.7	35.8%	55,543.7	56.0%
Loans										
Loans to the Financial Sector	275.7	36.5%	254.3	4.8%	414.9	49.7%	848.2	39.3%	1,082.5	10.6%
Overdrafts	7,124.5	37.2%	6,245.5	52.7%	7,393.8	61.5%	8,479.0	70.8%	7,571.2	66.9%
Promissory Notes	10,069.5	39.9%	9,645.4	57.8%	9,257.2	68.8%	10,448.4	68.4%	10,905.2	63.5%
Mortgage loans	8,782.0	34.4%	8,955.1	40.7%	8,821.5	59.3%	9,075.7	38.9%	9,151.3	50.4%
Automobile and Other Secured Loans	1,199.6	48.7%	1,323.5	48.4%	1,553.0	52.1%	1,989.5	50.4%	2,169.6	37.7%
Personal & Business Banking Personal Loans	14,089.3	66.5%	15,423.3	63.0%	16,630.0	62.2%	19,777.8	61.5%	22,911.1	53.3%
Consumer Finance Personal Loans	3,071.0	83.5%	3,306.5	80.4%	3,504.0	73.2%	4,065.3	65.2%	4,927.3	61.3%
Corporate Unsecured Loans	13,820.0	34.5%	12,231.8	54.5%	12,905.0	64.7%	10,387.3	54.7%	11,506.6	57.0%
Retail Banking Credit Card Loans	9,693.6	15.9%	10,722.7	28.9%	10,805.4	34.7%	10,411.8	40.2%	10,774.3	44.2%
Consumer Finance Credit Card Loans	2,315.1	31.9%	2,605.6	38.3%	2,491.6	39.5%	2,479.0	31.5%	2,522.6	43.3%
Receivables from Financial Leases	3,096.8	19.7%	3,371.8	19.2%	4,072.2	23.1%	4,774.1	24.7%	5,350.0	26.1%
Total Loans excl. Foreign trade and US\$ loans¹	73,536.9	40.7%	74,085.4	49.9%	77,848.5	56.6%	82,735.9	54.0%	88,871.7	52.4%
Foreign Trade Loans & US\$ loans	19,028.6	7.3%	19,403.6	7.3%	23,407.0	6.6%	28,993.7	7.2%	30,194.6	7.1%
Total Loans	92,565.5	33.9%	93,489.1	41.0%	101,255.5	45.1%	111,729.6	41.8%	119,066.3	40.9%
Securities Issued by the Central Bank in Repo Transaction	7,648.5	16.8%	1,996.8	43.8%	281.1	58.1%	3,517.3	70.4%	127.3	62.5%
Total Interest-Earning Assets	154,778.1	34.9%	137,476.4	40.6%	126,335.5	51.2%	162,423.7	40.7%	174,737.3	45.7%

1. In 2Q20, 1Q20, 4Q19, 3Q19 and 2Q19 include AR\$2.2 billion, AR\$ 2.9 billion, AR\$3.8 billion, AR\$4.3 billion and AR\$ 3.7 billion respectively of US\$ loans, mainly credit cards with US\$ balances.

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

Interest Bearing Liabilities & Low & Non-Interest Bearing Deposits	2Q20		1Q20		4Q19		3Q19		2Q19	
	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate
Time Deposits	52,079.9	25.0%	51,776.3	34.0%	40,545.4	47.4%	54,203.8	46.6%	52,372.7	41.3%
AR\$ Time Deposits	47,337.2	27.3%	47,169.1	37.2%	36,527.0	52.4%	47,989.8	52.4%	44,871.1	48.0%
FX Time Deposits	4,742.7	1.7%	4,607.1	1.7%	4,018.4	1.8%	6,214.0	1.1%	7,501.7	1.1%
Special Checking Accounts	34,260.7	10.4%	23,982.4	16.0%	19,024.2	20.3%	28,085.3	23.6%	34,123.5	25.7%
AR\$ Special Checking Accounts	27,419.1	13.0%	15,385.2	24.8%	8,357.8	45.6%	14,544.2	45.4%	19,404.4	45.0%
FX Special Checking Accounts	6,841.6	0.3%	8,597.1	0.3%	10,666.4	0.4%	13,541.1	0.2%	14,719.1	0.3%
Borrowings from Other Fin. Inst. & Medium Term Notes Subordinated Loans and Negotiable Obligations	12,340.0	14.5%	15,471.2	22.9%	21,712.6	33.2%	23,078.0	36.1%	29,910.6	33.9%
	2,254.1	4.9%	2,274.8	7.2%	2,516.8	4.8%	2,460.5	7.3%	2,350.9	7.2%
Total Interest-Bearing Liabilities	100,934.7	18.3%	93,504.6	26.9%	83,799.1	36.3%	107,827.6	37.5%	118,757.8	34.3%
Low & Non-Interest Bearing Deposits										
Savings Accounts	32,710.2	0.1%	29,156.9	0.2%	29,627.2	1.3%	35,466.2	1.6%	38,707.6	1.4%
AR\$ Savings Accounts	23,137.3	0.2%	18,915.9	0.3%	18,262.2	2.1%	16,913.7	3.3%	18,363.7	2.9%
FX Savings Accounts	9,572.9	0.0%	10,241.0	0.0%	11,365.0	0.0%	18,552.4	0.0%	20,343.8	0.0%
Checking Accounts	24,673.5		20,751.7		22,797.3		25,446.8		28,317.9	
AR\$ Checking Accounts	23,271.6		18,357.2		18,090.6		15,784.1		15,832.2	
FX Checking Accounts	1,401.9		2,394.5		4,706.6		9,662.7		12,485.7	
Total Low & Non-Interest Bearing Deposits	57,383.7		49,908.6		52,424.5		60,913.0		67,025.4	
Total Interest-Bearing Liabilities & Low & Non-Interest Bearing Deposits	158,318.4	11.7%	143,413.3	17.6%	136,223.6	22.6%	168,740.6	24.3%	185,783.2	22.2%
AR\$	126,320.7	14.2%	107,043.0	22.9%	92,818.8	32.3%	111,113.6	36.2%	120,617.2	33.6%
FX	31,997.7	1.9%	36,370.3	2.0%	43,404.8	1.9%	57,627.0	1.2%	65,166.0	1.1%

AR\$ Liabilities. Avg. Balance	2Q20	1Q20		2Q19		
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate
Interest-Bearing Liabilities						
Time Deposits	47,337.2	27.3%	47,169.1	37.2%	44,871.1	48.0%
Special Checking Accounts	27,419.1	13.0%	15,385.2	24.8%	19,404.4	45.0%
Borrowings from Other Fin. Inst. & Medium-Term Notes	5,155.4	27.2%	7,215.5	42.8%	22,145.8	43.8%
Subordinated Loans and Negotiable Obligations	-	-	-	-	-	-
Total Interest-Bearing Liabilities	79,911.8	22.4%	69,769.9	35.0%	86,421.2	46.3%
Low & Non-Interest Bearing Deposits						
Savings Accounts	23,137.3	0.2%	18,915.9	0.3%	18,363.7	2.9%
Checking Accounts	23,271.6		18,357.2		15,832.2	
Total Low & Non-Interest Bearing Deposits	46,408.9	0.1%	37,273.1	0.2%	34,195.9	1.6%
Total Interest-Bearing Liabilities & Low & Non-Interest Bearing Deposits	126,320.7	14.2%	107,043.0	22.9%	120,617.2	33.6%

US\$ Liabilities. Average Balance	2Q20	1Q20		2Q19		
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate
Interest-Bearing Liabilities						
Time Deposits	4,742.7	1.7%	4,607.1	1.7%	7,501.7	1.1%
Special Checking Accounts	6,841.6	0.3%	8,597.1	0.3%	14,719.1	0.3%
Borrowings from Other Fin. Inst. & Medium-Term Notes	7,184.6	5.4%	8,255.7	5.5%	7,764.8	5.7%
Subordinated Loans and Negotiable Obligations	2,254.1	4.9%	2,274.8	7.2%	2,350.9	7.2%
Total Interest-Bearing Liabilities	21,022.9	2.9%	23,734.8	3.0%	32,336.5	2.3%
Low & Non-Interest Bearing Deposits						
Savings Accounts	9,572.94	0.0%	10,241.0	0.0%	20,343.8	0.0%
Checking Accounts	1,401.89		2,394.5		12,485.7	
Total Low & Non-Interest Bearing Deposits	10,974.82	0.0%	12,635.5	0.0%	32,829.5	0.0%
Total Interest-Bearing Liabilities & Low & Non-Interest Bearing Deposits	31,997.73	1.9%	36,370.3	2.0%	65,166.0	1.1%

In the quarter:

- Personal loans: benefitted from continuing repricing while market interest rates decreased 885 bps.
- Credit Cards:
 - The Central Bank stated that credit card statements maturing between March 20 and April 12, were automatically rescheduled to April 13, 2020, and no interest rate could be charged in that period.
 - The Central Bank determined that the unpaid balances of credit card financings due between April 13 and April 30, 2020 should be automatically refinanced in nine equal consecutive monthly installments beginning after a 3-month grace period. Interest rates on such unpaid balances may not exceed an annual nominal rate of 43%. Total credit card balances automatically rescheduled under this regulation amounted to AR\$3.1 billion. Interest is accrued on a lagged basis.

- Loans granted to some eligible customer at zero interest begun accruing interest received from Fondep since July 2020. Total amount disbursed as of June 30, 2020 amounted to AR\$264 million.
- Average Balance of AR\$ Commercial Loans increased mainly due to AR\$5.8 billion on loans granted to SMEs at 24% throughout 2Q20.
- Investment portfolio benefitted from higher volumes and spreads on Leliqs and a decline in non-remunerated minimum reserve requirements

AR\$ cost of funds decreased 870 bps in the quarter due to a 1,265 bps decrease in AR\$ rate of interest bearing liabilities following market interest rates which was partially offset by a 14.5% increase in AR\$ Interest Bearing Liabilities average volumes while AR\$ Low & Non-Interest Bearing Deposits average volumes increased 24.5%.

US\$ cost of funds decreased 10 bps in the quarter following industry trend.

Yield on interest-earning assets includes interest income on loans as well as results from the Company's AR\$ and dollar denominated investment portfolio. Yield on interest-bearing liabilities includes interest expenses but it does not include the exchange rate differences and net gains or losses from currency derivatives or from the adjustment to FX fluctuation of the FX liabilities. The yield on interest-bearing liabilities shown on this table for 2Q20 lacks the negative impact of the 9% increase of the FX rate as of June 30, 2020 compared to the FX rate as of March 31, 2020, thus presenting an inaccurate rate. The full impact is seen when also taking into account the Exchange rate differences on gold and foreign currency line in the income statement.

Assets & Liabilities. Repricing Dynamics

ASSETS	jun-20		mar-20		dec-19		sep-19		jun-19	
AR\$	Avg. Repricing (days)	% of total AR\$ Assets	Avg. Repricing (days)	% of total AR\$ Assets	Avg. Repricing (days)	% of total AR\$ Assets	Avg. Repricing (days)	% of total AR\$ Assets	Avg. Repricing (days)	% of total AR\$ Assets
Total AR\$ Assets	140		134		167		150		158	
Cash	1	1%	1		3		1		3	
Cash (without interest rate risk)		8%		16%		16%		8%		12%
Government & Corporate Securities	72	38%	39	31%	104	11%	57	31%	44	38%
Total AR\$ Loans	237	37%	215	40%	184	59%	217	47%	249	44%
Promissory Notes	145	7%	30	6%	50	9%	70	6%	93	6%
Corporate Unsecured Loans	157	5%	140	6%	100	10%	135	6%	158	5%
Mortgage	30	5%	30	6%	30	8%	30	6%	28	6%
Personal Loans	578	9%	538	11%	475	15%	516	14%	541	15%
Auto Loans	360	1%	367	1%	245	1%	260	1%	300	1%
Credit Cards	255	2%	121	8%	110	12%	98	9%	103	8%
Overdraft	98	7%	19	4%	18	5%	21	5%	15	4%
Other Loans	50	3%	75	2%	58	2%	67	2%	48	2%
Receivable From Financial Leases	369	1%	379	1%	371	1%	405	2%	402	2%
Other Assets (without interest rate risk)		9%		9%		12%		9%		5%
US\$	Avg. Repricing (days)	% of total U\$S Assets	Avg. Repricing (days)	% of total U\$S Assets	Avg. Repricing (days)	% of total U\$S Assets	Avg. Repricing (days)	% of total U\$S Assets	Avg. Repricing (days)	% of total U\$S Assets
Total US\$ Assets	310		261		278		254		216	
Cash	1	13%	1	15%	3	16%	1	17%	3	17%
Cash (without interest rate risk)		27%		20%		21%		17%		25%
Government & Corporate Securities		1%	1	0%	28	1%	44	2%	101	3%
Total US\$ Loans	268	48%	322	51%	343	50%	306	55%	280	44%
Receivable From Financial Leases	544	4%	583	5%	599	5%	657	5%	654	3%
Other Assets (without interest rate risk)		2%		6%		5%		3%		5%
LIABILITIES										
AR\$	Avg. Repricing (days)	% of total us\$ Liabilities	Avg. Repricing (days)	% of total us\$ Liabilities	Avg. Repricing (days)	% of total us\$ Liabilities	Avg. Repricing (days)	% of total us\$ Liabilities	Avg. Repricing (days)	% of total us\$ Liabilities
Total AR\$ Liabilities	53		35		67		49		54	
Deposits	51	87%	29	86%	42	78%	34	79%	43	77%
Private Sector Deposits	52	85%	29	83%	42	74%	32	75%	43	74%
Checking Accounts (without interest rate risk)		34%		34%		43%		32%		29%
Special Checking Accounts	1	15%	1	13%	2	1%	1	10%	3	12%
Time Deposits	35	22%	27	29%	31	25%	25	31%	32	28%
Pre Cancelable Time Deposit	132	14%	93	7%						
Public Sector Deposits	17	2%	34	3%	42	4%	78	4%	34	3%
Other Sources of funding	88	4%	90	6%	187	9%	175	7%	185	6%
Other Liabilities (without interest rate risk)		5%		5%		6%		4%		5%
US\$	Avg. Repricing (days)	% of total u\$s Liabilities	Avg. Repricing (days)	% of total u\$s Liabilities	Avg. Repricing (days)	% of total u\$s Liabilities	Avg. Repricing (days)	% of total u\$s Liabilities	Avg. Repricing (days)	% of total u\$s Liabilities
Total US\$ Liabilities	70		66		75		81		96	
Deposits	20	60%	20	66%	13	67%	12	68%	25	82%
Private Sector Deposits	20	57%	20	62%	13	61%	12	58%	25	66%
Checking Accounts (without interest rate risk)	0	27%		27%		29%		26%		47%
Special Checking Accounts	1	18%	1	22%	3	23%	1	23%	3	8%

Time Deposits	51	12%	53	13%	38	9%	39	9%	43	10%
Public Sector Deposits	34	3%	66	4%	22	6%	21	10%	21	16%
Other Sources of funding		27%		2%		2%		2%		2%
Subordinated Negotiable Obligations	221	7%	313	5%	404	6%	495	5%	589	3%

As of June 30, 2020, AR\$ liabilities repriced on average in 53 days compared to 35 days as of the close of the previous quarter. Portfolio repricing dynamics as of June 30, 2020 show that AR\$ total Assets are fully repriced in 140 days, and AR\$ loans are fully repriced in an average term of approximately 237 days.

Interest Income

Interest income rose by 1.8% YoY to AR\$12.8 billion in 2Q20, but down 7.3% QoQ. 2Q20 and 1Q20 include AR\$4.1 billion and AR\$3.6 billion yields respectively from investments in Central Bank securities.

Interest Income	% Change						
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Interest on/from:							
- Cash and Due from banks	1.5	0.7	10.3	0.3	1.2	124.4%	25.2%
- Loans to the financial sector	25.1	3.0	89.2	83.3	28.7	725.0%	-12.4%
- Overdrafts	661.7	822.8	1,137.3	1,501.0	1,266.4	-19.6%	-47.7%
- Promissory notes	1,005.2	1,394.1	1,559.1	1,785.8	1,732.0	-27.9%	-42.0%
- Mortgage loans	755.1	910.5	1,302.7	882.2	1,152.9	-17.1%	-34.5%
- Automobile and other secured loans	146.1	160.2	231.4	155.4	204.4	-8.8%	-28.5%
- Personal loans	2,985.0	3,094.9	3,249.6	3,571.5	3,807.0	-3.5%	-21.6%
- Corporate unsecured loans	1,190.3	1,667.8	2,116.5	1,419.5	1,638.4	-28.6%	-27.4%
- Credit cards loans	570.1	1,023.9	1,185.1	1,242.5	1,464.6	-44.3%	-61.1%
- Foreign trade loans & US loans	345.3	352.9	387.0	522.6	537.8	-2.1%	-35.8%
- Leases	152.3	161.8	234.8	295.3	349.2	-5.9%	-56.4%
- Other (1)	4,927.5	4,170.9	1,563.8	885.4	354.6	18.1%	1289.6%
Total	12,765.2	13,763.5	13,066.8	12,344.9	12,537.1	-7.3%	1.8%

1. Includes results from securities issued by the Central Bank, results from other Securities recorded as available for sale since 4Q19 and results from Repo Transactions

The YoY increase in interest income was mainly due to AR\$4.1 billion yield from investments in Central Bank securities following the change in classification of these securities in 4Q19 in the category "Available for Sale" from the "Held for Trading" security class. Yields from these holdings, were recorded in NIFFI until October 2019. This was partially offset by a 17.3% decrease in average loan volumes excluding Foreign trade and US\$ loans, a 22.3% decrease in average Foreign trade and US\$ loans (measured in AR\$), and a 1,165 bps decrease in the average interest rate on total loans, excluding foreign trade and US dollar denominated loans, while the average interest rate on foreign trade and US dollar denominated loans increased 14 bps.

Interest on AR\$ loans benefitted from lagged repricing as these rates decreased 1,165 bps YoY while average market interest rates decreased 2,650 bps YoY.

The YoY increase in interest income mainly reflected the following increases:

YoY main changes		2Q20	2Q19	Change AR\$ - bps	%
Overdrafts	Avg. Balance	7,124.5	7,571.2	-446.7	-5.9%
	Yield	37.2%	66.9%	(2,975)	
Promissory Notes	Avg. Balance	10,069.5	10,905.2	-835.8	-7.7%
	Yield	39.9%	63.5%	(2,360)	
Mortgage loans	Avg. Balance	8,782.0	9,151.3	-369.3	-4.0%
	Yield	34.4%	50.4%	(1,600)	
Personal & Business Banking Personal Loans	Avg. Balance	14,089.3	22,911.1	-8,821.8	-38.5%
	Yield	66.5%	53.3%	1,325	
Consumer Finance Personal Loans	Avg. Balance	3,071.0	4,927.3	-1,856.3	-37.7%
	Yield	83.5%	61.3%	2,228	
Corporate Unsecured Loans	Avg. Balance	13,820.0	11,506.6	2,313.4	20.1%
	Yield	34.5%	57.0%	(2,250)	
Retail Banking Credit Card Loans	Avg. Balance	9,693.6	10,774.3	-1,080.7	-10.0%
	Yield	15.9%	44.2%	(2,833)	
Consumer Finance Credit Card Loans	Avg. Balance	2,315.1	2,522.6	-207.5	-8.2%
	Yield	31.9%	43.3%	(1,139)	
Receivables from Financial Leases	Avg. Balance	3,096.8	5,350.0	-2,253.2	-42.1%
	Yield	19.7%	26.1%	(643)	
Foreign Trade Loans & US\$ loans	Avg. Balance	19,028.6	30,194.6	-11,166.1	-37.0%
	Yield	7.3%	7.1%	13	
Securities Issued by the Central Bank ¹	Avg. Balance	44,114.7	40,041.1	4,073.6	10.2%
	Yield	36.8%	70.7%	(3,384)	
Other (mainly Repo transactions)	Avg. Balance	7,648.5	127.3	7,521.2	na
	Yield	16.8%	62.5%	(4,566)	

1. In 2Q20, investments in Central Bank securities has been recorded in NII following the Fair value through other comprehensive income methodology since 4Q19. In 2Q19, those securities were classified as Held for trading securities, and therefore yields from those investments were recorded in NIFFI following the Fair value through profit or loss accounting methodology.

The QoQ decrease in interest income was mainly due to a 913 bps decrease in the average interest rate on total loans, excluding foreign trade and US dollar denominated loans, 0.7% decrease in average loan volumes excluding Foreign trade and US\$ loans, and 1.9% decrease in average Foreign trade and US\$ loans (measured in AR\$), while the average interest rate on foreign trade and US dollar denominated loans remained unchanged. These declines were partially offset by AR\$4.1 billion yield from investments in Central Bank securities compared to AR\$3.6 billion in previous quarter.

The QoQ performance on interest income was mainly due to the following:

QoQ main changes		2Q20	1Q20	Change AR\$ - bps	%
Overdrafts	Avg. Balance	7,124.5	6,245.5	879.0	14.1%
	Yield	37.2%	52.7%	(1,554)	
Promissory Notes	Avg. Balance	10,069.5	9,645.4	424.1	4.4%
	Yield	39.9%	57.8%	(1,788)	
Mortgage loans	Avg. Balance	8,782.0	8,955.1	-173.1	-1.9%
	Yield	34.4%	40.7%	(628)	
Retail Banking Personal Loans	Avg. Balance	14,089.3	15,423.3	-1,334.0	-8.6%
	Yield	66.5%	63.0%	350	
Consumer Finance Personal Loans	Avg. Balance	3,071.0	3,306.5	-235.5	-7.1%
	Yield	83.5%	80.4%	318	
Corporate Unsecured Loans	Avg. Balance	13,820.0	12,231.8	1,588.2	13.0%
	Yield	34.5%	54.5%	(2,009)	
Retail Banking Credit Card Loans	Avg. Balance	9,693.6	10,722.7	-1,029.0	-9.6%
	Yield	15.9%	28.9%	(1,299)	
Consumer Finance Credit Card Loans	Avg. Balance	2,315.1	2,605.6	-290.5	-11.2%
	Yield	31.9%	38.3%	(638)	
Receivables from Financial Leases	Avg. Balance	3,096.8	3,371.8	-275.1	-8.2%
	Yield	19.7%	19.2%	48	
Foreign Trade Loans & US\$ loans	Avg. Balance	19,028.6	19,403.6	-375.0	-1.9%
	Yield	7.3%	7.3%	(2)	
Securities Issued by the Central Bank ¹	Avg. Balance	44,114.7	33,918.3	10,196.4	30.1%
	Yield	36.8%	42.8%	(596)	
Other (mainly Repo transactions)	Avg. Balance	7,648.5	1,996.8	5,651.7	283.0%
	Yield	16.8%	43.8%	(2,699)	

1. In 2Q20, investments in Central Bank securities has been recorded in NII. In 2Q19, those securities were classified as Held for trading securities, and therefore yields from those investments were recorded in NIFFI following the Fair value through profit or loss accounting methodology.

Interest Expenses

Interest expenses decreased 55.7% YoY and 26.6% QoQ to AR\$4.7 billion in 2Q20.

Interest Expenses	% Change						
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Interest on:							
- Checking and Savings Accounts	11.6	16.7	228.0	9.8	135.9	-30.4%	-91.5%
- Special Checking Accounts	893.6	960.4	714.7	1,738.4	2,196.4	-7.0%	-59.3%
- Time Deposits	3,249.1	4,400.9	4,840.3	6,308.6	5,405.1	-26.2%	-39.9%
- Other Liabilities from Financial Transactions	394.1	879.8	1,806.5	2,103.2	2,465.3	-55.2%	-84.0%
- Financing from the Financial Sector	53.4	5.3	96.7	39.2	72.3	903.1%	-26.1%
- Subordinated Loans and Negotiable Obligations	27.4	41.2	30.3	45.1	42.2	-33.4%	-35.0%
- Other	33.4	51.3	183.3	63.8	200.3	-34.9%	-83.3%
Total	4,662.8	6,355.6	7,899.9	10,308.3	10,517.4	-26.6%	-55.7%

The YoY performance in interest expenses mainly reflected a 2,400 bps decrease in the AR\$ interest rate of AR\$ interest bearing liabilities, a 7.5% decrease in the average balance of AR\$ interest bearing liabilities and a 35.0% decrease in the average balance of US\$ bearing liabilities, while average balance of AR\$ low-non interest-bearing deposits increased by 4.7% and the average balance of US\$ low-non interest-bearing deposits declined 50.9%.

YoY main changes		2Q20	2Q19	Change AR\$ - bps	%
AR\$ Time Deposits	Avg. Balance	47,337	44,871	2,466	5.5%
	% of Total Liabilities	29.9%	24.2%		
	Interest paid	27.3%	48.0%	(2,072)	
FX Time Deposits	Avg. Balance	4,743	7,502	(2,759)	-36.8%
	% of Total Liabilities	3.0%	4.0%		
	Interest paid	1.7%	1.1%	63	
AR\$ Special Checking Accounts	Avg. Balance	27,419	19,404	8,015	41.3%
	% of Total Liabilities	17.3%	10.4%		
	Interest paid	13.0%	45.0%	(3,208)	
FX Special Checking Accounts	Avg. Balance	6,842	14,719	(7,878)	-53.5%
	% of Total Liabilities	4.3%	7.9%		
	Interest paid	0.3%	0.3%	(2)	
Borrowings from Other Fin. Inst. & Medium-Term Notes	Avg. Balance	12,340	29,911	(17,571)	-58.7%
	% of Total Liabilities	7.8%	16.1%		
	Interest paid	14.5%	33.9%	(1,943)	
Subordinated Loans and Negotiable Obligations	Avg. Balance	2,254	2,351	(97)	-4.1%
	% of Total Liabilities	1.4%	1.3%		
	Interest paid	4.9%	7.2%	(232)	
AR\$ Savings Accounts	Avg. Balance	23,137	18,364	4,774	26.0%
	% of Total Liabilities	14.6%	9.9%		
	Interest paid	0.2%	2.9%	(274)	
FX Savings Accounts	Avg. Balance	9,573	20,344	(10,771)	-52.9%
	% of Total Liabilities	6.0%	11.0%		
	Interest paid	0.0%	0.0%	(0)	
AR\$ Checking Accounts	Avg. Balance	23,272	15,832	7,439	47.0%
	% of Total Liabilities	14.7%	8.5%		
	Interest paid	0.0%	0.0%	-	
FX Checking Accounts	Avg. Balance	1,402	12,486	(11,084)	-88.8%
	% of Total Liabilities	0.9%	6.7%		
	Interest paid	0.0%	0.0%	-	
Total Interest-Bearing Liabilities & Low & Non-Interest Bearing Deposits	Avg. Balance	158,318.4	185,783.2	-27,464.8	-14.8%
	Interest paid	11.7%	22.2%	(1,052)	

The QoQ decrease in interest expenses mainly reflected a 1,270 bps decrease in the AR\$ average rate paid following the decline in market interest rates and a 24.5% increase in the AR\$ average balance of low-non-interest deposits. These were partially offset by a 14.5% increase of AR\$ average balance of interest-bearing liabilities, while US\$ average balance of interest bearing liabilities decreased 12.0%.

QoQ main changes		2Q20	1Q20	Change AR\$ - bps	%
AR\$ Time Deposits	Avg. Balance	47,337	47,169	168	0.4%
	% of Total Liabilities	29.9%	32.9%		
	Interest paid	27.3%	37.2%	(987)	
FX Time Deposits	Avg. Balance	4,743	4,607	136	2.9%
	% of Total Liabilities	3.0%	3.2%		
	Interest paid	1.7%	1.7%	5	
AR\$ Special Checking Accounts	Avg. Balance	27,419	15,385	12,034	78.2%
	% of Total Liabilities	17.3%	10.7%		
	Interest paid	13.0%	24.8%	(1,182)	
FX Special Checking Accounts	Avg. Balance	6,842	8,597	(1,756)	-20.4%
	% of Total Liabilities	4.3%	6.0%		
	Interest paid	0.3%	0.3%	(3)	
Borrowings from Other Fin. Inst. & Medium-Term Notes	Avg. Balance	12,340	15,471	(3,131)	-20.2%
	% of Total Liabilities	7.8%	10.8%		
	Interest paid	14.5%	22.9%	(838)	
Subordinated Loans and Negotiable Obligations	Avg. Balance	2,254	2,275	(21)	-0.9%
	% of Total Liabilities	1.4%	1.6%		
	Interest paid	4.9%	7.2%	(238)	
AR\$ Savings Accounts	Avg. Balance	23,137	18,916	4,221	22.3%
	% of Total Liabilities	14.6%	13.2%		
	Interest paid	0.2%	0.3%	(15)	
FX Savings Accounts	Avg. Balance	9,573	10,241	(668)	-6.5%
	% of Total Liabilities	6.0%	7.1%		
	Interest paid	0.0%	0.0%	(0)	
AR\$ Checking Accounts	Avg. Balance	23,272	18,357	4,914	26.8%
	% of Total Liabilities	14.7%	12.8%		
	Interest paid	0.0%	0.0%	-	
FX Checking Accounts	Avg. Balance	1,402	2,395	(993)	-41.5%
	% of Total Liabilities	0.9%	1.7%		
	Interest paid	0.0%	0.0%	-	
Total Interest-Bearing Liabilities & Low & Non-Interest Bearing Deposits Cost of Funds	Avg. Balance	158,318.4	143,413.3	14,905.1	10.4%
	Interest paid	11.7%	17.6%	(589)	

Result from exposure to changes in the purchasing power of the currency

Pursuant to IAS 29, the financial statements of an entity whose functional currency is that of a highly inflationary economy, should be reported measured in terms of the measuring unit current as of the date of the financial statements. All the amounts included in the statement of financial position which are not stated in terms of the measuring unit current as of the date of the financial statements should be restated adjusted applying the general price index. All items in the statement of income should be stated in terms of the measuring unit current as of the date of the financial statements, applying the changes in the general price index occurred from the date on which the revenues and expenses were originally recognized in the financial statements.

Adjustment for inflation in the initial balances has been calculated considering the indexes based on the price indexes published by the Argentine National Institute of Statistics and Census.

According to Central Bank regulation (Communication A 6849), those financial instruments classified as Available for Sale shall recognize the impact from exposure to changes in the purchasing power of the currency in the Other

Comprehensive Income until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified to profit or loss under the line item "Result from recognition of assets measured at amortized cost". The aforementioned line item mainly includes the Leliqs monetary loss. Leliqs are classified as Available for Sale and since they are a 28 days tenor instrument, they are due within a month (they become derecognized within a month). This criteria is followed by the Company since 2Q20. For comparative purposes we have included the impact from exposure to changes in the purchasing power of the currency of Leliqs in a separated line item named "Leliq - Result from recognition of assets measured at amortized cost".

The effect of inflation in the Company's net monetary position is included in the consolidated income statement, in the item "Results from exposure to changes in the purchasing power of money", and to see the total impact should be added to this line item, the amount recorded as "Leliq - Result from recognition of assets measured at amortized cost".

Result from exposure to changes in the purchasing power of the currency						% Change	
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Result from exposure to changes in the purchasing power of the currency	1,692.8	-916.1	-1,420.5	-1,808.9	-1,573.0	na	na
LELIQ Result from exposure to changes in the purchasing power of the currency	-2,244.8	0.0	0.0	0.0	0.0	na	na
Total	-552.0	-916.1	-1,420.5	-1,808.9	-1,573.0	-39.7%	-64.9%

Result from exposure to changes in the purchasing power of the currency for 2Q20 totaled an AR\$552.0 million loss, from the AR\$1.6 billion loss recorded in 2Q19 and the AR\$916.1 million loss recorded in 1Q20. This decrease was due to lower level of inflation in 2Q20 reaching 5.4% compared to the 9.5% and 7.8% levels in 2Q19 and 1Q20 respectively.

Net Service Fee Income

Net service fee income (excluding Income from Insurance Activities) in 2Q20 totaled AR\$1.6 billion, decreasing 12.0% YoY and 11.2% QoQ. Central Bank regulations prohibited banks to charge fees on ATMs usage until September 30, 2020, as well as further repricing in all other fees until early 2021.

In previous quarter fee repricing of product bundles to all customer segments had surpassed the inflation level in that quarter.

Excluding the impact of IAS29, Net service fee income (excluding Income from Insurance Activities) would have been AR\$1.6 billion in 2Q20 increasing 27.5% YoY but decreasing 6.5% QoQ.

Net Service Fee Income (In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	% Change						
	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Income from:							
Deposit Accounts	997.0	1,097.7	934.2	1,002.8	989.0	-9.2%	0.8%
Loan Related	31.1	69.6	55.1	87.8	85.8	-55.3%	-63.8%
Credit cards commissions	581.3	832.6	871.2	836.3	771.4	-30.2%	-24.6%
Leasing commissions	27.7	22.3	35.5	27.2	38.3	24.3%	-27.7%
Other	650.1	514.2	341.9	572.4	584.7	26.4%	11.2%
Total Fee Income	2,287.2	2,536.3	2,238.0	2,526.5	2,469.3	-9.8%	-7.4%
Expenses:							
Commissions paid	652.7	698.2	652.0	708.4	594.4	-6.5%	9.8%
Exports and foreign currency transactions	8.8	7.2	16.8	15.7	28.3	22.0%	-69.1%
Total Fee Expenses	661.4	705.4	668.8	724.1	622.7	-6.2%	6.2%
Net Services Fee Income	1,625.7	1,830.9	1,569.2	1,802.3	1,846.6	-11.2%	-12.0%

Other Fee Income includes certain insurance fees, custody and depositary fees, among others

The main contributors to service fee income in 2Q20 were deposit accounts, credit cards commissions and brokerage fees and asset management fees representing 44%, 25% and 15% of the total.

YoY, service fee income decreased 7.4% due to:

- 24.6%, or AR\$ 190.1 million decrease in credit cards, reflecting: (i) lower credit cards usage since the Covid-19 outbreak, and (ii) the reduction in credit card and debit card merchant discount rates ("MDR"). The maximum MDR for 2019 was 1.65%, while since January 1, 2020 it was reduced to 1.50%. The maximum debit card sales commissions for 2019 was 0.80% while since January 1, 2020 it is 0.7%, and
- 63.8% or AR\$ 54.8 million decrease in Loan Related fees, and 27.7% or AR\$ 10.6 million decrease in Leasing transaction, both reflecting the weak credit demand and some regulatory restrictions on charging fees since the pandemic outbreak.

These were partially offset by 11.2% or AR\$65.4 million increase, in other fees, mainly due to revenues from the InvertirOnline brokerage business, the asset management business, and non-credit related insurance premiums, while Deposit account fees remained stable (+0.8% YoY).

The QoQ performance is explained by: (i) lower credit card usage since the lockdown was imposed, (ii) a decline of 9.2% or AR\$100.7 million in deposit account fees due to the abovementioned limitation to increase fees, (iii) a decrease of 44.3% or AR\$ 90.4 million in ATMs fees due to the prohibition to charge fees on ATMs, and (iv) a decrease in 55.3% or AR\$ 38.5 million in loan related fees reflecting the weak credit demand and some regulatory restrictions on charging fees since the pandemic outbreak. These were partially offset by 26.4% or AR\$135.8 million increases in revenues from the asset management business, the InvertirOnline brokerage business and non-financial services.

Service fee expenses increased 6.2% YoY but decreased 6.2% QoQ to AR\$661.4 million in 2Q20. YoY primarily explained by the increase in Commissions paid reflecting higher costs paid to the credit and debit cards' processors. QoQ performance reflects lower costs paid to the credit and debit cards' processors due to lower credit card usage, partially offset by higher expenses incurred on massive reprints of debits cards delivered to our senior citizens customers in the early days of the lockdown.

Income from Insurance Activities

Income from insurance activities includes insurance premiums, net of insurance reserves and production costs. Income from Insurance activities of AR\$389.0 million up 17.1% from 2Q19 and 14.2% QoQ. Excluding the impact of IAS29, Income from insurance activities would have been AR\$355.4 million in 2Q20 increasing 63.7% YoY and 22.7% QoQ.

Gross written premiums were down 4.4% QoQ or AR\$21.8 million, explained by an AR\$19.2 million decline in home and Technology insurance premiums. Claims paid decreased 70% or AR\$ 48.5 million QoQ reflecting the implementation of the annual rebalancing of the company seasonal claims ratio curve, following IBNR (Incurred but not Recorded Expenses) guidelines.

Loan Loss Provisions

Pursuant to Communication "A" 6430 issued on January 12, 2018, provisions on Financial Assets Impairment included in paragraph 5.5 of IFRS 9 as from fiscal years starting on January 1, 2020 shall be started.

Through Communications "A" 6778 and 6847 issued on September 5 and December 27, 2019, respectively, the Central Bank introduced a progressive adoption of the impairment model for IFRS 9 in a 5-year period for Group B entities, where Cordial Compañía Financiera (CCF), Supervielle's consumer finance company, is included. According to this model, the impact on the balance sheet for adopting IFRS 9 (i.e. the difference between loan loss reserves recorded as of December 31, 2019 and those required by the expected losses model) will be recognized in 5 years, recording 5% of such difference in each quarter on a cumulative basis starting March 31, 2020. More recently, amid the Covid-19 outbreak, the Central Bank postponed until 2021 the application of the expected credit losses criteria for Group B entities.

In addition, the Central Bank established a temporary exclusion from the impairment model of IFRS 9 for government-issued debt securities.

During the quarter, the Company enhanced its forward looking model and started taking into account the Monthly Economic Activity Indicator as the most relevant variable to capture the stringency of the context looking forward, as the Badlar Interest rate and unemployment which were considered relevant until the Covid-19 outbreak, did not prove to capture the impact of a pandemic. Additionally, as a result of the extended Covid-19 lockdown in Argentina, the Company is updating its expected loss models to capture expectations of a worsening macroeconomic outlook.

The most significant assumptions used to estimate the PCE as of June 30, 2020 are presented below:

Parameter	Segment	Macroeconomic variable	Optimistic Scenario	Base scenario	Pessimistic scenario
Probability of Default	Personal & Business	Monthly Economic Activity Indicator	124.04	120.67	115.37
	Corporate				
	Consumer Finance				

Each scenario reflects a different assumption for GDP drop in 2020, resulting in the three-monthly economic activity indicators included in the model. The Base scenario reflects a 10.9% drop in GDP, while the Optimistic scenario reflects a 7.6% drop and the Pessimistic scenario reflects a 14.7%.

Loan loss provisions (LLP) totaled AR\$2.3 billion in 2Q20, up 27.7% YoY and 36.1% QoQ. Covid-19 specific provisions amounted to AR\$ 560 million during 2Q20. These anticipatory provisions reflect the enhancement made to the Company's expected loss models to capture expectations of a worsening macroeconomic outlook as a result of the extended Covid-19 lockdown in Argentina, and to a lesser extent some top down analysis on certain customer segments working in industries that could be highly impacted by the pandemic.

The Coverage ratio increased to 127.1% from 107.7% in 2Q19 and 99.6% in 1Q20. The increase in coverage starting 1Q20 reflects provisions made in advance of potential deterioration arising from a weak macro environment and the Covid-19 impacts, and it benefits from the Central Bank regulatory easing, in place since 1Q20. As of June 30, 2020, NPL ratio was 6.1%, down from 6.7% as of March 30, 2020.

Loan Loss Provisions (Net) by Segment		2Q20	1Q20	% Change QoQ
Corporate		1,321.1	505.1	161.6%
	LLP	1,230.4	631.8	94.8%
	Other LLP (*)	90.7	- 126.7	-171.6%
Personal and Business		937.1	657.7	42.5%
	LLP	811.2	805.5	0.7%
	Other LLP (*)	125.9	- 147.8	-185.2%
Consumer Finance		241.6	191.6	26.1%
	LLP	261.6	211.9	23.4%
	Other LLP. (*)	- 20.0	- 20.3	-1.4%

*Other LLP included in Other Income and Other Expenses Line Items of the Income Statement

Cost of Risk was 9.8% in 2Q20, compared to 6.0% in 2Q19 and 7.1% in 1Q20. The QoQ and YoY increases reflect the abovementioned provisioning following the enhancement in our expected loss risk models made during the quarter to reflect the impact of the pandemic and the extended lockdown imposed by the Argentine government. As of June 30, 2020, the **Provisioning Ratio on total loan portfolio** reached 7.7% compared to 6.6% as of March 2020.

Corporate segment provisions amounted to AR\$1.3 billion in 2Q20, up from AR\$505.1 million in 1Q20.

Personal & Business banking segment provisions amounted to AR\$937.1 million in 2Q20 up 42.5% from 1Q20.

Consumer finance segment LLPs amounted to AR\$261.6 million in 2Q20, down 50.7% from AR\$530.9 million in 2Q19, following the decline in NPL creation while increased 23.4% QoQ due to the increase in Coverage. Cost of Risk was 17.7% in 2Q20 compared to 19.4% in 2Q19 and 12.5% in 1Q20, while Consumer Finance Coverage Ratio increased to 116% from 99.5%.

As of June 30, 2020, collateralized commercial loans were 44% of total, stable from 45% as of March 31, 2020. As of June 30, 2020, collateralized non-performing commercial loans increased to 66% of total, from 61% as of March 31, 2020 and 20% as of June 30, 2019.

The total **NPL ratio** increased by 100 bps YoY but declined 60 bps QoQ to 6.1% in 2Q20. QoQ NPL performance reflects an improvement in all segments, including: (i) a 60 bps decrease in Corporate Segment NPL ratio due to a decline in non-performing loans together with the increase in the segment loan portfolio through AR\$ loans granted to SMEs at 24% interest rate, ii) a 10 bps decrease in Personal and Business Segment NPL ratio and iii) a 40 bps decrease in Consumer Finance NPL ratio. 2Q20 continues to benefit from Central Bank regulatory easing amid the pandemic on debtor classifications (adding a 60-days grace period before loans are classified as non-performing) and the suspension of mandatory reclassification of customers that are non-performing with other banks, but performing with Supervielle which was introduced in 1Q20 and until September 30, 2020. 2Q20 NPLs may also benefit from the relief program ruled by the Central Bank amid the pandemic, allowing debtors to defer their loan payments originally maturing between April 2020 and September 2020.

YoY NPL performance was explained by a 150 bps increase in Personal and Business Segment NPL and a 600 bps increase in Corporate Segment NPL, while Consumer Finance NPL declined by 1,180 bps. Personal and Business Segment and Consumer Finance Segment NPLs benefitted from the regulatory easing on debtor classification since March 2020, but Consumer Finance Segment NPL decline was also explained by the improvement in asset quality reflecting the measures taken by the Company since 1Q18 to enhance asset quality following the peaks observed in 2Q18. These measures included tightening of credit scoring standards, slower origination and changes in the collection process in the segment.

Efficiency, Personnel, Administrative & Other Expenses

Personnel, Administrative Expenses & D&A (In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	% Change						
	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Personnel Expenses	3,726.5	3,753.4	4,498.5	3,598.4	4,211.9	-0.7%	-11.5%
Administrative expenses	2,282.8	1,916.3	2,256.5	2,102.6	2,172.5	19.1%	5.1%
Directors' and Statutory Auditors' Fees	95.3	40.3	74.5	71.4	105.7	136.3%	-9.8%
Other Professional Fees	359.6	204.8	308.5	248.1	328.2	75.6%	9.6%
Advertising and Publicity	124.5	120.6	144.3	155.3	166.6	3.2%	-25.3%
Taxes	348.9	385.2	455.2	376.6	395.7	-9.4%	-11.8%
Third Parties Services	375.4	310.5	404.6	411.0	350.2	20.9%	7.2%
Other	979.1	854.9	869.5	840.2	826.1	14.5%	18.5%
Total Personnel & Administrative Expenses ("P&A")	6,009.2	5,669.7	6,755.1	5,701.0	6,384.3	6.0%	-5.9%
D&A	492.8	476.2	691.6	664.9	455.7	3.5%	8.2%
Total P&A and D&A	6,502.1	6,145.9	7,446.7	6,365.9	6,840.0	5.8%	-4.9%
Total Employees ¹	4,976	4,960	5,019	5,134	5,135	0.3%	-3.1%
Bank Branches	198	198	198	198	197	0.0%	0.5%
Other Access Points	104	118	118	119	121	-12%	-14.0%
Efficiency Ratio	61.9%	64.2%	77.8%	76.3%	63.3%		

¹ Total Employees reported do not include temporary employees

The **Efficiency ratio** was 61.9% in 2Q20 improving 140 bps from 2Q19 and 230 bps from 1Q20. QoQ performance was mainly due to the 9.8% increase in revenues while expenses increased 5.9%.

The past 2 years wage increases resulting from the bargaining agreement between Argentine banks and the labor union were as follows:

Month since increase applies	Salary Increase
May- 2018	5.0%
July- 2018	5.0%
August-2018	4.0%
September-2018	4.0%
October-2018	12.0%
November-2018	3.9%
December-2018	3.7%
January-2019	10.0%
June-2019	9.5%
September-2019	10.0%
October-2019	5.0%
November-2019	5.0%
December-2019	3.8%
January 2020	7.0%
April 2020	6.0%

In 1Q20, banks and unions agreed an advanced payment of fixed sums of money for all employees that on average followed inflation to be deducted from the closing of the collective bargaining agreements in the following months. Then, in July 2020 Banks and the labor union reached a collective bargaining agreement including the following salary increases: 7% for 1Q20, 6% since April 2020, 7% since July 2020 and 6% since September 2020.

Personnel expenses amounted to AR\$3.7 billion in 2Q20, decreasing 11.5% YoY and 0.7% QoQ. Excluding the impact of IFRS rule IAS 29, personnel expenses would have increased 26.8% YoY and 5.4% QoQ.

Personnel expenses decreased 11.5% YoY. Excluding AR\$160 million and AR\$406 million of severance non-recurring costs in 2Q20 and 2Q19 respectively, expenses would have decreased 6.3% YoY mainly explained by a 3.1% reduction in the employee base resulting from the streamlining of operations implemented between 2018 and 2019, while salary increases performed in line with YoY inflation levels.

QoQ expenses remained almost flat (-0.7%) and decreased 5% if excluding the abovementioned severance cost in the quarter.

The employee base at the end of 2Q20 reached 4.976, decreasing 3.1% YoY or 159 employees and increasing 0.3% QoQ, or 16 employees. In the quarter, the Consumer Finance Segment employee base decreased by 4 and the bank decreased by 3 employees, while InvertirOnline increased its staff by 17 following the Company's growth strategy in this online broker, the insurance companies increased by 6 employees related to the operation of the new insurance broker company.

Administrative expenses increased 5.1% YoY to AR\$2.3 billion and 19.1% QoQ. Excluding the impact of IFRS rule IAS 29, administrative expenses would have increased 47.2% YoY and 26.2% QoQ. YoY and QoQ increases were mainly driven by expenses to support the Company's Digital Transformation, higher expenses on armored transportation services and Other expenses related to Covid-19 protocols across the Company's branch network aimed at protecting its employees and customers and to ensure business continuity.

The YoY performance was mainly driven by the following increases:

- 18.5% or AR\$ 153.0 million in Other expenses, mainly due to the abovementioned Covid-19 protocols,
- 9.6% or AR\$31.4 million in Other professional fees, mainly in connection with initiatives related to the acceleration of the digital transformation process, and
- 7.2% or AR\$25.2 million in Third Party Services, mainly due to higher expenses on armored transportation expenses.

These effects were partially offset by (i) 25.3% or AR\$ 42.1 million decrease in Advertising & Publicity, and (ii) 11.8% or AR\$46.8 million decrease in taxes.

The QoQ increase was mainly driven by 75.6% or AR\$154.8 million increase in other professional fees mainly related to the step up in the digital transformation process, a 14.5% or AR\$124.2 million increase in other expenses mainly due to the abovementioned Covid-19 protocols and 20.9% or AR\$ 64.9 million increase in Third Party Services, mainly explained by higher expenses on armored transportation expenses and courier.

D&A amounted to AR\$492.8 million in 2Q20 increasing 8.2% YoY and 3.5% QoQ. The YoY increase is explained by higher amortizations as a result of properties revaluation and intangible assets from the two company acquisitions completed in 2018.

Other Operating Income (expenses), net

In 2Q20, **Other Operating Expenses, net** was AR\$ 620.6 million decreasing 36.8% YoY but increasing 39.6% QoQ.

Other Income, Net (In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	% Change						
	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Other Operating Income	870.5	863.1	754.5	772.2	729.8	0.9%	19.3%
Other Expenses	1,491.1	1,307.8	2,240.4	1,630.9	1,711.1	14.0%	-12.9%
Total	-620.6	-444.7	-1,486.0	-858.7	-981.3	39.6%	-36.8%

Other Expenses includes both turnover tax on all interest income, financial income and fees.

Other Comprehensive Income, net of tax

During 2Q20, Other Comprehensive Income, net of tax amounted to AR\$311.2 million, reflecting the difference between the amortized cost and the market value of financial instruments available for sale. In May 2020, the Bank participated in the voluntary swap launched by the Ministry of Economy of US\$ Treasury Bills (LETES) for

Treasury Bonds in Pesos adjustable by CER (BONCER), with a nominal value of 53,481,301, being awarded 100%. The Boncer position was classified in the available for sale category.

Moreover, according to Central Bank regulation, the Other Comprehensive Income shall also reflect the result from the changes in the purchasing power of the currency results on securities classified as Available for Sale.

Income Tax

As per the tax reform passed by Congress in December 2017 and the amendment to Income Tax Law No. 20,628 (the "Income Tax Law") passed in December 2019, the corporate tax rate declined to 30% from 35% starting in fiscal year 2018, and will further decline to 25% in fiscal year 2022, while a withholding tax on dividends was created with a rate of 7% since 2018 and 13% commencing fiscal year 2022. In addition, through the adoption of IFRS effective January 1, 2018, the Company began to recognize deferred tax assets and liabilities.

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. Income from liquidity retained at the holding company, allowed Supervielle to more than offset financial expenses paid through this vehicle and use tax credits existing from previous years, which in turn explained until 2018, a lower effective tax rate.

The above mentioned tax reform allowed the deduction of losses arising from exposures to changes in the purchasing power of the currency, only if inflation as measured by the Consumer Price Index (CPI) issued by the INDEC would exceed the following thresholds applicable for each fiscal year: 55% in 2018, 30% in 2019 and 15% in 2020. For 2021 and subsequent periods, inflation must exceed 100% in 3 years on a cumulative basis in order to deduct inflation losses. In 2018 the 55% threshold was not met, but in 2019 inflation widely exceeded 30%. Therefore, the income tax provision since 2019 considers the losses arising from exposures to changes in the purchasing power of the currency, which lower significantly the income tax expense for the current year.

For income tax return purposes, one sixth (1/6) of the inflation losses that arose in the 2019 fiscal year were deductible in 2019, while the remaining five sixths (5/6) will be deductible in each of the subsequent 5 years, commencing 2020. Accordingly, one sixth (1/6) of the inflation losses reduced the 2019 income tax provision, while the other five sixths (5/6) created a deferred tax asset. Regarding 2020, one sixth (1/6) of the inflation losses arising in the 2020 fiscal year will be deductible in 2020, while the remaining five sixths (5/6) will be deductible in each of the subsequent 5 years. Accordingly, one sixth (1/6) of the inflation losses reduce the current income tax provision, while the other five sixths (5/6) create a deferred tax asset.

In 2Q20, Income tax charge amounted to AR\$161.0 million compared to an AR\$361.7 million in 1Q20, and a gain of AR\$229.3 million in 2Q19.

Review Of Consolidated Balance Sheet

Key Drivers (In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)						% Change	
	jun 20	mar 20	dec 19	sep 19	jun 19	QoQ	YoY
Loans							
Currency							
AR\$ Loans (in AR\$)	79,983.2	74,808.4	80,315.2	78,748.7	86,117.3	6.9%	-7.1%
as % of Total Loans	79.8%	77.0%	76.7%	70.9%	73.5%		
Foreign Currency Loans (in US\$)	288.1	329.4	358.1	442.5	513.4	-12.5%	-43.9%
Atomization							
Top 10	12.7%	13.2%	13.1%	12.8%	14.0%		
Top 20	28.4%	28.8%	29.6%	28.5%	28.0%		
Top 100	35.3%	35.7%	36.7%	35.5%	34.2%		
Average Interest on loans							
AR\$ Loans	41.8%	51.6%	59.2%	56.5%	54.4%		
Foreign Trade & FX	7.3%	7.2%	6.7%	7.2%	7.1%		
INVESTMENT PORTFOLIO							
Securities Issued by the Central Bank	57,687	43,493	8,146	37,885	56,014	32.6%	3.0%
Government Securities AR\$	10,044	5,858	4,506	6,797	8,209	71.5%	22.4%
Corporate Securities (in AR\$)	368	337	132	234	147	9.2%	149.6%
Funding							
Deposits							
AR\$ Deposits (in AR\$)	138,533.1	120,059.4	74,596.7	95,767.8	109,684.2	15.4%	26.3%
as % of Total Deposits	87.3%	83.9%	73.8%	73.9%	68.2%		
Foreign Currency Deposits (in US\$)	284.9	339.1	389.7	462.1	843.5	-16.0%	-66.2%
Cost of Funds							
AR\$	14.1%	22.9%	32.3%	36.2%	33.6%		
US\$	1.9%	2.0%	1.9%	1.2%	1.1%		
Assets & Liabilities Repricing							
Loans							
AR\$ Loans. Avg. Repricing (Days)	237	215	184	217	249		
% of AR\$ Assets	37.4%	39.7%	59.1%	47.1%	44.0%		
US\$ Loans. Avg. Repricing (Days)	268	322	343	306	280		
% of US\$ Assets	47.5%	51.1%	50.4%	55.3%	44.0%		
Total AR\$ Assets. Avg. Repricing (Days)	140	134	167	150	158		
% of Total Assets	83.5%	80.5%	71.4%	73.3%	72.9%		
Total US\$ Assets. Avg. Repricing (Days)	310	261	278	254	216		
% of Total Assets	16.5%	19.5%	28.6%	26.7%	27.1%		
Deposits							
AR\$ Deposits. Avg. Repricing (Days)	52	29	42	34	43		
% of AR\$ Liabilities	87.3%	86.0%	77.9%	78.8%	77.0%		
US\$ Deposits. Avg. Repricing (Days)	20	20	13	12	25		
% of US\$ Liabilities	59.8%	66.3%	66.8%	68.1%	82.0%		
Total AR\$ Liabilities. Avg. Repricing (Days)	53	35	67	49	54		
% of Total Liabilities	81.1%	80.1%	69.6%	69.4%	69.7%		
Total US\$ Liabilities. Avg. Repricing (Days)	70	66	75	81	96		
% of Total Liabilities	18.9%	19.9%	30.4%	30.6%	30.3%		

Total Assets and Investment Portfolio

Total Assets were down 5.8% YoY, but up 9.1% QoQ, to AR\$226.6 billion. QoQ performance reflects the increase in loans and holdings of Central Bank Leliqs following the growth in sight deposits amid the pandemic and wholesale deposits raised to take advantage of market spreads.

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

Assets Evolution

	jun 20	mar 20	dec 19	sep 19	jun 19	% Change	
						QoQ	YoY
Cash and due from banks	31,705.0	37,669.2	29,992.2	23,931.2	37,756.1	-15.8%	-16.0%
Securities Issued by the Central Bank	57,686.9	43,492.5	8,145.9	37,885.4	56,014.4	32.6%	3.0%
Government Securities	10,043.9	5,857.8	4,506.2	6,797.4	8,208.8	71.5%	22.4%
Loans & Leasing	100,280.6	97,187.9	104,681.9	111,074.0	117,230.2	3.2%	-14.5%
Repo Transactions	4,633.4	83.4	0.0	5,071.8	50.9	na	na
Property, Plant & Equipment	5,261.8	4,962.3	4,546.1	4,540.0	3,563.7	6.0%	47.7%
Other & Intangible	16,939.1	18,306.4	17,902.9	17,160.7	17,593.3	-7.5%	-3.7%
Total Assets	226,550.6	207,559.6	169,775.2	206,460.5	240,417.4	9.1%	-5.8%

Investment Portfolio

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

	jun 20	mar 20	dec 19	sep 19	jun 19
Securities Issued by the Central Bank	57,686.9	43,492.5	8,145.9	37,885.4	56,014.4
AR\$ Leliq	57,686.9	43,492.5	8,145.9	37,885.4	56,014.4
Government Securities	10,043.9	5,857.8	4,506.2	6,797.4	8,208.8
AR\$	10,043.9	5,857.8	4,069.9	5,518.8	6,185.7
U\$S	-	-	436.3	1,278.6	2,023.1
Corporate Securities	371.2	336.8	132.3	233.8	147.3
AR\$	371.2	336.8	132.3	232.2	145.9
U\$S	-	-	-	1.6	1.4
Securities Issued by the Central Bank in Repo (Held to maturity)	4,460.1				
AR\$	4,460.1				
Gov Sec. in Guarantee (Held for trading)	328.7	1,492.7	1,401.9	1,031.1	2,626.8
US\$	328.7	1,492.7	1,401.9	1,031.1	2,626.8
AR\$ Gov Sec in Time Deposits (Held to maturity)	-	-	65.8	-	-
AR\$	-	-	65.9	-	-
Total	72,890.8	51,179.8	14,186.4	45,947.8	66,997.3
AR\$	72,562.1	49,687.2	12,559.9	43,636.5	62,346.0
U\$S	328.7	1,492.7	1,692.3	2,311.3	4,651.2

As of June 30, 2020, the main holdings of Government Securities corresponds to:

Government Securities breakdown

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

	jun 20
Treasury Bonds 2020/2022 (Reserve Requirements)	5,079.4
AR\$ Treasury Notes	1,785.3
Boncer	1,584.0
Lebad	334.4
Others	1,260.8
Total	10,043.9

Loan Portfolio

The **gross loan portfolio**, including loans and financial leases, amounted to AR\$100.3 billion (measured in AR\$ unit at the end of 2Q20), decreasing 14.5% YoY but increasing 3.2% QoQ. Considering non-restated for inflation figures, the gross loan portfolio increased 22.1% YoY and 8.7% QoQ.

AR\$ loans measured in AR\$ unit at the end of 2Q20, amounted to AR\$80.0 billion decreasing 7.1% YoY but increasing 6.9% QoQ. In nominal terms, AR\$ loans increased 32.6% YoY and 12.7% QoQ. YoY and QoQ inflation were 42.8% and 5.4% respectively. YoY and QoQ performance are mainly explained by the increase in financing granted to SMEs at 24% and Zero interest rate financing to some eligible clients, partially offset by the decline in the consumer finance loan portfolio.

US\$ loans, measured in US\$, amounted to US\$288.1 million decreasing 43.9% YoY and 12.5% QoQ.

The table below show the evolution of the loan book over the past five quarters broken down by product.

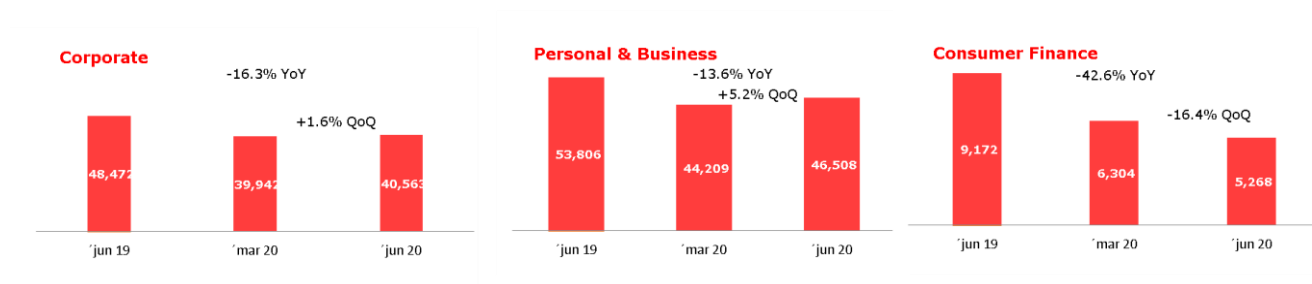
Loan & Financial Leases Portfolio	jun 20	mar 20	dec 19	sep 19	jun 19	% Change	
						QoQ	YoY
To the non-financial public sector	200.5	64.5	32.8	37.5	44.9	211.0%	346.4%
To the financial sector	299.0	89.6	87.0	688.0	958.7	233.7%	-68.8%
To the non-financial private sector and foreign residents (before allowances):	89,172.4	87,606.0	94,367.4	98,993.7	104,754.3	1.8%	-14.9%
Overdrafts	5,213.1	5,783.3	6,137.5	7,601.5	7,085.4	-9.9%	-26.4%
Promissory notes	27,747.7	20,198.7	24,746.7	20,571.0	22,016.4	37.4%	26.0%
Mortgage loans	8,970.5	8,986.0	8,969.2	8,873.0	9,403.3	-0.2%	-4.6%
Automobile and other secured loans	1,250.2	1,295.5	1,382.9	1,741.2	2,084.2	-3.5%	-40.0%
Personal loans	17,104.7	18,450.2	19,163.8	21,992.9	26,173.5	-7.3%	-34.6%
Credit card loans	13,761.2	13,542.1	14,860.7	13,612.3	13,615.8	1.6%	1.1%
Foreign trade loans & US\$ loans	17,687.9	19,808.7	20,618.0	27,793.7	26,319.0	-10.7%	-32.8%
Others	4,960.7	5,658.6	4,970.2	3,543.0	4,564.8	-12.3%	8.7%
Less: allowances for loan losses	-7,523.7	-6,117.2	-6,481.6	-6,734.8	-6,508.2	23.0%	15.6%
Total Loans, net	89,672.0	87,760.1	94,487.2	99,719.2	105,757.9	2.2%	-15.2%
Receivables from financial leases	2,994.1	3,225.0	3,704.2	4,581.1	4,927.1	-7.2%	-39.2%
Accrued interest and adjustments	90.8	85.7	8.8	38.9	37.0	6.0%	145.3%
Less: allowances	-182.3	-264.5	-93.2	-110.2	-96.6	-31.1%	88.7%
Total Loan & Financial Leases, net	92,574.6	90,806.2	98,107.1	104,229.0	110,625.4	1.9%	-16.3%
Total Loan & Financial Leases (before allowances)	100,280.6	97,187.9	104,681.9	111,074.0	117,230.2	3.2%	-14.5%

With the aim of implementing a strategic view focused on individual customers and SMEs, which demand and value close -through branches- and digital service models, certain business segments of Banco Supervielle were redefined. On January 1, 2020, the SMEs customers and loan portfolio were transferred from the Corporate Banking segment to the Personal and Business Banking segment.

Since January 1, 2020, the Bank customers are served as follows:

- Personal & Business banking segment:
 - Small businesses, individuals and businesses with annual sales up to AR\$100 million
 - "SMEs", companies with annual sales over AR\$100 million and below AR\$700 million
- Corporate banking Segment:
 - Middle-market, companies with annual sales over AR\$700 million and below AR\$2.5 billion
 - Large corporates, companies with annual sales over AR\$2.5 billion

The charts below show the evolution of the loan book QoQ and YoY broken down by segment.



Personal & Business and Corporate segments loan portfolio increased sequentially reflecting mainly the loans granted to SMEs at 24% preferential interest rate and to a lesser extent some demand from corporates, while the Consumer Finance segment loan portfolio continued to decline following the weak demand from individuals since the pandemic outbreak.

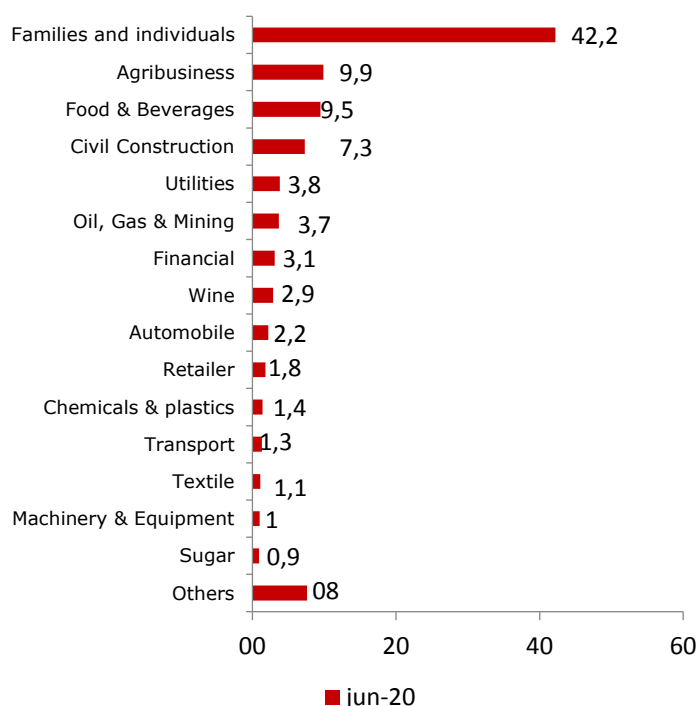
Risk management

Atomization of the loan portfolio.

As a result of its risk management policies, the Company continues to show an atomized portfolio, where the top 10, 50 and 100 borrowers represent 13%, 28% and 36%, respectively of the Loan portfolio, stable when compared to previous quarters.

Loan portfolio atomization	2Q20	1Q20	4Q19	3Q19	2Q19
%Top10	13%	13%	13%	13%	14%
%Top50	28%	29%	30%	29%	28%
%Top100	35%	36%	37%	36%	34%

Loan Portfolio breakdown by economic activity



Collateralized Loan Portfolio

As of June 30, 2020, 44% of the total commercial loan portfolio was collateralized, while 66% of the commercial non-performing loans portfolio was collateralized (compared to 61% as of March 31, 2020 and 20% as of June 30, 2019).

Loan portfolio collateral	SMEs & Middle Market	Large	Total
Collateralized Portfolio	45%	43%	44%
Unsecured Portfolio	55%	57%	56%

Regarding Personal and Business Portfolio, loans to payroll and pension clients as of June 30, 2020, represented 72.2% of the total loan portfolio to individuals.

Asset Quality

The total **NPL ratio** increased by 100 bps YoY but declined 60 bps QoQ to 6.1% in 2Q20. QoQ NPL performance reflects an improvement in all segments, including: (i) a 60 bps decrease in Corporate Segment NPL ratio due to a decline in non-performing loans together with the increase in the segment loan portfolio through AR\$ loans granted to SMEs at a 24% interest rate , ii) a 10 bps decrease in Personal and Business Segment NPL ratio and iii) a 40 bps decrease in Consumer Finance NPL ratio. 2Q20 continues to benefit from Central Bank regulatory easing amid the pandemic on debtor classifications (adding a 60-days grace period before loans are classified as non-performing) and the suspension of mandatory reclassification of customers that are non-performing with other banks, but performing with Supervielle which was introduced in 1Q20 and until September 30, 2020. 2Q20 NPLs may also benefit from the relief program ruled by the Central Bank amid the pandemic, allowing debtors to defer their loan payments originally maturing between April 2020 and September 2020.

YoY NPL performance was explained by a 150 bps increase in Personal and Business Segment NPL and a 600 bps increase in Corporate Segment NPL, while Consumer Finance NPL declined by 1,180 bps. Personal and Business Segment and Consumer Finance Segment NPLs benefitted from the regulatory easing on debtor classification since March 2020, but Consumer Finance Segment NPL decline was mostly explained by the improvement in asset quality reflecting the measures taken by the Company since 1Q18 to enhance asset quality following the peaks observed in 2Q18. These measures included tightening of credit scoring standards, slower origination and changes in the collection process in the consumer finance segment.

The **Coverage ratio** increased to 127.1% from 107.7% in 2Q19 and 99.6% in 1Q20. The increase in coverage starting 1Q20 reflects provisions made in advance of potential deterioration arising from a weak macro environment and the Covid-19 impacts, as well as benefits from the Central Bank regulatory easing in 1Q20.

Cost of Risk was 9.8% in 2Q20, compared to 6.0% in 2Q19 and 7.1% in 1Q20. The QoQ and YoY increases reflect the abovementioned provisioning following the enhancement in our expected loss risk models made during the quarter to reflect the impact of the pandemic and the extended lockdown imposed by the Argentine government. As of June 30, 2020, the **Provisioning Ratio on total loan portfolio** reached 7.7% compared to 6.6% as of March 2020.

Cost of risk, net, which is equivalent to loan loss provisions net of recovered charged-off loans and reversed allowances, was 10.2% in 2Q20, compared to 5.6% in 2Q19 and 5.6% in 1Q20.

NPL Ratio and Delinquency by Product & Segment	jun 20	mar 20	dec 19	sep 19	jun 19
Corporate Segment NPL	9.2%	9.8%	9.2%	7.6%	3.2%
Personal and Business Segment NPL	3.5%	3.6%	3.8%	3.8%	3.6%
Personal Loans NPL	2.6%	2.1%	4.2%	4.1%	3.7%
Credit Card Loans NPL	1.9%	2.5%	3.8%	4.5%	4.5%
Mortgages NPL	1.5%	1.0%	1.3%	0.8%	0.6%
SMEs NPL ¹	9.9%	11.1%	6.9%	3.8%	4.6%
Consumer Finance Segment NPL	9.6%	10.0%	17.2%	20.3%	21.4%
Personal Loans NPL	9.6%	10.2%	25.1%	27.1%	28.7%
Credit Card Loans NPL	11.5%	13.1%	12.3%	15.2%	16.9%
Car Loans NPL	11.5%	10.8%	15.9%	13.4%	10.8%
Total NPL	6.1%	6.7%	7.4%	6.9%	5.1%

1. Until December 2019, SMEs NPL ratio includes total SMEs loan portfolio while since March 2020, SMEs NPL ratio only includes the portfolio allocated to the Personal and Business Segment, according to the Business Segment criteria applied since January 20

The Central Bank ruled certain automatic Deferral Programs amid the Covid-19 pandemic, both for Credit Cards and for Loans.

- 1) Credit Cards: Through Communication A 6964 the Central Bank ruled that all unpaid balances of credit card statements due between April 13 and April 30, 2020, should be automatically rescheduled in nine equal consecutive monthly installments beginning after a 3-month grace period. Interest rates on such unpaid balances should not exceed an annual nominal rate of 43%.
- 2) Loans: Through Communication A 6949, the Central Bank rescheduled unpaid payments on loans maturing between April 1 and June 30, 2020 and suspended the accrual of punitive interests on loans. Any unpaid installment is automatically rescheduled after the final maturity of the loan and at the same interest rate of the loan. This disposition affects all loans to individuals and companies and all products such as personal loans, mortgage loans, car loans, leasing, etc. Then, through Communication A7044, The Central Bank extended this rule to those loans or installments maturing from July 1 to September 30, 2020.

As of June 30, 2020, AR\$1.5 billion of loans maturing between April and June 2020, were automatically rescheduled following Central Bank Communication A6949, representing approximately 9% of total loans subject to automatic deferral.

Deferral of Loan Installments	April-June 20
% of total loans subject to deferral	
Individuals	4%
Commercial Loans	12%
Consumer Finance	20%
Total	9%
Total amount rescheduled	AR\$1.5 bn

As of June 30, 2020, AR\$3.1 billion of credit card balances maturing in April 2020, were automatically rescheduled following Central Bank Communication A6964.

Deferral of Credit Cards balances	AR\$ million
As of June 30	
Individuals	2,354
Commercial Loans	89
Consumer Finance	634
Total	3,077

Asset Quality						% Change	
(In millions of Argentine Ps.)	jun 20	mar 20	dec 19	sep 19	jun 19	QoQ	YoY
Commercial Portfolio	42,567.1	41,707.8	46,614.4	54,778.0	55,822.1	2%	-24%
Non-Performing	3,856.0	3,991.0	4,226.7	4,154.0	1,653.8	-3%	133%
Consumer Lending Portfolio ¹	55,089.4	52,018.7	53,527.8	53,020.7	59,487.3	6%	-7%
Non-Performing	2,465.5	2,698.4	3,764.0	3,867.2	4,539.0	-9%	-46%
Total Portfolio ²	97,656.5	93,726.5	100,142.2	107,798.7	115,309.4	4%	-15%
Non-Performing	6,321.5	6,689.5	7,990.7	8,021.2	6,192.8	-6%	2%
Total Non-Performing / Total Portfolio	6.1%	6.7%	7.4%	6.9%	5.1%		
Total Allowances	6,323.6	6,320.9	6,240.9	6,495.9	6,997.7	0%	-10%
Coverage Ratio	127.1%	99.6%	83.0%	86.1%	107.7%		

1- Includes Retail, Consumer Finance and Residual Car Loans Mila portfolios

2- Total portfolio includes total loans before allowances, unlisted corporate bonds & others and receivables from financial leases before allowances

Lifetime ECL							
Analysis of the Allowance for Loan Losses	Balance at the beginning of the period	12-month ECL	Financial assets with significant increase in credit risk	Credit-impaired financial assets	Simplified approach (*)	Result from exposure to changes in the purchasing power of the currency in Allowances	Balance at the end of the period
Repo transactions	-	-	-	-	-	0.0	-
Other Financial Assets	281.0	1.1	-	158.9	-	-52.5	386.3
Loans and Other Financings	13.7	12.8	-	-	-	-0.1	0.8
Other Financial Entities	13.7	12.8	-	-	-	-0.1	0.8
Non-Financial Private Sector	6,361.9	811.7	903.2	568.5	-	-1,001.9	7,643.3
Overdraft	1,675.9	76.2	75.9	35.0	-	-222.9	1,640.0
Unsecured Corporate Loans	413.4	174.7	34.0	101.9	-	-86.6	637.4
Mortgage Loans	524.0	627.7	56.4	89.0	-	-155.2	1,142.0
Automobile and other secured loans	110.6	4.9	21.2	5.4	-	-14.5	107.0
Personal Loans	938.7	29.3	85.2	62.5	-	-133.5	982.2
Credit Cards	614.7	80.3	1.1	76.3	-	-54.7	402.4
Receivables from financial leases	157.8	28.4	33.1	0.2	-	-11.5	84.6
Other	1,926.7	17.3	664.7	361.9	-	-322.8	2,647.7
Other Securities	4.0	-	-	-	-	-0.5	3.6
Other non-financial Assets	-	-	-	-	-	0.0	-
Total Allowances	6,660.6	797.8	903.2	727.4	-	-1,055.0	8,033.9

Funding

Total funding, including deposits, other sources of funding such as financing from other financial institutions and negotiable obligations, as well as shareholders' equity, decreased 5.8% YoY but increased 9.2% QoQ. QoQ performance is explained due to the 10.8% increase in deposits. In 2Q20, AR\$ institutional funding and core franchise deposits increased 27% and 8% respectively. Other sources of funding decreased 20.8% YoY but increased 7.1% QoQ, while Shareholders equity declined 4.7% YoY and increased 3.2% QoQ.

AR\$ denominated funding increased 9.8% YoY and 11.4% QoQ. QoQ increase reflects the deposits growth with wholesale & institutional customers, and an 8.4% increase in AR\$ core franchise deposits.

Foreign currency denominated funding (measured in US\$) decreased 49.3% YoY reflecting US\$ deposits outflows following industry trend since August 2019 and increased 1.0% QoQ. QoQ performance is mainly explained by the issuance of a short-term note issued by the Bank in the local capital markets which offset US\$ deposits outflows in the quarter.

Funding & Other Liabilities (In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)						% Change	
	jun 20	mar 20	dec 19	sep 19	jun 19	QoQ	YoY
Deposits							
Non-Financial Public Sector	5,131.8	5,867.5	6,213.8	9,648.9	14,360.4	-12.5%	-64.3%
Financial Sector	18.7	17.7	31.9	34.4	37.9	5.3%	-50.8%
Non-Financial Private Sector and Foreign Residents	153,453.8	137,208.8	94,861.7	119,837.5	146,402.8	11.8%	4.8%
Checking Accounts	18,836.3	15,221.0	13,767.1	14,151.2	11,611.9	23.8%	62.2%
Savings Accounts	40,458.2	39,149.5	33,383.1	32,606.4	45,617.2	3.3%	-11.3%
Special Checking Accounts	27,803.1	25,496.9	10,612.7	23,311.0	32,875.5	9.0%	-15.4%
Time Deposits	38,958.7	42,712.1	27,103.7	42,112.5	43,244.3	-8.8%	-9.9%
Others	27,397.5	14,629.4	9,995.1	7,656.4	13,053.8	87.3%	109.9%
Total Deposits	158,604.2	143,094.0	101,107.4	129,520.8	160,801.1	10.8%	-1.4%
Other Source of Funding							
Liabilities at a fair value through profit or loss	113.0	385.4	215.3	0.0	2,533.0	-70.7%	-95.5%
Derivatives	0.0	0.0	0.0	0.0	0.0		
Repo Transactions	644.1	284.4	363.3	403.9	616.4	126.5%	4.5%
Other financial liabilities	10,538.2	10,419.1	10,355.8	9,319.9	9,801.8	1.1%	7.5%
Financing received from Central Bank and others	7,996.5	8,861.6	10,243.4	12,936.2	6,659.8	-9.8%	20.1%
Medium Term Notes	5,882.7	4,333.2	6,913.8	12,909.0	16,596.8	35.8%	-64.6%
Current Income tax liabilities	682.1	0.0	0.0	265.4	714.3		
Subordinated Loan and Negotiable Obligations	2,489.7	2,014.2	2,408.1	2,663.3	2,217.9	23.6%	12.3%
Provisions	729.0	575.2	769.0	196.4	169.8	26.7%	329.3%
Deferred tax liabilities	309.0	527.9	575.1	22.5	842.4	-41.5%	-63.3%
Other non-financial liabilities	9,735.1	9,138.1	9,324.8	10,403.0	9,216.4	6.5%	5.6%
Total Other Source of Funding	39,119.4	36,539.1	41,168.7	49,119.4	49,368.8	7.1%	-20.8%
Attributable Shareholders' Equity	28,803.8	27,904.2	27,477.2	27,798.2	30,221.9	3.2%	-4.7%
Total Funding	226,527.5	207,537.3	169,753.3	206,438.3	240,391.8	9.2%	-5.8%

Deposits

Total deposits amounted to AR\$158.6 billion in 2Q20, decreasing 1.4% YoY but increasing 10.8% QoQ. QoQ increase reflects the deposits growth with wholesale & institutional customers, and the 8.4% increase in AR\$ core franchise deposits.

Total deposits represent 70.0% of Supervielle's total funding sources compared to 66.9% in 2Q19 and 68.9% in 1Q20.

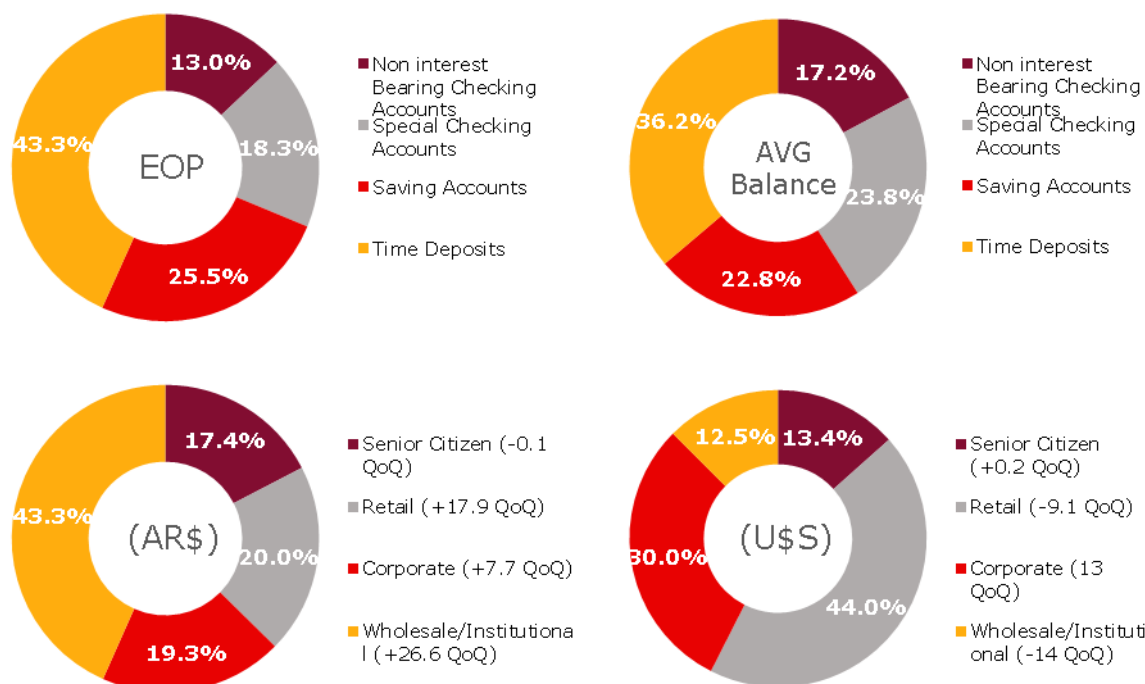
On a YoY basis, AR\$ denominated deposits measured in units at the end of the reporting period, increased 24.1%. AR\$ denominated deposits in nominal terms increased 80.3% YoY compared with nominal industry growth of 77.0%. Foreign currency denominated deposits (measured in US\$) decreased 66.2% YoY while industry deposits in foreign currency decreased 44.0%.

On a QoQ basis, AR\$ denominated deposits measured in units at the end of the reporting period, increased 26.3%. AR\$ denominated deposits in nominal terms increased 21.6% QoQ compared with nominal industry growth of 24.7% and accounted for 87.3% of total deposits as of June 30, 2020. Foreign currency denominated deposits decreased 16.0% while Industry US dollar denominated deposits decreased 7.2%.

(In millions of Ps.
stated in terms of
the measuring unit
current at the end
of the reporting
period)

	jun 20	mar 20	dec 19	sep 19	jun 19	QoQ	YoY
Non-Financial Public Sector	4,023.2	4,342.3	3,747.2	4,380.6	4,284.5	-7.3%	-6.1%
Financial Sector	18.5	15.3	21.6	34.0	37.2	21.6%	-50.1%
Non-Financial Private Sector and Foreign Residents	134,491.4	115,701.9	70,827.8	91,353.2	105,362.6	16.2%	27.6%
Checking Accounts	18,836.3	15,221.0	13,767.1	14,151.2	11,611.9	23.8%	62.2%
Savings Accounts	30,777.9	29,078.1	21,861.7	19,176.3	25,632.8	5.8%	20.1%
Special Checking Accounts	23,433.9	19,314.9	2,530.7	13,654.7	18,805.3	21.3%	24.6%
Time Deposits	34,574.4	37,863.9	23,194.9	37,304.3	36,823.8	-8.7%	-6.1%
Others	26,869.0	14,223.9	9,473.5	7,066.8	12,488.8	88.9%	115.1%
Total AR\$ Deposits	138,533.1	120,059.4	74,596.7	95,767.8	109,684.2	15.4%	26.3%

The charts below show **the breakdown of deposits** as of June 30, 2020, and in 2Q20 average balances, respectively.



Non- or low-cost demand total deposits (including private and public-sector deposits) comprised 38.5% of the Company's total deposits base (25.5% of savings accounts and 13.0% of checking accounts) as of June 30, 2020. Non- or low-cost demand deposits represented 39% of total deposits (27% of savings accounts and 12.0% of checking accounts) as of March 31, 2020 and 37% as of June 30, 2019.

AR\$ Individual plus Senior Citizens customer deposits represented 37% of total deposits as of June 30, 2020, compared with 40% of total deposits as of March 31, 2020. AR\$ Wholesale and institutional deposits increased to 43% of total AR\$ deposits from 40% as of March 31, 2020.

Other Sources of Funding and Shareholder's Equity

As of June 30, 2020, other sources of funding and shareholder's equity amounted to AR\$67.9 billion decreasing 14.7% YoY and increasing 5.4% QoQ.

The YoY performance in other sources of funding is explained by the following decreases:

- 64.6%, or AR\$10.7 billion in Medium Term Notes,
- 95.5%, or AR\$2.4 billion in Liabilities at a fair value through profit or loss, and
- 4.7%, or AR\$1.4 billion in Attributable Shareholders' Equity.

The QoQ performance was explained mainly by the increase of 35.8% or AR\$1.5 billion in medium term notes issued by the Bank partially offset by the 50% amortization of the AR\$ linked note issued by the bank in February 2017, 126.5% or AR\$360 million in Repo Transactions and 6.5% or AR\$597 million in other non-financial liabilities.

Foreign Currency Exposure

The table below show the foreign currency exposure in past quarters.

Consolidated Balance Sheet Data (In thousands of US\$)	jun 20	mar 20	dec 19	sep 19	jun 19
Assets					
Cash and due from banks	217,759	212,086	235,077	248,202	450,562
Securities at fair value through profit or loss	15,153	7,867	13,121	17,723	36,404
Loans	248,374	295,016	316,093	386,488	469,108
Other Receivables from Financial Intermediation	3,006	11,941	9,176	6,652	4,446
Other Receivable from Financial Leases	25,115	25,645	29,252	31,726	33,946
Other Assets	13,787	34,468	37,215	26,534	55,744
Other non-financial assets	160	45	107	47	64
Total assets	523,355	587,069	640,042	717,372	1,050,274
Liabilities and shareholders' equity					
Deposits	284,813	331,883	389,627	461,955	842,882
Other financial liabilities	197,051	177,658	191,229	222,702	146,117
Other Liabilities	19,530	14,721	17,670	19,354	23,118
Subordinated Notes	35,338	28,863	35,393	36,461	36,599
Total liabilities	536,731	553,126	633,920	740,472	1,048,716
Net Position on Balance	-13,376	33,943	6,123	-23,100	1,558
Net Derivatives Position	30,901	-8,226	1,631	1,000	2,822
Global Net Position	17,525	25,718	7,754	-22,100	4,380

According to Central Bank regulations, non-financial liabilities resulting from the adoption of IFRS 16 since January 2019, are not considered within the Global Net Position. Global Net Position is limited to a 4% maximum long position.

Liquidity & Capitalization

Loans to deposits ratio of 63.4% down from 73.1% as of June 30, 2019 and from 68.1% as of March 31, 2020.

AR\$ loans to AR\$ deposits ratio was 57.7% compared to 78.5% on June 30, 2019 and 62.3% as of March 31, 2020. QoQ, the ratio reflects 26.6% growth in AR\$ deposits raised with wholesale & institutional customers to fund higher holdings of Leliqs, and the 8.4% increase in AR\$ core franchise deposits, while AR\$ loans increased 6.9%. Liquid AR\$ Assets to AR\$ deposits ratio as of June 30, 2020 was 60.7% remaining unchanged from March 31, 2020.

US\$ loans to US\$ deposits ratio was 101.1% compared to 60.9% as of June 30, 2019 and 97.2% as of March 31, 2020. In 1Q20, US\$ deposits outflows were 16% while US\$ loans declined 12.5%. As of June 30, 2020, the Liquid US\$ Assets to US\$ deposits ratio was 74.8% increasing from 61.1% as of March 31, 2020.

As of June 30, 2020, proforma **liquidity coverage ratio** (LCR) was 126.1% compared to 130.2% as of March 31, 2020. This ratio continued to reflect high liquidity levels.

Net Stable funding ratio ("NSFR") as of June 30, 2020 was 181.4%.

Tables below present information about liquidity in AR\$ and US\$:

AR\$ Liquidity

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

	jun 20	mar 20	dec 19	sep 19
Cash and due from banks	16,693.2	24,307.3	16,095.3	9,645.0
Securities Issued by the Central Bank (Leliq)	57,686.9	43,492.5	8,145.9	37,885.4
Treasury Bonds (Botes)	5,079.4	4,919.5	3,510.2	5,018.4
Repo	4,633.4	83.4	-	5,071.8
Liquid AR\$ Assets	84,092.9	72,802.7	27,751.4	57,620.6
Total AR\$ Deposits	138,533.1	120,059.4	74,596.7	95,767.8
Liquid AR\$ Assets / Total AR\$ Deposits	60.7%	60.6%	37.2%	60.2%

US\$ Liquidity

(In US\$ million)

	jun 20	mar 20	dec 19	sep 19
Cash and due from banks	213.1	207.3	232.0	248.2
US\$ Treasury Bonds	-	-	2.5	17.3
Liquid US\$ Assets	213.1	207.3	234.5	265.5
Total US\$ Deposits	284.9	339.1	389.7	462.1
Liquid US\$ Assets / Total US\$ Deposits	74.8%	61.1%	60.2%	57.5%

As of June 30, 2020, **equity to total assets** was 12.7%, compared to 13.4% as of March 31, 2020 and 12.6% as of December 31, 2019.

Consolidated Capital (In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	jun 20	mar 20	dec 19	sep 19	jun 19	% Change	
						QoQ	YoY
Attributable Shareholders' Equity	28,803.8	27,904.2	27,477.2	27,798.2	30,221.9	3.2%	-4.7%
Average Shareholders' Equity	27,032.0	25,589.9	21,416.8	23,161.2	25,258.8	5.6%	7.0%
Shareholders' Equity as a % of Total Assets	12.7%	13.4%	16.2%	13.5%	12.6%		
Avg. Shareholders' Equity as a % of Avg. Total Assets	13.2%	13.2%	11.8%	11.3%	11.1%		
Tang. Shareholders' Equity as a % of T. Tang. Assets	10.8%	11.4%	13.7%	11.5%	10.8%		

Capital injections made by the Company in its subsidiaries during the past twelve months were as follows:

- In June 2019, CCF received total net capital injections of AR\$500 million,
- In March 2020, Bolsillo Digital S.A.U received total net capital injections of AR\$48 million,
- In March 2020, Futuros del Sur S.A. received total net capital injections of AR\$50 million, and
- In March 2020, Supervielle Productores Asesores de Seguros S.A. received total net capital injections of AR\$30 million

In April and May 2020, the Company received Dividend payments from its subsidiaries, Supervielle Seguros and Supervielle Asset Management of AR\$190 million and AR\$147.3 million respectively.

On May 29, 2020, the Company paid a cash dividend of AR\$426 million.

On June 28, 2019, the Central Bank ruled, through Communication "A" 6723, effective on January 1, 2020, that Group "A" financial institutions which are controlled by non-financial institutions (as in our case in relation with the Bank) shall comply with the Minimum Capital requirements, the Major Exposure to Credit Risk regulations, the Liquidity Coverage Ratio and the Net Stable Funding Ratio on a consolidated basis comprising the non-financial holding and all its subsidiaries (excluding insurance companies and non-financial subsidiaries).

On March 19, 2020, the Central Bank ruled, through Communication "A" 6938, establishing that group A financial institutions are allowed to consider as Tier 1 capital (COn1), when calculating minimum capital requirements, the positive difference between the accounting provision, calculated in accordance with point 5.5. of IFRS 9, and the regulatory provision, calculated in accordance with the standards on minimum loan loss provisions required, or the accounting provision as of November 30, 2019, the higher of both, that is, when the provision under IFRS is greater than the regulatory (or accounting as of that date).

The **Common Equity Tier 1 Ratio** as of June 30, 2020, was 13.4%, compared to the 13.3% reported as of March 31, 2020 and 11.9% reported as of March 31, 2019.

The YoY increase reflects capital creation in the quarter offset by the increase in risk weighted assets, the initial IAS29 adjustment in the first quarter and also the additional IAS29 adjustment in the second quarter on non-monetary assets and the above mentioned Central Bank regulatory easing on provisions amid the Covid-19 pandemic that allows banks to consider as Tier 1 Common Equity, the difference between expected loss provisions recorded following IFRS9, and provisions recorded as of November 30, 2019 under the previous accounting framework.

The QoQ increase reflects capital creation in the quarter, the IAS29 adjustment in the second quarter on non-monetary assets, and the above-mentioned increase in Tier 1 from Central Bank regulatory easing on provisions amid the Covid-19 pandemic. This was partially offset by the increase in risk weighted assets, dividend payment made in the quarter and deductions on deferred income tax.

Supervielle's Tier 1 ratio coincides with CET 1 ratio.

As of June 30, 2020, Banco Supervielle's consolidated financial position showed a solvency level with an integrated capital of AR\$20.8 billion, exceeding total capital requirements by AR\$8.5 billion.

The table below presents information about the Bank and CCF's consolidated regulatory capital and minimum capital requirement as of the dates indicated:

Calculation of Excess Capital					
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)					
	jun 20	mar 20	dec 19	sep 19	jun 19
Allocated to Assets at Risk	9,020.6	7,291.7	7,164.8	6,827.8	6,377.2
Allocated to Bank Premises and Equipment, Intangible Assets and Equity Investment Assets	0.0	993.2	826.1	731.6	425.1
Market Risk	357.1	251.8	251.7	282.6	468.4
Public Sector and Securities in Investment Account	14.0	15.3	11.5	14.0	8.8
Operational Risk	2,909.0	2,602.8	2,350.0	2,083.5	1,934.3
Required Minimum Capital Under Central Bank Regulations	12,300.6	11,154.7	10,604.1	9,939.6	9,213.8
Basic Net Worth	24,670.0	21,203.8	16,991.1	16,098.6	14,961.0
Complementary Net Worth	1,148.1	1,046.8	1,033.7	1,159.1	1,206.8
Deductions	-5,004.2	-3,598.4	-2,999.7	-2,485.2	-2,169.7
Total Capital Under Central Bank Regulations	20,813.9	18,652.1	15,025.1	14,772.4	13,998.1
Excess Capital	8,513.4	7,497.4	4,421.0	4,832.8	4,784.2
Credit Risk Weighted Assets	109,441.6	101,860.1	96,585.7	91,375.6	82,531.4
Risk Weighted Assets	150,468.2	137,535.9	129,638.2	121,488.1	112,693.1

Total Capital					
(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)					
	jun 20	mar 20	dec 19	sep 19	jun 19
Tier 1 Capital					
Paid in share capital common stock	829.6	829.6	829.6	829.6	808.9
Irrevocable capital contributions	0.0	0.0	0.0	0.0	475.0
Share premiums	6,898.6	6,898.6	6,898.6	6,898.6	6,444.3
Disclosed reserves and retained earnings	-4,021.4	-3,816.3	5,351.4	5,351.4	5,342.8
Non-controlling interests	387.8	407.3	126.0	121.7	111.5
Capital adjustments	17,671.9	16,376.4	0.0	0.0	0.0
IFRS Adjustments	111.8	-42.4	1,001.8	773.6	589.3
Expected Loss - Communication "A" 6938 item 10	2,351.7	639.0	0.0	0.0	0.0
100% of results	373.1	0.0	2,247.1	2,000.3	378.3
50% of positive results	318.9	186.6	536.6	123.4	811.0
Sub-Total: Gross Tier I Capital	24,922.0	21,478.8	16,991.1	16,098.6	14,961.0
Deduct:					
All Intangibles	1,419.7	1,268.2	754.2	526.5	472.9
Pending items	29.1	45.7	25.6	19.5	92.0
Other deductions	3,686.1	2,396.8	2,219.9	1,939.3	1,604.9
Total Deductions	5,134.9	3,710.6	2,999.7	2,485.2	2,169.7
Sub-Total: Tier I Capital	19,787.2	17,768.1	13,991.4	13,613.3	12,791.3
Tier 2 Capital					
General provisions/general loan-loss reserves 50%	957.1	869.0	871.4	841.6	781.0
Subordinated term debt	191.0	177.8	162.3	317.5	425.8
Sub-Total: Tier 2 Capital	1,148.1	1,046.8	1,033.7	1,159.1	1,206.8
Total Capital	20,935.3	18,814.9	15,025.1	14,772.4	13,998.1
Credit Risk weighted assets	109,783.9	101,860.1	96,585.7	91,375.6	82,531.4
Risk weighted assets	151,589.9	137,535.9	129,638.2	121,488.1	112,693.1
Tier 1 Capital / Risk weighted assets	13.4%	13.3%	11.3%	11.8%	11.9%
Regulatory Capital / Risk weighted assets	14.2%	14.0%	12.1%	12.8%	12.9%

The QoQ performance reflects the increase in Basic Net Worth as initial recognition of inflation adjustment applied since January 1, 2020. This was partially offset by capital consumption as a result of 23.7% or AR\$1.7 billion million increase in capital allocated to assets at risk, 11.8% or AR\$306 million increase of operational risk, and 39% or AR\$1.4 billion increase in the amount of deductions to the Tier 1 capital, while market risk increased 41.8% or AR\$ 105.3 million

The YoY performance reflects the increase in Basic Net Worth as initial recognition of inflation adjustment applied since January 1, 2020. This was partially offset by capital consumption as a result of 41.5% or AR\$2.6 billion million increase in capital allocated to assets at risk, 50.4% or AR\$975 million increase of operational risk, and 130.6% or AR\$2.8 billion increase in the amount of deductions to the Tier 1 capital, while market risk increased 23.8% or AR\$ 111.3 million.

Minimum Cash Reserve Requirements

Since June 20, 2018, the Central Bank increased the minimum cash reserve requirements on AR\$ Deposits. As a general rule, financial institutions belonging to Group "A" (group of systemic importance) had the following minimum reserve requirement: sight deposits reserve requirements amounted to 45%, of which 30% should be set up in cash, 5% in BOTES 2020 and 10% in LELIQs (until November 1, 2019). For time deposits of up to 29 days of residual term, minimum reserve requirements amounted to 32%, where 11% should be set up in cash, 5% in Botes 2020 and 16% in Leliq. These requirements are reduced as the term of deposits increases. For deposits with a residual tenor between 30 and 59 days, the requirements were 22%, 4% set up in cash, 5% in BOTES 2020 and 13% in LELIQs, reducing to 0%, 2% and 2%, respectively, for the residual term from 60 to 89 days. Deposits of more than 90 days of residual term have no minimum reserve requirement.

Moreover, through a regulation issued on June 19, 2019, it was also determined that from July 1, 2019, the minimum cash reserve requirements in pesos shall be calculated by the average of daily balances of the liabilities registered at the close of each day during the period prior to its integration and established the unified computation of the minimum cash requirement in pesos for the periods July / August and December of a year / January of the following year.

Related to US\$ Deposits, minimum cash reserve requirements are 25% for Demand Deposits and 23% for time deposits of up to 29 days of residual term. This requirement is reduced as the term of deposits increases. For deposits with a residual term of between 30 and 59 days, the requirement is 17%, reduced to 11% for deposits with a residual term ranging from 60 to 89 days, to 5% for deposits with a residual term between 90 to 179 days, and to 2% for residual terms between 180 to 365 days. Deposits with a residual term exceeding 365 days will have no minimum cash requirement.

Amid the Covid-19 pandemic outbreak, the Central Bank eased minimum cash reserve requirements by increasing the amount of deductions allowed to reduce reserve requirements.

Most relevant deductions include:

- (1) a 40% of the amount total loans granted by the bank (balances) to MiPyMES at interest rates of 24% or below;
- (2) a 60% of the total financing granted to eligible customers, at 0% interest rates;
- (3) a 35% of the aggregate financings in Pesos granted by the bank under the "Ahora 12" program, with a limit of 6% over the items in Pesos subject to the Central Bank Rules of Minimum Cash.
- (4) Amounts of cash withdrawals made through the bank's ATMs
- (5) Decrease in the average requirement to non-SMEs clients' loans granted if those funds are invested for the acquisition of machinery and equipment produced by local SMEs. This is effective from July 1, 2020.

On May 14, 2020, the Central Bank ruled that 100% of cash reserve requirement corresponding to time deposits can be set up with Leliqs.

On June 19, 2020, the Central Bank through its Communication A 7046, voided the regulation which established the unified computation of minimum cash reserve requirements for the periods July / August and December of one year / January of the following year

The table below shows the current minimum reserve requirements for Group A financial institutions:

Minimum Reserve Requirements	Cash	Leliq	Treasury Bonds	Total
Saving Accounts	40%	0%	5%	45%
Checking Accounts	40%	0%	5%	45%
Checking Accounts - Mutual Funds	0%	0%	0%	0%
Time Deposits	0%	27%	5%	32%

The table below shows the composition of the Company's reserve requirements as of each reported date. The basis on which 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, with the exception of what was regulated through Communication "A" 6719, and was applicable for the months of July and August 2019, and December 2019 and January 2020.

Minimum Cash Reserve Requirements on AR\$ Deposits (Avg. Balance. AR\$ Bn.)	jun 20	mar 20	dec 19	sep 19	jun 19
Cash	11,540.2	20,013.5	13,830.7	10,533.7	11,729.8
Treasury Bond	4,688.1	4,557.1	3,090.2	3,089.2	2,923.3
Leliq	10,497.1	6,323.9	4,320.9	8,539.3	6,238.0
Special Deduction ¹	8,859.7	4,318.9	2,695.1	2,628.1	2,205.6
Total Cash Reserve Requirements	35,585.1	35,213.5	23,936.9	24,790.2	23,096.7

1. SMEs loans deduction

US\$ Deposits (Avg. Balance. US\$ MM.)	jun 20	mar 20	dec 19	sep 19	jun 19
Cash	84.8	137.8	127.4	149.8	361.6
Total Cash Reserve Requirements	84.8	137.8	127.4	149.8	361.6

Results By Segment

Overview

With the aim of implementing a strategic view focused on individual customers and SMEs, which demand and value close -through branches- and digital service models, certain business segments of Banco Supervielle were redefined. On January 1, 2020, the SMEs customers and loan portfolio were transferred from the Corporate Banking segment to the Personal and Business Banking segment.

Since January 1, 2020, the Bank customers are served as follows:

- Personal & Business banking segment:
 - Small businesses, individuals and businesses with annual sales up to AR\$100 million
 - "SMEs", companies with annual sales over AR\$100 million and below AR\$700 million
- Corporate banking Segment:
 - Middle-market, companies with annual sales over AR\$700 million and below AR\$2.5 billion
 - Large corporates, companies with annual sales over AR\$2.5 billion

Supervielle conducts its business through the following operating segments: Personal & Business Banking, Corporate Banking, Treasury, Consumer Finance, Insurance, and Asset Management & Other Services.

Net Operating Revenue Mix

In 2Q20, the Personal & Business Segment represented 66% of net operating revenues, compared to 60% in 2Q19. The Corporate Segment represented 24% of net operating revenues in 2Q20 compared to 18% in 2Q19, while the Consumer Finance Segment represented 13% of net operating revenues in 2Q20 compared to 8% in 2Q19.

Attributable Comprehensive Income Mix

The table below presents information about the Attributable Comprehensive Income by segment:

Attributable Net Income (in million of Argentine Ps.)	% Change				
	2Q20	1Q20	2Q19	QoQ	YoY
Personal & Business	-1,044.1	-143.2	356.8	na	na
Corporate Banking	-80.7	-4.9	397.0	na	na
Treasury	1,814.9	694.1	624.0	161%	190.9%
Consumer Finance	-180.4	-267.3	-718.3	na	na
Insurance	163.0	99.8	160.0	63%	1.9%
Asset Management & Other Service	115.8	42.6	6.2	171%	-
Total Allocated to segments	788.4	421	826	87%	-4.5%
Adjustments	233.8	56.6	28.6	313%	717.1%
Total Consolidated	1,022.2	477.7	854.3	114%	19.7%

Personal & Business Segment

Through the Personal & Business banking Segment, Supervielle offers wide range of financial products and services designed to meet the needs of individuals, entrepreneurs and small businesses, and SMEs: personal loans, mortgage loans, unsecured loans, loans with special facilities for project and work capital financing, leasing, bank guarantee for tenants, salary advances, car loans, domestic and international factoring, international guarantees and letters of credit, payroll payment plan (planes sueldo), credit cards, debit cards, savings accounts, time deposits, checking accounts, and financial services and investments such as mutual funds, insurance and guarantees, and senior citizens benefit payments. Effective January 1, 2020, the SMEs portfolio has been transferred to the Personal and Business Banking segment from the Corporate Banking Segment. For comparative purposes, 2Q19 segment information has been restated to include the SMEs portfolio.

Personal & Business Segment – Highlights

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

	% Change				
	2Q20	1Q20	2Q19	QoQ	YoY
Income Statement					
Net Interest Income	3,975.5	4,291.4	5,662.9	-7.4%	-29.8%
NIIFI & Exchange rate differences	63.0	29.7	528.7	112.1%	-88.1%
Net Financial Income	4,038.5	4,321.1	6,191.6	-6.5%	-34.8%
Net Service Fee Income	904.2	1,303.9	1,060.4	-30.6%	-14.7%
Net Operating Revenue, before Loan Loss Provisions	4,171.5	5,254.6	6,737.0	-20.6%	-38.1%
RECPPC	-80.4	-182.4	-450.0		
Loan Loss Provisions	-811.2	-805.5	-1,133.8	0.7%	-28.5%
Profit before Income Tax	-1,480.2	-225.3	169.7		
Attributable Net Income	-1,044.1	-143.2	356.8		
Balance Sheet					
Loans (Net of LLP)	45,373.0	43,072.7	51,857.7	5.3%	-12.5%
Receivables from Financial Leases (Net of LLP)	1,134.9	1,136.2	1,948.4	-0.1%	-41.8%
Total Loan Portfolio (Net of LLP)	46,507.9	44,208.9	53,806.1	5.2%	-13.6%
Deposits	82,798.1	78,749.0	94,345.1	5.1%	-12.2%

During 2Q20, **Loss before Income tax** of AR\$1.5 billion compared to a gain before income tax of AR\$169.7 million in 2Q19 and a loss of AR\$225.3 million in 1Q20.

The YoY performance is explained by (i) a 34.8% or AR\$2.2 billion decrease in **net financial income** mainly due to a decrease in average volumes of loans in the quarter, and lower income on foreign currency trading, while cost of fund benefitted from the reduction in market interest rates and loans to individuals continued repricing on a lagged basis, (ii) 14.7% or AR\$156.2 million decrease in Net Service Fee income. This was partially offset by, (i) a 28.5% or AR\$322.7 million decrease in loan loss provisions, (ii) 4.5% or AR\$223.4 million decrease in Personnel, Administrative Expenses & D&A, and (iii) a 82.1% or AR\$369.6 million decrease in the loss from exposure to changes in the purchasing power of the currency due to the lower inflation in 2Q20 compared to 2Q19.

QoQ performance is explained by (i) a 6.5% or AR\$282.7 million decrease in **net financial income** mainly due to a decrease in average volumes of loans in the quarter, while cost of fund benefitted from the reduction in market interest rates and loans to individuals continued repricing on a lagged basis, (ii) 30.6% or AR\$399.6 million decrease in Net Service Fee income as there wasn't fees repricing along the quarter and (iii) 6.0% increase in Personnel, Administrative Expenses & D&A mainly to support the Company's Digital Transformation and Other expenses related to Covid-19 protocols across the Company's branch network aimed at protecting its employees and customers and to ensure business continuity. This was partially offset by, a 55.9% or AR\$354.1 million decrease in the loss from exposure to changes in the purchasing power of the currency due to the lower inflation in 2Q20 compared to 1Q20. Loan loss provisions remained almost flat (+0.7%)

Loan loss provisions amounted to AR\$811.2 million in 2Q20, down 28.5% from 2Q19 and remaining flat from 1Q20. Since 1Q20, provisioning follows IFRS9 expected losses. NPLs from individual customers decreased YoY and QoQ benefitting from Central Bank regulatory easing amid the pandemic on debtor classifications (adding a 60 days grace period before the loan is classified as NPL) and the suspension of mandatory reclassification of customers non performing with other banks but performing with Supervielle.

Attributable Net Income at the Personal & Business Banking Segment was a loss of AR\$1.0 billion in 2Q20 compared with a gain of AR\$ 356.8 million in 2Q19 and a loss of AR\$143.2 million in 2Q29.

Personal & Business banking loans (including receivables from financial leases) reached AR\$46.5 billion at June 30, 2020 decreasing 13.6% YoY but up 5.2%.

Personal & Business banking **deposits** declines 12.2% YoY but increased 5.1% QoQ.

Corporate Banking Segment

Through the Bank, Supervielle offers large corporations and middle market companies a full range of products, services and financing options including factoring, leasing, foreign trade finance and cash management. Effective January 1, 2020, the SMEs portfolio has been transferred from the Corporate Banking Segment to the Personal and Business Banking Segment. For comparative purposes, 2Q19 segment information has been restated to exclude the SMEs portfolio.

Corporate Segment – Highlights (In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	% Change				
	2Q20	1Q20	2Q19	QoQ	YoY
Income Statement					
Net Interest Income	1,019.6	939.0	1,515.9	8.6%	-32.7%
NIIFI & Exchange rate differences	13.1	14.1	116.1	-7.0%	-88.7%
Net Financial Income	1,032.7	953.1	1,632.1	8.4%	-36.7%
Net Service Fee Income	126.4	123.3	301.5	2.5%	-58.1%
Net Operating Revenue, before Loan Loss Provisions	1,519.3	1,101.1	1,696.0	38.0%	-10.4%
RECPCC	-55.5	-92.7	-531.6		
Loan Loss Provisions	-1,230.4	-631.8	-119.2	94.8%	932.6%
Profit before Income Tax	-150.9	-7.7	561.6		
Attributable Net Income	-80.7	-4.9	397.0		
Balance Sheet					
Loans (Net of LLP)	38,813.0	38,046.2	45,578.9	2.0%	-14.8%
Receivables from Financial Leases (Net of LLP)	1,749.7	1,896.1	2,893.2	-7.7%	-39.5%
Total Loan Portfolio (Net of LLP)	40,562.7	39,942.2	48,472.1	1.6%	-16.3%
Deposits	16,184.9	15,629.0	11,629.3	3.6%	39.2%

During 2Q20 **Loss before Income tax** was AR\$150.9 million compared to a gain of AR\$ 561.6 million in 2Q19 and a loss of AR\$7.7 million in 1Q20.

The YoY performance is explained by: (i) AR\$1.1 billion increase in Loan Loss Provisions to AR\$ 1.2 billion in 2Q20, (ii) a 36.7% or AR\$599.3 million decrease in Net Financial Income mainly due to a decrease in corporate loan volumes, while interest expenses benefitted from the decline in market interest rates, and (iii) a AR\$175.1 million or 58.1% decrease in Net Service Fee Income. These were partially offset by: (i) a AR\$476.1 million decrease in loss from exposure to changes in the purchasing power of the currency to AR\$55.5 million loss in 2Q20 from AR\$531.6 million, due to the lower inflation in 2Q20 compared to 2Q19, and (ii) a 20.5% or AR\$99.3 million decrease in expenses.

The QoQ performance is explained by: (i) AR\$598.7 million increase in Loan Loss Provisions to AR\$ 1.2 billion in

2Q20 due to the fine tuning of our Risk Management Models to the current macroeconomic environment. This was partially offset by: (i) a 8.4% or AR\$79.6 million increase in Net Financial Income mainly due to the decrease in interest expenses benefitted from the decline in market interest rates, (ii) a AR\$37.2 million decrease in loss from exposure to changes in the purchasing power of the currency to AR\$55.5 million loss in 2Q20 from AR\$92.7 million, due to the lower inflation in 2Q20 compared to 1Q20, (iii) an AR\$3.1 million or 2.5% increase in Net Service Fee Income. Expenses remained flat in the quarter.

Attributable Net Income at the Corporate Banking Segment was a loss of AR\$80.7 million in 2Q20, compared to a net gain of AR\$ 397.0 million in 2Q19 and a AR\$4.9 million loss in 1Q20.

Loan loss provisions was AR\$1.2 billion in 2Q20 compared to AR\$119.2 million in 2Q19 and AR\$631.8 million in 1Q20. 2Q20 loan loss provisions include Covid-19 specific provisions which reflect the enhancement made to the Company's expected loss models to capture expectations of a worsening macroeconomic outlook as a result of the extended Covid-19 lockdown in Argentina, and to a lesser extent some top down analysis on certain industries that could be highly impacted by the pandemic.

As of June 30, 2020, collateralized non-performing commercial loans were 68% of total compared with 61% as of March 31, 2020 and 20% as of June 30, 2019.

The **corporate loan portfolio** decreased 16.3% YoY but up 1.6%. QoQ reflects the increase in AR\$ while US\$ loans continued declining.

Total **deposits** from corporate customers amounted to AR\$16.2 billion, up 39.2% YoY and 3.6% QoQ.

Treasury Segment

The Treasury Segment is primarily responsible for the allocation of the Bank's liquidity according to the needs and opportunities of the Personal and Business Banking and the Corporate Banking segments as well as its own needs and opportunities. The Treasury Segment implements the Bank's financial risk management policies, manages the Bank's trading desk, and develops businesses with wholesale financial and non-financial clients.

Treasury Segment – Highlights

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

	2Q20	1Q20	2Q19	% Change	
				QoQ	YoY
Income Statement					
Net Interest Income	2,438.2	1,544.8	-5,741.0	57.8%	-142.5%
NIIFI & Exchange rate differences	588.0	17.9	6,746.9	3181.1%	-91.3%
Results from Recognition of Financial Instruments at amortized cost	54.3	12.3			
Net Financial Income	3,080.6	1,575.0	1,005.9	95.6%	206.3%
Net Operating Revenue, before Loan Loss Provisions	3,005.3	1,666.1	930.3	80.4%	223.1%
LELIQ Result from exposure to changes in the purchasing power of the currency	-2,248.8	-	-	-	-
RECPPC	2,057.8	-265.2	-112.3	-876.0%	
Profit before Income Tax	2,512.3	1,091.6	524.3	130.2%	379.2%
Attributable Net Income	1,814.9	694.1	624.0	161.5%	190.9%

Profit before Income tax of AR\$2.5 billion compared to a profit of AR\$524.3 million in 2Q19 and AR\$1.1 billion in 1Q20. The Treasury business benefitted from a decrease in cost of funds following the reduction in interest rates, and from the increased investments in Central Bank Leliqs.

During 2Q20, the Treasury Segment reported an **Attributable Net Income** of AR\$1.8 billion, compared to a net gain of AR\$624.0 million in 2Q19 and AR\$694.1 million in 1Q20.

Consumer Finance Segment

Through Cordial Compañía Financiera, Tarjeta Automática and MILA, Supervielle offers credit card services, personal loans and car loans, to the middle and lower-middle-income sectors. Product offerings also include consumer loans, credit cards and insurance products through an exclusive agreement with Walmart Argentina, as well as with other agreements with retailers such as Hiper Tehuelche and through Tarjeta Automática branch network. Moreover, through Espacio Cordial, Supervielle offers non-financial products and services.

Consumer Finance Segment – Highlights

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

	2Q20	1Q20	2Q19	QoQ	YoY
Income Statement					
Net Interest Income	659.6	606.6	497.5	8.7%	32.6%
NIIFI & Exchange rate differences	25.6	25.5	-43.0	0.4%	-159.4%
Net Financial Income	685.1	632.1	454.5	8.4%	50.8%
Net Service Fee Income	255.3	232.8	354.0	9.7%	-27.9%
Net Operating Revenue, before Loan Loss Provisions	875.0	818.2	672.0	6.9%	30.2%
RECPCC	-150.0	-230.2	-296.3	-34.9%	-49.4%
Loan Loss Provisions	-261.6	-211.9	-530.9	23.4%	-50.7%
Profit before Income Tax	-202.7	-340.6	-865.5		
Attributable Net Income	-180.4	-267.3	-718.3		
Balance Sheet					
Loan Portfolio (Net of LLP)	5,268.0	6,304.3	9,172.1	-16.4%	-42.6%

Attributable Net Income at the Consumer Finance Segment registered a net loss of AR\$180.4 million compared to a net loss of AR\$718.3 million in 2Q19 and AR\$267.3 million in 1Q20.

YoY results showed: (i) a strong decrease in LLP from AR\$530.9 million to AR\$261.6 million in 2Q20, (ii) a 50.8% or AR\$230.7 million increase in Net Financial Income benefitted from a decrease in cost of funds following the reduction in interest rates, and (iii) an AR\$150.0 million loss from exposure to changes in the purchasing power of the currency compared to an AR\$296.3 million loss in 2Q19. This improvement was due to the lower inflation in 2Q20 compared to 2Q19.

QoQ results showed: (i) an 8.4% or AR\$53.1 million increase in Net Financial Income benefitted from a decrease in cost of funds following the reduction in interest rates, (ii) an AR\$80.2 million loss from exposure to changes in the purchasing power of the currency compared to an AR\$230.2 million loss in 1Q20. This improvement was due to the lower inflation in 2Q20 compared to 1Q20, and (iii) a 7.1% decrease in expenses. In the quarter LLP increased 23.4% to AR\$261.6 million.

Interest Earning Assets	2Q20		1Q20		2Q19	
(In millions of Argentina Ps.)	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate	Avg. Balance	Avg. Rate
Investment Portfolio						
Government and Corporate Securities	113.9	29%	146.2	0.2	102.3	29.6%
Securities Issued by the Central Bank	107.7	50.3%	616.3	21.7%	0.0	0.0%
Total Investment Portfolio	221.6	39.4%	762.5	22.1%	102.3	29.6%
Loans to the Financial Sector	0.0	0.0%	0.0	0.0%	0.0	0.0%
Automobile and Other Secured Loans	536.7	63.0%	538.4	56.2%	572.5	60.7%
Consumer Finance Personal Loans	3,071.0	83.5%	3,306.5	80.4%	6,866.3	61.3%
Credit Card Loans	2,315.1	31.9%	2,605.6	38.3%	3,515.2	43.3%

Total Loans	5,922.8	61.5%	6,450.5	61.4%	10,954.0	55.5%
Repo Transactions	43.1	33.4%	241.9	42.3%	0.0	0.0%
Total Interest Earning Assets	6,187.4	60.5%	7,454.9	56.7%	11,056.4	55.2%

Interest Bearing Liabilities

Special Checking Accounts	1,794.9	14.7%	9,166.1	29.2%	0.0	0.0%
Time Deposits	884.3	33.6%	1,503.2	42.9%	1,571.8	51.1%
Borrowings from Other Fin. Inst. & Unsub Negotiable Obligations	1,281.1	27.7%	2,842.1	28.3%	5,204.6	60.8%
Total Interest-Bearing Liabilities	3,960.3	23.1%	5,261.8	32.6%	6,776.4	58.5%

Consumer Finance Lending Business*	2Q20	1Q20
Avg. Assets	8,566	10,120
Net Financial Income	672	617
Loan Loss Provisions	259	214
Personnel & Administrative Expenses	512	566
Attributable Net Income	-121	-229
Net Financial Income / Average Assets**	31.4%	24.4%
Loan Loss Provisions / Average Assets**	12.1%	8.5%
Operating Expenses / Average Assets**	23.9%	22.4%
ROAA**	-5.7%	-9.0%
ROAE**	-16.1%	-29.1%
Assets / Shareholders' Equity	2.8	3.2

*Includes CCF / MILA and TA results and assets

**Annualized ratios

Loan loss provisions amounted to AR\$261.6 million in 2Q20, down 50.7% from 2Q19 and 23.4% from 1Q20.

The **NPL ratio** was 9.6% in 2Q20, declining from 21.4% in 2Q19 and 10.0% in 1Q20. NPL improvement in asset quality reflecting the measures taken by the Company since 1Q18 to enhance asset quality following the peaks observed in 2Q18, but also benefitting from Central Bank regulatory easing amid the pandemic on debtor classifications (adding a 60 days grace period before the loan is classified as NPL).

Loans (net of Provisions for loan losses) totaled AR\$5.3 billion as of June 30, 2020 decreasing 42.6% YoY and 16.4% QoQ. The contraction in the Consumer Finance loan portfolio continues to reflect the Company's decision to tighten credit scoring standards in the segment as well as lower consumer credit demand.

Insurance Segment

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

The Insurance Broker began operations in August 2019, with the launch of an integral insurance product offering to its customers, with initial focus on Entrepreneurs & Small Businesses and SMEs.

Insurance Segment – Highlights

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

	2Q20	1Q20	2Q19	% Change QoQ	% Change YoY
Net Financial Income	88.5	76.1	132.3	16.2%	-33.1%

Net Service Fee Income	338.0	297.6	307.5	13.6%	9.9%
Net Operating Revenue, before Loan Loss Provisions	428.7	376.0	442.0	14.0%	-3.0%
RECPPC	-68.5	76.1	-101.7		-32.6%
Profit before Income Tax	231.1	170.6	209.0	35.4%	10.6%
Attributable Net Income	163.0	99.8	160.0	63.3%	1.9%
Gross written premiums	476.0	497.8	481.4	-4.4%	-1.1%
Claims Paid	20.8	69.3	22.6	-69.9%	-7.8%
Combined Ratio	51.8%	62.2%	50.6%		

Gross written premiums by product (in million)							% Change	
	2Q20	1Q20	4Q19	3Q19	2Q19		QoQ	YoY
Life insurance and total and permanent disability for debit balances	0.5	1.0	1.1	3.3	8.1		-52.5%	-94.3%
Personal accident Insurance	22.5	26.0	30.5	32.3	32.1		-13.2%	-29.8%
Protected Bag Insurance	67.9	66.0	65.0	73.7	68.1		2.8%	-0.3%
Broken Bones	15.5	17.6	17.9	20.9	18.8		-12.0%	-17.4%
Others	7.6	10.2	10.1	15.7	9.2		-26.0%	-17.5%
Home Insurance	60.4	74.4	66.3	104.6	75.0		-18.8%	-19.4%
Technology Insurance	18	28	24	40	23		-35.2%	-22.6%
ATM Insurance	19.8	21.1	28.5	17.8	16.8		-5.8%	18.0%
Mortgage Insurance	31.8	31.6	32.3	33.3	43.1		0.6%	-26.1%
Life Insurance	232.1	222.4	242.5	284.3	187.2		4.4%	24.0%
Total	476.0	497.8	518.0	625.9	481.4		-4.4%	-1.1%

Attributable Net income of the Insurance Segment in 2Q20 was AR\$163.0 million, compared to AR\$160.0 million in 2Q19 and AR\$99.8 million in 1Q20.

Following the Central Bank Regulation issued in 2016, since September 1, 2016 both Banco Supervielle and Cordial Compañía Financiera are self-insuring against credit related risks and Banco Supervielle is only contracting new credit related insurances for mortgages loans and some bigger loans which may exceed certain amount. The Company expects to continue expanding this business and launching new insurance products previously offered to its customers by other Insurance Companies. As part of this strategy, Supervielle Seguros launched new products including; Home Insurance, Technology Insurance and ATMs insurance and an Integral Insurance product for Entrepreneurs and SMEs.

Gross written premiums measured in the unit at the end of the reporting period were down 4.4% QoQ, with non-credit related policies decreasing AR\$31.5 million, or 11.5%. Claims paid (measured in the unit at the end of the reporting period) decreased 69.9% reflecting the implementation of the annual rebalancing of the company seasonal claims ratio curve, following IBNR (Incurred but not Recorded Expenses) guidelines.

Gross written premiums were down 1.1% YoY, with non-credit related policies decreasing AR\$50.2 million, or 17.1%. Claims paid amounted AR\$20.8 million decreasing 7.8%.

Profit before Income tax of the Insurance Segment in 2Q20 was AR\$231.1 million, increasing 10.6% YoY and 35.4% QoQ.

Combined ratio improved to 51.8% in 2Q20 from 62.2% in 1Q20. The decrease in the combined ratio is explained by lower general expenses, lower claims paid, while GWP decreased QoQ.

Asset Management & Others Segment

Supervielle offers a variety of other services to its customers, including mutual fund products through Supervielle Asset Management. Since May 2018, Supervielle also offers products and services through InvertirOnline S.A. Since the MILA acquisition, the new portfolio of used car loans and its respective results are recorded under Consumer Finance Segment, while the MILA portfolio outstanding at the moment of the acquisition and its respective results are recorded under Asset Management & Others Segment.

Asset Management & Others Segment Highlights (In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	% Change				
	2Q20	1Q20	2Q19	QoQ	YoY
Net Interest Income	0.5	16.7	32.5	-97.3%	-98.6%
NIIFI & Exchange rate differences	54.3	44.7	27.9	21.4%	94.4%
Net Financial Income	54.7	61.4	60.4	-10.9%	-9.4%
Net Service Fee Income	334.3	211.8	211.9	57.8%	57.7%
Net Operating Revenue, before Loan Loss Provisions	391.0	299.4	235.2	30.6%	66.2%
RECPC	-34.6	-35.9	-78.8	-3.5%	-56.0%
Profit before Income Tax	166.9	88.0	-19.4	89.7%	
Attributable Net Income	115.8	42.6	6.2	171.4%	
Assets Under Management	35,946	24,820	23,067		
Market Share	2.6%	2.4%	2.1%		

During 2Q20, **Profit before Income tax**, was AR\$166.9 million compared to a loss of AR\$19.4 million in 2Q19 and a gain of AR\$88.0 million in 1Q20. This gain reflects both higher activity level in the asset management industry as well as higher revenues from InvertirOnline.

Net Income of the Asset Management Segment & Other Segments was of AR\$115.8 million compared to AR\$6.2 million in 2Q19 and AR\$42.6 million in 1Q20.

Net Service Fee Income increased 57.7% YoY and 57.8% QoQ to AR\$334.3 million in 2Q20.

Assets under management amounted to AR\$36.0 billion as of June 30, 2020, up from AR\$23.1 billion as of June 2019 and AR\$24.8 billion as of March 2020.

The Ongoing Covid-19 Pandemic

In response to the Covid-19 pandemic, countries around the world, including Argentina, have adopted extraordinary measures to contain the spread of the virus, including imposing travel restrictions and closing borders, requiring closures of non-essential businesses, issuing stay at home orders and similar actions.

The Argentine government has adopted multiple measures in response to the Covid-19 pandemic, including a nationwide mandatory early lockdown and shut down of non-essential businesses that began on March 19, 2020 and has been extended several times, most recently through August 30, 2020, making it one of the most strict and lengthy.

At the same time, in order to mitigate the economic impact of the Covid-19 pandemic and measures taken to contain the virus, the Argentine government has adopted social aid, monetary and fiscal measures, including the following:

- Closure of bank branches. On March 20, 2020, the Central Bank determined that bank branches in Argentina should remain closed. From April 3 until April 10, 2020, branches were allowed to open with limited hours, only for the attention of beneficiaries of pension plans and certain retirement benefits and beneficiaries of aid programs funded by the ANSES. During this period, the rest of the banking activities were performed only through digital means. Beginning on April 13, 2020, financial entities have been allowed to reopen only for a limited number of services, and only by prior appointment, with teller services initially restricted to pensioners and social plan beneficiaries, provided that certain health and security requirements are complied with. Additionally, beginning on April 20, 2020, the Central Bank has allowed the provision of teller services exclusively for deposits in, and withdrawals from, foreign currency accounts.
- Postponement of loan payments. The Central Bank postponed payments on loans maturing during the first national lockdown period and suspended the accrual of punitive interests on loans.
- ATM fees. The Central Bank determined that, until June 30, 2020, any operation effected through ATMs will not be subject to any charges or fees. Then, this was extended until September 30, 2020.
- Mortgage loan installments and mortgage foreclosures. The government froze the monthly installments of mortgage loans over properties designated as the borrower's only and permanent residence and prohibited mortgage foreclosures, until September 30, 2020. The debit balance resulting from the freezing of the installment increases may be refinanced in up to three consecutive monthly installments, upon request by the borrower.
- Credit card payments. The Central Bank determined that the unpaid balances of credit card financings due between April 13 and April 30, 2020 should be automatically rescheduled in nine equal consecutive monthly installments beginning after a 3-month grace period. Interest rates on such unpaid balances may not exceed an annual nominal rate of 43%.
- Loans installments maturing between April 2020 and June 30, 2020. The Central Bank determined that the unpaid balances of loans should be automatically rescheduled to the final maturity of the original loan at the same interest rate of the loan. Then, this rule was extended to installments with maturities in July, August and September 2020.
- Prohibition of bank account closures. The government prohibited the closure and disabling of bank accounts and the imposition of penalties until April 30, 2020 which was then extended until September 30, 2020.
- Time deposits minimum rate. The Central Bank ruled minimum interest rates to be paid from financial institutions to non-adjustable time deposits:

- Since April 20, 2020 time deposits under AR\$1 million made by individuals as of April 20, 2020, shall have a minimum rate equivalent to the 70% of the average LELIQ's rate (CB Communication "A" 6980).
 - On April 30, 2020, the amount was extended from AR\$ 1 million to AR\$ 4 million, while since May 18, 2020, through Central Bank Communication "A" 7018, this rule was extended to all time deposits.
 - Since June 1, 2020, the minimum interest rate to be paid to time deposits was increased from 70% to 79% of the average LELIQ's rate (CB Communication "A" 7027)
 - Since August 1, 2020, Central Bank established an additional increase on interest rate to be paid only to retail Time Deposits up to AR\$ 1 million from 79% to 87% of the average LELIQ's rate.
- Family emergency income and extraordinary subsidies. The government established: (i) a stipend of AR\$10,000 which was paid three times since April, for people who are unemployed or working informally, and self-employed workers who are not currently generating or receiving other income; and (ii) an extraordinary subsidy of Ps.3.000, for the month of April 2020, for beneficiaries of pension schemes and certain retirement benefits.
 - Prohibition of dismissals and suspensions. The government prohibited dismissals of employees until May 30, 2020, and this prohibition was extended for an additional period.
 - Labor market emergency assistance program. The government created a fund of specific application within the FOGAR (acronym in Spanish for Fondo de Garantías Argentino), with the aim of backing financings provided to SMEs by financial entities in order to pay salaries.

Additionally, some of the government measures are aimed at encouraging bank lending, such as:

- Limitations on holding Central Bank notes. Simultaneously with the creation of the fund within the FOGAR, the Central Bank set limitations on banks' holdings of notes from the Central Bank (LELIQ), in order to make liquidity available and encourage the provision of credit lines to SMEs.
- Reserve requirements. The Central Bank established that the facilities granted at a preferential rate (not more than 24% per year) within the framework of Communication "A" 6937 to SMEs and households may be deducted from reserve requirements, considering 130% of the amount when the proceeds are for the payment of salaries and the granting entity is the agent of payment of those salaries.

Effective from July 1, 2020, the Central bank established the decrease in the average requirement to non-SME clients loans granted if those funds are invested for the acquisition of machinery and equipment produced by local SMEs.

- Debtor Classifications: The Central Bank established new rules regarding the criteria for debtor classification and provisioning until September 30, 2020. These rules provide an additional 60 days period of non-payment before a loan is required to be classified as non-performing and include all financings to commercial portfolio clients and loans granted for consumption or housing purposes. At the same time, the Central Bank ruled the suspension of the mandatory reclassification of debtors who are delinquent in other banks.

In addition, by means of Communication "A" 6939, the Central Bank suspended, until June 30, 2020, the distribution of dividends by financial entities. Then, through Communication "A" 7035 this was postponed until December 2020.

Financial Reporting in Hyperinflationary Economies

IAS 29 "Financial Reporting in hyperinflationary economies", requires that financial statements of an entity whose functional currency is the currency of a hyperinflationary economy, whether they are based on a historical cost approach or a current cost approach, shall be stated in terms of the measuring unit current at the end of the

reporting period. In doing so, non-monetary items are restated by applying to its historical cost and accumulated depreciation the change in a general price index from the date of acquisition or last revaluation, until the end of the reporting period. Such restatement is also applied to figures of previous periods included in the financial statements.

To determine if an economy is hyperinflationary in accordance with IAS 29, the Standard sets a number of factors to be considered, including a cumulative inflation rate over three years that approaches or exceeds 100%.

Accumulated inflation in the last three years has exceeded 100%. For this reason, in accordance with IAS 29, the Argentine economy must be considered as hyper-inflationary as of July 1, 2018.

In a hyper-inflationary environment, any entity that maintains an excess of monetary assets over monetary liabilities, will lose purchasing power, and any entity that maintains an excess of monetary liabilities over monetary assets, will gain purchasing power, provided that such items are not subject to an adjustment mechanism.

Briefly, the restatement mechanism of IAS 29 establishes that monetary assets and liabilities will not be restated since they are already expressed in the current measurement unit at the end of the reporting period. Assets and liabilities subject to adjustments based on specific agreements will be adjusted in accordance with such agreements. The non-monetary items measured at their current values at the end of the reporting period, such as the net realization value or others, do not need to be restated. The remaining non-monetary assets and liabilities will be restated by a general price index. The loss or gain from the net monetary position will be included in the net result of the reporting period, disclosing this information in a separate line item.

By issuing the Communication "A" 6651 in February 2019, the Central Bank adopted IAS 29 and the inflation adjustments provisions stated therein for fiscal year starting January 1, 2020.

Therefore, IAS 29 is applied to the Company's financial statements for the fiscal year starting January 1, 2020.

Adoption of IFRS 9 – Impairment of financial assets

Pursuant to Communications "A" 6430 issued on January 12, 2018 and "A" 6847 issued on December 27, 2019, provisions on Financial Assets Impairment included in paragraph 5.5 of IFRS 9 apply as from fiscal years starting on January 1, 2020.

Through Communications "A" 6778 and "A" 6847 issued on September 5 and December 27, 2019, respectively, the Central Bank introduced a progressive adoption of the impairment model for IFRS 9 in a 5-year period for Group B entities, where Cordial Compañía Financiera (CCF), Supervielle's consumer finance company, is included. According to this model, the impact on the balance sheet for adopting IFRS 9 (i.e. the difference between loan loss reserves recorded as of December 31, 2019 and those required by the expected losses model) will be recognized in 5 years, recording 5% of such difference in each quarter on a cumulative basis starting March 31, 2020. More recently, amid the Covid-19 outbreak, the Central Bank postponed until 2021 the application of the expected credit losses criteria for Group B entities. Therefore, Cordial Compañía Financiera will be in 2020, under the previous accounting framework of minimum loan loss provisions.

In addition, the Central Bank established a temporary exclusion from the impairment model of IFRS 9 for government-issued debt securities.

a) Financial instruments presentation

For the purposes of estimating ECL, and in accordance with its internal policies, the Company classifies its financial instruments (financial assets, loan commitments and guarantees) measured at amortized cost or fair value through other comprehensive income in one of the following categories:

- Normal Risk ("Stage 1"): includes all instruments have not experienced a significant increase in credit risk since initial recognition and is not purchased or originated credit impaired.

- Normal risk under watchlist ("Stage 2"): includes all instruments that, have experienced significant increases in credit risk since initial recognition but are not yet deemed credit-impaired.
- Doubtful Risk ("Stage 3"): includes financial instruments, overdue or not, which are considered to be credit impaired. Likewise, loan commitments or financial guarantees whose payment is probable and their recovery doubtful are considered to be in Stage 3.

As a rule, the expected credit loss ("ECL") is estimated as the difference between the contractual cash flows to be recovered and the expected cash flows discounted using the original effective interest rate. In the case of purchased or originated credit-impaired assets, this difference is discounted using the effective interest rate adjusted by credit rating.

Depending on the abovementioned classification of financial instruments, the expected credit losses may be over 12 months or during the life of the financial instrument:

- 12-month expected credit losses: arising from the potential default events, as defined in the following sections that are estimated to be likely to occur within the 12 months following the reporting date. These losses will be associated with financial assets classified in Stage 1.
- Lifetime Expected credit losses are those arising from the potential default events that are likely to occur throughout the life of the financial instruments. These losses are associated with financial assets classified in Stage 2 or Stage 3.

With the purpose of estimating the expected life of the financial instrument all the contractual terms have been taken into account (e.g. duration, purchase options, etc.), for most financial instruments the contractual period (including extension options) is the maximum period considered to measure expected credit losses. In the case of revolving credit facilities (e.g.: credit cards), the expected life is estimated through quantitative analyses to determine the period during which the entity is exposed to credit risk, taking into account the effectiveness of management procedures that mitigate such exposure (e.g. the ability to unilaterally cancel such financial instruments, etc.).

b) Significant increase in credit risk

Supervielle considers a financial instrument to have experienced a significant increase in credit risk when any of the following conditions exist:

Personal and Business Banking

- Portfolios between 31 and 90 days past due
- Portfolios whose classification under Argentine Central Bank regulation is higher than 1 (except for Senior Citizens Portfolio)
- Score of behavior less than cut off

Corporate Banking

- Portfolios whose classification under Argentine Central Bank regulation is higher than 1 (except Senior Citizens)
- Credit Ratings C (Probability of default higher than 30%)

c) Impairment valuation assessment

The impairment model in IFRS 9 applies to financial assets measured at amortized cost, debt instruments at fair value through other comprehensive income, lease receivables and loan commitments and financial guarantees that are not measured at fair value.

ECL represents the best estimation of the financial assets' expected credit losses at the balance sheet date, assessed both individually and collectively.

- Individually: Supervielle individually assesses impairment on those financial instruments that are considered to be significant and with sufficient information to make such an estimate. The individually assessed impairment estimate is equal to the difference between the gross carrying amount of the financial instrument and the estimated value of the expected cash flows discounted using

the original effective interest rate. The estimate of these cash flows takes into account all available information on the financial asset and the guarantees associated with that asset.

- Collectively: Supervielle also assesses impairment collectively in cases where they are not assessed on an individual basis. This includes, for example, loans to individuals, sole proprietors or businesses in Personal and Business Banking subject to a standardized risk management.

For expected credit loss provisions modelled on a collective basis, the Company has developed internal models. The grouping of exposures is performed on the basis of shared characteristics, such that risk exposures within group are homogeneous. In performing the grouping there must be sufficient information for the group to be statistically reliable.

The Company has identified three groupings: Personal and Business Banking, Corporate Banking and Consumer Finance. At this stage, Cordial Compañía Financiera, Supervielle's main Consumer Finance company, is not required to implement IFRS9 until 2021.

Among the two segments that apply IFRS 9, Supervielle estimates parameters in a more granular way based on the shared risk characteristics. The groupings by shared risk characteristics are as follows:

Group	Parameter	Grouping
Personal and Business Banking	Probability of Default	Personal loans (1)
		Credit card loans (1)
		Overdrafts
		Documents
		Mortgage loans and leasing
		Refinancing
		Other financings
	Loss Given Default	Personal loans
		Credit card loans
		Overdrafts
		Mortgage loans and leasing
		Refinancing
		Other financings
Corporate Banking	Probability of Default (2)	Small companies
		Medium companies
		Big companies
		Financial Sector
	Loss Given Default	Overdrafts
		Documents
		Leasing
		Unsecured loans
		Other financings
		Other receivables from financial transactions

- (1) For credit cards and personal loans, the breakdown per segment was added because there was enough materiality. The segments are: senior citizens, high income open market, high income payroll, non-high-income open market, non-high income payroll, business in Personal and Business Banking, former senior citizens and former payroll

- (2) Groups made to calculate the probability of default are carried out by company size, occasionally classified by economic activity in Stage 1. For Stage 2 and Stage 3, the Probability of default is calculated including all segments of Corporate Banking due to the lack of materiality to perform a larger group.

The credit risk characteristics used to group the instruments are, among others: type of instrument, debtor's sector of activity, geographical area of activity, type of guarantee, aging of past due balances and any other factor relevant to estimating the future cash flows.

Supervielle performs back testing analysis to evaluate the reasonableness of the collective models. Expected credit loss impairment allowance in the financial statements reflects a range of possible outcomes, calculated on a probability weighted basis based on three possible future scenarios, always taking into account the time value of money, as well as all available and relevant information on past events, current conditions and forecasts of the evolution of macroeconomic factors that are considered to be relevant for the estimation of this amount.

For the estimation of the parameters used in the determination of the allowance for loan losses (EAD - Exposure at Default, PD -Probability of Default, LGD -Loss Given Default), Supervielle based the calculation in its experience in developing internal models for the estimation of parameters both in the regulatory area and for management purposes, adapting the development of the impairment models under IFRS 9.

- Exposure at default: it is based on the amounts Supervielle expects to be owed at the time of default, over the next 12 months or over the remaining life of the instrument. For example, for revolving credit facilities, Supervielle includes the current draw down balance plus any further amount that it is expected to be drawn up to the contractual limit by the time of default.
- Probability of default: it represents the likelihood of a borrower defaulting on its financial obligation over the next 12 months or over the remaining life of the instrument depending on the stage.
- Loss given default: represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, seniority of claim, availability of collateral or other type of credit support. LGD is expressed as a percentage per unit of exposure at the time of default.

The definition of default implemented by the Company for the purpose of calculating ECL is based on the requirements of IFRS 9, which considers that a financial asset is in "default" when a payment is more than 90 days past due or if the Company considers the payment will not be reimbursed.

For the estimation of the expected credit losses, prospective information is taken into account.

As of January 1, 2020, and June 30, 2020, for all portfolios, the Company concluded that three scenarios appropriately captured non-linearities. Scenario weights are determined by a combination of statistical analysis and expert opinion, considering the range of possible outcomes of which each chosen scenario is representative. The evaluation of significant increases in credit risk is carried out using the Probability of Default (PD) Lifetime in the base scenario and the other scenarios, multiplied by the weight associated with each scenario, together with qualitative and backstop indicators. This determines whether the financial instrument is in Stage 1, Stage 2, or Stage 3, and therefore whether to register 12-month PCE or Lifetime. As with any economic forecast, projections and probabilities of occurrence are subject to a high degree of inherent uncertainty, and therefore actual results may be significantly different than projected. The Company considers that these forecasts represent its best estimate of the possible results and has analyzed the non-linear and asymmetric impacts within the different Bank portfolios to establish that the chosen scenarios are representative of the range of possible scenarios.

During the quarter, the Company enhanced its forward looking model and started taking into account the Monthly Economic Activity Indicator as the most relevant variable to capture the stringency of the context looking forward, as the Badlar Interest rate and unemployment which were considered relevant until the Covid-19 outbreak, did not prove to capture the impact of a pandemic. Additionally, as a result of the extended Covid-19 lockdown in Argentina, the Company is updating its expected loss models to capture expectations of a worsening macroeconomic outlook.

The most significant assumptions used to estimate the PCE as of June 30, 2020 are presented below:

Parameter	Segment	Macroeconomic variable	Optimistic Scenario	Base scenario	Pessimistic scenario
Probability of Default	Personal & Business	Monthly Economic Activity Indicator	124.04	120.67	115.37
	Corporate				
	Consumer Finance				

Each scenario reflects a different assumption for GDP drop in 2020, resulting in the three-monthly economic activity indicators included in the model. The Base scenario reflects a 10.9% drop in GDP, while the Optimistic scenario reflects a 7.6% drop and the Pessimistic scenario reflects a 14.7%.

The weights assigned to each scenario as of June 30, 2020 are presented below:

Base scenario	80%
Optimistic Scenario	10%
Pessimistic scenario	10%

CREDIT RATINGS

Banco Supervielle Credit Ratings

1. Fitch Ratings has reviewed the ratings of Argentine financial institutions (FIs) following the downgrade of the sovereign's long-term driven by the government's unilateral extension of repayment on certain debt obligations. As a result, on October 1, 2019 Fitch Ratings reviewed Banco Supervielle S.A.'s (Supervielle) Long-Term Foreign and Local Currency Issuer Default Ratings (IDRs) at 'CC'. On February 5, 2020, Fitch has maintained this rating.
2. On April 7, 2020, Moody's outlook changed to negative from under review and downgraded the foreign currency debt ratings to Ca, driven by the lowering of Argentina's country ceiling for foreign currency deposits to Ca, from Caa2, which in turn derives from the sovereign debt downgrade to Ca. As a result, the ratings and assessments assigned to Banco Supervielle were downgraded to Ca from Caa2. Banco Supervielle's Baseline Credit Assessment (BCA) was downgraded to Ca from Caa2, and its deposit and debt ratings were downgraded to Ca from Caa2, while its national scale deposit ratings were downgraded to Ca.ar from B2.ar.
3. Fix Scr (Argentine affiliate of Fitch Group) reviewed a local long-term national scale rating for Banco Supervielle as AA- (Arg), with a negative outlook in line with the outlook of the Argentine Financial System. This rating was reviewed on October 11, 2019 and confirmed on April 29, 2020.

REGULATORY ENVIRONMENT

In this extraordinary and challenging macroeconomic scenario, the Central Bank has been releasing different regulations aiming to mitigate financial pressure on debtors and promote access to financing in favor of those more impacted by the recession triggered by the pandemia. Within the scope of the monetary policy, it calibrated several factors mainly concentrated on pricing at preferential rates certain loans, on freezing UVA installments,

and establishing automatic deferrals on unpaid installments. Taking care of the necessary liquidity that these kind of programs may require, it also eased minimum cash requirements, determined limits to net positions of Leliqs and ruled on minimum interest rates to be paid on time deposits. Below, a brief description of each regulation grouped by topic, in order to facilitate the understanding.

Interest Rates

- **Time Deposits Minimum Rate:**

The Central Bank ruled minimum interest rates to be paid from financial institutions to non-adjustable time deposits:

- Since April 20, 2020 time deposits up to AR\$1 million made by individuals shall have a minimum interest rate equivalent to the 70% of the average LELIQ's rate tendering during the week prior to the date in which the deposit was made. (Communication "A" 6980).
- On April 30, 2020, the amount was extended to time deposits up to AR\$4 million and on May 18, 2020, through Central Bank Communication "A" 7018, this rule was extended to all time deposits to clients of the private non-financial sector, without limit in amount.
- Since June 1, 2020 the minimum interest rate to be paid to time deposits was increased from 70% to 79% of the average LELIQ's rate (Communication "A" 7027)
- Since August 1, 2020, Central Bank stated an additional increase on interest rate to be paid to retail Time Deposits up to AR\$1 million from 79% to 87% of the average LELIQ's rate.

- **Credit Card Financing Maximum Interest Rates**

Interest rates on credit card financing may not exceed an annual nominal rate of 43%. This rate was previously 49%, and until April 1 it was 55%.

Credit Lines and Loans to SMEs at preferential rates, Deferral

To mitigate the economic impact of the Covid-19 health crisis, the government and the Central Bank ruled different measures related to credit lines.

- **Credit Lines at preferential interest rates aimed at encouraging bank lending:**

- 1) The Central Bank promoted loans granted at a 24% preferential interest rate, to assist SMEs with payroll payments and working capital needs. The Central Bank also allowed financial institutions to deduct a portion of the amount of loans granted from the minimum reserve requirements. The national government by means of Decree 326/2020 created a fund of specific application within the FOGAR (acronym in Spanish for Fondo de Garantías Argentino), with the aim of backing financings provided to SMEs by financial entities in order to pay salaries.
- 2) Through Communication A 6993, the Central Bank ruled the Zero interest rate financing program granted through credit cards in subsequent 3 disbursements, to some eligible customers. These loans have a 12-month tenor and a six-month grace period. The FOGAR will guarantee these loans and the Fondo Nacional de Desarrollo Productivo (FONDEP) will recognize a 15% annual nominal rate to financial institutions on disbursed financings. This program was extended until September 30, 2020. Recently, the Zero interest rate program was extended to Culture loans, with a tenor of 24 months and a 12-month grace period.

- **Automatic Deferral Program:**

- 3) Credit Cards: Through Communication A 6964 the Central Bank ruled that all unpaid balances of credit card statements due between April 13 and April 30, 2020, should be automatically rescheduled in nine equal consecutive monthly installments beginning after a 3-month grace period. Interest rates on such unpaid balances should not exceed an annual nominal rate of 43%.

- 4) Loans: Through Communication A 6949, the Central Bank rescheduled unpaid payments on loans maturing between April 1 and June 30, 2020, and suspended the accrual of punitive interests on loans. Any unpaid installment is automatically rescheduled after the final maturity of the loan and at the same interest rate of the loan. This disposition affects all loans to individuals and companies and all products such as personal loans, mortgage loans, car loans, leasing, etc. Then, through Communication A7044, The Central Bank extended this rule to those loans or installments maturing from July 1 to September 30, 2020.

- **UVA loans installments**

On March 30, 2020, the National Government established by means of the Decree 319/2020, the freezing of amortization payments for mortgage loans if the mortgaged property is the only and permanent residence of the debtor, until September 30, 2020. The Decree also resolved the freezing of UVA pledge loans (créditos prendarios) and the suspension of mortgage foreclosures until September 30, 2020. The debit balance resulting from the freezing of the installment increases will be paid in three consecutive monthly installments, upon request by the borrower.

Fees

- On February 19, 2020, through Communication A 6912, the Central Bank stated that financial institutions should not communicate fee increases nor new fees to users of financial services for 180 business days.
- On March 26, 2020, through Communication A 6945, the Central Bank stated that until June 30, 2020, any transaction through ATMs would not be subject to any charges or fees. Later on, this ruling was extended until September 30, 2020.

Limits to net position of Leliqs

Leliq Holdings related to		Limits to net position
Limited holdings of Leliq in excess of the minimum cash reserve requirement	From March 19 to April 30, 2020	Shall not exceed 90% of the total holdings as of March 19, 2020
SMEs Financing	From March 19 to April 30, 2020	Reduction in minimum reserve requirements equivalent to 40% of loans granted to SMEs at 24%
	Since May 2020	Increased holdings of leliqs in excess of the minimum reserve requirements, based on the amount of credit lines granted to SMEs at a maximum interest rate of 24%
Minimum interest rate paid on Time Deposits	Since May 2020	100% of cash reserve requirement corresponding to time deposits can be set up with Leliqs
	Retail & Institutional Time Deposits with a minimum interest rate paid equivalent to 79% of Leliq rate	18% of these deposits can be invested in Leliqs
	Retail Time Deposits up to AR\$1 million with a minimum interest rate paid equivalent to 87% of Leliq rate	13% of these deposits can be invested in Leliqs

The Leliqs held in reverse REPOs with the BCRA are not taken into consideration for the net position limit.

Minimum Cash Reserve Requirements

Amid the Covid-19 pandemic outbreak, the Central Bank eased minimum cash reserve requirements by increasing the amount of deductions allowed to reduce reserve requirements.

Most relevant deductions include:

1. a 40% of the amount total loans granted by the bank (balances) to MiPyMES at interest rates of 24% or below;
2. a 60% of the total financing granted to eligible customers, at 0% interest rates;
3. a 35% of the aggregate financings in Pesos granted by the bank under the "Ahora 12" program, with a limit of 6% over the items in Pesos subject to the Central Bank Rules of Minimum Cash.
4. amounts of cash withdrawals made through the bank's ATMs
5. Decrease in the average requirement to non-SMEs clients' loans granted if those funds are invested for the acquisition of machinery and equipment produced by local SMEs. This is effective from July 1, 2020.

On May 14, 2020, the Central Bank ruled that 100% of cash reserve requirement corresponding to time deposits could be set up with Leliqs.

On June 19, 2020, the Central Bank through its Communication A 7046 voided the regulation which established the unified computation of minimum cash reserve requirements for the periods July / August and December of one year / January of the following year

As of the date of this release, minimum reserve requirements on AR\$ deposits are as follows:

Minimum Reserve Requirements	Cash	Leliq	22% Treasury Bonds (Bote)	Total
Saving Accounts	40%	0%	5%	45%
Checking Accounts	40%	0%	5%	45%
Checking Accounts - Mutual Funds	0%	0%	0%	0%
Time Deposits	0%	27%	5%	32%

Asset Quality

- 1) Debtors Classification: The Central Bank established new rules regarding the criteria for debtor classification and provisioning until September 30, 2020. These rules provide an additional 60 days period of non-payment before a loan is required to be classified as non-performing and include all financings to commercial portfolio clients and loans granted for consumption or housing purposes. At the same time, the Central Bank ruled the suspension of the mandatory reclassification of debtors who are delinquent with other banks.
- 2) Deferral Programs on loans and credit cards: The automatic deferral programs stated by the Central Bank, both on credit cards unpaid balances from statements due in April 2020 and on loans maturing between April 1, 2020 and September 30, 2020 may not accurately reflect the debtors behavior in terms of their payment capacity payments until those deferral programs end.

Liquidity & Capital

On March 19, 2020, the Central Bank ruled, through Communication "A" 6938, that group A financial institutions are allowed to consider as Tier 1 capital (CON1), when calculating minimum capital requirements, the positive difference between the accounting provision, calculated in accordance with point 5.5. of IFRS 9, and the regulatory provision, calculated in accordance with the standards on minimum loan loss provisions required, or the accounting provision as of November 30, 2019, the higher of both, that is, when the provision under IFRS is greater than the regulatory (or accounting as of that date).

Other:

Voluntary Swap of Letes. In May, 2020, the Bank participated in the voluntary swap launched by the Ministry of Economy of US\$ Treasury Bills (LETES) for Treasury Bonds in Pesos adjustable by CER (BONCER), with a nominal value of 53,481,301, being awarded 100%. After this swap, the Bank does not hold Letes.

Special treatment for debt instruments of the Non-Financial Public Sector. On December 31, 2019, the Central Bank, through Communication "A" 6847 provided a special treatment for debt instruments of the Non-Financial Public Sector, which will be effective January 1, 2020. The aforementioned special treatment implies temporarily excluding the scope of application of IFRS 9 to non-financial public sector debt instruments.

Also effective January 1, 2020, financial institutions were allowed to re-categorize the instruments corresponding to the non-financial public sector that are measured at Fair value through profit or loss and at Fair value through other comprehensive income to the Amortized cost criteria, using as incorporation value the book value at that date. With respect to the instruments for which this option has been exercised, in case the book value is above its fair value, the accrual of interest will be interrupted. The Company decided to re-categorize the Letes held following this regulation, until the moment the Letes were swapped for BONCER.

Events

Financial Agency Agreement of the Province of San Luis

In January 2019, the government of the Province of San Luis released the terms and conditions of the auction to be held by the Province for the new financial agency agreement. Only two proposals were presented on March 15, 2019. On December 6, 2019, the provincial government issued the Decree No. 8,589 that resolved to close the auction process without awarding the financial agency agreement. Supervielle will continue to render services as Financial Agent until the Province of San Luis names a new Financial Agent.

Extension of the Agreement between Cordial Cia Financiera, Banco Supervielle and Wal-Mart Argentina SRL until August 31, 2021

On May 19, 2020, Cordial Cia Financiera and Banco Supervielle agreed with Wal-Mart Argentina SRL to extend the expiration of the agreement for the provision of marketing services until August 31, 2021. The parties also committed to make their best efforts to negotiate a new marketing contract during 2020.

Dividend Payment

In accordance with the resolution of the Annual Ordinary and Extraordinary Shareholders Meeting held on April 28, 2020 and the release of the voluntary reserve established for the future distribution of dividends approved by the Board of Directors on May 14, 2020, cash dividends of AR\$ 426 million were distributed and paid starting on May 29, 2020, to existing Shareholders as of the record date set on May 28, 2020. The amount distributed was equivalent to 93.273304036% of the outstanding capital and the nominal value of its representative shares or P\$0.93273304036 per outstanding share or P\$4.663665202 per ADS. The total amount of dividends distributed corresponded to earnings for the year ended on December 31, 2019.

Management Changes

On June 19, 2020, the Company announced the return of Patricio Supervielle to Management Team as CEO effective since June 30, 2020. Jorge Ramirez expressed his intention to step down from the day-to-day operational responsibilities as CEO of Grupo Supervielle and Banco Supervielle, but he remains on the Board of Directors of the Company as Vice Chairman and continues to chair the Risk Management Committee providing strong strategic and advisory support to Patricio Supervielle.

Simultaneously, the Company reported that Alejandra Naughton had been appointed Board member of its subsidiaries Banco Supervielle, Cordial Compañía Financiera, Supervielle Seguros, InvertirOnline and Supervielle Agente de Negociación. Consequently, she stepped down from her role as CFO of Grupo Supervielle. Replacing her as CFO is Mariano Biglia, previously he was Grupo Supervielle's Head of Administration, Tax and Finance. Furthermore, Ana Bartesaghi, Head of IR and Treasurer now reports to the CEO of Grupo Supervielle, underscoring the Company's sustained commitment to its current proactive investor communications.

In addition, Alejandro Stengel who has served as Deputy CEO and COO of Banco Supervielle since April 2019 became CEO of the bank effective since June 30, 2020. Mr. Stengel has also served as Board member of Grupo Supervielle since 2010. In turn, Silvio Margaria became Deputy CEO and COO of Banco Supervielle since June 30, 2020.

The appointments of Alejandro Stengel, Alejandra Naughton and Silvio Margaria were subject to the customary Central Bank and corresponding approvals. Mr. Stengel appointment as CEO of Banco Supervielle was approved by the Central Bank of Argentina on August 10, 2020.

Mariano Biglia joined Grupo Supervielle as head of financial reporting in 2010, and since 2016 has served as head of administration, tax and finance, leading the financial reporting team for Supervielle's IPO and Follow On. Earlier, he held several positions within the Techint Group, where he worked on the IPO of Tenaris and Ternium and served as Controller of Ternium's US subsidiary. He is a Certified Public Accountant with a degree from the University of Buenos Aires, holds an Advanced Management Program degree (AMP) from Kellogg School of Management at Northwestern University and is a CFA charterholder.

Silvio Margaria joined Supervielle in 2016 and has served as Head of Personal and Business Banking since April 2019. Before joining Supervielle, he led the Middle Market Companies group at Banco Macro S.A. Previously, he held several managerial positions overseeing nationwide retail banking networks, as well as corporate banking at international banks such as BankBoston, N.A. and Standard Bank S.A. He holds a Law degree from Universidad Católica Argentina and attended the Executive Development Program of the Universidad Austral Business School.

Subsequent Events

Shareholders' Meeting

On August 12, 2020 Grupo Supervielle held its Ordinary Shareholders' Meeting and approved all the proposals submitted by the Board of Directors, including:

- To accept the resignation of Mrs. Victoria Premrou to the position of Director, with a vote of gratitude for her contribution to the businesses, and to approve her performance.
- To appoint Mr. José María Orlando as Director with a term of office until the annual meeting of the Company that considers the documents prescribed by section 234, subsection 1 of Law No. 19,550 for the fiscal year to end on December 31, 2020, and to state that Mr. José María Orlando will bear the status of "independent" director pursuant to the criteria established by the Rules of the National Securities Commission.

Furthermore, on same date the Board of Directors approved to appoint Mr. José María Orlando as a member of the Audit Committee.

José María Orlando studied Business Administration at Universidad Católica Argentina. He worked as an officer of Bank Boston between 1986 and 1996, holding different positions in Buenos Aires, London and Boston in the areas of Finance, Treasury and Investment Banking. From 1996 to 1998, he served as CFO and Head of Global Markets for Deutsche Bank, DMG in Argentina. In 2000 he became CFO and CIO of Zurich Argentina. In 2005 he became Corporate Development Director and in 2007 he became CEO and Chairman of Zurich Argentina. In

2010, he was appointed as Latin America CEO of Zurich Global Life. During that term, he also served as Board Member of Zurich-Santander Insurance Americas in several countries. Since 2015, he has been a consultant at Deal Financial Services, which provides advisory services in brokerage, asset management, capital markets and mutual funds to individuals, corporations and institutional investors. He also serves as Vice Chairman of the Board of CIPPEC (Center for Research on Public Policies for Equity and Growth) and is a member of the Advisory Council of Colegio Madre Teresa. He has participated as a speaker at numerous international conferences and seminars in the United States, Europe, Latin America and Asia.

Appendix: Definition of ratios

Net Interest Margin: Net interest income + Net income from financial instruments at fair value through profit or loss + Result from recognition of assets measured at amortized cost + Exchange rate differences on gold and foreign currency, divided by average interest-earning assets. Does not include the line Leliq result from exposure to changes in the purchasing power of the currency, which following Central Bank Regulation is recorded in the line Result from recognition of assets measured at amortized cost.

Net Fee Income Ratio: Net services fee income + Income from insurance activities divided by the sum of Net interest income + Net income from financial instruments at fair value through profit or loss + Result from recognition of assets measured at amortized cost + Exchange rate differences on gold and foreign currency, net services fee income, income from insurance activities and other net operating income. Does not include the line Leliq result from exposure to changes in the purchasing power of the currency, which following Central Bank Regulation is recorded in the line Result from recognition of assets measured at amortized cost.

Net Fee Income as a % of Administrative Expenses: Net services fee income + Income from insurance activities divided by Personnel, Administrative Expenses and D&A.

ROAE: Attributable Net Income divided by average shareholders' equity, calculated on a daily basis and measured in local currency.

ROAA: Attributable Net Income divided by average assets, calculated on a daily basis and measured in local currency.

Efficiency Ratio: Personnel, Administrative expenses and Depreciation & Amortization divided by the sum of Net interest income + Net income from financial instruments at fair value through profit or loss + Result from recognition of assets measured at amortized cost + Exchange rate differences on gold and foreign currency, net services fee income, income from insurance activities and other net operating income. Does not include the loss recorded as Leliq result from exposure to changes in the purchasing power of the currency, which following Central Bank Regulation is recorded in the line Result from recognition of assets measured at amortized cost.

Loans to Total Deposits: Loans and Leasing before allowances divided by total deposits.

Regulatory Capital/ Risk Weighted Assets: Regulatory capital divided by risk weighted assets.

Cost of Risk: Annualized loan loss provisions divided by average loans, calculated on a daily basis.

NPL Creation: NPL loans created in the quarter, which is equivalent to the net increase in NPL on our balance sheet plus portfolio written off in the quarter.

Grupo Supervielle Financial Statements

Consolidated Balance Sheet Data (In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)	jun 20	mar 20	dec 19	sep 19	jun 19
Assets					
Cash and due from banks	31,705.0	37,669.2	29,992.2	23,931.2	37,756.1
Securities at fair value through profit or loss	3,607.9	513.3	645.8	40,045.2	59,833.7
Derivatives	66.0	151.1	292.6	266.8	138.0
Repo transactions	4,633.4	83.4	-	5,071.8	50.9
Other financial assets	3,052.6	2,856.7	2,381.9	2,158.9	4,173.7
Loans and other financings	95,711.1	93,555.6	100,984.2	107,767.9	114,036.4
Other securities	64,450.1	49,164.6	12,122.2	4,859.8	4,523.8
Financial assets in guarantee	4,752.0	6,135.4	6,058.7	4,789.1	5,918.7
Current Income tax assets	-	49.8	116.4	-	-
Investments in equity instruments	44.0	9.3	16.6	11.1	13.0
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-
Property, plant and equipment	5,261.8	4,962.3	4,546.1	4,540.0	3,563.7
Property investments	3,984.9	3,987.9	4,605.9	736.6	751.3
Intangible Assets	4,946.2	4,872.5	4,966.9	4,667.1	4,757.1
Deferred tax assets	2,161.9	1,391.1	1,524.9	1,998.0	1,915.3
Other non-financial assets	2,173.8	2,157.3	1,520.8	5,616.9	2,985.6
Total assets	226,550.6	207,559.6	169,775.2	206,460.5	240,417.4
Liabilities and shareholders' equity					
Deposits:					
Non-financial public sector	158,604.2	143,094.0	101,107.4	129,520.8	160,801.1
Financial sector	5,131.8	5,867.5	6,213.8	9,648.9	14,360.4
Non-financial private sector and foreign residents	18.7	17.7	31.9	34.4	37.9
Liabilities at a fair value through profit or loss	153,453.8	137,208.8	94,861.7	119,837.5	146,402.8
Derivatives	113.0	385.4	215.3	-	2,533.0
Repo transactions	-	-	-	-	-
Other financial liabilities	644.1	284.4	363.3	403.9	616.4
Financing received from Central Bank and others	10,538.2	10,419.1	10,355.8	9,319.9	9,801.8
Medium Term Notes	7,996.5	8,861.6	10,243.4	12,936.2	6,659.8
Current Income tax liabilities	5,882.7	4,333.2	6,913.8	12,909.0	16,596.8
Subordinated Loan and Negotiable Obligations	682.1	-	-	265.4	714.3
Provisions	2,489.7	2,014.2	2,408.1	2,663.3	2,217.9
Deferred tax liabilities	729.0	575.2	769.0	196.4	169.8
Other non-financial liabilities	309.0	527.9	575.1	22.5	842.4
Total liabilities	9,735.1	9,138.1	9,324.8	10,403.0	9,216.4
Attributable Shareholders' equity	197,723.7	179,633.2	142,276.1	178,640.2	210,169.9
Non-Controlling Interest	28,803.8	27,904.2	27,477.2	27,798.2	30,221.9
	23.2	22.2	21.9	22.1	25.6
Total liabilities and shareholders' equity	226,550.6	207,559.6	169,775.2	206,460.5	240,417.4

**Consolidated Balance Sheet
Data - Non-Restated Figures**
(In millions of Argentine Ps.)

	jun 20	mar 20	dec 19	sep 19	jun 19
Assets					
Cash and due from banks	31,705.0	35,753.0	26,403.1	18,857.4	26,481.5
Securities at fair value through profit or loss	3,607.9	487.1	568.5	31,555.0	41,912.5
Derivatives	66.0	143.4	257.6	210.2	96.7
Repo transactions	4,633.4	79.1	-	3,996.5	35.7
Other financial assets	2,952.3	2,749.5	2,092.8	1,701.2	2,951.3
Loans and other financings	95,711.1	88,759.0	88,922.2	84,919.4	80,026.8
Other securities	64,539.4	46,657.0	10,671.6	3,829.5	3,168.8
Financial assets in guarantee	4,752.0	5,822.5	5,333.7	3,773.7	4,146.0
Current Income tax assets	-	46.1	120.7	-	-
Investments in equity instruments	44.0	8.8	14.6	8.8	9.1
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-
Property, plant and equipment	3,959.4	3,543.4	3,074.8	2,300.0	1,752.2
Property investments	3,784.5	3,784.5	3,877.6	580.4	412.0
Intangible Assets	2,392.3	2,275.0	2,308.4	2,083.3	2,036.3
Deferred tax assets	2,943.0	1,370.3	1,841.1	1,574.4	1,401.8
Other non-financial assets	1,310.9	1,200.8	1,006.5	4,423.2	1,711.3
Total assets	222,401.1	192,679.5	146,493.1	159,813.0	166,141.9
Liabilities and shareholders' equity					
Deposits:	158,604.2	135,795.5	89,008.2	102,060.3	112,638.3
Non-financial public sector	5,131.8	5,568.2	5,470.2	7,603.2	10,059.2
Financial sector	18.7	16.8	28.1	27.1	26.6
Non-financial private sector and foreign residents	153,453.8	130,210.5	83,509.9	94,430.0	102,552.6
Liabilities at a fair value through profit or loss	113.0	365.7	189.6	-	1,774.3
Derivatives	-	-	-	-	-
Repo transactions	644.1	269.9	319.8	318.3	431.8
Other financial liabilities	10,538.2	9,871.9	9,171.2	7,343.9	7,034.9
Financing received from Central Bank and others	7,996.5	8,411.0	9,017.6	10,193.5	4,693.7
Medium Term Notes	5,878.3	4,112.2	6,086.5	10,172.1	11,625.8
Current Income tax liabilities	681.7	-	-	209.1	499.5
Subordinated Loan and Negotiable Obligations	2,489.7	1,911.5	2,119.9	2,098.6	1,553.6
Provisions	729.0	545.8	677.0	154.8	119.0
Deferred tax liabilities	3.0	37.0	2.0	17.7	39.0
Other non-financial liabilities	9,825.5	8,729.0	8,202.7	7,120.4	6,340.3
Total liabilities	197,503.2	169,975.6	124,794.5	139,688.7	146,750.3
Attributable Shareholders' equity	24,876.9	22,685.2	21,680.0	20,109.7	19,377.6
Non-Controlling Interest	21.0	18.6	18.6	17.4	16.8
Total liabilities and shareholders' equity	222,401.1	192,679.5	146,493.1	159,815.8	166,144.7

Income Statement

% Change

(In millions of Ps. stated in terms of the measuring unit current at the end of the reporting period)

	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Consolidated Income Statement Data NIIF:							
Interest income	12,765.2	13,763.5	13,066.8	12,344.9	12,537.1	-7.3%	1.8%
Interest expenses	-4,662.8	-6,355.6	-7,899.9	-10,308.3	-10,517.4	-26.6%	-55.7%
Net interest income	8,102.4	7,407.9	5,166.9	2,036.6	2,019.7	9.4%	301.2%
Net income from financial instruments at fair value through profit or loss	653.9	321.2	3,386.5	5,825.7	7,213.0	103.6%	-90.9%
Result from recognition of assets measured at amortized cost	54.3	12.3	0.0	0.0	0.0	343.2%	na
Exchange rate difference on gold and foreign currency	299.2	98.9	555.1	-807.8	383.4	202.5%	-22.0%
NIFFI & Exchange Rate Differences	1,007.4	432.4	3,941.6	5,018.0	7,596.3	133.0%	-86.7%
Net Financial Income	9,109.9	7,840.3	9,108.5	7,054.6	9,616.0	16.2%	-5.3%
LELIQ Result from exposure to changes in the purchasing power of the currency	-2,244.8	0.0	0.0	0.0	0.0	na	na
Fee income	2,287.2	2,536.3	2,238.0	2,526.5	2,469.3	-9.8%	-7.4%
Fee expenses	-661.4	-705.4	-668.8	-724.1	-622.7	-6.2%	6.2%
Income from insurance activities	389.0	340.7	375.3	345.0	332.1	14.2%	17.1%
Net Service Fee Income	2,014.7	2,171.7	1,944.5	2,147.3	2,178.7	-7.2%	-7.5%
Subtotal	8,879.8	10,012.0	11,053.0	9,201.9	11,794.7	-11.3%	-24.7%
Result from exposure to changes in the purchasing power of the currency	1,692.8	-916.1	-1,420.5	-1,808.9	-1,573.0	-284.8%	-207.6%
Other operating income	870.5	863.1	754.5	772.2	729.8	0.9%	19.3%
Loan loss provisions	-2,266.0	-1,665.5	-1,273.0	-2,681.5	-1,774.6	36.1%	27.7%
Net Operating Income	9,177.1	8,293.5	9,114.0	5,483.6	9,176.9	10.7%	0.0%
Personnel expenses	3,726.5	3,753.4	4,498.5	3,598.4	4,211.9	-0.7%	-11.5%
Administration expenses	2,282.8	1,916.3	2,256.5	2,102.6	2,172.5	19.1%	5.1%
Depreciations and impairment of assets	492.8	476.2	691.6	664.9	455.7	3.5%	8.2%
Other operating expenses	1,491.1	1,307.8	2,240.4	1,630.9	1,711.1	14.0%	-12.9%
Operating income	1,183.9	839.8	-573.1	-2,513.1	625.8	41.0%	89.2%
Profit before income tax	1,183.9	839.8	-573.1	-2,513.1	625.8	41.0%	89.2%
Income tax	161.0	361.7	-152.4	-171.4	-229.3	-55.5%	-170.2%
Net income for the year	1,022.9	478.1	-420.7	-2,341.8	855.1	113.9%	19.6%
Net income for the year attributable to parent company	1,022.2	477.7	-420.8	-2,339.4	854.3	114.0%	19.7%
Net income for the year attributable to non-controlling interest	0.6	0.4	0.1	-2.4	0.8	56.2%	-19.6%
Other Comprehensive Income, net of tax	311.2	-50.8	99.8	0.8	-0.8	na	na
Comprehensive income	1,334.1	427.3	-320.9	-2,341.0	854.3	212.2%	56.2%
Attributable to owners of the parent company	1,333.1	427.0	-321.0	-2,338.6	853.5	212.2%	56.2%
Attributable to non-controlling interests	1.0	0.4	0.1	-2.4	0.8	169.9%	21.2%
ROAE	14.4%	7.7%	-6.9%	-36.2%	12.9%		
ROAA	2.0%	1.0%	-0.9%	-4.2%	1.4%		

Income Statement - Non restated Figures						% Change	
(In millions of Argentine Ps.)	2Q20	1Q20	4Q19	3Q19	2Q19	QoQ	YoY
Argentine Banking GAAP:							
Interest income	12,672.8	12,712.3	11,009.3	9,236.2	8,546.5	-0.3%	48.3%
Interest expenses	(4,563.5)	(5,872.3)	(6,597.0)	(7,712.5)	(7,175.8)	-22.3%	-36.4%
Net interest income	8,109.2	6,840.0	4,412.3	1,523.8	1,370.7	18.6%	491.6%
Net income from financial instruments at fair value through profit or loss	648.0	306.8	2,788.5	4,358.7	4,918.8	111.2%	-86.8%
Exchange rate differences on gold and foreign currency	293.9	90.6	457.1	(604.4)	270.8	224.3%	8.5%
NIFFI & Exchange Rate Differences	941.8	397.4	3,245.5	3,754.4	5,189.6	137.0%	-81.9%
Net Financial Income	9,051.1	7,237.5	7,657.8	5,278.1	6,560.3	25.1%	38.0%
Fee income	2,230.2	2,345.1	1,898.7	1,890.3	1,665.8	-4.9%	33.9%
Fee expenses	(646.9)	(652.6)	(550.1)	(541.8)	(424.0)	-0.9%	52.6%
Income from insurance activities	355.4	289.6	266.8	258.1	217.2	22.7%	63.7%
Net Service Fee Income	1,938.6	1,982.1	1,615.5	1,606.6	1,458.9	-2.2%	32.9%
Other operating income	843.9	795.7	875.5	722.9	521.0	6.1%	62.0%
Loan loss provisions	(2,205.3)	(1,541.8)	(1,368.1)	(2,007.4)	(1,210.8)	43.0%	82.1%
Net Operating Income	9,628.3	8,473.4	8,780.7	5,600.3	7,329.4	13.6%	31.4%
Personnel expenses	3,647.3	3,459.1	3,821.9	2,692.3	2,876.5	5.4%	26.8%
Administrative expenses	2,236.6	1,772.0	1,868.4	1,573.1	1,519.4	26.2%	47.2%
Depreciation & Amortization	290.8	257.3	253.8	231.2	208.8	13.0%	39.3%
Other expenses	1,461.5	1,204.6	1,806.7	1,220.2	1,158.7	21.3%	26.1%
Operating income	1,992.0	1,780.4	1,029.8	(116.5)	1,566.1	11.9%	27.2%
Profit before income tax	1,992.0	1,780.4	1,029.8	(116.5)	1,566.1	11.9%	27.2%
Profit from continuing operations	1,992.0	1,780.4	1,029.8	(116.5)	1,566.1	11.9%	27.2%
Income tax expense	67.4	313.5	(437.5)	(417.8)	(337.1)	-78.5%	-120.0%
Net income	1,924.6	1,466.9	1,467.3	301.3	1,903.2	31.2%	1.1%
Attributable to owners of the parent company	1,923.5	1,465.7	1,466.2	301.0	1,901.5	31.2%	1.2%
Attributable to non-controlling interests	1.7	1.2	1.1	0.3	1.7	33.7%	-2.8%
Other comprehensive income, net of tax	282.5	(48.5)	104.2	431.4	7.7	-681.9%	3556.0%
Comprehensive income	2,207.1	1,418.4	1,571.5	732.7	1,911.0	55.6%	15.5%
Attributable to owners of the parent company	2,205.7	1,417.2	1,570.3	732.1	1,909.3	55.6%	15.5%
Attributable to non-controlling interests	1.9	1.2	1.2	0.6	1.7	63.8%	14.2%
ROAE	32.4%	26.4%	28.4%	6.2%	42.2%		
ROAA	3.7%	3.5%	3.7%	0.7%	4.7%		

About Grupo Supervielle S.A.

(NYSE: SUPV; BYMA: SUPV)

Grupo Supervielle S.A. ("Supervielle") is a universal financial services group located in Argentina that owns the eleventh largest bank in terms of loans. Headquartered in Buenos Aires, Supervielle offers retail and corporate banking, treasury, consumer finance, insurance, asset management and other products and services nationwide to a broad customer base including: individuals, small and medium-sized enterprises and medium to large-sized companies. With origins dating back to 1887, Supervielle operates through a multi-brand and multi-channel platform with a strategic national footprint. As of the date of this report Supervielle had 302 access points and 1.9 million active customers. As of June 30, 2020, Grupo Supervielle had 456,722,322 shares outstanding and a free float of 64.9%. For information about Grupo Supervielle, visit www.gruposupervielle.com.

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This press release contains certain forward-looking statements that reflect the current views and/or expectations of Grupo Supervielle and its management with respect to its performance, business and future events. We use words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "seek," "future," "should" and other similar expressions to identify forward-looking statements, but they are not the only way we identify such statements. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this release. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) changes in general economic, financial, business, political, legal, social or other conditions in Argentina or elsewhere in Latin America or changes in either developed or emerging markets, (ii) changes in regional, national and international business and economic conditions, including inflation, (iii) changes in interest rates and the cost of deposits, which may, among other things, affect margins, (iv) unanticipated increases in financing or other costs or the inability to obtain additional debt or equity financing on attractive terms, which may limit our ability to fund existing operations and to finance new activities, (v) changes in government regulation, including tax and banking regulations, (vi) changes in the policies of Argentine authorities, (vii) adverse legal or regulatory disputes or proceedings, (viii) competition in banking and financial services, (ix) changes in the financial condition, creditworthiness or solvency of the customers, debtors or counterparties of Grupo Supervielle, (x) increase in the allowances for loan losses, (xi) technological changes or an inability to implement new technologies, (xii) changes in consumer spending and saving habits, (xiii) the ability to implement our business strategy and (xiv) fluctuations in the exchange rate of the Peso. The matters discussed herein may also be affected by risks and uncertainties described from time to time in Grupo Supervielle's filings with the U.S. Securities and Exchange Commission (SEC) and Comision Nacional de Valores (CNV). Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as the date of this document. Grupo Supervielle is under no obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.